MINUTES
Committee on Development and Planning
Monday, March 5, 2018 @ 4:00 p.m.
Council Conference Room, City Hall 10th Floor

CALL TO ORDER
Called to order at 4:00 p.m.

PRESENT
Council Member Hussain, Chair
Council Member Spitzley, Vice-Chair- arrived at 4:16 p.m.
Council Member Washington, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Bill Rieske
Greg Venker, Assistant City Attorney- arrived at 4:13 p.m.
Don Kulhanek, Economic Development & Planning
Brian McGrain, Economic Development & Planning
Bill Rieske, Economic Development & Planning
Brett Kaschinske, Park and Recreation Director
Kathy Miles
Elaine Womboldt
Warren Krueger, Friendship Manor
Kurt Berryman
John Turk
Cathy Heckman
James Gromer
Donna McMillen
Peter Tallerico
Paul Connors
Jeff Parker, Consumers Energy
Marlin Miller, Consumer Energy
Chris Thelen, Consumers Energy
Bryant Bussa

PUBLIC COMMENT
No public comment at this time.

MINUTES
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM FEBRUARY 19, 2018 AS PRESENTED. MOTION CARRIED 2-0.

DISCUSSION/ACTION
RESOLUTION – Appointment; Paul Connors; At Large Member; Historic District Commission; Term to Expire June 20, 2019
Mr. Connors distributed his resume to the Committee which outlined his experience as a legislative liaison with historical policy, a policy advisor, and education experience as a preservationist.

MOTION BY COUCNIL MEMBER WASHIGTON TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF PAUL CONNORS AS THE AT-LARGE MEMBER TO THE HISTORIC DISTRICT COMMISSION. MOTION APPROVED 2-0.

RESOLUTION – Appointment; Kurt Berryman; At Large Member; Board of Zoning Appeals; Term to Expire June 30, 2020
Council Member Hussain pointed out to the applicant that the application did to list any experience or reason for choosing this board.

Mr. Berryman stated he resigned from the EOCC in December, 2017 which while on that Board he was fascinated with the process of working with the City. Mr. Berryman's work experience was noted to the Committee as an attorney and lobbyist for the auto dealers of Lansing and verified his residency in the City and graduate of Cooley Law School. He noted he chose the Board of Zoning Appeals because of his interest in the zoning issues and experiences with his working thus far with the City through the EOCC.

Council Member Washington asked Mr. Berryman if he would recuse himself or had an issue recusing himself if there was a conflict. Mr. Berryman assured the Committee he would have no problem recusing during a conflict and would step down. Council Member Washington recommended Mr. Berryman look at the master plan to review what guidance it offers and calls for in the City. She also pointed out to him that with the recent Medical Marihuana Ordinance passage the BZA will see appeals on that ordinance. Mr. Berryman again assured the Committee again that he will look into and follow the letter of the law.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO APPOINT KURT BERRYMAN AS THE AT LARGE MEMBER TO THE BOARD OF ZONING APPEALS. MOTIO CARRIED 2-0.

Ms. Womboldt spoke in support of the questions asked by the Committee.

MOTION CARRIED 2-0.

RESOLUTION –Set Public Hearing; Amend Res. 0145 of 1981 for SLU-1-2016; 2101 E. Mt. Hope Avenue; Petition for the construction of a mobile cell tower
Council Staff recapped that at the last meeting Council Member Spitzley inquired into if a public hearing should be held since a hearing as required when property is dedicated. Mr. Kaschinske spoke to law during that meeting and a need for a hearing was confirmed. Council Member Hussain added there is nothing in the requirements it is needed, but the Committee wants the hearing. Mr. Venker presented the Committee with the drafted resolution that would set the

hearing to consider the resolution to undedicate a portion of the Crego Park parcel to allow construction and operation of a wireless communication tower.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING AT FOR MARCH 26 2018 FOR THE RESOLUTION TO UNDEDICATE THE LAND FOR THE WIRELESS TOWER AT CREGO PARK. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; ACT-4-2017; Easement for Consumers Energy's North Lansing Pipeline Project

Mr. Rieske outlined for the Committee that the easements for the pipeline will cross 5 parcels; for (4) owned by BWL, which is essentially the City and one (1) owned by the City. The pipeline will run of the Grand River across the river to I-496/Main. The BWL Board of Commissioners have approved the easements, and the Lansing Public Service department have also approved the portion of the easement that runs in front of the WWTP screen building.

