



Approved

**CITY OF YPSILANTI
COUNCIL WORK SESSION AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
THURSDAY, DECEMBER 14, 2017
7:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 7:06 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt (7:10)	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-

Council Member Murdock moved, seconded by Council Member Bashert to approve the agenda.

Mayor Edmonds informed Council the labor attorney was present if anyone would like to motion to hold a Closed Session. Council Member Murdock asked if there was additional information that was presented during the December 8, 2017 Special Meeting. City Manager Darwin McClary responded there is not a pressing need for a Closed Session, but he is available if Council has additional questions.

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

VI. AUDIENCE PARTICIPATION -

1. Amber Fellows, Ypsilanti Resident, stated she thinks it is positive that some of the resident concerns are being addressed. She does not think staff is doing what the public expected, especially the language of the community benefits ordinance (CBO). She feels anything staff would submit to Council would be severely compromised. She suggested Council approve a resolution that requires a community benefits agreement (CBA) with the Norfolk development.
2. Nathanael Romero, Ypsilanti Resident, appreciated that Council is holding a work session and understands since a CBO is not in place a CBA can be negotiated through a development agreement. He feels this specific development would provide an opportunity to prepare a CBA that could lead to the development of a CBO. A coalition

will allow the public an opportunity to provide input on what it would like to see in the CBO. He said Ypsilanti, as a community, should be able to revisit what its processes are. He said he would like to see participation of the entire city, rather than just the properties adjacent to the development. The CBA should be driven by a community coalition with representation for throughout the city.

3. Kyle Hunter, 430 S. Adams, stated the work sessions should be promoted more to the public. Asked what the reason was for the Mayor's two absences. He asked what the status of the China trip investigation is. The conflicts created by that trip and the investigation have a potential to bleed into this development.

VII. REMARKS FROM THE MAYOR –

- Mayor Edmonds stated she was out of for work, which is why she was absent for those meetings.

Council Member Murdock stated the China trip investigation is currently happening.

IX. WORK SESSION –

- Discussion regarding the 220 N. Park St. Development.

Economic Development Director Beth Ernat provided a presentation on a development agreement for 220 N. Park St.

Council Member Bashert asked what the timeline is for when Council will be provided information on the density of the development. Ms. Ernat responded upon completion of the due diligence of the site a site plan will be created. She recommends that during the site plan development meetings be held prior to the site plan being submitted to the Planning Commission for approval. She understands the concerns regarding the density of this development. Ms. Bashert asked is that the stated plan or just a vision of what might come of this. Ms. Ernat responded she would defer to the developer regarding that question. Ms. Bashert asked if the soil tests can occur during the winter. Ms. Ernat responded in the affirmative. Ms. Bashert asked how long the due diligence period will take. Ms. Ernat responded the purchase agreement states a year between the approval of a purchase agreement and the governmental approval process. Ideally the timeline would be three months for exploration. It will take an additional three months to develop a plan and the final six months will be to seek governmental approval. Ms. Bashert responded at the six month period Council will have an idea of the density of this development. Ms. Ernat responded in the affirmative.

Council Member Vogt stated the memo is slightly vague such as there is not a commitment by the developer for search and selection of local contractors. He asked what the most recent contact with the developer would be regarding local contractors being used for the development. Ms. Ernat responded the issues with creating percentages of local contractors used for this development is based off of how many local contractors will be available, and what is considered local. Mr. Vogt replied he understands that was an issue with the construction of the Little Caesars Arena in Detroit. Mayor Edmonds stated investigated, and explained she is currently trying to hire ten contractors, and it is difficult to find local and minority contractors because they are so busy. She asked if there are standards for a waiver process if local and minority contractors are not available. Ms. Ernat responded not that she is aware of. Council Member Richardson asked why the city can't develop a standard for waivers. Ms. Ernat responded staff can attempt to develop that standard.

Mayor Edmonds stated the local procurement ordinance will be brought to Council on December 19th for approval on first reading. She stated the ordinance includes a hierarchy, which is structured by giving Ypsilanti residents first preference, second is the 48197 and 48198 zip

codes, third is the county, and Michigan is fourth. She asked if Council would like to use that ordinance as a range for CBAs. Ms. Ernat stated there are two categories; registered trade contractors and people seeking work in that trade. Without having a volunteer registry other than a list of contractors working in the city. She asked if Council's preference is for contractors who have a PO Box in the city, or who reside in the city. Council Member Richardson suggested the city use the county registry for local contractors. Ms. Edmonds asked if that list includes total of twenty contractors across all trades. Ms. Ernat responded as of July 2017 the list included seven contractors. Council Member Vogt asked if the registry includes size of the contractor; such as number of employees and kinds of trades they are engaged in. Ms. Ernat responded no, other than type of service. Mayor Edmonds stated the county registry is a good base, but will not suffice for construction needs.

