APPROVED

CITY OF YPSILANTI
COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, SEPTEMBER 2, 2014
7:00 P.M. – OPEN SESSION

I. <u>CALL TO ORDER</u> –

Meeting called to order at 7:04 p.m.

II. <u>ROLL CALL</u> –

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

III. <u>INVOCATION</u> –

All stood for a moment of silence.

IV. <u>PLEDGE OF ALLEGIANCE</u> –

"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. <u>AGENDA APPROVAL</u> –

Mayor Schreiber suggested the following changes:

<u>MOVE</u>: Resolution No. 2014-208 from Consent Agenda
<u>MOVE</u>: Resolution No. 2014-213 and take action after 'Approval of Minutes' before 'Ordinances'.

On a voice vote the motion carried unanimously.

VI. <u>INTRODUCTIONS</u> –

Mayor Schreiber introduced the following individuals; Jeff Castro and Dwayne Harrigan, YCUA, Marcus McNamara, OHM, Mike Rodriguez, Herman and Kittles, Community Development Director Teresa Gillotti, City Attorney john Barr, DPS Director Stan Kirton, City Manager Ralph Lange, and City Clerk Frances McMullan.

Mayor Schreiber congratulated City Clerk Frances McMullan on receiving her CMMC designation and thanked her for her years of service.

VII. <u>PRESENTATIONS</u> –

Eastern Washtenaw Safety Alliance

VIII. **AUDIENCE PARTICIPATION –**

1. Blaine Coleman, P.O. Box 7038, Ann Arbor 48107, stated he is here to discuss the 2,100 Palestinians murdered by Israel and hopes City Council understands the depth of feeling held in this community. Mr. Coleman appreciated Council forwarding a resolution to the Human Relations Commission to boycott Israeli products. Mr. Coleman stated the United States government should no longer provide Israel with arms to massacre the Palestinian population. Mr. Coleman explained Council has the ability to be heard around the world by signing this resolution. Mr. Coleman stated the Dublin City Council has signed a similar resolution and he expects Council to do the same. Mr. Coleman made a comparison between this movement and the movement to end Apartheid in South Africa. Mr. Coleman stated European settlers should not be able to steal land from Native Palestinians and the United States should not support Israel to the amount of $100 billion. Mr. Coleman added City Council should say this is wrong by approving a resolution to boycott Israeli products.

2. Ibrahim Jabar, 827 S. Huron Drive, stated the conflict between Israeli and Gaza has lasted for 67 years and it is time that it ends. Mr. Jabar informed Council his uncle lives in Gaza and it is difficult to contact him creating uncertainty of his wellbeing. Mr. Jabar spoke how the Mayor of Ann Arbor laughed when told that children are being massacred in Gaza. Mr. Jabar stated his organization was then asked to leave the Council meeting. Mr. Jabar asked Council to pass a resolution and be the first city in the United States to boycott Israel.

3. Mozhgan Savabieasfahani, P.O.Box 7038, Ann Arbor, stated Boycott Israel is here to stand up for human rights. Ms. Savabiesfahani stated her organization has been attending as many Council meetings as possible to ask city councils to pass this resolution. Ms. Savabieasfahani explained Israel is an outlaw state supported by the United States and that can effect on an individual's opinion of the United States. Ms. Savabieasfahani stated she appreciated City Council for listening to her organization and asked Council to do what's right. Ms. Savabiesasfahani informed Council the boycott movement is growing internationally causing Israel to suffer economically. Ms. Savabiesasfahni stated a boycott sends an extremely powerful message that Ypsilanti cares about the Arab community. Ms. Savabiesasfahni added a resolution to boycott Israel would make international news and every Council member would be loved by the Arab community.

4. Mark Hergott, 111 Miles, stated he has three things he would like to mention; first Council Member Robb is a swing vote regarding the Herman Kittles development, second Tyler Weston would appreciate Mr. Robb voting yes for the development, third that receivership is inevitable. Mr. Hergott commended City Manager Lange on how he heroically dealt with finances, yet it won't prevent receivership. Mr. Hergott asked Council what receivership would mean to Ypsilanti, he said; fire trucks would change colors, Ypsilanti would contract with Eastern Safety Alliance instead of being a member, and if the city files Chapter 11 the fire and police contracts would need to be renegotiated. Mr. Hergott added the city doesn't have to take whoever comes first for Water St. development property especially, Herman & Kittles who scored in last with MSDHA.

5. Ossama Elayan, 8145 Riverview, Dearborn Heights, stated his organization's objective is to end funding to Israel. Mr. Elayan stated unfortunately, citizens do not have the ability to control how their taxes are spent, but they can control how they

spend their income. Mr. Elayan said the United States is not safe until each region of the world is safe. Mr. Elayan urged Council to approve a resolution because every single effort counts. Mr. Elayan stated the goal to disarm both Hamas and Israel is a humanitarian issue.

6. Stella Gotts, Prospect St. property owner, stated the coating recently added to Prospect Rd stopped North of Forest before Gordan. Ms. Gotts asked why, as that section of Prospect needs it badly. Ms. Gotts added she hopes something is done before winter as it is effecting the quality of life for citizens living on that road.

7. Joan Pryce, 809 N Prospect, stated Prospect Rd. is in terrible condition. Ms. Pryce explained elderly people drive slowly down that section of road causing people to drive around them creating a dangerous situation. Ms. Pryce stated that this can't wait until fall to be repaired. Ms. Pryce said she called the city to try and get this fixed and nothing has been done to solve this problem.

8. Peter Church, 1815 Witmire, asked if City Manager Lange had ever met Jeff Kittles. Mr. Church explained that Mr. Kittles has donated to the Republican Party. Mr. Church stated Herman & Kittles is in the business to make money, not in business to help Ypsilanti. Mr. Church stated Herman and Kittles will receive a $3.75 million loan of our money. Mr. Church stated that Herman Kittles wants the City to cover 94%, $6.119 Million, of the project and contribute nothing. Mr. Church added MSHDA rated the Herman Kittle property last, a reason for that rating is a 94% of debt to equity ratio. Mr. Church stated Ypsilanti has the lowest per capita income in Washtenaw County and there are no major corporations in the City's boundaries that provide good jobs. Mr. Church said there has already been a great deal done to help the poor in this county and this country but now it is becoming more difficult to keep everyone safe. Mr. Church asked Council if the United States is a democracy, quoting Council Member Murdock, "a referendum on Water Street would be disastrous for this community". Mr. Church stated that he recently visited Normandy beaches and that he was thinking of that quote and how Council is keeping him from voting.

