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MINUTES
Committee on Development and Planning
Wednesday, July 13, 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 - excused
Council Member Brian T. Jackson, Member

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Mickey Droste, Capital Area Housing Partnership
Brian McGrain, EDP
Greg Venker, OCA
Karl Dorshimer, EDC
Tim Demphsey, Public Sector Consultants
Jerome Hagadorn, NEOGEN
JP Buckingham, Tri Terra
Susan Stachowiak, EDP

Council Member Garza passed the gavel to Council Member Jackson.

MINUTES

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE JUNE 22, 2022, MINUTES AS PRESENTED. MOTION CARRIED 2-0.

Council Member Jackson passed the gavel to Council Member Garza.

PUBLIC COMMENT

No public comment at this time.

Discussion/Action

Council Member Garza amended the agenda to speak to Z-1-2022 and SLU-1-2022 first.

RESOLUTION -Setting a Public Hearing; Z-1-2022; 109 Randolph; R-6A "Urban Detached Residential to R-AR Residential Adaptive Reuse

Ms. Stachowiak explained to the Committee the property was the former convent which is no longer being used for that purpose and for sale. The owners would like to sell with a new use, but when EDP was approached for a 30 bed housing facility for for unsupervised and unmonitored residents, they would not support it and so that purchaser withdrew. The current proposal in front of Council is for a 17 unit residential state licensed assisted living for the aged. Since it will be State licensed, they are subject to not only the rules of the City but also the State and will be licensed, monitored and inspected by the State as well. Because the residents will not be able to drive, there will be no need to additional parking, and as for staff there will be 6 during the day and 3 at night. Ms. Stachowiak noted with the rezoning is the next agenda item, which is a Special Land Use which can have conditions tied to it. Lastly she assured them that the Planning Board had an unanimous recommendation and during their process of a public hearing they notified everyone within 300 feet; received one objection which didn't state why, and the neighbor abutting the property supported it.

Council Member Jackson asked for clarification on the Form Based Code since this Code appears to be broad, why there would be a rezoning needed for this property. Ms. Stachowiak stated the property in question has been there for decades and pre-dated the old ordinance. And because of the use it was intended to remain a convent. Under the current Code it is only allowed for a single family home.

Council Member Garza asked if they will need permits to change the building, and Ms. Stachowiak confirmed it will be inspected to be up to code for the purpose by the City and the State. She noted with a State license required, if there are issues at the property complaints can be filed with the State and the City. She was then asked if they have pulled permits for any work, and she stated the purchase agreement is subject to the rezoning and special land use approval. She added the purchaser does have other facilities in the City, which they did check and they are all licensed, have certificates and up to date on inspections with no enforcement.

Council Member Garza asked Ms. Stachowiak to have the applicants present at the public hearing on August 22, 2022 for a special presentation at the start of the Council meeting.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR Z-1-2022 FOR 109 E RANDOLPH FOR AUGUST 22, 2022. MOTION CARRIED 2-0.

RESOLUTION – Setting a Public Hearing; SLU-1-2022; 109 E Randolph; SLU for a 20-Bed State-Licensed Adult Foster Care; Large Group Home for the Aged

MOTION BY COUNCIL MEMBE JACKSON TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR SLU -1-2022 FOR 109 E RANDOLPH FOR AUGUST 22, 2022. MOTION CARRIED 2-0.

RESOLUTION – Reappointment; Cassandra Nelson; At Large Member- Historic District Commission; Term To Expire June 30, 2025

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF CASSANDRA NELSO TO THE HISTORIC DISTRICT COMMISSION. MOTION CARRIED 2-0.

RESOLUTION – Brownfield Plan #81; NEOGEN Expansion, 720 East Shiawassee Street
MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE
BROWNFIELD PLAN #81; NEOGEN EXPANSION, 720 EAST SHIAWASSEE STREET.
MOTION CARRIED 2-0.

RESOLUTION – Set a Public Hearing; Payment in Lieu of Taxes, Walter French, 1900 S Cedar Street

Ms. Droste distributed a handout on the breakdown of the current PILOT and the requested 4%. She added that because interest rates have gone up by the time they were ready to close on the 6%, and with the changes the overall project went up \$600,000. This included financing, construction and permanent debt. Ms. Droste made them also aware that fair market rents went up also, but they are not increasing the rent to meet fair market, but increasing it to 5% from last time. Lastly she noted the difference between the two PILOTS is \$10,000 going down from the 6% PILOT to this proposed 4%.

Mr. McGrain stated the City staff supports this PILOT.

Council Member Garza referenced a memo from the Mayor's office that spoke to their application for a 2022 State of Michigan Revitalization and Placemaking Grant, which listed Walter French getting \$5,000,000 if they were awarded the grant. He then asked why they would need the PILOT if they were getting \$5,000,000 from the grant. Ms. Droste explained that the grant is for commercial and capital improvements, this would include the auditorium, the poll and some exterior improvements. Mr. McGrain added that with low income housing credits that supports the housing.

Council Member Garza asked who currently owns Walter French, and was told it was 1900 Cedar Dev. LLC, which is 100% owned by Capital Area Housing.

Council Member Jackson asked who checks on these PILOTS. Mr. McGrain explained that they are set up in complicated ways, but part of the funding is tax credits allocated and businesses investors involved and who are required to make sure the units are maintained for affordability for a long time. Ms. Droste added that the tax credits are for 15 years, and the MSHDA affordability commitment is 45 years.

Council Member Jackson asked who from the City checks on these. Mr. McGrain acknowledged the City looks at them early on, but MSHDA is a strong review for the 45 year period. Ms. Droste also acknowledged that CAHP has weekly reviews with MSDHA to financially look at numbers to make sure nothing has changed and people who live in these units are income eligible; the 30,40,60% medium.

Council Member Garza asked if when the pool and auditorium are complete if they will make revenue off that. Ms. Droste admitted that at this time, because it is expensive to renovate, but even with the expectation to rent, they will be a break even. She added on those areas of the property they will pay full tax.

Council Member Garza asked if this project falls under the universal development agreement. Mr. McGrain was not able to provide that answer, but added there are companion documents to the PILOT. Mr. Venker also did not have the answer but would look into it get the correct answer. He add that in the past because PILOT's are governed by the State statue, the City cannot impose strict restrictions or have side agreements because MSHDA does not allow. Mr.

McGrain added to that explanation that there are federal dollars connected to this and those might include prevailing wage.

Council Member Garza then asked for an update on the Revitalization and Placemaking Grant. Mr. McGrain confirmed it was submitted a month ago and the Landbank and CAHP were both involved as well. At this time the administration does not know when it will be issued but the group thinks.

MOTION BY COUNCIL MEMBER JACKSON TO SET THE PUBLIC HEARING FOR THE WALTER FRENCH PILOT FOR AUGUST 8, 2022. MOTION CARRIED 2-0.

Other

No other discussions at this time.

Adjourn

Adjourned at 3:58 p.m.

Submitted by Sherrie Boak

Recording Secretary, Lansing City Council

Approved by the Committee on

August 10, 2022