MINUTES
Committee on Development and Planning
Monday, June 18, 2018 @ 4:00 p.m.
Council Conference Room, City Hall 10th Floor

CALL TO ORDER
Council Member Hussain called the meeting to order at 4:03 p.m.

PRESENT
Council Member Hussain, Chair
Council Member Spitzley, Vice-Chair- arrived at 4:04 p.m.
Council Member Washington, Member

OTHERS PRESENT
Sherrie Boak, Council Staff
Brian McGrain, Economic Development & Planning
Bill Rieske. Economic Development & Planning
Mark Matus. LBWL
Brett Kaschinske, Parks and Recreation Director
Greg Venker, Assistant City Attorney
Eric Schertzing, Ingham County Treasurer
Karl Dorshimer, LEAP
Mark Clouse, Eyde
Matt Wisniewski
Jason Wilkes
Dave VanHaanen
Karen Conroy, Ingham County Treasurer

PUBLIC COMMENT
No public comment at this time.

MINUTES
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM JUNE 4, 2018 AS PRESENTED. MOTION CARRIED 2-0.

DISCUSSION/ACTION

RESOLUTION – Set Public Hearing; ACT-3-2018 Sale of LBWL Substation; 1609 N Larch

Mr. Matus provided a location of the property to the Committee which was a vacant substation that was constructed in 1936, and became vacant in the 1980's. LBWL has contacted any interested parties within the City with no interest, therefore placed on the market for $60,000 and got an offer for $70,000. The sale was supported by the LBWL Board of Commissioners as well. Mr. Wisniewski, on behalf of the purchaser, stated their original plan was for a business office, but as they have looked more into the building and the historical significance of it, they are considering other options that would be compliant with the zoning and the surrounding area. The currently zoning was noted as heavy industrial.

Council Member Washington asked what types of businesses they were considering, and Mr. Wisniewski stated it would be an office or they have even considered loft apartments, but are aware they would have to rezone for that use. Mr. Matus admitted that the LBWL thought of just making it a parking lot, but have now see the purchaser's plans and are interested in their other options as well.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR JULY 9, 2018. MOTION CARRIED 3-0.

RESOLUTION -Land Lease for SLU-1-2016; 2101 E. Mt. Hope; Verizon Cell Tower at Crego Park

Council Member recapped the process on the request thus far, which included a separate request to un-dedicate the portion of the park for the tower. Mr. Kaschinske added to the explanation that this is the last piece of the process, will be a $19,800 annual payment with a 1.5% multiplier and renewable on 5 year terms with Verizon.

Council Member Spitzley stepped away from the meeting at 4:08 p.m.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION FOR THE LAND LEASE WITH VERIZON AT CREGO PARK. MOTION CARRIED 2-0.

RESOLUTION – Amend Project Completion Date; OPRA Certificate 310 N Seymour Avenue

Council Member Spitzley returned to the meeting at 4:09 p.m.

Mr. Dorshimer provided details on the site which included that in 2015 it was vacant and sold by the City to the Eyde Company, at which they decided to develop into micro-apartments at 450-500 square feet. The OPRA itself he confirmed could be for 12 years, but they requested seven (7) years. The property was in poor condition, and they have addressed all the environmental issues but it took longer than expected so they are requesting an amendment to the completion date of 12/31/2019. The life of the OPRA itself, he confirmed would not be extended, they would just lose a year. The project will be $350,000 in abated taxes over the time frame which will end in 2023.

Council Member Spitzley stepped away from the meeting at 4:12 p.m.

Council Member Washington inquired into what the target market would be at. Mr. Clouse noted it would be young professionals into the 96 units, of which 4-5 will be 2 bedrooms at 836 square feet. They will be market rate units he added.

Council Member Spitzley returned to the meeting at 4:13 p.m.

Regarding the progress so far, Mr. Clouse referenced documents he brought which represented renderings, plans, and the bid documents. They have begun interviewing general contractors and have a target start date of September 2018, with the completion date of 12/31/2019. It was asked and noted that they will be working with local labor.

Council Member Hussain asked Mr. Venker if this was a significant change or a change that would require the regularly required public hearing for an OPRA. Mr. Venker initially noted it would not because it was not extending the OPRA itself, but he would research and confirm back with the Committee yet today.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO AMEND THE PROJECT COMPLETION DATE TO DECEMBER 31, 2019.

