



Approved

**CITY OF YPSILANTI
REGULAR COUNCIL MEETING
YPSILANTI FREIGHTHOUSE – 100 MARKET PLACE
YPSILANTI, MI 48197
TUESDAY, SEPTEMBER 19, 2017
7:00 p.m.**

I. CALL TO ORDER –

The meeting was called to order at 7:12 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Council Member Richardson	Present		

III. INVOCATION –

Mayor Edmonds asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

"I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all."

V. AGENDA APPROVAL –

Mayor Pro-Tem Brown moved, seconded by Council Member Richardson to approve the agenda.

On a voice vote, the motion carried, and the agenda was approved as amended.

VI. INTRODUCTIONS –

VII. AUDIENCE PARTICIPATION –

1. Jerri Dodge stated she would like this community to proudly have access to city services. She wants Council to work toward helping the people of this community not just to survive but to thrive. She would like Council to add caveats to the agreement to ensure this community and residents are protected.
2. Ka'Ron Gaines, 833 Armstrong, stated he appreciates the work of Council and the issue of Water Street has been occurring for years. This isn't easy and respect should be given to Council and the community and city officials need to work together to solve this community's problems.
3. Robert Barnes, 520 Cross, stated he is in support of the International Village Development. This development would have a taxable value of \$150 million, which could create \$1.4 million in tax revenue annually. Ypsilanti public schools would see an influx of \$2.7 million and the AAATA

would see a substantial boost in revenue just from this project. He said the Parkridge Development is going to provide eight-six additional units of affordable housing.

4. Quinn Phillips, 414 Emmet, the International Village Development is not about who will be displaced by the project but the potential that development to cause a raise in rent, which could cause displacement. What she saw last during the meeting last night is a community that feels this development is moving too quickly.
5. Audience Member, stated we are all stealing indigenous land. During the last meeting some commenters stated this development could not cause gentrification because it does not specifically displace anyone. This thought is incomplete because it does not consider other indicators of gentrification.
6. Audience Member, stated there is a home on Hawkins St. that has not had its grass cut in some time and abandoned vehicles are parked on the street. She asked why there is not a speed limit sign on Hawkins from Michigan Ave to Harriet.
7. Nathanael Romero, 413 W. Cross, stated the crowd tonight could potentially witness something vile if Council approves the purchase agreement. He added the only people who spoke in support of the International Village were white middle class home owners.
8. Alice Elliott, 502 Pearl St. #2, stated she used to live in Ann Arbor and has witnessed firsthand what happens when developments like these come to a city. She witnessed the rents increase in Ann Arbor and how it displaced the residents of that city.
9. Alex Husted, 430 S. Adams St., stated this process needs to slow down and the best way for Council to achieve that is to vote no to allow more time to negotiate.
10. Bryan Foley, 425 Ainsworth, stated most of the people making decisions in Ypsilanti are not indigenous to the city. What is currently occurring is compromising the heritage of the city. The influx of white individuals moving into his neighborhood has changed his neighborhood. He asked Council to consider the cultural identity of the community and what this development would do to it.
11. Van Loggins, 115 Hawkins, stated the Southside of Ypsilanti has been marginalized for a very long time. He said there has not been enough transparency for this development and that is a major problem.
12. Bob Gellet, 15 S. Washington, stated 15 S. Washington has been vacant since the 1990s his organization Michigan Advocacy Program wishes to acquire an easement for that property. He said city staff has been incredibly helpful and they are very excited about relocating to Ypsilanti.
13. Shane McParland [REDACTED] expressed his opposition to the International Village development. He stated just because the city has seen some hard times does not mean they should approve this development to cause additional hard times for residents of this city. He encouraged Council to vote against the development and find alternatives.
14. Justin Snyder, 863 Hill, stated he is a homeowner and one of the reason he purchased a home in the city is because of its diversity. He hopes Council will continue to honor that diversity.
15. Amber Fellows, 334 Jarvis, stated Representative Ronnie Peterson informed her last night's meeting was the most widely attended event he had seen in this city. Twenty years ago the city passed its non-discrimination ordinance, which at the time was very contentious much like this issue. After twenty years no one is against the passage of that ordinance and she sees parallels

between it and this issue. She asked if Council wants to be on the right side of history and willing to fight back against gentrification.

16. Audience Member stated she is opposed to the International Village Development. She does not believe being against this development is being Anti-Chinese.
17. Reza Rajabi, 110 Summit, stated he came to this country thirty years ago and he loves this country because it allows people to speak their mind. He said a couple of months ago he came to a Council meeting outraged because the water was shut off at his property. The city informed him the water would not be turned on unless he paid a \$1,000 bond. He said he did not threaten Council but he did shout. He claimed Council passed a resolution to ban him from City Hall, which he claims was done because of his accent.

Mayor Edmonds stated she is unaware of a resolution passed by Council banning him from city hall.
18. Julia Bayha, 401 Michigan Ave., stated she watched her whole life as people were displaced from Ann Arbor and moved to Ypsilanti. She asked where people will move to once displaced from this city. She said if this development occurs it should be required the jobs created go to the marginalized people of this community.
19. Kyle Hunter, 109 Ferris, spoke in opposition of the purchase agreement for the International Village development.
20. Audience Member, 423 Emmet, stated she could not imagine that after two nights of discussing this Council would postpone the approval of the purchase agreement. She would like to spread affordable housing throughout the community rather than in one place.
21. Lee Tooson, 107 Middle, stated he sees separatism in this community same as in 1949 when his family came to this city. He sees the white people are trying to take the Southside of Ypsilanti back from the black community. He asked that a streetlight be replaced.
22. Barbara Zmich, 314 Maple, stated she does not want anyone that chose to live in this community to feel like they are in the way of development. She said twenty years ago she worked very hard to get the non-discrimination ordinance passed and at that time many of the same people arguing against that ordinance are now arguing against this development. She is glad to see people coming together to voice opposition against this development.
23. Mary Jo Callen, 1113 Westmooreland, stated she supports the formation of an Affordable Housing Task Force and suggested it be expanded its focus. The data still states Ypsilanti as having affordable housing but the struggles of Ypsilanti have been the same for a decade. Ypsilanti needs to examine all possible tools to combat gentrification. This city cannot change the market single handedly the city must work in concert with the rest of the region. She supported the passage of the purchase agreement because it will lead to greater community engagement until the project begins. If Council votes no it would basically tell the world Ypsilanti is not open for development.
24. Audience Member stated he will like this vote delayed in order to gather more information. He said it seems backward to have city representation go to China to review projects performed by this developer after voting to approve the purchase agreement.
25. Gail Wolkoff, 728 Whittier, stated it is clear the city is voicing their opinion and encouraged Council and residents listen to one another.

