MINUTES
Committee on Development and Planning
Wednesday, June 22, 2022 @ 3:30 p.m.
City Council Conference Room

CALL TO ORDER
Council Member Garza called the meeting to order at 3:30 p.m.

PRESENT
Council Member Jeremy Garza, Chair
Council Member Patricia Spitzley, Vice-Chair
Council Member Brian T. Jackson, Member- excused

OTHERS PRESENT
Sherrie Boak, Council Office Manager
Greg Venker, OCA
Mitch Timmerman, EDC
Kris Klein, EDC
Karl Dorshimer, EDC
Tim Demphsey, Public Sector Consultants
Jerome Hagadorn, NEOGEN
Dave VanHaaren, Tri Terra

MINUTES
MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE MAY 11, 2022, MINUTES AS PRESENTED. MOTION CARRIED 2-0.

PUBLIC COMMENT
No public comment at this time.

Discussion/Action
RESOLUTION – Reappointment; Emily Jefferson; At Large Member; Board of Zoning Appeals; Term to Expire June 30, 2024
Council Member Garza confirmed since this as a reappointment, therefore the appointee is not present. The Committee briefly reviewed the application.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF EMILY JEFFERSON AS AN AT LARGE MEMBER TO THE BOARD OF ZONING APPEALS WITH A TERM TO EXPIRE JUNE 30, 2024. MOTION CARRIED 2-0.

RESOLUTION – Appointment; Kris Klein; City of Lansing member; Local Development Finance Authority Board; Term to Expire June 30, 2024

The Committee reviewed the application and resume. Mr. Klein summarized his hopes for supporting commercializing, agricultural technology, and technology in the City. Council Member Garza asked if there is a move to get any of these new businesses into south Lansing, and Mr. Klein stated there is an opportunity and they will work with them to meet their needs.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF KRIS KLEIN TO THE LOCAL DEVELOPMENT FINANCE AUTHORITY BOARD, TERM TO EXPIRE JUNE 30, 2024. MOTION CARRIED 2-0.

RESOLUTION – Adopt Amended and Restated Agreement Regarding the Operation of the Local Development Finance Authority

Mr. Timmerman noted this is one of three documents, and this is an operating agreement to adopt the development of the LDFA Board and enter into the agreement with Lansing and the City of East Lansing.

Mr. Dempsey expanded stating this operating agreement defines the tasks between East Lansing and Lansing and how they will address membership to the Board, etc. and is a structural framework document with updates from the earlier adopted document.

Council Member Garza asked if this just extends it for five (5) years. Mr. Dempsey confirmed and added that after five years the legislation is not authorizing more time after five (5) years. Council Member Garza asked when the five (5) years starts, and Mr. Dempsey said in 2022, with the hope to adopt this summer, then if MEDC approves, East Lansing can capture for the July 1 tax bill: effectively making it continuous.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE ADOPTION OF THE AMENDED AND RESTATED AGREEMENT REGARDING THE OPERATION OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY. MOTION CARRIED 2-0.

RESOLUTION – Local Development Finance Authority Tax Increment Financing and Development Plan Amendment for the Lansing Regional SmartZone

Mr. Timmerman stated this is the plan that would extend for the next five (5) years. Council Member Garza read the section that spoke to the extension area, noting the acreage of the medical health park. Mr. Timmerman confirmed the University Health Park is in the City, and McLaren is in the middle of that 5 acres. Council Member Garza asked if 90% of the tax capture would stay in the area and if so where the balance would expand to. Mr. Timmerman confirmed the 90% in the City and the balance would be in the region.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE LOCAL DEVELOPMENT FINANNCE AUTHORITY TAX INCREMENT FINANCING AND DEVELOPMENT PLAN AMENDMENT FOR THE LANSING REGIONAL SMARTZONE. MOTION CARRIED 2-0.

Mr. Timmerman and Mr. Dempsey stated they would be present at the Council meeting on June 27th if Council had any questions.

RESOLUTION – Setting a Public Hearing; Brownfield Plan #81; NEOGEN Expansion, 720 East Shiawassee Street

Mr. Dorshimer began with introductions of the NEOGEN representative and TriTerra representative. Mr. Dorshimer then briefly spoke on the projects NEOGEN has done throughout the City over the years. He elaborated that this property sits along their current property, the north end of the property from Michigan to Shiawassee, which they bought from Sparrow. To expand they need the Brownfield since it has been industrial for 100+ years in addition to grade issues, but they plan for a $71.5 million total investment.