Mayor Edmonds suggested the city use contractors located in the 48197 and 48198 zip codes. Council Member Richardson suggested using the county registry as a base and expand. Ms. Ernat responded her concern is the registry does not include trades people. When considering this specific project none of the contractors on this list would be qualified. Ms. Richardson responded she understands, but it can be used as a starting point.

Council Member Bashert stated just because the company is located here does not mean their employees reside in the city. The city has six to twelve months to market to encourage local contractors to sign up for the county registry. Ms. Ernat replied a contractor must be qualified by the county in order to sign up to the registry. In order to be qualified by the county the contractor must be qualified by HUD. Ms. Bashert stated since this development is not a HUD project it might not be the best tool to use. Ms. Bashert stated the eastern part of the county has lost 5,000 jobs in the last decade. This has caused a great problem of poverty and the city wants to do everything it can to hire local contractors in order to combat this problem. She agrees a HUD list might not be helpful, but the city could advertise the Economic Development Department is looking for local contractors for a development. Mayor Edmonds stated hiring of employees is different than awarding contracts, but are both important. They issue should be bifurcated to ensure that both local contractors and employees are used. Council Member Vogt stated it seems there are several lists that could be created and different criteria language developed. Perhaps there is a way to provide a hierarchy and contractors could be a part of a pool. The city must be very specific and objective in hiring practices for local contractors.

Mayor Edmonds stated she was under the impression that when the county procurement policy was approved there was a call to develop a broader list of contractors. Mr. McClary stated Ypsilanti is a member of the Intergovernmental Trade Network (MTIN) bidding system. He said there are thousands of vendors registered and it is free to join. He suggested using that system to provide a list to developers. Ms. Edmonds replied that is a great way to build capacity, and asked if contractors can be separated by zip codes. Mr. McClary responded in the affirmative.

Council Member Murdock stated he likes the idea of a hierarchy being developed, however, a company that operates out of Brighton might employ people that live in Ypsilanti. He thinks there should be a training element as a part of the project, and those individuals should be city residents. Mayor Edmonds asked for clarification for this project specifically. Mr. Murdock responded most contractor associations have an apprentice programs, and he would like that included in the CBA. Ms. Edmonds stated it is a great idea, but she would not make it a requirement because it might be difficult to hire contractors. Mr. Murdock stated it would simply be a goal not a requirement. He added he would like to see a prevailing wage included in the CBA. Council Member Richardson agreed. Council Member Bashert stated having a training component could save the developer money because apprentices are not paid as much. Mr. Murdock added it would provide a city resident a skill to take to another job.

Council Member Bashert asked for the prevailing wage to be defined, and if it is possible. She asked if union labor would be used for this project. Ms. Ernat responded she does not have that

information. She added a prevailing wage is defined as the hourly wage, usual benefits, and overtime paid in the largest city in each county for the majority of workers, laborers, and mechanics. The prevailing wage is set by the Department of Labor for each trade and occupation. Ms. Bashert asked what the prevailing wage is for Ypsilanti, and assumed it is based on Ann Arbor. Ms. Ernat responded it is done by the state and is broken down for each trade. Ms. Bashert asked for the amount for general construction for a point of reference. Mayor Edmonds stated she supports a prevailing wage, however, it can hurt smaller local contractors that do not have the business model to pay a prevailing wage. Mr. Murdock stated the city does have a prevailing wage ordinance that requires contracts over \$25,000 to pay a prevailing wage. Ms. Edmonds responded she is referring to smaller sub-contractors in particular. Council Member Richardson stated the city should follow the prevailing wage that is in place. Ms. Ernat responded most local contractors do not have the means to pay the prevailing wage. She asked is Council suggesting companies simply pay the prevailing wage, or to be under the Prevailing Wage Act. Mr. Murdock stated the current city ordinance requires monitoring, and he assumes it would follow the same practice. Ms. Ernat responded who would perform the monitoring. Mr. Murdock asked who currently performs the monitoring. Ms. Ernat responded it depends on the project. Mr. Murdock stated he thought that Human Resources would monitor wages, but changes can be made. Ms. Bashert stated she would prefer a local contractor be awarded a job even if they are unable to pay a prevailing wage. Mayor Pro-Tem Brown agreed. Ms. Edmonds stated she would like to see a living wage paid as a base amount. Mr. Murdock stated a person would still need to monitor a living wage. Mr. Murdock stated again these are goals, however, they might not be able to be obtained. Assistant City Attorney Dan DuChene stated there are two separate ordinances; one prevailing wage and the other living wage. They both have a contract amount attached to them, and could be employed by the amount of the cost of the sub-contract.