9. Mohammad Aggour, 8757 Emerick Ln, stated the thought of a child playing soccer and being killed by a bomb exploding makes him feel ill. Mr. Aggour stated the answer is simple, boycott Israel. Mr. Aggour stated every time a Starbucks coffee or a coke is bought a few bullets are provided for Israel and used to kill children. Mr. Aggour stated support for Israel is disgusting and hopes that all people can live together peacefully. Mr. Aggour added Ypsilanti is where he lives and hopes City Council takes action and passes a resolution to boycott Israel.

10. Dave Heikkenan, 133 W. Michigan, spoke against Water St. Flats saying that it would be disastrous for Ypsilanti. Mr. Heikkenan said Ypsilanti has a bright future ahead and doesn't need a project like Herman Kittles it would be a detriment to the city. Mr. Heikkenan stated that a lot of people feel the same way that this project should be stopped.

11. Sanir Elayan, 8757 Emerick Ln, stated at school she was asked to turn her boycott Israel shirt inside out, take it off, or leave school, by her principal. Ms. Elayan stated she asked the principal why, as the shirt is not offensive and does not violate school policy, yet the principal insisted. Ms. Elayan stated it was her right to freedom of speech to wear that shirt and what the principal did was not right. The conflict occurring in Palestine affects many people personally, those who have family in harm's way, those whose homes may be destroyed, and those that see destruction in their streets. Ms. Elayan stated when her organization went to Ann Arbor the Mayor laughed and asked them to leave, when her organization went to Dearborn they

were listened to but no action was taken. Ms. Elayan stated she would like Ypsilanti to be the first city to pass a resolution to boycott Israel. Ms. Elayan stated this resolution is Council's chance to save lives. Ms. Elayan stated she is 12 years old and her sister, also in attendance, is 10, they are young people attempting to help and urged Council to do the same.

12. Wedad Elayan, 8757 Emerick Ln, stated she and her husband emigrated from Palestine when they were young. Ms. Elayan stated her children are fortunate they live in the United States and are not exposed to the violence. Ms. Elayan stated it is unfortunate she does not feel comfortable to take her children to Israel as it is a beautiful place with significance to many major religions. Ms. Elayan explained her children have been changed by the events taking place in Gaza, they wake at 5:30 a.m. for school, after they return home and eat dinner, they go from city to city to urge city leaders to pass a resolution. Ms. Elayan added funds the United States sent to Israel could be used domestically. Ms. Elayan concluded saying this is not a war this is a massacre and it must end.

IX. REMARKS BY THE MAYOR –

Mayor Schreiber thanked Mr. Hergott and Mr. Heikennan for their comments. Mayor Schreiber asked City Manager Lange to respond to the skim coating on Prospect Road Rd. stretching to Holmes Rd.

Mr. Lange asked DPS Director Kirton to address the question.

DPS Director Kirton stated there weren't enough funds to complete the project as planned. Mr. Kirton explained there are plans to rent a spray patching machine to address the problem until the reconstruction of Prospect Rd. next year.

Mayor Schreiber thanked all who spoke regarding boycott Israel and explained City Council was formed by City Charter to tend to City business and State business when it affects Ypsilanti. Mr. Schreiber added he understands the strong feeling behind the movement and asked the Human Relations Commission to examine the subject. Mr. Schreiber encouraged those who spoke to continue their passion, and speaking here tonight has furthered their cause.

X. MINUTES –

Resolution No. 2014-196, approving minutes of August 7, 2014

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the Minutes of August 7, 2014 be approved.

OFFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Vogt

Mayor Schreiber thanked Clerk for including detail of the discussion regarding the Charter Amendments.

On a voice vote, the motion carried.

1. Resolution No. 2014-213, approving LDFA extension.

Resolution Authorizing an Agreement with the Adrian/Tecumseh SmartZone as a Satellite SmartZone to Support the 15-Year Extension of the Ann Arbor/Ypsilanti SmartZone LDFA

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

WHEREAS, The Cities of Ann Arbor and Ypsilanti, as host cities for the Ann Arbor/Ypsilanti SmartZone LDFA (the "Host Cities"), separately adopted resolutions which affirmed the continuing public purpose of the Ann Arbor/Ypsilanti SmartZone LDFA (the "LDFA") to facilitate the development and support of new and existing technology-led businesses and expressed support for an application to the MEDC for an extension of 5 and/or 15 years;

WHEREAS, as part of their respective support for the LDFA's application for an extension of its term, the Host Cities agreed to work with the LDFA to identify and negotiate an agreement with a satellite SmartZone LDFA, which will allow the satellite SmartZone to capture local taxes in its own distinct geographic area, and which is required by law for the LDFA to qualify for a 15 year extension;

WHEREAS, on August 21, 2014, after negotiation with potential communities, and being fully advised of each of the potential communities attributes, the LDFA unanimously approved the selection of the Adrian/Tecumseh LDFA for recommendation to the Host Cities as a Satellite SmartZone, citing the following criteria as the basis of their recommendation:

- ***Level and likelihood of funding.***
  Adrian/Tecumseh LDFA meets MEDC requirements.
- ***Strategic Advantage/Complimentary to Host Communities***
  Multi-jurisdictional. District includes colleges/universities. Proximity to Ann Arbor/Ypsilanti and technology/renewable energy focus
- ***Attractiveness to the State***
  Adrian/Tecumseh LDFA Development Plan includes agricultural technology development as a focus
- ***Preparedness to move forward in the Satellite approval process***
  Satellite approvals already in place.
- ***History of Entrepreneurship Activity***
  Adrian Innovation Center at Adrian College.

