MINUTES
Committee on Development and Planning
Monday, April 2, 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- excused
Council Member Spitzley, Vice-Chair
Council Member Washington, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Brian McGrain, Economic Development & Planning
Heather Goupil
Kathy Miles
Cynthia Redman
Joseph Abood, Chief Deputy City Attorney
Brett Kaschinske, Parks and Recreation Director
Sara Lehr, LSJ
Donna Millan, Camelot Hills
James Gromer, Camelot Hills
Robert LaBelle, Attorney for Verizon
Bill Rieske, Economic Development & Planning

PUBLIC COMMENT
No public comment at this time.

MINUTES
Action on the minutes was moved to the next meeting.

DISCUSSION/ACTION
RESOLUTION – Appointment; Cynthia Redman; Historic District Commission; At- Large Member; Term to Expire June 30, 2020
Ms. Redman introduced herself and the Committee reviewed her application. The Committee asked why Ms. Redman chose this Commission, but noted on her application it was her last choice. Ms. Redman confirmed there were some Boards and Commission that she was not

interested in, and when she listed the three she was interested in she prioritized them. The Committee spoke on the importance of the Historic Commission.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE APPOINTMENT OF CYNTHIA REDMAN TO THE HISTORIC DISTRICT COMMISSION AS AN AT LARGE MEMBER. MOTION CARRIED 2-0.

<u>RESOLUTION – Appointment; Heather Goupil; Historic District Commission; At-Large Member; Term to Expire June 30, 2020</u>
The Committee reviewed the application, and Ms. Goupil provided details on her current residency. Council Member Spitzley inquired into her interest in the historical residencies, and also noted her interest in the Commission. Ms. Goupil noted one choice was not more important than any other Board or Commission she had listed.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE APPOINTMENT OF HEATHER GOUPIL TO THE HISTORIC DISTRICT COMMISSION. MOTION CARRIED 2-0.

<u>ORDINANCE – Z-1-2018; 600 Block East Michigan; Rezone from "H" Light Industrial District to "G" Business District</u>
Mr. Rieske briefly provided the location and details of the 3.6 acres which is located at the intersection of Larch and Michigan and surrounds the current Liskey property that will remain industrial zoning. The applicant has not proposed a development at this time. Council Member Spitzley inquired into the parcel that was "cut out" along Barnard Street. Mr. Rieske noted the owner does not want to sell currently, and it is zoned industrial as well, so it could be used for parking in the future.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE ORDINANCE FOR Z-1-2018 FOR REZONING OF THE 600 BLOCK OF EAST MICHIGAN.

Ms. Miles asked for a specific location, and Mr. Rieske noted it was east of the Stadium District.

MOTION CARRIED 2-0.

<u>RESOLUTION – ACT-1-2018; 600 Block East Michigan; Vacate Alley</u>
Mr. Rieske confirmed that the Public Service Department did an examination of the area and identified no easements that would be needed for their utilities. There will be electrical service relocated in the manner to service any future development anyways.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION FOR ACT-1-2018 FOR 600 BLOCK EAST MICHIGAN. MOTION CARRIED 2-0.

<u>RESOLUTION - Amend Res. 0145 of 1981 for SLU-1-2016; 2101 E. Mt. Hope Avenue; Petition for the construction of a mobile cell tower</u>
Mr. Kaschinske reiterated from earlier meetings that this request is to undedicated the parcel from Crego Park for the mobile cell tower for Verizon Wireless. During the public comment there was one comment, and it was about the access. The access will be restricted, and the area effected is where they currently where the wood debris is placed.

Mr. LaBelle, who was the attorney for Verizon, drafted the lease agreement. Mr. LaBelle briefly outlined the lack of coverage in the Lansing area, and their hopes this location will assist with that. They work directly with the municipality for offering them revenue and this is a park that offers desolate park land. He also assured them there is security with sensors for safety. Council Member Spitzley asked how long the lease would be and was told 5 years, with 5 year renewals. It is a land lease agreement and will be before Council at a future date, but this is just to vacate the 55' x 30' parcel of land. In addition, Mr. Kaschinske confirmed the ACT 33 review has by done.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO AMEND SLU-1-2016 FOR 2101 E MT. HOPE AVENUE. MOTION CARRIED 2-0.

