MINUTES
Committee on Development and Planning
Monday, March 19, 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- excused
Council Member Washington, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Susan Stachowiak, Economic Development & Planning
Brian McGrain, Economic Development & Planning
Don Kulhanek, Economic Development & Planning
Karl Dorshimer, LEAP
Elaine Womboldt
Greg Venker, Assistant City Attorney -arrived at 4:03p.m.
John Helmuth, Tecomet
Darren Dodson, Tecomet
Sheryl Landgraf, FTX Labs
Jeff Landgraf, FTX Labs

PUBLIC COMMENT
No public comment at this time.

MINUTES
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM MARCH 5, 2018 AS PRESENTED. MOTION CARRIED 2-0.

DISCUSSION/ACTION
RESOLUTION- Set Public Hearing; IFT-01-18; Industrial Facilities Exemption Certificate for Tecomet, Inc.; 5858 Enterprise Drive
Mr. Dorshimer informed the Committee that the District was created in 2000, and this is a new certificate.

Mr. Helmuth provided a sheet outlining their business, Tecomet Lansing, and their proposed business expansion. The company began in 1985, privately owned with a focus on forging for medical and aerospace equipment and materials. This expansion, it was noted on the handout, will take the current staffing levels from 380 to an additional 70 in year one, then another 25 in year two, and a total of 160 after year 3. Mr. Dorshimer confirmed the project cost will be at $14.5 million. The building where they are putting in the expansion is currently occupied, which received an IFT in the past. Tecomet will be taking 40-45% of space on a 5-yr lease with this proposed expansion, and the reason they are choosing this option is because they have run out of space at their current location. The building itself is 17 years old, and not exposed to heavy manufacturing. Since the property is already in an IFT District they can apply for a tax abatement to make space suitable for their operations. This will improve the property and the tax abatement will be 50% for 5 years. Mr. Dorshimer continued with a breakdown of funds. The developer will save approximately $78,000 over 5 years, and of that $78,000, $20,000 will be abated by the City. Because there will be at least 160 new jobs, one thing the City will still see is $20,000 over five years and with those new employees at $40,000-$50,000 in salary, they will bring in an estimated income tax of $225,000 over those 5 years.

Council Member Washington asked if they anticipate a difficulty in filling jobs. Mr. Helmuth acknowledged it is difficult, but they use a multi-State recruiter, and trade schools.

Mr. Dorshimer provided the Committee with a timeline which would be setting the hearing on March 26th for April 23rd with potential final approval on May 7th, 2018.
Council Member Hussain asked Mr. Dorshimer what LEAP does to make sure they are putting forth efforts in getting the project done in earnest and working to consider local talent for employees, contractors and subcontractors. Mr. Dorshimer acknowledged they do not enforce but the applicants pledge and if Council, Mayor or anyone asked for evidence they would have to produce it. The findings could then be used in deliberations for future tax abatements.

Council Member Washington asked if the applicants would be using local labor for their expansion. Mr. Helmuth confirmed they have in the past on other locations, and collaborated with Eyde, so plan to continue with local labor.

Ms. Womboldt questioned the address of the property listed in the documents. Mr. Dorshimer confirmed it was 5840 Enterprise, but then the parcel was split to 5850 Enterprise and the correct address is on the development agreement.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR IFT-01-18 FOR APRIL 23, 2018. MOTION CARRIED 2-0.

<u>RESOLUTION – Introduction and Set Public Hearing; Z-8-2017; 3440 N East Street; Rezone from “F” Commercial to “G-2” Wholesale District</u>
Ms. Stachowiak highlighted the property which was requesting to be rezoned to G-2 Wholesale District for a medical marihuana safety/testing facility. After review, Ms. Stachowiak stated that the majority of the west side of the street in the area is G-2 and consists of industrial storage and repairs shops. Mr. Stachowiak stated that she believed the request was consistent with the master plan, and there were no objections at the public hearing of the Planning Board, and they in turn recommended approval.

Council Member Washington stated she had driven the area, and recognized that the property shares a property line with residential and that was one of her concerns. In response to information provided by the applicant in the request for rezoning, Council Member Washington corrected the statement that there were no other facilities in the city by acknowledging the two currently in the City; one on Hazel and one on north MLK. Her opposition, she stated, was not the use itself, however, but the rezoning to G-2 next to residential and that it is a major corridor from DeWitt.

The owner admitted they are currently doing some renovating, and they chose the site because it met the criteria for the setback also for a lab.

Council Member Hussain voiced his concerns with rezoning approvals where the uses and buffers do not meet the intent of the requested zoning, noting once it is rezoned it is done and any use in G-2 can go on that site.