WHEREAS, a requirement of the Adrian/Tecumseh LDFA's designation as a Satellite SmartZone is that the Host Cities and the Adrian/Tecumseh LDFA enter into an Agreement as required under Section 12b of the Local Development Financing Act (PA 281 of 1986, as amended);

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Ypsilanti accepts the recommendation of the LDFA and being fully apprised of the basis for that recommendation makes the following findings:

1. **That the selection of the Adrian/Tecumseh LDFA as a satellite provides unique characteristics and specialties through its public and private resources, including the location of Adrian College, Siena Heights University, and Jackson College within its TIF District and the opportunities for research partnerships and student/young entrepreneur involvement. In addition,**

partnership with another mutli-jurisdictional LDFA provides opportunities for shared experiences.

2. **That the selection of the Adrian/Tecumseh LDFA as a satellite provides regional cooperation and collaboration benefits to the LDFA and the cities of Ann Arbor and Ypsilanti with joint focuses on technology (including expanding green technologies and agricultural technology) and entrepreneurial services.**
3. **That the selection of the Adrian/Tecumseh LDFA as a satellite provides value and support to the LDFA by strengthening existing collaboratives, making available a new/expanded technical assistance and support through its Innovation Center at Adrian College, and agricultural and manufacturing resources.**

BE IT FURTHER RESOLVED THAT the City Council of City of Ypsilanti, based on the findings stated in this Resolution and the negotiated terms of the attached Satellite Agreement, which incorporates the proposed Adrian/Tecumseh Executive Summary of its SmartZone Plan, agrees to enter into the Satellite Agreement with the Adrian/Tecumseh LDFA to create a SmartZone Satellite.

BE IT FURTHER RESOLVED THAT the Mayor and City Clerk are authorized and directed to execute the Satellite Agreement after approval as to form by the City Attorney.

BE IT FURTHER RESOLVED THAT the City Clerk is directed to provide a copy of this Resolution to the City Council of the City of Ann Arbor, the Ann Arbor/Ypsilanti LDFA, and the Adrian/Tecumseh LDFA.

OFFERED BY: Council Member Robb
SUPPORTED BY: Mayor Pro-Tem Richardson

Carolyn Charter, Ypsilanti Smartzone representative, asked Council to approve Tecumseh and Adrian as a satellite LDFA to the Ann Arbor/Ypsilanti LDFA. Ms. Charter stated the reason why she is asking Council to pass this resolution is the Michigan Economic Development Corporation (MEDC) requires it to apply for a 15 year extension. Ms. Charter explained if Council approves this resolution it will provide a collaborative partner for the Ann Arbor/ Ypsilanti SmartZone. Ms. Charter stated in the future it will be necessary for Council to approve a TIF plan, an amendment to this TIF plan would benefit Ypsilanti by allowing 5-10% of TIF capture in Ann Arbor to be spent in Ypsilanti.

Council Member Robb pointed out that currently there is no TIF capture in Ypsilanti for LDFA.

Mayor Schreiber clarified TIF funds would be captured in Ann Arbor and allowed to be spent in Ypsilanti.

Council Member Murdock asked what funds developed in Ann Arbor would be spent on in Ypsilanti.

Ms. Charter replied funds will be spent on business services, money captured by the LDFA must be allocated differently than funds captured by other economic development tools designed to address blight.

Council Member Murdock asked if most of the TIF funds would go to SPARK.

Ms. Charter replied the funds do go to SPARK who provides business services to companies located in the LDFA area, services include business incubation and other services for high tech industry.

Council Member Murdock stated the LDFA is a funding source for SPARK.

Ms. Charter responded there is a contracting process followed by the LDFA and if the board is not satisfied with the contracted party a new contractor would be selected. Ms. Charter added the LDFA does not have the capacity to perform those services.

Council Member Murdock asked if the LDFA was fundamentally a pass through for SPARK.

Ms. Charter responded decisions regarding contractors are made by the LDFA board.

Mayor Schreiber asked for a review of how SPARK East is funded.

Bill Mayer, Ann Arbor SPARK, replied the major contributors are Washtenaw County, Eastern Michigan University, and a MEDC grant which expires March 2015. Mr. Mayer explained SPARK is essentially a contractor of the Ann Arbor LDFA. TIF funds are restricted to support high tech companies in their early stages. Mr. Mayer stated SPARK employs six individuals who provide screening and mentoring services to companies. Mr. Mayer added TIF funds are used to help leverage additional sales or provide loans in order to help companies grow, in-turn hire more employees.

Mayor Schreiber clarified the Ann Arbor LDFA funds SPARK operations in Ann Arbor; SPARK East in Ypsilanti is funded by other sources.

Mr. Mayer replied it becomes challenging if a company opens on the east side of M-23. Mr. Mayer explained that there is a TIF capture zone and a TIF support zone. The amendment would allow funds developed in one TIF district to be spent in another helping to spur economic activity.

City Manager Lange asked if SPARK provides legal services regarding patents.

Mr. Mayer responded yes, SPARK provides those services.

On a roll call, the vote to approve Resolution No. 2014-213 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

XI. <u>ORDINANCES - FIRST READING</u>

Ordinance No. 1227

1. Ordinance to Amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti.

   A. Resolution No. 2014-197, determination

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   That the proposed ordinance to amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti, be approved on First Reading.

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

Jeff Castro, YCUA Director, was present to give an overview of all three requests. Mr. Castro explained the YCUA Board of Commissioners approved the following readjustments; 3.5% increase to the water rate, 3.5% increase to the sewer rates, and 2% decrease in surcharges. Mr. Castro informed Council the increases would result in a 2.31% increase of the city division customer bi-monthly water and sewer bill. Mr. Castro clarified a minimum user would see an increase of 2.26%, or $1.71, increase in their bi-monthly bill, while an average customer would see an increase of 2.31%, or $3.41, increase in their bi-monthly bill. Mr. Castro stated YCUA has hired rate experts to assess sewer and water rates and YCUA is in the process of installing waste water meters in order to monitor contracted communities that penetrate YCUA's system. Mr. Castro added raw data from the monitors will be available be the third week in September which will be provided to YCUA's rate experts and return to Council with that information.