Council Member Hussain referred the Committee, Mr. Rieske and Law to the document in the packet for Act 4-2017 however on page two he noted the "Now Therefore" clause calls out Act-5-2017. Mr. Rieske apologized for the typo and it was confirmed it would be corrected before it is adopted after the hearing.

Council Member Spitzley stepped away from the meeting at 4:20 p.m.

Mr. Parker provided details on the project which he stated was required to improve the reliability of the service and reduce system risk. This would replace and enhance the current line and tie the current connection to the existing REO Town Plant and close the loop. Consumers did confirm they had looked at several routes and high-pressure gas line, but this route will reduce the years off the current one.

Council Member Hussain asked if the sale would go towards BWL. Mr. Venker confirmed it would because they were acquired with rate payer funds.

Council Member Washington asked how they "retire" the current line. Mr. Parker stated lines are abandoned under the existing easement.

Consumers Energy representatives asked if approval could be given the same night of approval. Council Member Hussain stated they would no consider it the same night.

MOTION BY COUNCIL MEMBER WASHINGTON T APPROVE THE RESOLUTION TO SET THE HEARING FOR ACT-4-2017 FOR MARCH 26, 2018. MOTION CARRIED 2-0.

RESOLUTION – Set a Public Hearing; ACT-5-2017; 1620 Sunset Avenue; Consumers Energy North Lansing Pipeline Project

Mr. Rieske detailed that this easement is for utilities that run from East to West from the building and have been extensively reviewed by the Department on Public Service and Consumers. Consumers did look at alternative routes, but decided the best idea was to dig deeper and go to 30' which would take it below the City utilities.

Council Member Spitzley returned at 4:24 p.m.

MOTION BY COUNCIL MEMBER WASHINGTONM TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR MARCH 26TH FOR ACT-5-2017. MOTION CARRIED 3-0.

RESOLUTION – Set a Public Hearing; PILOT for Camelot Hills

Council Member Hussain outlined for the Committee that the property has 102 low income unties, is seeking a 4% PILOT and currently has a 35 PILOT that goes to 2024. Mr. McGrain added that the request currently is to set the hearing for a renewal to refinance the existing project. Council Member Hussain asked for the timeline on the current PILOT.

Mr. Gromer informed the Committee that the current one will end in 2024. Mr. Gromer then provided details on their property and organization which he noted was a 501c3, and their goal is affordable housing and over the last 27 years have maintained the property. The life cycle for repairs is 15 years and Mr. Gromer acknowledged that time is coming up. They have the opportunity to now put $3.6 million in the property, and $1.2 million in resources and $1 million of their own funds. The project does involve 102 Section 8 units, and there will be no deferred maintenance and all the money will go back in. Some of the projects Mr. Gromer stated would be addressed are kitchens, roofs, and parking lots. He added the request includes the competitive credit $3.6 million, $1.2 million in gap financing which will be competitive and contingent on getting the PILOT of 4%. Council Member Spitzley asked Mr. Gromer to elaborate on what is contingent. He answered that they need to be competitive with MSDHA to get another HAP contract. Council Member Hussain pointed out to the applicants that they can be competitive with 10% they just need Council approval for the 4%. Mr. Gromer stated the that without the 4% PILOT it won’t work for them. The organization does not make money, Mr. Gromer stated, the cash flow annually is put reserves as a non-profit. They chose the 4% to make the project feasible because they are required to put money in their reserves and have to show the project is economically feasible. Council Member Spitzley inquired as to why 4% was needed to be competitive for MSHDA, at which Mr. Gromer answered the financing is through MSHDA. Ms. McMillan filled in by noting that MSHDA has gap home dollars available, and to be competitive they have to have a competitive situation with finances. They give a 30% gap to hard depth, and they need to figure out a way to get financing to be competitive with other developers. Ms. McMillan informed the Committee that the only way MSHDA can finance the loan at that amount they need the request. Council Member Spitzley asked what the $1 million of their own was for. Ms. McMillan stated they are taking the developer fee and putting it back as a note to have under the 30% competitive. This is the amount of cash to service the debt with the MSHDA and will be a GP note.

Council Member Washington spoke in opposition to 4% PILOTS, and the option for the applicants to go to MSHDA for 10%. Mr. Gromer did respect her opinion but emphasized the project will always be affordable and all they can do.

Council Member Spitzley stated she supported PILOTS but was concerned with issuing PILOTS when they are not good stewards. She asked for language in resolutions going forward to keep owners accountable to make sure the housing needs are kept up.