Mr. Clouse informed the Committee one last item, that they have demolished the interior, but will not remove or demolish the windows until construction begins.

Council Member Spitzley asked for a price point on the 96 units. Mr. Clouse provided the figure of $710-$950 a month in rent.

MOTION CARRID 3-0.

<u>DISCUSSION – Future of Life O'Riley property</u>
Council Member Hussain explained that he invited Mr. McGrain and Mr. Schertzing to attend to speak on the property because in the past the City were given promises when they gave permission to abate the items on the property. The Council is interested in the next steps, the tax sale, and where the City is at in marketing the property.

Mr. Schertzing stated that the property is one (1) of 120 properties that will go up for tax foreclosure at an auction on July 24th. The properties that do not sell at that property then go to a second auction on August 28th. The current figure for this property he noted was $430,000, but their opinion was that there would not be any buyers at that price. Mr. Schertzing noted that if it goes to the second auction, this property will drop in price to starting bid at $200,000. Mr. Schertzing made the Committee aware that with this tax foreclosure process, it will wipe out all the taxes owing on the property, therefore his suggestion was that there would be no reason for the City to buy it to develop and pay the County and school taxes. After the 2nd auction if it does not sell, it is available to the City to acquire for $0 or it will go to the Landbank.

Mr. McGrain explained to the Committee that they have been having meetings on the property because it has the access to the highway, the neighboring commercial property, and is a blank slate, then have recently met with LEAP the week of June 11th. Mr. McGrain admitted that the City Administration does not expect someone to pay the $430,000 price, but have spoken publicly on the potential of planned unit future housing, which in his opinion makes the most sense.

Council Member Hussain strongly urged the Administration and the County to market the property for the auction to get the right buyer. He also asked them to reach out to the neighboring properties and neighborhoods to update them on the auction process of a tax foreclosure sale. Mr. McGrain asked that if any Committee or Council members get inquiries from the residents or developers to forward to him and he would be interested in speaking to them. He added that he wanted to make it clear, that there is no expectation that the property will continue in its current form, which has turned into a "park" and dog walking park. His opinion was that the City does not need another park, but needs to focus on maintaining the parks they currently have. If the property sells at the auction the City does not have the control, however if they acquire it after the second auction because of no sale they could. Mr. Schertzing noted that his office maintains absolute control in the process, and they have even contracted out for a limited environmental assessment on the property. This resulted in the finding of some gas contamination on site, which triggers a Brownfield funding mechanism. The County also did a feasibility study for owner occupied homes, which they will have before the auction. Council Member Spitzley asked if the property has to go to auction, and if there was a unique way to have a "call for offers for developers". Mr. Schertzing explained that he auction will wipe out the $270,000 in back taxes, and if the City wanted to hold it, they would have to purchase it and therefore pay the County and schools those back taxes. His opinion was not to do that and spend the money, but wait to see if it sells and if not the City will get for $0. He did encourage the City to reach out for incentives that could be offered to any purchaser. Council Member Washington asked Mr. McGrain to reach out to the developers of East Village, then asked if the School for the Blind was a Land Bank property. She was informed the Landbank purchased a portion, but there was also a portion that was Cinnaire, Lansing Housing Commission and Lansing Coalition, and a portion still owned by the school. Council Member Hussain again encouraged the Administration and the County to work on marketing the property for the auction, and asked if the City can say "no" to a purchaser they don't want there, and was told by Mr. Schertzing; yes. The Committee then discussed options they would consider such as NEZ (Neighborhood Enterprise Zones), and bonding to clean up the site.

Mr. Wilkes spoke on his concern and opposition to low income housing on the site, and stated that he has never heard at any meetings with the neighborhoods that there is an assumption it will remain or become a park.

Mr. Schertzing ended his comments by stated he had spoken to the owner of Chisom Hills and they would consider adding acreage on his parcel to the west of this site and adding it to it for a developer, which would be about 10 acres.

Other
No other topics discussed.

Adjourn
Adjourned at 4:47 p.m.
Submitted by, Sherrie Boak,
Recording Secretary,
Lansing City Council
Approved by the Committee on July 16, 2018