Council Member Moeller asked what communities are not paying.

Mr. Coleman responded standards for contracting communities are similar to that of a residential situation which monitors water and sewer only on a larger scale. Mr. Coleman explained the amount of water received at the treatment plant is more than YCUA is billing. Mr. Coleman added where infiltration occurs it will be monitored by the proposed meters and the respective communities will be billed.

Council Member Moeller asked what a contracting community is.

Mr. Coleman replied Pittsfield Township and Augusta Township.

Council Member Moeller asked if those communities pay.

Mr. Coleman responded those communities do pay but it is based on their water consumption.

Council Member Murdock asked if Wayne is different because Ypsilanti does not sell them water.

Mr. Coleman responded Wayne is a different situation, they have one pipe going through YCUA and their flow is monitored by their meter. Mr. Coleman clarified Pittsfield has 24 connections to YCUA's system.

Council Member Murdock stated contract communities are all on the township side of the ledge, the monitors would have little effect on the City of Ypsilanti.

Dwayne Harrigan, YCUA Finance Director, responded the monitors would benefit everyone in the authority.

Council Member Murdock said it will affect the township directly, Ypsilanti may see savings from administration but not in extra sales.

Mr. Harrigan replied revenues will increase because flow that is currently unbilled will be billed.

Council Member Murdock stated it will be credited to the township.

Mr. Coleman answered it will be an advantage for both the city and the township, YCUA treats both jurisdictions as one entity.

Council Member Moeller asked if the city and the township would see savings or would the contracting communities rates increase.

Mr. Coleman responded all contracting communities will see some type of rate increase, however the exact data is not available. Mr. Coleman added what YCUA does know is there is 25% extra flow and it's not coming from only the city and the township.

Council Member Moeller asked what the impact of collected data by the new meters would have on Ypsilanti.

Mr. Coleman answered the data is incomplete and it would be premature to provide Council with hard numbers.

Mr. Harrigan added hopefully it will minimize rate increases moving forward.

Mr. Coleman stated although each contracting community is paying for waste water and water, once it flows underground through jurisdictional boundaries infiltrations occur and the additional meters will provide information of the responsible jurisdiction.

City Manager Lange asked if each jurisdiction water lines are segregated or is that where the issue of infiltration occurs.

Mr. Coleman responded the area where the pipes are in the ground is predominately wetlands and many sewers flow under creeks most infiltrations occur due to that issue and rainwater.

Mr. Lange stated without the proposed meters the responsible jurisdiction could not be identified.

Mr. Coleman responded after raw data is collected YCUA will be able to distinguish what each jurisdiction is sending to YCUA.

Mr. Coleman asked Council for consideration for the proposed rate increases for 2014-15.

Mayor Schreiber asked Mr. Coleman to provide a background on the surcharge decrease.

Mr. Coleman responded the surcharge is being reduced by 2% which will lower the rate to 65%. Mr. Coleman estimated the rate will continue to drop by 2-3% each year as it has since 2004. Mr. Coleman informed Council in 2002 a 32% surcharge was approved, in 2003 a 54% surcharge was approved, and in 2004 a 80% surcharge was approved. Mr. Coleman clarified as local roads were being repaired pipes were exposed that needed repair. Mr. Colman added one of the biggest issues facing the United States is infrastructure degrading and Council should be commended for deciding to repair the water lines.

Mayor Schreiber stated there has not been one water mane break since the repairs were complete.

Mr. Coleman stated if a water mane breaks it happens in the winter, the city used to have water mane issues throughout the year.

Council Member Moeller stated a water mane broke on Washtenaw last winter.

Mayor Schreiber responded he was referencing local roads not major roads.

Mr. Lange added since the beginning of the repairs communication has improved between the city and YCUA has facilitated quicker repairs.

B. Open Public Hearing

No one was present to speak on this topic.

C. Resolutions No. 2014-198, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-454(b) of the Code of Ordinances to increase water rates by 3.5% within the City of Ypsilanti, be officially closed.

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

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

Councilmember Murdock commented about negative comments on the internet regarding surcharges. Mr. Murdock stated the average customer pays 59.26, after this increase the same customer will pay 59.53. Mr. Murdock discussed how many individuals on this planet do not have access to safe drinking water. Mr. Murdock explained what facilities those charges pay for and stated each gallon of water has a user cost of 1.26 cents.

Council Member Moeller stated the 3.5% increase is higher than inflation and asked why rates are rising faster than inflation.

Dwayne Harrigan, YCUA Finance Director, explained if the surcharge decrease is factored in rates it would increase 2.31% which is lower than inflation. Mr. Harrington added the biggest driver of the increase is the City of Detroit raising its fees.

Council Member Moeller stated the last time Council voted to increase water rates one reason given for the increase was major corporations leaving Ypsilanti's border,s.

Mr. Harrington answered yes that is a factor YCUA must make up for lost value and cover the decrease in buying however YCUA's revenue has only increased by 20% with increased costs of 40%.

On a roll call, the vote to approve Res. No, 2014-197 (Ordinance 1227) 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

Ordinance No. 1228

2. Ordinance to Amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti.

   A. Resolution No. 2014-199, determination

      RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

      That the proposed ordinance to amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti, be approved on First Reading.

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

   B. Open Public Hearing

      None

C. Resolutions No. 2014-200, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-455(a) of the Code of Ordinances to increase sewage disposal service rates by 3.5% within the City of Ypsilanti, be officially closed.

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

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

On a roll call, the vote to approve Res. No. 2014-199 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

Ordinance No. 1229

3. Ordinance to Amend Chapter 106, Article V, Section 106-499 to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer service bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund.

A. Resolution No. 2014-201, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the proposed ordinance to amend Chapter 106, Article V, Section 106-499 of the Code of Ordinances to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund, be approved on First Reading.

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Murdock

Council Member Robb stated in the eight years he has been on Council the surcharge has been reduced from 80% to 65%, that's progress.

Council Member Moeller responded citizens still have an issue because as surcharges go down, rates go up.

Council Member Robb replied he understands that but a 15% decrease in the surcharge is still a positive step.

