



MINUTES
Committee on Development and Planning
Wednesday, August 2, 2023 @ 9:00 a.m.
City Council Conference Room

CALL TO ORDER

Council Member Brown called the meeting to order at 9:00 a.m.

PRESENT

Council Member Spitzley, Chair - excused
Council Member Brown, Vice-Chair
Council Member Garza, Member

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Lisa Hagen- Lawrence, OCA
Emily Linden, Internal Auditor
Kris Klein, LEDC
Simon Verghese, LEDC

MINUTES

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE JULY 19, 2023 MINUTES AS PRESENTED. MOTION CARRIED 2-0.

Public Comment

No public comment on this time.

Discussion/Action

RESOLUTION -Introduction and Set a Public Hearing; Amend Chapter 1462, Section 1462.03; Neighborhood Enterprise Zone – Designation of Zones

Mr. Klein explained to the Committee that in 1992 the State established under ACT 147 the Neighborhood Enterprise Zone. This is a program that provides a tax incentive for the development rehabilitation of residential housing. The ACT allows for the NEZ to contain up to 15% of the total acreage of the local government unit. The current City ordinance is written at "not to exceed 1%" of the local unit, and with the city having 23,475 acres that would allow 235 acres. Mr. Klein confirmed that the city currently has 550 acres, with the current 24 zones, and he believes the city is out of compliance with the State ACT.

Council Member Garza inquired into why the city ordinance states, "not to exceed 1%" and Mr. Klein could not explain why. Council Member Garza then asked if the city is subject to any potential litigation because it is have "out of compliance" per Mr. Klein for 31 years. Mr. Klein stated the State says 15%, so this would align with the State and allow for more Zones. Council

Member Garza asked if this is specifically for residential and it was confirmed owner occupied residential, new construction, apartments, and rehabilitations. Council Member Garza referenced the ordinance, which stated “not less than 10 parcels” and asked if there is a standard size of parcel in the city and has the City been in compliance with that. Mr. Klein stated with any of the NEX Zones, there has been at least 10, and there was one at Motor Wheel, it was one parcel then divided to comply as a Zone. There is not a standard parcel size. Council Member Garza asked what the impact is with going up to 100 acres, and Mr. Klein confirmed it has to be contiguous and cannot cross streets.

Council Member Brown asked for definition what a Neighborhood Enterprise Zone is, and Mr. Klein stated it is a tool to reduce taxes so owners can invest in their properties. To help spur investment in neighborhoods. There are currently 24 Zones, with .1% of utilization of certificates. The value lasts for 15 years and freezes local and state taxes, this allows for full abatement of state and school taxes throughout the period. Council Member Garza asked if there is a regulation of local contractors working on the jobs, and Mr. Klein stated he is not aware of only local, but OCA might know otherwise. The local UDA applies to commercial projects.

Council Member Brown asked Ms. Hagen-Lawrence to research why the city ordinance was written for 1%. Ms. Hagen-Lawrence stated she did not know what records exist from 35 years ago with City Council, however minutes are only specific to the action. She stated they would look into it but could not guarantee they could find anything. Council Member Brown encouraged them to do the research because currently Council is being told the city is not in compliance with the State. Ms. Hagen-Lawrence stated that the OCA strongly recommends that the city be consistent with what the State law is and that is just part of the reason this is coming before Council at this time so the City can be consistent with what the State law authorizes. Council Member Garza asked why this resolution is time sensitive, and does it have a timeline with the State. Mr. Klein stated the timing issue here is that there is some interest in the use of a NEZ zones, and with the current zones and considering new zones there is a concern with the 1%. There is a time constraint with the State that any NEZ be submitted to the State by the end of October. This would ensure that they act upon that within this current year. They anticipate a request for a NEZ before Council shortly, so this needs to be amended first. Council Member Brown asked if more zones then currently are approved at the State is it automatic or does Council have review. Mr. Klein stated it has to be fully approved by City Council before it goes to the State (Tax Commission) and that includes a NEZ District and NEZ certificate for that property. This would include multiple public hearings, vetted and approved by City Council. Council Member Brown asked Ms. Hagen-Lawrence to research in all NEZ for use of local labor, besides the UDA that covers commercial. Ms. Hagen- Lawrence she could look into something other than that for residential properties but had no information today.

Council Member Garza asked if the public hearing would be August 14, and Ms. Boak clarified it would be set on August 14th, but stated the hearing date itself would be for OCA because she was not aware of the legal time frame for publication of the public hearing. Ms. Hagen-Lawrence stated she thought it was the usual standard time frame. Mr. Klein stated that it would usually be the standard but did not know the City standard. Ms. Boak clarified to Mr. Klein that it is a state requirement on publication not a City standard. She asked if the city needed 15, 10 days or 30. Mr. Klein reiterated it would be the standard time for publication. Ms. Boak responded to Mr. Garza that it would be set for August 28, 2023.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING ON AUGUST 14, 2023, FOR AUGUST 28, 2023 TO AMEND THE

ORDINANCE FOR CHAPTER 1462, SECTION 1462.03 NEIGHBORHOOD ENTERPRISE ZONE, DESIGNATION ZONES. MOTION CARRIED 2-0.

Other

No other topics.

Adjourn

Adjourned at 9:17 a.m.

Submitted by Sherrie Boak

Recording Secretary, Lansing City Council

Approved by the Committee September 6, 2023