26. Adam Gainsley, 409 N. Adams, stated this is a very important issue and there have been amazing points shared tonight. Tonight's vote for the purchase agreement which will continue the conversation and asked Council to vote to approve the agreement. He implored the public to attend all public meetings that discuss this development to continue the conversation.
27. Audience Participation, 413 W. Cross, stated if a project leads to the displacement of people it should not be approved.
28. Amanda Gaytan, 56 N. Huron, stated the public needs to be made aware of when Council votes on developments occurring on city property.
29. Desirae Simmons, 407 Charles, stated she recognizes there is a lot of cost associated with any development that would occur on the Water Street site. She believes it is a good time to set an example on how a municipality handles possible development in the city.
30. Chris Brown, 617 N Congress, stated he is interested what the purchase price for the property is. His concern is giving this property away for next to nothing and see little benefit from the sale.

VIII. REMARKS BY THE MAYOR –

— Thanked everyone for their remarks.

IX. PUBLIC HEARING –

International Village - Water Street

Economic Development Director Beth Ernat stated on May 23rd Ypsilanti entered into a Letter of Intent with International Village. Staff and legal counsel then began working on a purchase agreement, which is simply an offer of engagement. There are still further steps that will need to be completed before the property is sold.

Council Member Bashert asked if not having all of the information now is a normal part of the process. Ms. Ernat responded in the affirmative, and this is the engagement process municipalities use to sell land.

Council Member Robb asked what the city is locking itself into if it approves of this purchase agreement. Assistant City Attorney Dan DuChene responded there is an aspect of the purchase agreement that references the development agreement. If the development agreement is not entered by both parties the purchase agreement is terminated. Mr. Robb asked if the purchase price for the land would be binding. Mr. DuChene responded in the affirmative, however, none of the purchase agreement is binding if a development agreement is not made. Council Member Vogt stated the purchase agreement provides a development agreement must be made and these negotiations are not final. He hopes this explains to the public the city is not rushing into this deal.

Council Member Murdock stated the purchase agreement includes a price and a timeline and asked if those will be negotiable after approved. Ms. Ernat responded in the affirmative, but they both can be renegotiate.

International Village Inc. Representative Amy Foster provided a presentation regarding the proposed development.

Mayor Edmonds asked for clarification of the EB-5 program and its timing. Wayne Hoffman, Spence Brothers, responded the EB-5 program has been extended and the developer wants to move forward with that as soon as possible. Investors in the EB-5 program are at risk in losing the money they have invested if the development fails. Mayor Edmonds asked how construction jobs are factored into the EB-5 program. Mr. Hoffman responded he is uncertain of how they are calculated. Council Member Bashert responded Council is going to need that information and asked that it be provided.

Mayor Edmonds asked for a projection of units created by this development. Mr. Hoffman responded around 1,100.

Council Member Bashert what happens once a person is given their visa through the EB-5 program. Mr. Hoffman responded it is simply a visa it does not necessarily mean those individuals will come to Ypsilanti. Ms. Bashert asked who will manage the student housing and the hotel. Mr. Hoffman responded the management company will have both a domestic and international component. Ms. Bashert asked if the investment team or an outside management firm would be managing those sites. Mr. Hoffman responded it will not be a single entity managing those buildings and those firms have not been selected. Mayor Edmonds asked if the International Village will maintain ownership of the development. Mr. Hoffman responded in the affirmative at least initially. Council Member Richardson asked if the EB-5 program will allow the development to be sold. Mr. Hoffman responded there is not a plan to sell the development but after a period of time the program does allow the sale of the building. Ms. Edmonds asked what the time length is. Mr. Hoffman responded it depends on the length of the project.

Council Member Murdock asked what the number of units will be and what housing type. Mr. Hoffman responded there will be 1,100 units and 1,750 beds. The unit type configuration is yet to be determined.

Council Member Robb asked if an EB-5 visa holder gains employment does that counts towards number of jobs created. Mr. Hoffman responded no.

Mayor Edmonds asked for clarification about required jobs created by the EB-5 program. Ms. Ernat responded when the investors are created through the regional center the Department of the Treasury will list how many construction jobs can be counted. The job length most last at least two years and the remainder of jobs created must be permanent. She said the jobs are not tied to the person applying for the EB-5 visa. Ms. Edmonds asked if Ypsilanti will qualify the regional center, which those jobs can be created. Ms. Ernat responded she is not certain at this time. Council Member Bashert responded this is important because 2,600 jobs can mean a lot of different things. She asked if jobs created by increased business in the downtown would count toward EB-5 created jobs. Ms. Ernat responded it depends if it is a direct linkage to the development. Ms. Bashert asked at what point of the development the specific ratios of EB-5 investment will and other investment be determined. Ms. Ernat responded at the time of the development agreement. Ms. Bashert asked if construction jobs are included in jobs created. Ms. Ernat responded construction jobs counted is a percentage of the total investment noting if the construction jobs are ongoing for two years. She added the construction jobs are key to the project. Council Member Richardson replied construction jobs are key to the project, but they will end once the project is completed. She asked if construction jobs are included in the permanent jobs created. Ms. Ernat responded no, there are two categories; permanent jobs and construction jobs, but the exact ratio will not be known until the development agreement. Ms. Bashert replied that information is extremely important and Council will need it as soon as it is available. Ms. Edmonds clarified that information will not be known until the creation of the regional center, which will not be done until the approval of a purchase agreement. Ms. Ernat responded in the affirmative.