B. Open Public Hearing

None

C. Resolutions No. 2014-202, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the public hearing on the proposed ordinance to amend Chapter 106, Article V, Section 106-499 of the Code of Ordinances to decrease the restricted debt retirement and capital improvement fund surcharge on water and sewer bills within the City of Ypsilanti by adding a surcharge of 65% to each water and sewage bill for billings to be deposited in a restricted debt retirement and capital improvements fund, be officially closed.

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

OFFERED BY: Council Member Robb
SUPPORTED BY: Council Member Murdock

On roll call, the vote on Resolution No. 2014-201 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

XII. ORDINANCES – SECOND READING

Ordinance No. 1230

Ninde-River Alley Vacation

A. Resolution No. 2014-203, determination

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI: that an ordinance entitled "An ordinance to vacate a certain 14 foot wide, 130 foot long alley from Ninde Street heading east to N. River Street to the extent of the southerly parcel boundaries of 11-11-09-131-005 (46-50 E. Cross) and 11-11-09-131-043 (52-56 E. Cross) and the northerly parcel boundaries of 11-11-09-131-021 and 11-11-09-131-022 in the City of Ypsilanti, Michigan" be approved on Second and Final Reading.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Mayor Pro-Tem Richardson

Community Development Director Teresa Gillotti explained notice requirements for alley vacations in the City which require a nursing period before a public hearing can be held, which is why it is held during the second reading. Ms. Gillotti added this ordinance is being reviewed in order to allow the public hearing during first reading. Ms. Gillotti provided back ground regarding the alley vacation which is located behind Sidetrack and Birdbrain. Ms. Gillotti explained current deeds describe the space differently, either being public or private property, currently this space is being used as private property and this vacation would provide it with that legal designation.

B. Open Public Hearing

None

C. Resolutions No. 2014-204, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that the public hearing on an ordinance entitled "An ordinance to vacate a certain 14 foot wide, 130 foot long alley from Ninde Street heading east to N. River Street to the extent of the southerly parcel boundaries of 11-11-09-131-005 (46-50 E. Cross) and 11-11-09-131-043 (52-56 E. Cross) and the northerly parcel boundaries of 11-11-09-131-021 and 11-11-09-131-022 in the City of Ypsilanti, Michigan" be officially closed.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Mayor Pro-Tem Richardson

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

On a roll call, the vote to approve Resolution No. 2014-203 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

XIII. <u>CONSENT AGENDA</u> – Resolution No. 2014-205

1. Resolution No. 2014-206, approving Ordinance No. 1226, an ordinance to adopt the International Property Maintenance Code, to amend Chapter 50 entitled, "Fire Prevention and Protection" by amending Article II, "Fire Prevention Code", Section 50-33, "Additions, Insertions, and Changes to update the rules regarding "Open Source Fires and Open Burnings". ***(Second Reading)***

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   That an ordinance to adopt the International Property Maintenance Code, entitled "AN ORDINANCE TO AMEND CHAPTER 50 OF THE YPSILANTI CITY CODE, ENTITLED "FIRE PREVENTION AND PROTECTION," BY AMENDING ARTICLE II, "FIRE PREVENTION CODE," SECTION 50-33 "ADDITIONS, INSERTIONS, AND CHANGES TO UPDATE THE RULES REGARDING OPEN SOURCE FIRES AND OPEN BURNINGS" be approved on Second and Final Reading.

2. Resolution No. 2014-207, renewing agreement with Michigan Department of Transportation (MDOT) to maintain all state trunk lines and bridges within the City's jurisdiction.

   RESOLUTION APPROVING MDOT STATE TRUNK LINE MAINTENANCE CONTRACT

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS a State Trunk Line Maintenance Contract (MDOT NO. 2014-0435) is made and entered into by and between the Michigan Department of Transportation and the City of Ypsilanti; and

WHEREAS MDOT has found that contracting with the City of Ypsilanti for the maintenance of state trunk lines and bridges within its jurisdiction is in the best public interest; and

WHEREAS the term of the contract is October 1, 2014 to September 30, 2019; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the MDOT Contract NO. 2014-0435 State Trunk Line Maintenance Contract; and

FURTHER, that the Mayor and City Clerk are authorized to sign the necessary contract documents, and that the City Manager is authorized to sign any change orders, subject to approval by the City Attorney.

3. ~~Resolution No. 2014-208, designating official representative and alternate for the Michigan Municipal League (MML) Annual Convention.~~ ***(Moved to Resolutions/Motions/Discussions)***

4. Resolution No. 2014-209, approving DDA Streetscape Agreement.

Resolution to approve DDA Streetscape Maintenance Agreement

Whereas, the Ypsilanti Downtown Development Authority (DDA) has made improvements to the Cross Street Area, and

Whereas, the City of Ypsilanti and the DDA desire to provide for maintenance responsibilities of the Cross Street Area improvements, and

Whereas, the DDA board of directors have approved such an agreement that is approved as to form by the city attorney, and

Whereas, staff has approved the agreement.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that:

The attached Agreement for Cross Street Streetscape Maintenance is approved and the Mayor and City Clerk are authorized to sign for and on behalf of the City of Ypsilanti.

OFFERED BY: Mayor Pro-Tem Richardson
SUPPORTED BY: Council Member Murdock

On a voice vote, the motion to approve the Consent Agenda carried unanimously.

