Approved

CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS - ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, JANUARY 22, 2013
6:00 P.M. – CLOSED SESSION
7:00 P.M. – OPEN SESSION

I. CALL TO ORDER

The meeting was called to order at 6:09 p.m.

II. ROLL CALL

Council Member Jefferson	Present (6:16)	Council Member Robb	Present
Council Member Moeller	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Present		

A quorum was present.

Council Member Vogt moved to excuse the absences, seconded by Council Member Moeller.

On a voice vote Council excused the absences.

III. INVOCATION

All stood 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

Agenda approved as submitted.

VI. CLOSED SESSION

Closed Session to discuss collective bargaining OMA 15.268, Section 8(c)

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

Council Member Jefferson	Absent	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 5 No: 0 Absent: 2 (Jefferson, Schreiber) Vote: Carried

The meeting adjourned to a closed session at 6:12 p.m.

Open session reconvened at 7:08 p.m.

VII. INTRODUCTIONS

Mayor Pro-Tem Richardson introduced Interim Fire Chief Max Anthouard, Police Chief Amy Walker, Accounting Supervisor Sallea Tisch, City Planner Teresa Gillotti, and Fiscal Services Director Marilou Uy.

VIII. PRESENTATIONS

1. Ypsilanti Community African-American Read-In – Pauline A. Bigby – Ms. Bigby invited Council and the public to attend the Ypsilanti Community African American Read-In on February 10, 2013 at 2:00 p.m. at the Ypsilanti District Library on Whittaker Road.

2. Audit Presentation – Mark Kettner, Rehmann Robson – Mr. Kettner gave an overview of the recent audit results and answered questions from Council.

IX. PUBLIC HEARING

1. Sidetrack OPRA application

   A. Resolution No. 2013-010 determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Obsolete Property Rehabilitation Act, Public Act 146 of 2000 (the "Act"), provides for a tax incentive to encourage the redevelopment of obsolete buildings through the establishment of an Obsolete Property Rehabilitation District; and

WHEREAS, pursuant to PA 146 of 2000, the City of Ypsilanti is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcels #11-11-09-131-004 and 11-11-09-131-042 (52 and 56 E. Cross St.) as part of a broader district including the three DDA districts on June 5, 2012 after a public hearing held on the same date as provided by section 3 of Public Act 146 of 2000; and

WHEREAS, the properties at 52 and 56 E. Cross have been certified functionally obsolete by the City Assessor per P.A. 146 in January 2013; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Ypsilanti eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, the owners of the above referenced parcels, LadyFrench, LLC and French Woman, LLC, have submitted an application for an obsolete property as defined in section 2(h) of Public Act 146 of 2000 requesting an exemption for a period of 12 years as a function of the Act; and

WHEREAS, the application included all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate; and

WHEREAS, LadyFrench, LLC and French Woman LLC are not delinquent in any taxes related to the facility; and

WHEREAS, the owners of the above referenced parcel have proposed to rehabilitate currently vacant and functionally obsolete upper stories of existing structures into a second floor reception space, and third-story residential lofts as we as expand the first floor restaurant space; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Ypsilanti; and

WHEREAS the rehabilitation includes improvements aggregating approximately 100% of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

WHEREAS, the review committee met on December 10, 2013 and recommends approval of the application for a period of twelve years (2014-2025); and

WHEREAS, the application is not recommended for an extension; and

WHEREAS the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, increase commercial activity, revitalize urban areas, and increase number of residents in the community in which the facility is situated.

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on January 22, 2013; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council herby grants an Obsolete Property Rehabilitation Exemption for a period of 12 years beginning December 31, 2013 and ending December 30, 2025 for the real property,

excluding land, located in the Obsolete Property Rehabilitation District which include parcels #11-11-09-131-004 and 11-11-09-131-042 (52 and 56 E. Cross) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations within four (4) years, the final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

Ms. Gillotti gave the background.

Background

The property owners of the Sidetrack Bar and Grill and Frenchies, French Woman, LLC purchased 52 E. Cross Street, the former Bird Brain, in June of 2012. The property owners have since been working out plans for renovation of the existing upper stories of 54 & 56 E. Cross which are undeveloped and vacant as well as expansion of the Sidetrack restaurant into the first floor space of 52 E. Cross.