Council Member Richardson asked if the development considers jobs created by the construction of a train platform are considered jobs created. She added the train platform is already a plan the city has in place. Ms. Ernat responded if the development funds the construction of the train platform those jobs would be counted.

Mayor Pro-Tem Brown moved, seconded by Council Member Vogt, to extend the meeting until 12:00 a.m.

On a voice vote, the motion carried, and the meeting was extended.

Council Member Robb asked for an explanation of what 25% gap funding entails. Mr. Hoffman responded the intention is to go after federal and state tax credits for gap funding. Mr. Robb asked where that money would come from. Mr. Hoffman responded the Michigan Strategic Fund. He added as a result of the contamination of the site a brownfield TIF is a possibility. He clarified the EB-5 jobs are not guaranteed, but if all estimated jobs are not created the project will still come to Ypsilanti.

Council Member Bashert asked how many properties are located along the river. Mr. Hoffman responded 110 units are estimated to be located on the river.

A. Resolution No. 2017-208, approving purchase agreement.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti entered into a letter of intent from International Village Advisory, LLC for the purchase and development of the remaining 36 acres of Water Street on May 23, 2017; and

WHEREAS, the letter of intent specified creation of a purchase agreement within 120 days of the presentation of the letter of intent; and

WHEREAS, the International Village Advisory, LLC, intends to redevelop the Water Street Redevelopment area with a multi-use development that will enhance the street-level pedestrian experience, enhance the adjacent natural and recreational features of the property, include multi-modal transportation options, and visually interesting architectural and landscaping elements; and

WHEREAS, the City Council of the City of Ypsilanti has the authority to enter into a purchase agreement for the sale of the Water Street Redevelopment area (11-11-09-170-031) and may impose conditions within said purchase agreement; and

WHEREAS, the purchase agreement limits the time to create a development agreement and sets forward conditions and requirements of the project; and

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the Mayor and City Clerk to enter into a purchase agreement for the sale of the approximately 36 acres of the Water Street Redevelopment Area (11-11-09-170-031) with International Village Advisory, LLC.

FURTHER BE IT RESOLVED THAT the Ypsilanti City Council directs the City Attorney and City staff to negotiate in good faith a development agreement for the development of the Water Street Redevelopment Area with an international village.

B. Open public hearing

1. Ari Allyn-Feuer, 986 Madison, stated he thinks Council should approve the purchase agreement, but he does agree with the criticism the details of the development are obscure. However, following the approval of the purchase agreement is the appropriate time to address this concern. Council should hold several public meetings regarding this development prior to the actual sale of the property. He believes four issues need to be addressed prior to the approval of a development agreement; language prohibiting brownfield TIF should be stronger, the city should be able to reclaim the property if it becomes undeveloped, the development should contain enough parking to service the residents of that development, and a TIF should be developed from this property to assist in the development of affordable housing elsewhere in the city.
2. Nathanael Romero, 413 W. Cross, stated it is surprising that affordable housing was not included in the development proposal and Council did not ask one question about it because of the outcry from the public. He asked if the developer is interested in included affordable housing in the development. He encouraged Council to vote no on this purchase agreement.
3. Robert, 422 S. Adams St., stated his concerns with the EB-5 investment program. He asked Council to not take part in racist immigration programs.
4. Nancy Good, 961 Sherman, *letter read by Council Member Vogt*, stated a letter received from Mrs. Good's son an urban planner. The letter reads the International Village Development is one of the most promising proposals for the community if designed well.
5. Bryan Foley, 425 Ainsworth Cir, stated if the International Village is approved he implores Council to include a community benefit agreement. This will ensure the workforce in Ypsilanti will not be overlooked.
6. Shane McParland [REDACTED] stated the EB-5 program essentially sells green cards to rich individuals. It is a lie and a sales pitch to say everyone is welcome in the International Village Development.
7. Amanda Mayer, 514 W. Cross, stated she wants to see a development on Water Street and she wants it to be for the people of Ypsilanti. However, she does not want development for the sake of development because if it is rushed it leads to gentrification. She has not heard any aspect of this development that includes affordable housing.
8. Amber Fellows, 334 Jarvis, urged the developers to watch the public hearing that was held last night. She asked what a permanent job means and who regulates that. She asked why Council has not asked about housing affordability and how much each unit will cost in rent. The reason why there is outrage is because this process has not been transparent. She said there is no way City Council and staff can come up with a community benefit agreement by the time a development agreement is approved. It is insulting to hear that EB-5 visa holders are at risk.
9. Isaac Levine, 600 S. Hamilton, stated he is not against development, he is against development that isn't transparent. He said he finds it strange that members of City

Council did not know about the planned trip to China until the public did. He urged Council to vote now on the purchase agreement. He said if a Council Member votes yes on this development their seat will likely be lost come next election.