<u>ORDINANCE- PILOT for Camelot Hills; 601 Sadie Court</u>
Council Member Spitzley noted for the public and the Committee that questions were asked at the last meeting when the public hearing was scheduled, and the public hearing was held. The Committee now must consider action on the PILOT. She then asked the applicants, that since this an extension, when the current PILOT will end and how long they want this PILOT for. Mr. Gromer with MHT Housing, Inc. provided brief details on the site and the improvements they plan to do with the PILOT, which includes $3.6 million in rehabilitation and $1.2 million towards a reserve. The current PILOT is at 4% and will expire in 2024. The property itself is housing for the primarily impoverished, with a medium income of $12,000. The request is for a 4% PILOT for the life of the 35 year mortgage. There are 102 units, with a Section 8 contract for 20 years which was just awarded by HUD. MHT Housing purchased the property in early 2000, and they were built in 1982.

Council Member Spitzley inquired into what has happened with the site since they currently have a PILOT for rehabilitation. Mr. McGrain confirmed his office is looking at PILOT's and the policies, and is in the process of meeting with MSHDA and developers. They are finding that projects that are coming back for refinancing were structured differently 30 years ago. The underwriting criteria in the early 1980's was different and now there is a different money structure. The developers are looking to put funds back into the properties, and set aside funds for the future. Ms. Millan confirmed they will be setting aside $1.2 million in their reserve for the future, and MSHDA is the funding with their reserve. Council Member Spitzley reminded Mr. McGrain and Law that the Committee is discussing how to make sure the developers are doing what they say they are going to do with the PILOT. Mr. McGrain noted that MHT Housing will not get their credits unless they do the rehabilitation, and there is a lot of oversight in the public and private sector. Mr. Abood assured the Committee that Law is drafting a lot of PILOT's, and there are protections in there for timelines and filing of certificates.

Council Member Washington spoke in opposition to the PILOT, and noted the applicant can go forward with a 10% PILOT without Council support. She then stated she was not in support of a 4% PILOT for 35 years. Mr. Gromer acknowledged Council Member Washington's statement, and assured them that the City Attorney office vetted the project, there is a HUD Section 8 property and all financials are audited. With the 10% PILOT vs a 4% PILOT, the $890,000 gap in the project and they will be putting back $1.8 million into it. Mr. McGrain confirmed that the applicant could do a 10% PILOT without Council, but based on what is going into this development and speaking to MSHDA, they need the 4% PILOT.

Ms. Miles stated she attended a Financial Health Team meeting and heard them state they do not support PILOTS.

Council Member Spitzley asked for direction from Law on if the Committee voted at this meeting to deny or leave in Committee what the recourse would be. Mr. Abood stated if it does not leave Committee it could be tabled until the next Committee meeting. The next meeting would be April 16th, and Mr. McGrain offered to meet with the Committee to go through the financials. Ms. Millan informed the Committee that if they denied it they would be turning down $4 million of Federal subsidized funding to the City and $1.5 million from the State. Mr. Gromer asked the Committee to consider voting it out of Committee for the full Council to vote. Council Member Spitzley stated the Committee can either vote to pass out of the Committee or deny it and it would not go to Council. Mr. Gromer requested the Committee table the decision. Mr. Abood offered his opinion that if the Committee voted to deny the PILOT at this meeting, at the next meeting there could be a motion to reconsider the decision, if the Committee tabled at this meeting, at the next meeting the Committee could vote, noting it does not have to leave Committee. Council Member Spitzley tabled any action on the ordinance for the PILOT for Camelot Hill until the full Committee could be present to vote.

Other
No other topics.

Adjourn
Adjourned at 4:40 p.m.
Submitted by, Sherrie Boak,
Recording Secretary,
Lansing City Council
Approved by the Committee on April 16, 2018