The project consists of two parcels which will be combined into one (lot combination form has been received) for the purposes of construction build-out as well as consideration of one future tax parcel for the OPRA consideration. The two initial parcels are:

A. Sidetrack and Frenchies (54, 56, E. Cross St), parcel ID #11-11-09-131-004 (LadyFrench LLC – Linda French)
B. Former Bird Brain (52 E. Cross), parcel ID #11-11-09-131-042 (French Woman, LLC (Linda French)

Proposed Redevelopment
The property owner is in the process of combining the two lots, with the intention of expanding the current restaurant space into the ground floor of 52 E. Cross, including construction of a new, modern kitchen, barrier free bathrooms, elevator, and additional seating. Work proposed for the second floor of 54 and 56 E. Cross includes construction of reception space as well as additional bathrooms. The restaurant expansion and development of banquet facilities is expected to be the first phase of redevelopment.

The second phase will include build out of up to 4 residential units in the 3rd floor of 54 and 56 E. Cross, although 2, 2 bedroom units may also be considered at the start of that phase. Existing office space on the second floor of 52 E Cross will serve as Sidetrack offices and the existing 3rd floor apartment of 52 E. Cross will remain unchanged. The entire project is scheduled for completion in 2016 and total investment for the project is expected to be approximately $1.5 million. The applicants are estimating that within 24 months, they will be creating 40 jobs.

The owner has applied for and received a grant from the Ypsilanti DDA for window replacement and will be commencing that work after this application has been considered by council.

OPRA Application
The applicant is requesting an Obsolete Property Rehabilitation Act (OPRA) exemption for 12 years. The OPRA would effectively freeze the value of the improvements on the combined property at the 2013 taxable value for improvements, approximately $251,253. Investment and improvements to the properties would not be taxed during the lifetime of the abatement.

Attached is the application and supporting materials, including the affidavit of obsolescence from the City Assessor, summary from the applicant, proforma as well as estimates of expenses for the 2nd and 3rd story build out of the 54, 56 E. Cross property.

DDA Recommendation
As the properties in question are in the DDA, it was requested that the DDA Board provide a recommendation. The DDA did discuss the application at their Dec. 20 meeting but were waiting for the final application materials and estimates from the assessor before providing a resolution of support. That is expected to occur at their Jan. 17, 2013 meeting and will be reported by staff at the City Council meeting.

City Review
The City review team met on Dec. 10 2013. The review team consisted of Courtney Dugger and Aaron Powers from WCA Assessing, Teresa Gillotti, Planner II, and Tim Colbeck from the DDA. The team reviewed the proformas, had some questions as to the amount of rental income for the reception hall, but generally felt the estimates were reasonable. The team determined that the project meets the criteria set out in the City's tax abatement policy as well as the goals for the Blueprint for Downtown encouraging upper story residences and ground floor commercial.

Related approvals
As mentioned, this project will be conducted in phases. At the point the upper stories are renovated, a site plan will be required, and HDC approvals for exterior work will be required for any exterior renovations.

B. Open Public Hearing

None

C. Resolution No. 2013-011, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the proposed resolution entitled "SIDETRACK OPRA" be officially closed.

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

Council Member Robb asked Ms. Gillotti if, since this is the applicant's first OPRA application, she had explained the City's OPRA policy so that there is no confusion.

Ms. Gillotti replied that she explained there was a timeframe during which the renovations needed to be complete and that taxes must remain current during that period of time. She further explained that, upon approval, the applicant is provided additional information, including the revocation policy.

City Manager Ralph Lange asked what the next few steps in the process were.

Ms. Gillotti explained actions that can be taken now as well as what can be expected in the near future.

On a voice vote, the vote to close the public hearing was as follows:

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

On a roll call, the vote to approve Resolution No. 2013-010 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent

Mayor Pro-Tem Richardson Yes

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

Mr. Lange thanked the families for their investment as well as the additional jobs they would be brining into the City.

X. AUDIENCE PARTICIPATION

None

XI. REMARKS BY MAYOR PRO-TEM

None

XII. MINUTES

Resolution No. 2013-012, approving the minutes of January 3, and January 8, 2013.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of January 3, and January 8, 2013 be approved.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Jefferson

On a voice vote the minutes were approved as submitted.

XIII. RESOLUTIONS/MOTIONS/DISCUSSIONS

1. Resolution No. 2013-013, approving Certified Local Government (CLG) grant agreement between the City and MSHDA for rehabilitation of the Terry Bakery sign.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City of Ypsilanti adopted a revised sign ordinance in 2011 that recognized nine historically significant signs in Ypsilanti; and

WHEREAS, staff applied for a Certified Local Government grant to assist owners of recognized historically significant signs with rehabilitation work; and

WHEREAS, the State Historic Preservation Office awarded the City $5,760 to offset the costs of the Terry Bakery sign rehabilitation;

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approve the attached CLG Agreement between the City and MSHDA for rehabilitation of the Terry Bakery sign; and

FURTHER, that the Mayor and City Clerk are authorized to sign the Historic Preservation Agreement following approval by the City Attorney.