10. Margret Harner, Co-Founder of the Washtenaw Interfaith Coalition for Immigrant Rights, stated she moved back to this community because of its diversity. Stated she has received over 700 calls from hard working individuals that are scheduled for deportation. However, she does not believe it is fair that people can purchase a green card and a development of this size needs to contain a portion of affordable housing and use local contractors.
11. Kyle Hunter, 109 Ferris St., strongly urged Council to vote no for this purchase agreement and provide the community with more time for input.
12. Audience Member stated she is shocked by the size of the development and it is way too large for this city.
13. Sue Melke, 330 Chidester #409, stated almost everyone that lives in her building is on disability. She does not think this development will be bad for the city. Ypsilanti needs development on Water Street and a developer that has the capital to clean the environmental issues.
14. Audience Member stated the International Village looks like a nice place to live but it does not fit in this community. The infrastructure development of this site is great but it will not benefit the city as a whole. He said the trip to China paid for by an organization with ties to the International Village seems like a bribe.
15. Van Loggins, 115 Hawkins St., asked what the cultural capital going to look like if this development moves forward. What is the commitment to hiring minority contractors and will residents of the city just be able to walk through the development.
16. Max Richard, 525 N. Adams #6, stated nothing has been mentioned regarding rent levels and what will stop his landlord from increasing his rent to that level. He asked what City Council will do to protect renters if this development leads to increased rent levels.
17. Caryn Charter, 510 Holmes, encouraged Council to approve the purchase agreement and as Council goes through the process if it feels the development is not right for this community to walk away. The passage of the debt millage can afford the city time to locate other opportunities. She added she cannot support any type of local tax abatement for this development. She suggested study session in addition to public hearings that will allow the public to really look into the development.
18. Julia Bayha, 401 W. Michigan Ave., stated the city should use every resource available in making decisions regarding development. She is concerned about the light pollution this development could cause and any future development.
19. Desirae Simmons, 407 Charles, asked what projects this development has been a part of that had a community benefit agreement in place.
20. Mary Garboden, 1123 Pearl St., stated gentrification is real and is occurring in Ypsilanti. She likes the openness and diversity of this community which is created by the people that live here and love this community. She does not believe this development is right

for the community and urged Council to vote no, however, she does not believe Council will vote no. She asked Council as a part of their comments to include what their strategies are to protect housing affordability.

21. Finn Bell, 33 Pearl St., stated she supports what has been said about immigration and diversity. Prior to moving to Ypsilanti she lived in Denver in which gentrification was changing that city. Much of how it was fueled was through development and much of it came from outside the city.
22. Casey, 456 Ballard, stated this development is a class war.
23. Brett Zuener, 300 Block Oak St., read a report from the Government Accountability Office regarding the EB-5 program.
24. Barbara Johnson, 409 Olive St., asked what type of jobs will be created by a development with millions invested that no one currently living in Ypsilanti can live.
25. Katie, 420 S. Adams, stated the developers are out of touch with Ypsilanti. Also, they are not really in tune with the comments made by the public tonight.
26. Audience Member, 302 Jarvis, asked does the development agreement get voted upon, who is responsible for negotiating the development agreement, and does Council have any input other than tonight's meeting.
27. Audience Member asked Council to recognize the emotion from the public regarding this development. Urged Council to vote no on this development.
28. Erica Mooney stated she is grateful this development is a catalyst for this community to come together. She does not think this is the time for this development, and the proposed design does not fit the community. She said if the developer truly wants to invest in Ypsilanti it should use the public as an asset for this development.
29. Audience Member stated the majority of people speaking tonight are in objection to the passage of the purchase agreement. She believes the development should not even be considered.

C. Resolution No. 2017-209, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

The public hearing to approve a purchase agreement for the sale of the approximately 36 acres of the Water Street Redevelopment Area (11-11-09-170-031) with International Village Advisory, LLC be officially closed.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

On a voice vote, the motion carried, and the public hearing was closed.

Council Member Murdock asked what the rent levels will be for this development. Mr. Hoffman responded between \$1.40 and \$2.15 per square foot. He explained the rents for condos would be between \$200 and \$220 per square foot.

Council Member Bashert stated Human Relations Commission Fellows mentioned speaking with Representative Ronnie Peterson who told her he had not seen a crowd this size since the non-discrimination ordinance was approved twenty

years ago. Ms. Bashert stated she was the co-chair of the committee trying to get that ordinance approved and dedicated seven months of her life. Several meetings were held through that seven months each with horrific testimony against LGBT individuals. The part Representative Peterson probably did not share with you is the HRC recommended City Council not approve the ordinance, and there was no discrimination against LGBT people at that time. City Council had the leadership to see passed the emotions of the crowd. She said Human Relations Commissioners Fellows, Gaines, and Hunter are making a similar mistake to what the HRC made twenty years ago. Those Commissioners are choosing to be against something which doesn't accomplish much, and is misplaced effort. She did not hear any mention of the resolution approving the formation of the Affordable Housing Task Force. She added the senior affordable housing proposal on Michigan Ave. will be discussed by the Planning Commission and is something the public can be for not against. She encouraged City Council to see passed the emotion and approve this development. She said this development is not perfect, but the perfect project does not exist. However, she believes this project will enhance this community and she urges Council to approve the purchase agreement.

Mayor Edmonds stated in her experience with community benefit agreement are difficult to enforce. The development agreement for this development will be a binding and will include much of what would be included in a community benefit agreement.

Council Member Richardson stated in 2002-2003 City Council entered into a purchase agreement with a developer in which the developer chose to back out of the development. That purchase agreement cost the city \$700,000 and was completely irresponsible of City Council. She is not stating she is a hard no to this project but she heard several things she did not agree with in terms of the development and the vote should be postponed. City representation are going to China and once they return a report can be made, currently she does not have enough information to vote for this development. She said she asked for three months for an update on Water Street and was told a potential project was in the works. If Council was told about this project at that time it could have spoken with the community about the possible development. Council could have then had answers for the community and themselves and would have been prepared for an approval of a letter of intent rather than blindly approving it. She said community benefit agreements do work and is up to Council and staff to ensure it works on the behalf of this city. If the developers really want this project to happen they will wait until the city is ready. This vote needs to be postponed until more information is available to make a reasonable decision, and there were items in the presentation that would cause her to not support this project. Mayor Edmonds asked for examples. Ms. Richardson responded the possibility that the properties once purchased by the International Village could be sold, because the city would not have control on what the new owner could do. She said the 100 feet along the riverfront that initially was promised to the city was not included in the presentation. Also, it does not appear that residents of this city would be able to freely walk through the development once it is completed.