XIV. RESOLUTIONS/MOTIONS/DISCUSSIONS -

1. Resolution No. 2014-210, approving a request to extend purchase agreement with Herman & Kittle LLC for purchase and development of 1.7 acres for family housing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, The Ypsilanti City Council approved purchase agreement for 1.7 acres of the Water Street Redevelopment Area with Herman and Kittle Properties (HKP) for development of family housing contingent on receipt of a MSHDA allocation by Aug. 15, 2014; and

WHEREAS, Herman and Kittle Properties was awarded and received a $2.1 million allocation from MSHDA for the Water Street Flats project; and

WHEREAS, MSHDA has invited Herman and Kittle Properties to apply for additional funding in their October funding round and HKP intends to apply; and

WHEREAS, HKP has requested an extension of key dates with in the executed purchase agreement to reapply for funding to fully finance the project; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council approve the attached amendment to the Purchase Agreement with Herman & Kittle Properties to sell and develop 1.7 acres of the Water Street Redevelopment Area as presented in the agreement and attachments; and

FURTHER, that the Mayor and City Clerk are authorized to sign the Purchase Agreement extension

OFFERED BY: Council Member Jefferson
SUPPORTED BY: Council Member Murdock

Community Development Director Gillotti provided a Staff Report

Background
On January 21, 2014, City Council approved a non-binding Letter of Intent with Herman & Kittle Properties, Inc (HKP). for the purchase and development of a portion of the Water Street Redevelopment area for family housing. On Tuesday, February 25, 2014, City Council held a work session to discuss the proposal changes, site visits to other HKP properties, and other concerns and questions that remained from council, staff, and the public in attendance. On March 4, 2014, City Council held a public hearing on the potential sale, and ultimately approved the purchase agreement for 1.7 acres to be developed as multi-family housing in the southern portion of the Water Street redevelopment area.

The purchase agreement was contingent on Herman and Kittle receiving and accepting an allocation from MSHDA to finance the project. The attached letter from MSHDA provides information on the allocation of HOME funds in the amount of $2.1 million dollars. HKP did accept this allocation, although it represents about half the requested amount. MSHDA is aware that a second allocation is needed, and based on a series of conversations with MSHDA in the last month or so; MSHDA has invited HKP to apply for the additional funding. HKP is requesting an amendment to the purchase agreement to extend the inspection, governmental approvals and other related sections to accommodate the fall application to MSHDA. With the amendment approved by City Council, HKP will proceed with an application to MSHDA in October of 2014 for the additional funding needed to fully finance the project.

Previous scoring
The HOME funds that complement the 4% tax credit bonds had a total allocation of $18 million last year. The funds are released as part of a competitive scoring process that distributes funding based on ranking projects. Water Street Flats ranked six in the round. One of elements that adversely affected the project scoring was the lack of a Payment in Lieu of Taxes (PILOT). Projects are scored based on a variety of factors including maintaining a low soft debt (HOME funds) to permanent mortgage ratio during the lifetime of the affordability period. MSHDA uses this ratio as a guide due to the fact that HOME funds are a limited resource and wants to ensure the developers are leveraging these funds most efficiently. Use of the Brownfield Tax Increment financing, provides annual reimbursement of eligible brownfield, infrastructure and site preparation costs. An estimated brownfield TIF reimbursement for this project showed reimbursement for about 20-23 years which would finance the roads, sewer, water, cleanup, site prep, geopiers, etc. After that 20-23 year period, a dramatic increase in annual operating expenses for the project after that period, until year 35 of the affordability period. Without a means to stabilize the expenditure after that time frame, the project scored lower than expected due to the fact that MSHDA's debt would be exposed after the TIF expired. This forced MSHDA to not underwrite the full benefit of the TIF in their underwriting, requiring a lower than expected permanent mortgage.

What would change with a new application?
Herman and Kittle will be reapplying for tax credits through two simultaneous applications in October. Both rounds have similar timelines (see below), but do differ in some ways. The 4% LIHTC and HOME funds is similar to the round where HKP received the partial allocation this year.

The second application will be in a revised 9% tax credit round. This round would feature some minor but preferred changes to the applications. The 9% round provides significantly more equity into the project, which makes the following items more realistic relative to the bond application. Those listed below are intended to be included in the application in Oct. Confirmation of these items will be available after the HKP investor's meeting prior to Council's meeting on Sept. 2.

- Enterprise Green Certification – Allows additional 10 points. We would revert back to the original plan, no Enterprise Green Certification, but rather the MSHDA Green certification for the 4% bond round.
- 20% Market Rate units, which equates to 16 units (currently modeled with one 50% AMI unit) – Allows additional 5 points. This is subject to approval by HKP senior management team. .
- Increased Equal Employment Opportunity Targets of 18.05% minority contractors and 6.9% female contractors

Project details:
The project will be nearly a $12 million investment into the Water Street Redevelopment Area. The investment total includes infrastructure improvements including the extension of River Street south, South Street from River to Park, Lincoln between South and the Ring Road, and the Ring Road from River to Lincoln, as shown below. Additionally, the project will include geopiers to support the 4-story building, as the soil is not compact enough due to the presence of deleterious material in existing fill soil.

60% AMI, as previously proposed in March. The only change would be the three items listed above, otherwise no other details change.

Revised Project Timeline

• Submit Preliminary Assessment / 9% Application	10/15/2014 OR 10/1/2015
• Threshold Rankings Released	2/19/2015
• Site Plan Approval	May / June of 2015
• Final Board Approval	May / June of 2015
• Close on Property	09/2015
• Commence Construction	09/2015
• Construction Completion / Cert of Occupancy	09/2016

Amendment details

The amendment to the purchase agreement does two key things:

- Allows for HKP to apply to MSHDA for additional financing. If the allocation is not received the from MSHDA by March 31, 2014 the agreement will terminate
- Changes other time frames in the agreement to either match or restart from this new date including: governmental approvals period, and closing.

Council Member Robb asked what would be the market rate for rents.

Community Development Coordinator Gillotti estimated around 60% AMI but hard data will be available after the market study.

Mike Rodriguez, Herman & Kittle representative, answered rents are at the 60% AMI level for modeling purposes. Mr. Rodriguez estimated rents would likly be 10-15% higher. Mr. Rodriguez explained there is an under-ride of 60% with a 10% discount to market, if Herman Kittles believes this will happen the market study will be refreshed.

Council Member Robb asked if 20% of the units will be market rate if the project is awarded the 4% tax credits.

Ms. Gillotti answered the last application was for 4%, since then there have been three changes. Ms. Gillotti said the project is now focusing on 9% tax credits.

Mr. Rodriguez stated it is beneficial for the city to get the 9% tax credit, also MSHDA prefers that rate.

Council Member Robb stated if we are close to market rate now why wouldn't 4% produce 20% market rate.

Ms. Gillotti responded the project does not score as well at the 4% tax credits.

