

DRAFT



MINUTES
Committee on Ways and Means
Thursday, July 16, 2026 @ 3:00 p.m.
City Council Conference Room

CALL TO ORDER

Council Member Spadafore called the meeting to order at 3:00 pm

PRESENT

Council Member Tamera Carter, Chair – arrived at 3:07 p.m.

Council Member Peter Spadafore, Vice Chair

Council Member Deyanira Nevarez Martinez, Member

OTHERS PRESENT

Sherrie Boak, Council Legislative Office Manager

Greg Venker, OCA

Andy Kilpatrick, Public Service

Rawley Van Fossen, EDP Director

Tom Edmiston, Capital Area Housing Partnership

Katlynn Kretz, Cinnaire

Gary Heidel, Development Company

Minutes

MOTION BY COUNCIL MEMBER NEVAREZ MARTINEZ TO APPROVE THE MINUTES OF MAY 21, 2026 AS PRESENTED. MOTION CARRIED 2-0.

Public Comment

Mr. Edmiston, spoke in favor and support of the proposed PILOT ordinances on the agenda. He spoke brief on what he believes the benefits are for investments, and noting with having PILOT by right, it takes an element out of Council, because Council approval is needed before MSHDA application, and it might not be approved by MSHDA.

Ms. Kretz spoke in support of the PILOT ordinance on the agenda.

Mr. Heidel stated his employer is considering developing in the City, and have spoken to MSHDA on a 4% PILOT, and he outlined the differences between a 4% and 10% PILOT, noting savings.

Council Member Spadafore passed the gavel to Council Member Carter when she arrived.

DRAFT

Discussion/Action:

RESOLUTION – Grant Acceptance; United States Department Transportation, Reconnecting Communities Program

Mr. Kilpatrick explained the grant that was a result of the federal funding around 496 where neighborhoods were divided with that construction. There is no match, but the grant for construction will have a match. The construction being envisioned would be something over the top similar to what is over 696 in Detroit, but would result from impact from the public.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FROM UNITED STATES DEPARTMENT TRANSPORTATION, RECONNECTIN COMMUNITIES PROGRAM. MOTION CARRIED 3-0.

ORDINANCE - REPEAL Chapter 886 Tax Exemptions for Multifamily Dwelling Projects

Council Member Carter confirmed the hearing was held in June, and this ordinance would be to repeal. The Committee had not further questions, but Council Member Spadafore asked for clarification on effective date; this is 14 days, and the next is 30 days. Ms. Boak stated it was changed in the Charter and all should be 14 days.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE ORDINANCE TO REPEAL CHAPTER 886; TAX EXEMPTIONS FOR MULTIFAMILY DWELLING PROJECTS. MOTION CARRIED 3-0.

ORDINANCE - Add Chapter 886, Sections 886.01-886.07, Service Charge of Four Percent (4%) of Annual Shelter Rents for Eligible Housing Development Projects

MOTION BY COUNCIL MEMBER SPADAFORE TO AMEND SECTION 4. PAGE 7 LINE 9, TO STATE 14 DAYS. MOTION CARRIED 3-0.

Council Member Carter stated that some concerns she has heard is in the penalties, if issue with affordability of it, conversation on what the projection property value would be in terms of loss, and interested in the fiscal impact, long term. The other piece, who determines the qualifications of the development, is there limitations on those developers.

Mr. Van Fossen stated that if passed, it would follow current practice through EDP. This ordinance, if passed would get a by-right 4%. The application would stay the same, the vetting would stay the same, and that is on the website. Community Development staff, planning, treasury, building safety, review and a recommendation will be made to his office and the Mayor's office. If it is not by-right 10%, then it would go through Council. PILOTS in place and future are subject to review and inspection. Regarding the fiscal impact, it is difficult, but looking at the current could look at an analysis. Council Member Carter asked if there are additional state incentives. Mr. Van Fossen stated not another layered property tax incentive.

Council Member Spadafore noted these are capped at 18 year PILOT's. Anything outside of that scope has to go through the other process.

Council Member Nevarez Martinez asked about the annual reporting and if those are staggered. Mr. Van Fossen stated they all come in at the same time. Council Member Nevarez Martinez asked for updates after those annual reporting review be provided to Council.

DRAFT

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE ORDINANCE TO ADD CHAPTER 886 SECTIONS 886.01-886.07 FOR JUNE 22, 2026. MOTION CARRIED 3-0

OTHER

Ms. Boak reiterated that the meeting on 8/6/2026 is cancelled due to lack of quorum, and so the next regular meeting is August 20, 2026.

ADJOURN

Adjourned at 3:21 pm

Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee on

From: Van Fossen, Rawley <Rawley.VanFossen@lansingmi.gov>

Sent: Friday, 17 July 2026 15:13:46

To: Carter, Tamera <Tamera.Carter@lansingmi.gov>; Spadafore, Peter

<Peter.Spadafore@lansingmi.gov>; Martinez, Deyanira <Deyanira.n.Martinez@lansingmi.gov>

Cc: Venker, Gregory <Gregory.Venker@lansingmi.gov>; Dryer, Bryan <Bryan.Dryer@lansingmi.gov>

Subject: PILOT Committee Questions Follow Up

Dear Ways and Means Committee Members,

I'm writing to provide clarification on the long-term value of 4% by-right and in-general, PILOT incentives, particularly in situations where specific future projects have not yet been identified or approved.

While it is true that we cannot predict exactly which developments will ultimately utilize PILOT incentives, their value lies in establishing a proactive economic development framework rather than reacting to opportunities after they arise. By having these tools in place, Lansing can position themselves to compete effectively for investment that might otherwise go elsewhere. As you heard yesterday, communities like Detroit and Grand Rapids are already ahead of us on this effort.

PILOT programs are designed to attract projects that would not proceed "but for" the incentive. Even without knowing the exact projects in advance, the policy creates a signal to developers and businesses that the community is open to growth, partnership, and strategic investment. Over time, this can result in increased property values, job creation, and expanded tax bases once incentive periods expire.

Importantly, PILOT agreements are typically structured with safeguards to ensure that the community benefits throughout the term—whether through baseline payments, infrastructure improvements, or economic activity. This means that even during the incentive period, there is measurable value returned to the municipality.

In the long run, the presence of a well-defined PILOT program supports sustainable growth by encouraging development that aligns with community goals. Rather than representing uncertainty, the flexibility of the program is one of its strengths—it allows the municipality to evaluate and approve only those projects that deliver clear public benefit.

Additionally, all PILOT requests start in EDP. Applications are received, vetted and recommended to either Mayor or Council depending on the ask. EDP works with the Assessing Office to monitor existing PILOTs. Annually the Assessing Office will issue a PILOT bill based on this monitor. Findings during monitor could result in a higher tax bill due and risk of losing the PILOT entirely. Projects that are MSHDA financed go through even further scrutiny on an annual basis. Lastly, all rental projects are

DRAFT

developed and approved to the standards of the state building code and regularly inspected by our Code Enforcement. As promised, EDP will work to establish an annual PILOT report for council.

I hope this helps clarify how PILOT incentives can be a positive, forward-looking tool even without knowing the exact projects that may apply. I would be happy to discuss this further or provide additional information if helpful.

Best,

Rawley

Rawley Van Fossen,

Director

Department of Economic Development and Planning

316 N. Capitol Ave. | Lansing, MI 48933

O: 517-483-4060 | E: rawley.vanfossen@lansingmi.gov

For Scheduling Requests Email: Kaitlin.Luttig@lansingmi.gov