Council Member Vogt appreciated hearing comments both for and against the development, and particularly the comment regarding light pollution. However, that is an issue the Planning Department would work with the developers to ensure it isn't an issue. All of Council is for working to protect affordable and low income housing, and Ypsilanti has been the leader in providing it in this county for many years. However, it must be kept in mind there is a proper time and place for any particular project, such as the proposed senior housing project proposed on Michigan Ave. Affordable housing was proposed for the Water Street site by Herman Kittle Development and many citizens were against the project because of the affordability component. The city has finally passed a millage after a ten year fight against bitter opposition to assist in the solution of the city's serious financial problems. He stated he feels 98% of those who either voted for or against the millage see this development as the first viable project for Water Street. If Council does not vote for this, which may be the first viable project for Water Street, they will have hundreds of people actively fighting them during the next election. He does not believe this project is being rushed and has confidence in staff to make negotiate with the developers. In the past he has spoken with people that said they could not afford increased taxes for a Water Street Debt Millage. These individuals were similar to those making comments tonight regarding gentrification, and those people need a project in place that would add to the tax base to end the Water Street millage as soon as possible. Both those that have made comments tonight and those who have told him they could not afford their taxes if the debt millage was passed are experiences the same problem. It is a positive the millage passed but it is not a cure for the city's financial issues, and there are not projects lining up for this site. If Council votes no on the purchase agreement the city will have no chance to negotiate with this developer to make the project more appealing for the city.

Council Member Robb asked if staff was given the information provided to Council as new to it as Council. Ms. Ernat responded in the affirmative. Mr. Robb replied that is very troubling, and asked if it was troubling to Ms. Ernat. Ms. Ernat responded at this point no. Mr. Robb stated development agreements are being sold to Council as a "holy grail" in terms of providing terms for housing affordability and renewable energy sources. However, examples he has reviewed from Ann Arbor seem to be very generic. He asked if there are other communities with development agreements that would be similar to the one the city would seek with the International Village, or would this be something new. Mr. DuChene responded the parties involved negotiate what is included in the development agreement, and just as long as an enforcement mechanism is included. He added the city will need to be diligent that the terms the city is concerned about are enforceable in the future. Ms. Ernat stated a development has many layers of agreements and it is possible those items are included in a different layer. However, it is her recommendation to include all terms in the development agreement. Mr. Robb asked what will Council's role in creating a development agreement for this project. Ms. Ernat recommended two possibilities; Council can create a negotiation team as a part of the approval of this resolution or establish working sessions to allow for more open conversation. Mr. Robb stated the purchase agreement lists a possibility of a brownfield, and if so the purchase price increases to \$5,000 per acre. However, when this project was first brought to Council in May Council was told since this development was using the EB-5 program they were not eligible for other tax credits. The fact the city would not need to approve tax incentives is one of the reasons this project was so attractive. Mr. DuChene stated if that clause is removed from the purchase agreement it puts the city in a worse position because it would not know what would happen if tax credits were sought. Mr. Robb responded he understands there is a penalty, but it does not match the \$26 million in tax credits the developer could receive and is a deal breaker for him. Mayor Edmonds asked if Mr. Robb is okay with the developer seeking brownfield tax credits. Mr. Robb responded since May this has evolved from not being eligible for tax credits to this, however the penalty does not fit the cost. Mr. DuChene stated the clause could be removed from the agreement but it would leave the city vulnerable, and suggested increasing the penalty. Ms. Ernat stated if a brownfield incentive is sought then an Act 381 Work Plan would need to be completed and submitted to Council, as well as a local government agreement. The agreement was written to set minimums. Mr. Robb responded the city might see it as a minimum but the developer might see it as a maximum, and added purchase price is not included in other development agreements he has read.

Council Member Robb is nervous about what Council is being sold regarding the purchase agreement. He is frustrated because this is the most vague development project he has seen brought to Council. In May the letter of intent was brought to Council who decided it want to explore this possibility, and now Council has been given information by the developer but none from staff. Mr. Robb stated if the City gives \$26 million in tax credits what revenue will it generate for the city. Ms. Ernat stated this is a thirty-six acre development plan, which is significantly larger than the proposals of Herman Kittle and Washtenaw County. The developers approached the city with an interest that was brought to Council, which had to happen before talking about the possible development. The development is not at the point to which it can provide exact numbers on taxable value because the information need to determine that is not available. The developer is not going to prepare a full scale development design until they know there is some consideration from the city to move forward. If Council does not approve this purchase agreement the development stops, however, if Council wants to engage in the discussion it will be provided with additional information. Mr. Robb responded perhaps some of the new information provided tonight will assist in estimating taxable value. His intention is to protect the city based on good judgment and to do so he needs to know how much tax revenue will this generate and what it will cost in city services. He is not sure there is enough information to approve this purchase agreement.

Council Member Bashert moved, seconded by Council Member Vogt to extend the meeting until 1:00 a.m.

On a voice vote, the motion carried, and the meeting was extended until 1:00 a.m.

Mr. DuChene stated the purchase agreement can set requirements and plan what will be done if those requirements are not met.

City Manager McClary stated if the developer seeks brownfield tax credits the purchase price should be increased to what the city owes for the property. This would allow the city to pay off the debt and the developer would still be saving money. Mayor Edmonds added that will also remove the debt millage. Council Member Robb responded the debt bonds

cannot be paid off until May 2025, but the revenue created could be used to make bond payments. Mr. DuChene stated language could be drafted to make that deal workable. Council Member Robb asked how that could be enforceable. Mr. DuChene responded the City would sue for collective judgment. He asked if the complete development does not happen what happens with the unused property.