Mr. Hagadorn with NEOGEN explained they reached out to LEAP when they wanted to expand their facilities. They were able to acquire 2.25 acres from Sparrow, and the proposal allows them to maintain the footprint in the downtown area. With this expansion they hope to employee 350-450 employees. Council Member Spitzley asked what they plan to manufacture. Mr. Hagadorn stated their focus is on animal selection for safer foods, and what is done on site in food safety products including toxin kits for agriculture in addition to test kits for E. coli, listeria, salmonella, peanut and gluten kits for food processing facilities to test on their manufacturing lines. He also noted they have had a merger with 3m as well.

Mr. VanHarran presented a summary of the Brownfield plan, which included site plans, the location of the 2.25 acres which will be completely occupied. He noted they will continue to use their current parking lot. In addition, they have an agreement with Sparrow for them to have continued access. Mr. VanHarran then expanded that the Brownfield conditions included coal storage, industrial uses, a parking lot from the earlier 1990's, and based on borings there is an urban foundry fill, some heavy metals with contamination of the soil, and at the northern end of the property, based on history of the site, there could be buried tanks on the site. Phase 1 and Phase 2 investigative work was conducted through funding assistance with the Brownfield revolving loan fund. The Brownfield will propose the capture of State and local taxes on an 11-year plan and in-line with the City policies for pass-thru. The total Brownfield plan is $5,043,972 over 11 years. Lastly Mr. VanHarran noted there will be land balancing, deep foundations, street access, and the breakdown for the new taxes that will be generated of $6.7 million in new taxes. Over 20 years this will generate close to $15 million in new taxes, but this will start after the 11 years.

Council Member Garza asked about the core samples, and if it was the typical depth. Mr. VanHarran stated they keep drilling until they get to native type material. Typical is a 20'-25' boring. Council Member Garza encouraged them to use local labor on the project.

Council Member Spitzley asked if this will be a noise generating operation. Mr. Jerome stated it will be a bigger building and has already spoken to the City for height requirements. But the HVAC units will be on the roof and all manufacturing will be contained in the building. Committee members encouraged the applicant to be prepared to speak to noise and any PFAS questions due to the recent merger with 3M.

Mr. Dorshimer did inform the Committee that NEOGEN has reviewed and signed the universal development agreement and Mr. Hagadorn confirmed NEOGEN will abide by that and will bid local and state.

Mr. Dorshimer stated to the Committee that the NEOGEN has an urgency for adoption of the Brownfield by the City because they want to present an adopted Brownfield to their board on July 20th. Therefore, Mr. Dorshimer asked the Committee to consider holding a Special Committee meeting prior to the public hearing on July 11th passing the Brownfield before the public hearing is held, so that after the public hearing Council can also take action that same night of July 11, 2022. Council Member Spitzley stated she would not support approval of any action the same night.

Mr. Hagadorn appealed to the Committee that NEOGEN wants it done before July 20th so they could provide good faith from the City on this Brownfield during their annual Board meeting which also will include their 40th Anniversary of NEOGEN in the City of Lansing event.

Council Member Spitzley stated this Committee would meet again on July 13th and will vote out of Committee the Brownfield. NEOGEN would have that action for their July 20th event, but if they wanted final approval they would need to petition for a special Council meeting with Council leadership to be held prior to the July 20th date, instead of action at the regular meeting on July 25, 2022.

Mr. Hagadorn appealed to the Committee again because even though they would not begin construction until late August, they wanted to do a ceremonial groundbreaking event before that.

Council Member Garza asked the representatives to attend the June 27th Council meeting when they set the hearing and speak during the 3 minutes public comment to explain why this will be great for the region. He then asked them to come to the July 11th Council meeting as well where they will have a slot on the agenda under “special ceremony” where they can do a brief presentation. Lastly, he encouraged them to reach out to Council leadership if they wish to pursue a special Council meeting. Mr. Dorshimer stated he would reach out to Council President Hussain and ask for a special meeting.

MOTION BY COUNCIL MEMBER SPITZLEY TO SET THE PUBLIC HEARING FOR JULY 11, 2022, FOR THE BROWNFIELD PLAN #81; NEOGEN EXPANSION, 720 EAST SHIAWASSEE STREET. MOTION CARRIED 2-0.

Other
No other discussions at this time.

Adjourn
Adjourned at 4:14 p.m.
Submitted by Sherrie Boak
Recording Secretary, Lansing City Council
Approved by the Committee on July 13, 2022