Mr. Rodriguez stated they would only receive 80% equity at the 4% rate, 9% provides for cushion and flexibility in the deal.

Council Member Murdock asked for clarification regarding the financing, if the first round is a loan.

Mr. Rodriguez responded it's basically a soft loan payable out of available cash flow.

Council Member Murdock clarified it is not a grant, it's a loan.

Mr. Rodriguez responded yes, it is a loan and would have to be paid back.

Council Member Murdock asked what the difference is between the 4% and 9% tax credits.

Mr. Rodriguez answered the 4% credit will produce half the equity derived by the 9% credit. Mr. Rodriguez said the 4% scenario would require more debt.

Council Member Murdock asked what the credit is.

Mr. Rodriguez answered the IRS pays $2.25 per resident in each State, approximately $12 million. Mr. Rodriguez explained MSHDA is very competitive, there are three applications for each allocation for tax credits. Mr. Rodriguez said the eligible development cost is multiplied by 9% over ten years. Once the company receives the tax credits they have the ability to sell them to banks or insurance companies.

Council Member Moeller stated Herman Kittles is not putting any hard cash into the development.

Mr. Rodriguez answered correct, other than the differed developer fee. Mr. Rodriguez explained the program is designed to entice development. Mr. Rodriguez stated with market rate properties there is an annual cash flow, properties like this there is more risk.

Council Member Moeller asked if the soft loan is being paid off by using tax dollars.

Mr. Rodriguez responded the loan is being paid by the cash flow of the deal.

Council Member Moeller clarified if revenue developed from rents is what will pay back the loan.

Mr. Rodriguez responded yes, rents minus operating costs which will pay the loan off plus acquired 3% interest.

Council Member Moeller asked if Herman Kittles would provide the area with infrastructure.

Mr. Rodriguez responded essentially it's an interest free loan to the city for 21 years.

City Manager Lange stated there is no difference in the quality of subsidized units and the market rate units.

Mr. Rodriguez responded correct there is no difference in design of the units, they will all be market rate quality.

Mayor Schreiber asked what the difference is between enterprise green certification and the MSHDA requirement.

Mr. Rodriguez responded the MSHDA requirement is the minimum green threshold, enterprise green is very similar to LEED silver certification which requires 35 additional points.

Mayor Schreiber asked if the rules for the 9% tax credit changed to make it more attractive for this project.

Mr. Rodriguez responded during the last application process Herman and Kittles did not feel they would be competitive at 9%. Mr. Rodrigues added he and Ms. Gillotti have spoken with MSHDA who support this project, they just need to get creative in how they will obtain the points necessary to have the application accepted.

Mayor Schreiber asked for an explanation of the brownfield tax credits running out.

Mr. Rodriguez responded the biggest problem with the TIF reimbursement is there is not enough insurance in place to know if the project will be successful long term.

Mayor Schreiber asked were there any other reasons for choosing to apply for the 9% tax credits other than the advice of MSHDA.

Mr. Rodriguez replied the deal makes more sense at 9%, it provides less debt for the project.

Mayor Schreiber asked if both the 9% and 4% application rounds are in October.

Mr. Rodriguez responded yes, the 9% round is on the 1st and the 4% round is on the 15th. Mr. Rodriguez added they will know if the applications were successful in January for the 9% and February for the 4%.

Mayor Schreiber asked what would happen if both applications were successful.

Mr. Rodriguez responded Herman Kittles would select the 9% tax credit.

Council Member Robb asked why the proximity to the river hindered the project.

Mr. Rodriguez responded he is not sure that is true.

Council Member Robb clarified if Mr. Rodriguez was saying the statement is false.

Mr. Rodriguez answered the only issue is there is some soft soil and it would be required to be required to be geopiered. Mr. Rodriguez added moving the project closer to Michigan Ave would be more expensive and the project would lose its eligibility for brownfield tax credits.

Council Member Robb asked if the project is in-line with the Master Plan.

Ms. Gillotti responded yes, during the last presentation in March the decision making matrix, which was designed in the Master Plan, was applied to this project.

Mayor Schreiber stated the Hamilton Crossings was separated into two phases, Phase 1 was a project with section 8 housing with 4% tax credits and Phase 2 had 9% tax credits, so that project used both.

Mr. Schreiber added financing these projects can become very complicated.

Mr. Lange stated he has spoken with State Representative Rutledge who is now in favor of this project.

Council Member Robb asked to have Representative Rutledge send an email to that effect.

Council Member Moeller asked why Representative Rutledge did not inform Council of his change in opinion.

Council Member Robb asked if Herman and Kittles is going to provide 40% of the road network and how important is that to developers.

Ms. Gillotti responded developers whom she have spoken with have been very interested to know when the road network will be complete, as it makes their project less difficult.

Council Member Robb asked if it was appealing to developers or is it critical.

Ms. Gillotti responded, with the time line given to sell Water Street property, anything that makes property more attractive to developers is critical.

Mr. Lange stated another dimension of this proposal is it provides the city with a no-interest loan for 21 years, no other developer is willing to do that.

Council Member Robb asked if the $12.5 million will equate to 62 Downtown Development Authority redevelopment liquor licenses.

Ms. Gillotti responded the full investment triggers the redevelopment liquor license, not the taxable value.

Mr. Lange added this is private investment and every $5 million in private investment takes $100,000 off of the Community Development Block Grant Loan so this project will take $200,000 of that loan.

Mayor Schreiber asked if the rules surrounding the 9% tax credits would not allow for 16 units to be Section 8 housing.

Mr. Rodriguez responded he is not sure on the exact number but it probably is still around 10-15%.

Mayor Schreiber stated it would be a small percentage of the total units, especially if this is an attractive property and people are willing to pay full rents.

Mr. Rodriguez responded it would reduce the number of Section 8 vouchers.

Mayor Schreiber stated he voted for this project the last time it came before Council and the changes seem to have strengthened it moving forward and he plans on voting for it.