OFFERED BY: Council Member Moeller
SUPPORTED BY: Council Member Robb

Ms. Gillotti provided a summary of the grant assistance available for the sign repair.

Council Member Robb asked for clarification on the contract and who the sub-grantee would be.

Ms. Gillotti stated that the $5,760 was based on an estimate from Huron Signs and clarified that the contractor, to be chosen through the RFP process, would be the sub-grantee. She added that the MSHDA requirements are in the contract and it would be mandatory that the contractor meet these requirements.

Mr. Lange asked if the sign was perpendicular to the street and if it would remain that way, even if the business were to change ownership.

Ms. Gillotti affirmed that the sign is perpendicular to the street and it would remain that way.

On a roll call, the vote to approve Resolution No. 2013-013 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

2. Resolution No. 2013-014, approving transfer of $26,870 of overfunding to new MERS group for Non-Union employees.

RESOLUTION REQUESTING REALLOCATION OF ASSETS

WHEREAS, the City of Ypsilanti has been a participating municipality in the Municipal Employees' Retirement System of Michigan ("MERS"); and

WHEREAS, pursuant to Municipal Employees' Retirement Board requirements, since December 31, 1994, asset accounting had been separate for each division, instead of aggregate for the entire municipality; and

WHEREAS, over time, significant disparities have arisen in the City's MERS plan as a result of allocating the fair market value of plan assets on a divisional basis instead of on an aggregate basis, which disparities the City of Ypsilanti wishes to eliminate; and

WHEREAS, in order to address the anticipated increase in unfunded liability for pensions to be provided participants in the defined benefit plan that is likely to occur as a result of diminished contributions to that plan, the City wishes to reallocate certain divisional market assets between the two divisions;

NOW THEREFORE BE IT RESOLVED, that the governing body of City of Ypsilanti, a participating municipality as defined in the Municipal Employees' Retirement Act as recodified by Act No. 427 of the Public Acts of 1984, as amended, and as the employer, hereby requests MERS to reallocate the total market value of assets of $26,870 of Employer Assets from Division 01 General Non Union Employer Reserve to Division 17 Non Union after 1/1/2013 Employer Reserve as of January

1, 2013, enabling the actuary to prepare the 2013 actuarial valuation with the transferred assets; and

CERTIFICATION
I hereby certify that the above was adopted by the governing body of the City of Ypsilanti at its meeting held on <u>January 22,</u> 2013.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Vogt

Council Member Robb stated that, if allocated, we would be 181% funded.

Accounting Supervisor Sallea Tisch clarified that this is a new MERS agreement for new hires which was set up at the last council meeting. She further explained that there is currently only one person in this group so this is actually anticipated funding, assuming there will continue to be new hires.

Mr. Lange explained the steps that were being taken to secure the fund and make sure it was well managed and well maintained.

Ms. Tisch explained that through this, the new hires would be totally funded, without requiring any City contribution.

On a roll call, the vote to approve Resolution No. 2013-014 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

3. Resolution No. 2013-015, approving amendment to the Service Contract (CR#42934) between Washtenaw County and The City of Ypsilanti dated July 16, 2012.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the City of Ypsilanti agrees to amend the service contract between Washtenaw County and the City of Ypsilanti dated July 16, 2012, Contract No. CR42934 as follows:

Amend <u>*Article 1.A. – Scope of Services; this*</u> <u>section is amended to read as follows:</u>

CITY agrees to use COUNTY CDBG funds for the eligible costs of contracting with approved contractors to perform eligible improvement activities to the Ypsilanti Senior Center. *Eligible renovation costs and improvements include: architectural design and engineering services, facility reconfiguration, electrical upgrades, ventilation improvements, and the purchase and installation of sinks and fixtures, a mop sink, a commercial grade ice maker and a commercial size water heater.*

All other terms and conditions remain the same as in the original contract.

IT IS FURTHER RESOLVED that the Mayor and City Clerk are authorized to sign the amended agreement.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Moeller

On a roll call, the vote to approve Resolution No. 2013-015 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

4. Resolution No. 2013-016, supporting FEMA grant application for fire inspection services.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Fire Department qualifies to apply for a FEMA grant under a new FEMA Fire Prevention program and the grant will cover all activities related to fire inspections including refresher courses for our existing inspectors, initial training for additional inspectors and for our future Fire Marshall, travel costs to the class sites and 50% of the Fire Marshall's salary from April 1st to the end of year; and

WHEREAS, the total amount of the grant is $39,498 and has a matching requirement of 5%; and

WHEREAS, receiving the grant will save the City $39,498 and not receiving it will have no negative impact; and

WHEREAS, the goal is to make the City safer by performing annual fire inspections in our community to enforce the National Fire Protection Association #1 as adopted by the City; and

WHEREAS, on-duty firefighters will perform the inspections in conjunction with and under the supervision of the Fire Marshall.