Mr. DuChene asked the developer to explain their intent in seeking brownfield tax incentives and what the purchase price would be if they do, and what would happen with the land if a development is not made. Mr. Hoffman responded he would be unable to negotiate a purchase price without seeing something from the city. He is uncertain if a brownfield TIF would be necessary and because of that uncertainty he will answer on the side of caution and say the will use a brownfield TIF. Mr. McClary stated the city is greatly reducing the purchase price of the site in exchange for not pursuing brownfield credits. He added if the development seeks brownfield tax credits they would be reimbursed a substantial amount of money, and would not match the purchase price. Mayor Edmonds asked if the purchase price could be amended to match the debt if they are awarded brownfield tax credits. Mr. Hoffman responded that would be a large difference in price.

Council Member Murdock stated many of the comments during audience participation mentioned the diversity of this city, which is one of the reasons he chose to live in Ypsilanti. Through his last nine years on Council the Water Street Debt has been the albatross of the city and there has not been much success in a solution. This development might solve a large portion of that financial stress on the city. However, he feels there are issues with this purchase agreement but contract negotiations do not go well at the table. How this development has unfolded has a lot to be desired, it has not been very transparent and the fact that two Council Members and city staff will be going to China two days after the vote to approve the purchase agreement is strange. Council has discussed items it would like included in the development, which Council has been told they can be included in the development agreement. He said this will be the largest project that has occurred in the city and will impact will be an increase in rental units by 15%. It seems a project with 1,000 rental units should be able to save a percentage of those units for affordable housing. He said he would like to see local contractors used as much as possible and both contractors and subcontractors should be paid a prevailing wage. Ypsilanti residents should be given preference to all permanent jobs created by this development and the wages should be at the living wage ordinance.

Mayor Pro-Tem Brown has concerns that affordability and sustainability were not included in presentation. She has concerns about access to the riverfront and the impact to city services. However, she sees the purchase agreement as an introductory step with time to negotiate these aspects later and to shut it down tonight doesn't allow these discussions to take place.

Mayor Edmonds asked if this could be postponed until a meeting in October. Council Member Robb responded the letter of intent would need to be extended. Mr. DuChene added the International Village would also need to agree to the extension. Ms. Edmonds asked if the developer is willing to extend the letter of intent so the purchase agreement can be postponed until October. Jim Cambridge, International Village Counsel, responded this is a difficult issue and everything cannot be solved tonight. He will do his best to address all the issue that have been raised, but as it has been explained it is important to have the purchase agreement approved to show the investors in China. The EB-5 and traditional investors will invest in another development in another city if this purchase agreement is not approved. If the negotiations fail during the development agreement either the developer or the city can chose to exit the agreement. To him the only thing that matters is approving the purchase agreement tonight so negotiations can continue. If Council wishes to make changes to the purchase agreement he will need time to speak with his client tomorrow and his advice would be to not sign the purchase agreement. Council Member Richardson stated these statements are meant to pressure Council into approving this agreement tonight without the changes that have been requested. If this developer truly wants this project to happen in Ypsilanti they would have the patients to allow time for further negotiations on the purchase agreement.

Council Member Bashert stated she has worked on three campaigns to pass a financing mechanism for the Water Street Debt. During those campaign she had always been asked why the city has not done anything with the Water Street site. She makes her living by negotiating and selling and she understands when she is negotiating from a position of strength and when she is not. She wishes the city was negotiating from a position of strength but it is not, however, this is not

the breaking point of this deal. If the city agrees to this agreement it should be clear what the deal breakers are for this development. It is clear to her there is nothing that is going to be no amendments to this agreement tonight and the developer is on a very tight deadline. She agrees with Council Member Richardson and has concerns with the sale price of the property and also agrees with Council Member Robb about the line items in the contract. She asked if these issue can be addressed, assuming negotiations go well, at the next stage, or is the city bound by anything included in the purchase agreement. Mr. DuChene responded the fact the purchase agreement states that both parties must enter into a purchase agreement creates an opening for contingency. This means both parties must agree to the terms as they negotiate, if terms of the development agreement are not met the purchase agreement terminates. The sale price listed in the agreement is a "floor" and he is not certain it can be changed, but it can be negotiated. Ms. Bashert stated these concerns can be met before the next stage of the development. Mr. DuChene responded it is possible. Ms. Bashert asked if the developer is willing to negotiate and produce solutions to these concerns. Mr. Cambridge responded in an open negotiation it is possible, but this will not be answered by him tonight. He added this is an extensive process and look forward to negotiations. Ms. Bashert stated there are items in this purchase agreement that are unacceptable and if the decision is made to move forward can biweekly updates regarding the status of negotiations. Ms. Ernat responded in the affirmative. Mr. McClary added once officials return from the trip to China there is no reason that would impede biweekly updates.

Council Member Richardson stated this vote should be postponed. Counsel of the developer could not answer any questions posed by Council, which she understands. However, there are far too many unanswered questions to cast a vote for this purchase agreement. She does not want to see the city in a position in which a lawsuit is filed against it, the city needs to be cautious. At this point she is not sure this project fits Ypsilanti, but if it does she will support it, but there are too many questions to move forward with the agreement.

Mayor Edmonds stated there are many questions but approving the purchase agreement will allow the city to get more information. One of the challenges is moving forward without perfect information and she agrees the most important part of the negotiation are the contingencies. The approval of this agreement does not lock the city into this development and she understands the concerns of the public. The last possibility of development on Water Street was for affordable housing and those in attendance was very much against that development because of the affordability component. It was the job of Council to listen to those comments and use their best judgment to do what they felt was right for this community. She sees the availability of jobs and transportation key to the success of this community and job creation is an important obligation, and employment is key to housing affordability. After much consideration she will support this purchase agreement so Council and staff can begin working to incorporate core values of this community into this development.