Ms. Stachowiak reminded the Committee that the only request at this meeting is to set the public hearing which she stated they are entitled to. Council Member Hussain noted to the staff present that just as the Planning Board cannot take action on something, once it gets to Council they too cannot take action. He did not want to proceed with passing something to the full Council if he believed it was a bad policy. Ms. Stachowiak assured the Committee that when applicants approach their office, if it is something the staff cannot support because it does not meet the ordinance, master plan or design plan, they tell them immediately. Even if they cannot support a specific proposal, they cannot stop someone from applying to the Board and Council.

Mr. Venker stepped away from the meeting at 4:25 p.m.

Council Member Hussain acknowledged he struggled with the planning department not stopping the process but telling the Council. Council Member Hussain decided to hold the question on what the Committee is allowed to do until Mr. Venker returned from the meeting. Ms. Stachowiak apologized for any miscommunication in her explanation earlier.

Mr. Venker returned to the meeting at 4:26 p.m.

Ms. Stachowiak explained that her department has an obligation up front to inform any applicants if staff can or cannot support a proposal or application before they go through the process. The Planning Board is an advisory board providing their recommendation to Council. Mr. McGrain clarified that the department advises people up front, not specific to the use itself, but if anyone comes forward they try to advise them. Ms. Stachowiak referenced the Master Plan which stated the typical uses for G-2 includes general commercial and light industrial with special approval. It was also noted by Ms. Stachowiak that there is case law that consideration for similar uses can also be consider if adjacent across the street if the right of way is no more than 100'.

Council Member Washington assured the applicants it was not about the use, but the rezoning and what could possibly go there once it is rezoned because the zoning stays with the property. Council Member Hussain stated his concern that it appeared as spot zoning, and he needs to look at applications on a case by case basis.

Council Member Hussain asked Mr. Venker if the City Council Committee had to set the public hearing. Mr. Venker stated that was not the question he heard being asked. Ms. Stachowiak restated the question is can the request “die” at the Committee level or do they have to make a decision, or is the applicant entitled to the due process and a public hearing at Council. Mr. Venker confirmed in general they are entitled to the process, but it is also permitted to “die” in Committee. He then referred to the zoning act and stated he would need time to review it to see what can and cannot be placed “on the table”, for points of consideration. Ms. Stachowiak provided Mr. Venker with the zoning ordinance, 1240.04 (f), which Mr. Venker then read aloud that for rezonings, after a public hearing at the Planning Board, the Board shall make a report to Council. Then, after referral to Committee, Council shall hold a public hearing.

Council Member Hussain informed the applicants that it will be on the agenda March 26, 2018 to set the hearing for April 23, 2018. Council Member Hussain then stated the issue will be referred back to the Committee which will meet May 7th.

Ms. Womboldt spoke on her frustration in finding board and committee agendas on the website, and her opinion that some people who should get notifications are not getting them. Mr. McGrain stated he would follow up on the process, and Council Member Hussain verified the agendas on the website, but clarified that the concern is that the agendas might not be getting on the website until the day of or day after the meetings. Regarding the mailings, Ms. Stachowiak stated they are sent to the owner, taxpayer and occupant, via the GIS Mapping program. Their information is imported from the Assessing office, and currently her department is working with IT because the information is not updated in a timely manner.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR Z-8-2017; 3440 N EAST STREET FOR APRIL 23, 2018. MOTION CARRIED 2-0.

<u>DISCUSSION – Ordinance Amendments for PILOTS</u>
Council Staff recapped previous meetings where Council Member Spitzley had requested options to hold PILOT applicants accountable. Mr. Venker concurred there can be no side agreement, the PILOT ordinance is an agreement he clarified. The agreement is if the PILOT is less than 10%, how long it will last, the percentage and set by statues. Mr. Venker gave an example that if some units did not meet the PILOT, the PILOT would be reduced by that. He recalled that at earlier Committee meetings, if Council wants something more than what is already in place, then Council needs to consider what they want and ask Law if it can be added to the ordinance itself. The City does not own the properties where PILOTS are applied, so the City cannot do a development agreement. Council Member Hussain understood, and added that the Council in the past have had PILOTS that have not done what they said they would do. His opinion was that Council needs to consider this when they do not even have the funds to address City debt and provide public services. Mr. McGrain assured the Committee that his department is also looking at PILOT’s and had a meeting scheduled with the senior officials at MSHDA to discuss PILOTS to see what is expected. He proposed coming back at a later meeting on how they plan to handle them in the future in his department. The department is exploring options internally, and debt structures, but always want to bring the Council the best package. Council Member Hussain acknowledged Law and the Economic Development & Planning department on their assistance in the process.

<u>Other</u>
No other topics.

<u>Adjourn</u>
Adjourned at 4:48 p.m.
Submitted by, Sherrie Boak,
Recording Secretary,
Lansing City Council
Approved by the Committee on April 16, 2018