Council Member Murdock stated he would like this project more clearly defined in terms of density. The project would need to have a timed schedule for completion, consequences or claw back provisions if the timeline is not met, or the project is abandoned. The development agreement should also include if the development stalls the project cannot be sold without approval of the city. A construction plan should be made that minimizes the impact on the neighborhood and provides a robust system of communicating with the neighborhood during its development. Prior to the beginning of construction there be an evacuation of animals such as skunks, gofers, and groundhogs. There needs to be an affordable housing component to the development. There needs to be sustainability component such as energy efficient buildings and appliances, green storm water management, recycling and composting, and underground utility and telecommunication lines. He added a redesign of the dead ends at Park and Grove and the train stop. Also, whether there would need to be a water and sewer upgrade at the location.

Council Member Robb suggested examining the boilerplate issues such as density, and the other issues might be solves as a result. Ms. Ernat replied the extension of Locust remaining a public right-of-way complete street instead of having a restrictive access. A complete street would include a dedicated bike lane, street trees, and curb and gutters. By having a complete street it would help address a lot of concerns. Mr. Robb stated he does not believe a bike lane would be necessary on Locust. Mayor Edmonds stated developments should follow the city's non-motorized plan that as streets are added, or upgraded bike lanes be added. City Planner Bonnie Wessler stated a complete street would not necessarily require a bike lane because is low volume low speed.

Council Member Bashert asked if all the homes will have sidewalks, and that is something she would want throughout the development. Mayor Pro-Tem Brown agreed.

Ms. Ernat stated one idea is to minimize garaging meaning no more than 50% of the façade can be a garage. Council Member Vogt agreed, and suggested a smaller percentage of the façade be a garage. Mayor Edmonds agreed.

Ms. Ernat stated the Zoning Ordinance and engineering standards have been revised to require green infrastructure. She would like to create a taxable value target of the development in order to indicate why the city would sell the property below market rate. Council Member Murdock responded he believes the developer provided a minimum estimated taxable value. Ms. Ernat responded the developer provided an investment value not a taxable value. Mr. Murdock stated it was a market value. Council Member Robb agreed and said the amount listed was \$4.6 million, which on twenty-five units is \$184,000 each. Ms. Ernat responded that would be near the median of the neighborhood.

Ms. Ernat proposed the development agreement list daily street sweeping during construction. With the activity of the neighborhood construction times can go from 6:00 a.m. until 6:00 p.m., in the summer months 6:00 p.m. is early and possible push it to 7:00 a.m. to 7:00 p.m. Council Member Bashert agreed. She is comfortable proposing the evacuation of rodents. Mayor Edmonds responded that might be a question to the Department of Natural Resources, and said it might have legal repercussions. Ms. Ernat responded it would be private property and does not foresee an issue. Ms. Edmonds stated she would advise speaking with DNR. Ms. Ernat stated the city could negotiate a performance bond for the development. She added the construction manager could be provided contact information of those residing on Park, Grove, and High streets to engage in construction planning. As far as claw back provisions she has no issue and will rely on the Attorney's Office to negotiate. Ms. Ernat agreed a timeline should be submitted but does not foresee that being possible until the time of site plan approval.

Mayor Edmonds asked if there is a sense of minimum construction that would happen at once if the construction is completed in phases. Ms. Ernat responded that is a question for the contractor at negotiations.

Council Member Murdock asked if this project will be a planned unit development (PUD). Ms. Ernat responded no it is by right. Mr. Murdock asked if it could become a PUD is something happens. Council Member Robb responded if the developer wanted to change density it could.

Council Member Bashert asked if a solar panel requirement could be added to negotiations. Ms. Ernat responded it is a possibility. Mayor Edmonds stated that could be a great option for a buyer.

Ms. Ernat stated improved design of the Park and Grove dead ends is definitely a requirement for negotiation.

Council Member Richardson stated if this development does not include affordable housing she would be unable to support it.

Council Member Vogt stated he agrees with Council Member Murdock that is not the case a particular project must include affordable housing. However, a component must be present that if affordable housing is not included the developer must work with an entity to provide affordable housing elsewhere. There is a flexible range of possibility in affordable housing. If the developer is unable to provide it for this project than another option for affordable housing in the city needs to be presented.

Mayor Edmonds asked if tiny houses option would be allowable under the current zoning at that location. Ms. Wessler responded there is no minimum floor size in the CN Mid neighborhood.