Council Member Vogt stated if for any reason whatsoever the development agreement is not approved before the closing date the purchase agreement is terminated. Because of this all the details of this development are not needed to approve the purchase agreement and more information will come through the negotiation process.

Council Member Richardson stated she has had many residents ask what the city is going to do with Water Street. However, she has heard over and over again they do not want this development. She is not saying she does not want this development, but she wants to ensure developers are held responsible. The city needs to take time to put in place the stipulations that have been requested by the public.

Council Member Richardson moved, seconded Council Member Murdock by to delay the vote of the purchase agreement.

Council Member Vogt asked how long the developer is willing to wait for Council to approve of this purchase agreement. Council Member Bashert responded the developer has already stated it needs to be approved tonight. Mr. Vogt replied he opposes delaying the vote on the purchase agreement because it would essentially kill the development.

Mr. DuChene asked if the motion is to postpone to a date certain or to table. Council Member Richardson explained she would like to postpone until the October 3rd meeting.

Council Member Murdock accepted the friendly amendment.

On a roll call, the vote to postpone Resolution No. 2017-208 until October 3rd was as follows:

Mayor Pro-Tem Brown	No	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	No
Council Member Richardson	Yes	Council Member Vogt	No
Council Member Bashert	No		

VOTE:

YES: 2 NO: 5 (Robb, Bashert, Edmonds, Vogt, Brown) ABSENT: 0 VOTE: Failed

Council Member Robb stated he was no doubt the Attorney's Office will do their best to negotiate to include what this community wants in the development agreement. Unfortunately, Council has witnessed the pressure by the developer that if the purchase agreement is not approved tonight the deal disappears. He has great fear that if those issues important to this community are not included in the development agreement Council will not have the backbone to turn down the development. Council Members Bashert disagreed and said the city will be in a better place to negotiate at that point. Council Member Vogt respectfully disagreed with Council Member Robb and if both sides negotiate in good faith will be able to find solutions to issues.

Council Member Robb called to question.

On a roll call, the vote to approve Resolution No. 2017-208 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Abstain
Council Member Murdock	Abstain	Mayor Edmonds	Yes
Council Member Richardson	No	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 4 NO: 1 (Richardson) ABSTAIN: 2 (Robb, Murdock) ABSENT: 0 VOTE: Carried

Council Member Murdock moved, seconded by Council Member Robb to adjourn the meeting.

Ms. Ernat stated there are agenda items people have been waiting hours for Council to make a decision.

On a roll call, the vote to adjourn the meeting was as follows:

Mayor Pro-Tem Brown	No	Council Member Robb	No
Council Member Murdock	Yes	Mayor Edmonds	No
Council Member Richardson	Yes	Council Member Vogt	No
Council Member Bashert	No		

VOTE:

YES: 2 NO: 5 (Robb, Vogt, Edmonds, Brown, Bashert) ABSENT: 0 VOTE: Carried

Council Members Murdock and Richardson left the meeting at 1:08 a.m.

X. PRESENTATIONS –

- Discussion of Easement Agreement with Michigan Advocacy Program on 15 N. Washington.

XI. ORDINANCES – FIRST READING –

Ordinance No. 1294

An ordinance to rezone 75 Catherine from Core Neighborhood to Production, Manufacturing & Distribution.

- A. Resolution No. 2017-210, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the rezoning of 75 Catherine is consistent with the goals of the City Master Plan and

WHEREAS, the size of the parcel will prohibit the development of this property to many of the larger industrial uses that are allowed in the Production, Manufacturing & Distribution district; and

WHEREAS, the proposed rezoning will align the past zoning and history of the parcel; and

WHEREAS, the proposed rezoning is appropriate for the current character and use of the property;

NOW THEREFORE BE IT RESOLVED that an Ordinance to rezone 75 Catherine from Core Neighborhood to Production, Manufacturing & Distribution be approved.

OFFERED BY: Council Member Bashert

SECONDED BY: Mayor Pro-Tem Brown

Community Development Director Joe Meyers stated the request is to rezone 75 Catherine from Core Neighborhood to Production, Manufacturing, and Distribution.

Petitioner Anthony La Russa stated the property must be rezoned to co-align with his business currently operating under the new state law.

- B. Open public hearing

1. Sue Melke, 330 Chidester #409, stated her building is close to this property and they have been good neighbors. However, she requested some work be completed on the façade on the building.

- C. Resolution No. 2017-211, close public hearing

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

The public hearing for an Ordinance to rezone 75 Catherine from Core Neighborhood to Production, Manufacturing & Distribution be officially closed.

OFFERED BY: Council Member Bashert

SECONDED BY: Council Member Vogt

On a voice vote, the motion carried, and the public hearing was closed.

On a roll call, the vote to approve Resolution No. 2017-210 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Absent	Mayor Edmonds	Yes
Council Member Richardson	Absent	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 5 NO: 0 ABSENT: 2 (Murdock, Richardson) VOTE: Carried

XII. CONSENT AGENDA –

Resolution No. 2017-212

1. Resolution No. 2017-213, approving minutes of August 22 and September 5, 2017.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of August 22, 2017 and September 5, 2017 be approved.

2. Resolution No. 2017-214, approving the issuance of a blanket permit for window signs of any size for the month of October for businesses that participate with the Eastern Michigan University's "Follow the Green & White Road" homecoming spirit project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti has a longstanding positive relationship with Eastern Michigan University; and

WHEREAS, *Follow the Green and White Road* is the theme of this year's homecoming celebration; and

WHEREAS, Eastern Michigan University wishes to partner with local businesses to paint storefront windows with images of school spirit during Homecoming Week, October 16 through 21; and

WHEREAS, The City of Ypsilanti supports the celebration of Homecoming Week; and

NOW THEREFORE BE IT RESOLVED THAT THE YPSILANTI CITY COUNCIL supports and approves the issuance of a blanket permit for window signs of any size for the month of October for businesses that participate with the Eastern Michigan University's "Follow the Green & White Road" homecoming spirit project.

