



MINUTES

Committee on Development and Planning

Monday, November 5, 2018 @ 4:00 p.m.

Council Conference Room, City Hall 10th Floor

CALL TO ORDER

Council Member Hussain called the meeting to order at 4:02 p.m.

PRESENT

Council Member Hussain, Chair

Council Member Spitzley, Vice-Chair

Council Member Washington, Member

OTHERS PRESENT

Sherrie Boak, Council Staff

Greg Venker, Assistant City Attorney

Karl Dorshimer, LEAP

Kris Klein, LEAP

Jessica DeBoni

Brian Fler

Joe Hooker

Pat Gillespie

Leslie Etterbeck

Kyle Lonn

Tricia Waltholn

Eric Helzer

Dawn Van Hlast

Robert McGinnis

Dave VanHaaren

Elaine Womboldt

Kathy Miles

PUBLIC COMMENT

Public Comment taken at each agenda items.

MINUTES

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE MINUTES FROM OCTOBER 15, 2018 AS PRESENTED. MOTION CARRIED 3-0.

DISCUSSION/ACTION

RESOLUTION – Brownfield Plan # 74; 930 W. Holmes LLC; 930 W Holmes Rd.

Council Member Hussain referred to an addendum in the packet and summarized it noting the developer was agreeing to employ as much Local Labor as is reasonably possible.

Ms. Womboldt spoke in support of the project.

Mr. Klein briefly spoke on the public improvement piece which he noted was currently in the preliminary design phase, will be finalized by winter 2018 and begin construction in 2019.

The developers outlined what work had been performed thus far, which included a new HVAC unit, a new roof, electrical, sprinklers and the demolition of the entire interior. They anticipate being open in April 2019, which will include the parking lot completion.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE BROWNFIELD PLAN #74; 930 W HOLMES. MOTION CARRIED 3-0.

RESOLUTION – Set Public Hearing; Brownfield Plan # 75; 600 E. Michigan Avenue-Lansing LLC; 600 E. Michigan Avenue

Mr. Gillespie went over the power point in the packet which highlighted the developer, the project location, and the layout of the site, the fact they purchased 21 parcels to accommodate the project, and will be dealing with massive environmental contamination. The plan depicted the building constructed to the lot lines, a parking lot with 300 spots, and renderings which show the Market similar to the recent Meijer's Market built in Grand Rapids. Mr. Gillespie noted the hotel will be a national named hotel with 120-125 room, conference rooms and restaurant; the store will be 36,000 square feet open-air market operated by Meijer and the apartments will be 36 units, with 21 1 bedroom and 12 studios. Mr. Gillespie concluded by assuring the Committee they have a signed 20 year lease with Meijer with an open deadline of 9/1/2020 and the opening of the other items by 10/2020. They plan to begin to being construction April 2019. Regarding the hotel portion, he was not able to provide specifics but assured them he had a purchase agreement with them.

Ms. DeBoni outlined the property history and past uses which will affect the preparation of the site. Those uses included gas station, service center, lumber storage, manufacturing, engine manufacturing, an oil company, boat repair and underground storage tanks of coal, fuel oil, and gas. There will be special foundations, and site work to address grading issues. Currently will need urban storm water storage, and will have bio swales and mechanisms to clean before into city system. Included in the presentation was a map which depicted the areas of contaminates.

The applicants then went through the details on the incentives which included a \$1 million DEQ grant (Refined Petroleum Fund), MDEQ \$1 million grant/loan on non-refined petroleum fund, the Brownfield TIF with \$4,325,527 in eligible activities, \$6,106,645 in estimated interest, and \$10,432,172 total with contingency, interest and MDEQ. It was noted that the costs for demolition (\$60,500) does not cover all because some will fall under the grant.

Regarding the tax incentive itself, the Committee was informed the portion captured was \$10,432,172; portion captured for Brownfield Redevelopment was \$796,548 and the State Brownfield at \$442,900, brought the total new taxes generated to \$11,671,620 and with the 1% pass through brought the final total to \$12,905,537. The taxes will come in at \$678,507 in local taxes and \$371,555 for State taxes.

After Mr. Gillespie informed the Committee he will be replacing the rain gardens, curb cuts and the sidewalks, Council Member Washington asked if Mr. Gillespie has spoken to the Ingham County Drain Commissioner on the rain gardens he plans to re-do. Mr. Gillespie stated he had not, and was told by the City they have to remain and they are part of a master system.

Regarding employees, Mr. Gillespie made the Committee aware that Meijer's' hopes to hire 25-35 people, the hotel have their own hiring, and the apartments will staff 2 employees.

Mr. Dorshimer briefly outline the Brownfield 30 year plan, noting there will be 10% of the new taxes not will captured by the Brownfield, but TIFA. Of the 90% of the new plan, 5% will be for administration of the plan and 5% will into the Brownfield revolving fund. He was asking for the public hearing to be held on November 19, with passage from Committee and Council on November 26, 2018.

Council Members asked if the buildings would last the 30 years of the Brownfield Plan, and what the current vacancy rate at the developers other buildings are. Mr. Gillespie assured them the buildings will last 30 years, and his recent developments are 90% full.

Council Member Hussain noted that the Committee has been asking for an addendum with the agreement, but in this case he has accepted a letter from Mr. Dobernick with the UA Plumbers and Pipefitters Local 333. He added that they are pursuing an addendum with any new developers to the City of Lansing, but are aware of all past practices of this developer.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR BROWNFIELD #75 FOR NOVEMBER 19, 2018. MOTION CARRIED 3-0.

RESOLUTION – Set Public Hearing; Brownfield Plan #54 Amendment 1; Y-Site LLC, 301 W. Lenawee Street

Mr. Dorshimer outlined the reason for the amendment, which was the result of re-activation of the site after 7 years and the original Brownfield was approved in 2011. He noted they have recently gotten financing for the \$25 million project, which will be the same as the originally approved with 145 residential units and 7,000 square feet of retail. Lastly he noted there are no additional incentives. When it was initially approved the time started then; 2 years, which means they are almost out of time. This will allow 5 years to start of capture, which shortens the revenue to be captured from the developer, taking 12 years of and shifting to match the new construction.

Mr. Helzer went through the power point presentation highlighting the project of a 25 million investment with added commercial. It was noted it is a HUD backed loan, but due to past difficulties with the under writer, they now have new loans. Mr. Helzer then went through a spreadsheet that highlighted the differences between the 2011 original Brownfield and this amendment. This included the duration change from 12 to 21, but keeping the rate of capture to 12 years. The applicants then went into the list of costs including demolition and asbestos removal at \$600,000. Mr. Helzer then provided a list of contractors already in contract because it was done 7 years ago, and this reflected which ones were union and which ones were prevailing wage. His office is currently researching how many employees in each of those companies have City of Lansing residents.

Council Member Washington pointed out to the Committee that the 2011 approval plan was also to include a parking ramp, which is now no longer part of the plan.

Council Member Spitzley inquired into the types of commercial use, and was told it would be commercial uses to support the tenants that live there.

Council Member Hussain asked if the pass through had changed, was told no and referred to the spreadsheet noting the revolving fund stayed at \$271,494 and the costs stayed at \$147,747.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR BROWNFIELD #54 FOR NOVEMBER 19, 2018. MOTION CARRIED 3-0.

Adjourn

Adjourned at 4:50 p.m.

Submitted by, Sherrie Boak,

Recording Secretary,

Lansing City Council

Approved by the Committee on November 19, 2018