NOW THEREFORE BE IT RESOLVED THAT the Ypsilanti City Council authorizes the Fire Department to apply for the grant.

OFFERED BY: Council Member Vogt
SUPPORTED BY: Council Member Jefferson

On a roll call, the vote to approve Resolution No. 2013-016 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

5. Resolution No. 2013-017, approving appointments to Boards and Commissions.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below:

NAME	**BOARD**	**TERM TO EXPIRE**
Michael Bodary (reappointment) 1206 Westmoorland Ypsilanti, MI 48197	**YCUA**	**2/1/2016**
Darlene Scott (reappointment) 1206 Kingwood Ypsilanti, MI 48197	**Human Relations**	**1/22/2016**

OFFERED BY: Council Member Moeller
SUPPORTED BY: Council Member Vogt

On a roll call, the vote to approve Resolution No. 2013-017 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Schreiber	Absent
Mayor Pro-Tem Richardson	Yes		

VOTE:

Yes: 6 No: 0 Absent: 1 (Schreiber) Vote: Carried

XIV. LIASON REPORTS

A. SEMCOG Update - none
B. Washtenaw Area Transportation Study – Critical bridge funds notification coming out soon
C. Washtenaw Metro Alliance - none
D. Urban County - none
E. Freight House - none

XV. COUNCIL PROPOSED BUSINESS

Council Member Murdock – None

Council Member Robb – Requested creation of a City Press Release Policy, asked about an update on Mr. Kaczor's contract and what funds have been extended and requested salary information from the City Manager.

Council Member Moeller – Discussed her reporting of neighborhood issues to the City Manager and commented that the staff has done a wonderful job resolving any problems so that she can respond to the citizens and help get things "fixed up" in the neighborhoods.

Council Member Vogt – None

Council Member Jefferson – None

Mayor Pro Tem Richardson - None

XVI. COMMUNICATIONS FROM THE MAYOR PRO-TEM

None

XVII. COMMUNICATIONS FROM THE CITY MANAGER

Mr. Lange commented that the Martin Luther King, Jr. event at EMU was great and he appreciated being able to attend with members of Council.

He commended Interim Fire Chief Anthouard for doing a wonderful job.

He indicated he would follow up with Council regarding the following topics:

- Fire Marshal
- Pension over-funding and under-funding
- City-wide Comprehensive Tier 2 benefit package
- Motor pool audit

He stated that he is excited to see who will become the new YHC Executive Director and he enjoyed the gala at Hamilton Crossing and thought it was a great event.

He shared that he attended the first meeting of the Grove Road Intergovernmental Committee and thought it went very well; he added that Director of Public Services Stan Kirton found an additional $150,000 for the project and everything is right on schedule.

Council Member Robb asked if there was a public transportation meeting held at the Bomber.

Mr. Lange answered there was an informal meeting and indicated he hoped to have a more comprehensive meeting.

Council Member Robb asked if we were trying to create another 196.

Mr. Lange indicated Council Member Murdock might have more information on the topic and asked him to share his input.

Council Member Murdock stated they are working with the authorities to create a regional system within Washtenaw County so that the service that is needed in Ypsilanti can continue to be provided. He said that what this system is going to look like is presently unclear but another 196 is a possibility.

Council Member Robb asked if we would have to ask the state to dissolve the current 196 in order to move forward with a new one.

Council Member Murdock stated that there are no members in the current 196 so he doesn't believe it would be necessary.

Mr. Lange added that it was a great question and a valid concern and he would look into the legal aspect of it.

Mayor Pro Tem Richardson asked if there was going to be a drastic cut to funding for bus transportation in Ypsilanti as she has heard many rumors.

Council Member Murdock answered we have millage funds but we need regional authority for additional funds in order to maintain service, otherwise there could be reductions in service. He mentioned several other sources of potential funding but added that it is all rumor at this point.

XVIII. AUDIENCE PARTICIPATION

None

XIX. REMARKS FROM MAYOR PRO-TEM

None

XX. ADJOURNMENT

A. Resolution No. 2013-018, 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: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried. The meeting adjourned at 8:25 p.m.