Council Member Robb stated his issue is less about housing affordability and more about priority. He stated a percentage of investment can be put into an affordability fund, or any other possible priorities in the city. He agrees there should be as many things on the list as possible items to negotiate, but the need to be prioritized. Mayor Edmonds agreed and said priorities must be set in scale. Mr. Robb asked how a requirement for affordable housing works for new construction.

Ms. Ernat responded the city would need to investigate a credit system for Habitat to work in the city. However, Habitat is working on core neighborhoods which all fall in the Township and they are at capacity. Making a contribution to Habitat would not be her recommendation for a priority. Council Member Richardson agreed. Ms. Ernat stated there are other programs the city could set up funds for, or create its own fund possibly using the Ypsilanti Housing Commission. Council Member Murdock stated Habitat is interested in coming back into the city. Ms. Ernat responded she spoke with Habitat last week and they conveyed a different message. Mr. Murdock responded a lot of funds Habitat uses come from Urban County. Ms. Ernat responded staff asked Habitat for their assistance, but were informed they would not be able to assist for the next five years. Council Member Bashert stated that leaves the city's own model for affordable housing and the Avalon House in the county. Ms. Edmonds stated Avalon House is already partnering with the Housing Commission on certain projects.

Council Member Vogt stated he is looking for something that would reject typical subdivision, township, or urban sprawl type of design. He would like to see a walkable development with an excellent streetscape design. Driveways should not be along the street, rather they should be constructed on the rear of the site. Mayor Edmonds stated she is not completed anti-driveway, however, she would like to see garages in the back of the site. Mr. Vogt asked driveways at least be minimized.

Mayor Edmonds asked when Council will be provided more information in order to approve a development agreement. She asked if density is something that will be dealt with more at the Planning Commission level. Ms. Ernat responded it is typically in the domain of the Planning Commission. Council Member Robb stated the city owns the property and Council should set the minimum standards for density prior to Planning Commission approval. He said he will not vote to approve the project if he does not know the density. Mr. DuChene responded the governmental approval will occur prior to conveyance so there is a possible opportunity to add contingency for city approval. Mr. Robb replied he is not certain that would be fair to the developer. Ms. Edmonds stated when there are greater possibility for multifamily units creates a greater probability of adding affordable housing units. Mr. Robb disagreed, and explained the development is townhouses not eight unit apartment buildings. The density will not drive affordability. Council Member Bashert stated over the past six months there has been discussion of the prize of greater density and the prize of less density. The question regarding how many units will be in this development is a fairly charged. The sooner information is provided on that subject the more relaxed the city will be. Council Member Richardson stated density is a big issue with neighbors of the proposed development. Ms. Bashert responded that is the exact push/pull she was referring to.

Mayor Edmonds asked if Ms. Ernat had enough information to move forward in the process. Ms. Ernat responded yes, but she would like to hear from the neighbors. Ms. Edmonds stated there is a second audience participation happening shortly. Council Member Robb stated there is a second audience participation, but directly after that the meeting will be adjourned. Taking comments now would allow for greater engagement.

Mayor Edmonds asked if any neighbors of the proposed development would like to address Council.

Mary Ellen Hagenauer, 309 N. Grove, stated her issue is with the density, and has more to do with increased traffic than footprint of the development. She would have liked the closure of Grove and Park to have occurred after the Request for Qualifications (RFQ) was posted. She stated the 4.4 acres will not be for just housing as a road will be going through that site. That proposed road could end up taking up at least an acre.

Hank Prebys, 301 N. Grove, stated the construction of a road as an extension of Locust, which is currently an ally. If that road is going to be used as a major thoroughfare the city will be faced

with the development of that street. He said this property is in the Historic District, and he advised the developer to come and speak with the Historic District Commission regarding the design of the façade.

Sharon Johnson, 310 N. Grove, stated the neighborhood is zoned Central Core which means they development must fit the neighborhood. Which is why density is a major concern for the neighbors of the proposed site.

Hugh Kennedy, 316 N. Grove, stated he is an engineer and was done work all over southeast Michigan. Stated the developers should know more about the property then Council, and if not they should leave. He said he completed a site plan of 220 N. Park prior to the demolition of the building. He said if the development is truly sixty units it would be the first skyscraper in Ypsilanti. That many units would increase the population of that neighborhood by around 140 people, which means 140 cars leaving every morning on essentially three streets. The sewer capacity of that site will also be very critical. He asked if the development requires increase in infrastructure the city would pay for it. Council Member Murdock responded that is in the developer's proposal. Mr. Kennedy responded that would be in his proposal as well because he would try to get the city to pay for everything he could. He asked why the city would approve a development that would increase the demands on infrastructure that already has the potential to be compromised. The one thing he knows about development is that if the developer is unable to make money it will find another piece of property. He said building height is going to be a real issue, and he would advise anything greater than two stories. Another issue is storm water systems and could cause greater pollution in the sewer system. He does not want to have on street parking.