Council Member Hussain stated his opinion to the applicant that he too struggles with 4%, and the impact on the City budget, because currently ever after these are built the City does not have the funds to support the services those residents need.

Council Member Washington reiterated information from the FHT that they do not support PILOTS of 4%. Mr. Gromer offered to send the Committee a cash flow report that would show what they are not making and that they are doing this to provide affordable housing.

Mr. McGrain briefly informed the Committee that his department is touring the sites, speaking to residents and vetting them. The staff is talking about creating new processes on PILOTS and extensions.

Council Member Hussain asked if the applicant takes 10% can they still move forward, understanding that this case is unique because it is non-profit.

Ms. Womboldt spoke in support of affordable housing but also a concern with the City financial crisis.

MOTION BY COUNCIL MEMBER SPITZLEY TO SET THE PUBLIC HEARING FOR THE PILOT REQUEST FOR CAMELOT HILLS.

Council Member Hussain spoke on his hesitation on the request but wants the conversation for the public and the full body before he can make his final decision on the PILOT itself.

Council Member Spitzley asked the City Attorney's office to provide options and language that would provide options for Council to use to hold the applicants accountable. Mr. Venker clarified that there is nothing specific that authorizes a "side agreement" in an ordinance but they could have options if they had a contract with them. He stated that the langue in the statue permits language in the ordinance. Mr. Venker then asked the Committee for options to choose from, which they confirmed could be a "claw back provision. Council Member Spitzley asked that at a future meeting the Committee could talk about needs to protect the City better than in past.

Council Member Washington voiced her opposition to the hearing and stated she would never support a 4% PILOT.

MOTION CARRIED 2-1.

<u>RESOLUTION – Set a Public Hearing; PILOT Extension for Friendship Manor Apartments</u>
Representatives from 1st Housing and Loomis Law Firm were present. Mr. Kulhanek stated that the project was located near Frandor and houses 170 units of senior housing which had already gotten preliminary approval from MSHDA. They current have a 10% PILOT and are requesting for and extension at 4% with the total cost of $4.1 million for a 50-year request.
The representative added they have had 40 years of affordable housing and 170 units of senior property. They service elderly and disabled and get assistance with MSHDA for the whole community. This PILOT will be for $4.4 million in rehabilitation. Council Member Hussain asked them if they were safe at 10%, why now 4%. The representative from Loomis Law confirmed the current PILOT will stay in place with MSHDA during the review. As continued feasibility of the project, there is the matter of getting their financing from MSHDA and their rates. He added that if they do not get the 4% it would not be economically sound to rehabilitate the site and the current PILOT will run out. Council Member Spitzley asked when that PILOT will run out, and the applicants were not able to answer the question. Mr. McGrain stated his department is working on pulling all that information on all PILOTS and reporting to the Council. Council Member Hussain asked who was 1st Housing Corporation, at which the representatives stated it is a management company, and the group named CRI Limited Partnership is an equity company that invests in low income housing. They are going out of business so they are liquidating, so the project has a general partner. Council Member Spitzley asked the applicant again who the owner was. The attorney with Loomis Law stated it is an individual with membership of the company that is the general partner of the ownership, with the ownership

being Friendship Manor Limited Dividend Housing. Council Member Hussain pointed out to the applicant and Committee that his information was that Joel Ferguson is Friendship Manor, and he too wanted to know when the current PILOT ends.

Council Member Spitzley again asked for information on why they are requesting 4% when they have 10% now, who the owner is, and what the end date is on the current PILOT.

Council Member Washington spoke in opposition to setting the hearing.

The applicant attempts to clarify that the property is 99% Limited partnership and 1% general, with CRI as the main owner. He then offered a suggestion of signing a service agreement option. Ms. Womboldt spoke in appreciation of the Committees work.

Mr. McGrain offered the option to table the request until the information they want is available. Council Member Spitzley pointed out the applicants did not even know when the current one expires. The consensus of the Committee was that the applicants could not provide details on the ownership, the current PILOT deadline or timeline.

MOTION BY COUNCIL MEMBER WASHINGTON TO DENY THE RESOLUTION TO SET THE HEAIRNG FOR THE PILOT EXTENSION FOR FRIENDSHIP MANOR. MOTION CARRIED 3-0.

Other
No other topics.

Adjourn
Adjourned at 5:16 p.m.
Submitted by, Sherrie Boak,
Recording Secretary,
Lansing City Council
Approved by the Committee on March 19, 2018