3. Resolution No. 2017-218, approving an extension of agreement for Subaward of Federal Financial Assistance – Delivery of congregate meal services for the Ypsilanti Senior Center. ***(Added 9/18/17)***

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti entered into an Agreement for Sub-award of Federal Financial Assistance with the County of Washtenaw dated October 11, 2016, to permit the city to serve as sub-recipient of \$8,000 in federal funds for the delivery of congregate meal services to qualifying Washtenaw County residents (senior citizens) for program year 2016-17 commencing on October 1, 2016, and terminating on September 30, 2017; and

WHEREAS, the County of Washtenaw has requested that the city approve an amendment to the agreement to extend the period of the agreement from September 30, 2017, to September 30, 2018, to cover program year 2017-18;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF YPSILANTI that the Ypsilanti city council does hereby approve the amendment to the County of Washtenaw, Michigan, Agreement for Sub-award of Federal Financial Assistance for the Ypsilanti Senior Community Center senior meals program dated October 11, 2016, to extend the term of the agreement to September 30, 2018; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute all necessary documents related to the contract amendment on behalf of the city.

OFFERED BY: Council Member Bashert

SECONDED BY: Mayor Pro-Tem Brown

On a roll call, the vote to approve Resolution No. 2017-212 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Absent	Mayor Edmonds	Yes
Council Member Richardson	Absent	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 5 NO: 0 ABSENT: 2 (Murdock, Richardson) VOTE: Carried

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2017-215, approving creation of an Affordable Housing Task Force

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti will create an Affordable Housing Task Force that will meet for approximately three months between October-December 2017, and be charged with researching and recommending to City Council strategies that support affordability of multiple housing types and serve a diversity of residents; and

WHEREAS, Staff from the City of Ypsilanti, the Ypsilanti Housing Commission, Washtenaw County, and other agencies as appropriate, will provide this task force with background, data, and best practices to inform their discussions of what strategies will best serve the needs of our community now and into the future; and.

WHEREAS, The Task Force will be nominated by the Mayor and approved by the City Council. It will include seven (7) people, including one representative each from the Ypsilanti Housing Commission board, the Planning Commission, and the Human Relations Commission, as well one city business owner, one landlord, and two other members at large. All members should be City of Ypsilanti residents. The Task Force will be appointed at the October 3 City Council meeting; and

WHEREAS, The Task Force will kick off at an October City Council meeting (date TBD) that will include a presentation from Washtenaw County Office of Community & Economic Development. This presentation will include findings from the Affirmatively Furthering Fair Housing project, information on definitions, trends, and other basic information about affordable housing; and

WHEREAS, The Task Force will present their findings and recommendations at a City Council meeting in January 2018. These findings can both inform the City's Master Plan update, the City Council's annual goal setting sessions, and other policy development as appropriate.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council approves the creation of an Affordability Housing Task Force.

OFFERED BY:
SECONDED BY:

No action taken

2. Resolution No. 2017-216, approving contract with AKT Peerless to provide a 12 month vapor intrusion assessment of the residential properties located in the Bell/Kramer neighborhood.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The City of Ypsilanti desires AKT Peerless to provide a 12 month vapor intrusion assessment of the residential properties located in the Bell Kramer neighborhood north of the former City-owned landfill as recommended by the Michigan Department of Environmental Quality; and

WHEREAS, The City of Ypsilanti desires to have subsurface soil gas sampling and indoor air quality monitored for a year as recommended by DEQ to determine what, if any, mitigation may be required; and

WHEREAS, it is the desire of the City of Ypsilanti to complete this study.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council directs the City Manager to approve and sign a contract with AKT Peerless in the amount of \$13,550. Additionally, City Council authorizes the City Manager to sign change orders. The agreement has been approved to form by the City Attorney

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Bashert

Mayor Edmonds asked when the next round of testing will take place. Mr. Meyers responded fairly soon, but he does not have an exact date.

On a roll call, the vote to approve Resolution No. 2017-216 was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Absent	Mayor Edmonds	Yes
Council Member Richardson	Absent	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 5 NO: 0 ABSENT: 2 (Murdock, Richardson) VOTE: Carried

XIV. LIAISON REPORTS – None

- A. SEMCOG Update
- B. Washtenaw Area Transportation Study
- C. Urban County
- D. Ypsilanti Downtown Development Authority
- E. Eastern Washtenaw Safety Alliance
- F. Police-Community Relations/Black Lives Matter Joint Task Force
- G. Friends of Rutherford Pool
- H. Housing Equity Leadership Team
- I. Economic Development Coordinating Committee

XIII. COUNCIL PROPOSED BUSINESS – None

XIV. COMMUNICATIONS FROM THE MAYOR – None

XV. COMMUNICATIONS FROM THE CITY MANAGER –

- The City Manager informed Council they have received his report and he is happy to answer any questions.

XVI. COMMUNICATIONS – None

XVII. AUDIENCE PARTICIPATION –

1. Steven Wilcoxon, 1728 Whittier, stated Council has been given a very difficult choice.

2. Ari Allyn-Feuer, 986 Madison, stated he hopes Council is able to see the development through and it will be successful.

XVIII. REMARKS FROM THE MAYOR –

Nominations:

Parks and Rec Commission

Amanda Marshall
413 S Hamilton
Ypsilanti, MI 48197

XIX. ADJOURNMENT –

Resolution No. 2017-217, adjourning the City Council meeting.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the City Council meeting be adjourned, on call, by the Mayor or two (2) members of Council.

OFFERED BY: Mayor Pro-Tem Brown

SECONDED BY: Council Member Bashert

On a voice vote, the motion carried, and the meeting adjourned at 1:14 a.m.