Mayor Edmonds asked when the city should request Ypsilanti Community Utilities Authority (YCUA) to complete an impact analysis. Ms. Wessler responded upon completion of the RFQ she contacted YCUA to provide ballpark numbers for sewer and water. YCUA responded the system should be adequate for the size of the development described in the RFQ. Ms. Edmonds asked if there is another point in the process YCUA would provide analysis. Ms. Wessler responded at the time YCUA tied into the developments sewer lines if there was an issue. Council Member Murdock asked where the sewer and water hookups would be located. Ms. Wessler responded she could provide that information to Council. Ms. Ernat added the engineering is completed at the time of the site plan.

Council Member Bashert stated she appreciates the comments from the neighbors and stated Council hears their concerns.

Council Member Robb stated he would like Council to provide staff a list of what it feels is most for this development.

Council Member Murdock stated the issues discussed by Council in terms of schedule, protections for the city, and the community benefits ordinance. However, that is mostly going to be a part of negotiations. He agreed the turnarounds are important to that contract. Ms. Ernat stated obviously the city needs to negotiate, and she has heard three priorities, but does not want to tip the city's hand for the negotiations. Mr. DuChene relied the three items can be stated. Ms. Ernat replied affordable housing, train stop contribution, and prevailing wage and training issues. She agreed everything else discussed can easily be baked in through negotiations.

Council Member Robb stated his biggest concern is to finish Park and Grove and if that means money doesn't go to the train station. Mayor Edmonds stated she has heard other Council Members priority is affordable housing. Council Member Bashert stated the design elements of the development are incredibly important to her. Mr. Robb stated Council speaks as one voice and even though different concerns were voiced it is important for Council to provide direction to staff. Ms. Edmonds stated she is not prepared to vote on a prioritized list.

Council Member Murdock asked for a rough schedule of the development. Council Member Robb responded the development agreement is due the second meeting in February. Ms. Ernat stated her goal is to not wait until the second meeting in February, but if not she would bring an extension option to that meeting. Mr. Murdock asked what will happen after a development agreement is approved. Ms. Ernat responded the purchase agreement would remain for a one year time period to allow for governmental approval. A community meeting will be held scheduled by the developer prior to a Planning Commission hearing. Potentially another joint meeting between Planning, HDC, and the Zoning Board of Appeals. Once the development agreement is approved a tentative schedule will be drafted. Mr. Murdock stated the concern from the neighbors is density, and it sounds that information will not be provided until the development agreement. Ms. Ernat responded staff has heard the concerns and will include a provision in the development agreement regarding density. The developer responded they need to know the allowable density in order to move forward with the project.

Mayor Edmonds stated this is the first time Council has really delved into community benefits agreement issues. She thanked the developer for their patience while the city moves through this process. She mentioned an important question to ask through this process is how to define how a person is impacted by a specific development. Council Member Richardson stated any development occurring in the city will have an effect on the entire city. The CBO and CBA will help to protect those most affected by the development.

X. AUDIENCE PARTICIPATION –

1. Amy Shrodes, River Street, stated she formally lived at 216 Grove and is very interested in what happens at the site. She is very concerned not one unit will be considered for affordable housing. She asked why the community would support a development that no one in the community could afford to live. She said the community wants to be a part of this process and asked that language be developed for percentage of jobs and affordable housing. She asked why not create a marketing campaign to create a list of contractors in the city as well as create an avenue for training in the trades. She echoed the density concerns as well as concerns with the wildlife in the area.
2. Desiree Simmons, 407 Charles, she asked about balancing affordable housing and density. She stated Ypsilanti is a small city and this development will effected all residents not just those living closest to the development. The number one priority should be places for people to live. Affordable housing should not be located in one place and should be spread out.
3. Ypsilanti Resident stated LED lights are bad for people's health. A lot of people in the city are below the poverty line and many are renters. When considering a development Council should consider what is best for the people that are already here.

XI. REMARKS FROM THE MAYOR –

— Thanked everyone for their comments.

XII. ADJOURNMENT -

Resolution No. 2017-291, adjourning the City Council Meeting.

Council Member Vogt, seconded by Mayor Pro-Tem Brown to adjourn the meeting.

On a voice vote, the motion carried, and the meeting adjourned at 9:26 p.m.