On a roll call, the vote to approve Resolution No. 2014-210 was as follows:

Council Member Jefferson	Yes	Council Member Robb	Yes
Council Member Moeller	No	Council Member Vogt	No
Council Member Murdock	Yes	Mayor Schreiber	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 5 NO: 2 (Moeller, Vogt) ABSENT: 0 VOTE: Carried

2. Resolution No. 2014-211, approving OHM proposal for construction engineering for Phase I Prospect Road Priority Road Improvement Project (PRIP).

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Priority Road Improvement Program Funds has been programmed for road improvements including; 2.5 inch cold milling of existing asphalt surface, hot mix asphalt overlay of the milled areas, select subgrade repairs, select sidewalk repairs, sidewalk ramp improvements, and select repairs to the curb and gutter for South Prospect Road in the 2014 construction season; and

WHEREAS, the low bid for this project was submitted by Cadillac Asphalt, LLC in the amount of $348,537.21; and

WHEREAS, Orchard Hiltz and McCliment has submitted a proposal to provide construction engineering services and geotechnical testing for a not exceed amount of $53,300; and

WHEREAS, the construction engineering services will be expended from account number 202-7-9041-975-02 in the FY 2014-15 budget; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the proposal submitted by OHM for construction engineering and materials testing services to comply with regulations and directives mandated for the use of Priority Road Improvement Program Funds; and

THAT the Mayor and City Clerk are authorized to sign this contract, subject to review and approval by the City Attorney; and

THAT the City Manager is authorized to sign any change orders that may be needed to maintain the project's schedule, subject to review and approval by the City Attorney.

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

Public Services Director Stan Kirton and Marcus McNamara, OHM, were present to give an overview and answer questions.

Council Member Murdock asked when the last piece between Michigan Ave and Grove would be complete.

DPS Director Kirton responded Mr. Lange had a conversation with Larry Doyle and that last piece will be a part of Phase II.

Council Member Murdock asked if that would happen next year.

City Manager Lange responded yes.

Council Member Murdock asked if construction would take place the same time as the TAP grant.

Mr. Lange answered yes.

Council Member Murdock asked what is being done about Mrs. Pryce's section of Prospect.

Council Member Robb asked to whom she spoke with that told her that section of Prospect would be complete.

Mr. Kirton responded he doesn't believe that any one in his office told her it would be complete. Mr. Kirton stated if the funds are available that section will be completed, if not it will be spray patched before winter.

Mayor Pro-Tem Richardson stated something needs to be done about that section of Prospect, it is in terrible condition.

Mr. Lange stated there are three options; pull out the concrete and reconstruct, which would be expensive, mill the concrete and asphalt overlay, or pull half the slabs and reconstruct. Mr. Lange stated that Mr. Doyle has advised against the mill and overlay and suggests the full depth repair.

On a roll call, the vote to approve Resolution No. 2014-211 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

3. Resolution No. 2014-212, awarding contract to Cadillac Asphalt, LLC for Phase I of the Prospect Road PRIP Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Priority Road Improvement Program (PRIP) Funds has been programmed for road improvements to Prospect Road in the 2014 and 2015 construction seasons; and

WHEREAS, Phase I of this project slated for the 2014 construction season includes cold milling 2.5 inches of the existing pavement, Hot

Mix Asphalt (HMA) paving of the milled areas, select subgrade repairs, select curb and gutter repairs, select sidewalk repairs and sidewalk ramp improvements to South Prospect Road between Michigan Avenue and Grove Road; and

WHEREAS, bids were solicited for Phase I on MITN (Michigan Inter-governmental Trade Network), and five (5) bids were received and opened on August 12, 2014, bids ranged from $513,732.56 to $348,537.21; and

WHEREAS, the engineers' (OHM) estimated the cost of Phase I at $382,140.00; and

WHEREAS, Cadillac Asphalt, LLC , 1785 Rawsonville Road, Bellelville, MI, submitted the low bid in the amount of $348,537.21; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council approves the execution of this contract with Cadillac Asphalt, LLC for the amount of $348,537.21; and

THAT the Mayor and City Clerk are authorized to sign this contract, subject to review and approval by the City Attorney; and

THAT the City Manager is authorized to sign any change orders that may be needed to maintain the project's schedule, subject to review and approval by the City Attorney.

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

On a roll call, the vote to approve Resolution No. 2014-212 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

4. ~~Resolution No. 2014-213, approving LDFA extension~~. ***(Moved and heard after 'Approval of Minutes' and before 'Ordinances')***

5. Resolution No. 2014-208, designating official representative and alternate for the Michigan Municipal League (MML) Annual Convention

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

**THAT Mayor Pro-Tem Lois Richardson be appointed as Delegate and City Clerk Frances McMullan be appointed as Alternate for the Annual Convention of the Michigan Municipal League to be held October 15-17, 2014 in Marquette,
Michigan.**

OFFERED BY: Mayor Pro-Tem Richardson

SUPPORTED BY: Council Member Jefferson

Mayor Pro-Tem Richardson stated that she will be attending the Convention so she is willing to accept the nomination.

Council Member Jefferson nominated Mayor Pro-Tem Richardson as a delegate.

Mayor Pro-Tem Richardson nominated City Clerk McMullan as the alternate.

On a roll call, the vote to approve Resolution No. 2014-208 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	Yes
Mayor Pro-Tem Richardson	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

XV. LIASON REPORTS –

A. SEMCOG Update – Hosting a public meeting regarding the development of a regional plan for bikeways and walking trails in Ypsilanti. This is the second round of public meetings on this plan and will be adopted in November at the General Assembly meeting at Michigan Stadium. Non- Motorized Committee is meeting Thursday September 18th from 4 to 7 p.m. in City Hall.
B. Washtenaw Area Transportation Study – no report
C. Washtenaw Metro Alliance – no report
D. Urban County – no report
E. Freight House – no report

XVI. COUNCIL PROPOSED BUSINESS –

Murdock

- There is a ridesharing organization, either called Uber or Live, it's essentially a taxi service operating in several cities throughout the country. Ann Arbor, as well as other communities, is beginning to try to regulate these organizations. Ypsilanti may want to get involved in this process as companies operating in Ann Arbor will be servicing Ypsilanti.
- Asked that the Police Department prepare a community policing report now that staffing is at the appropriate level. This report should include neighborhood groups as well as new technologies such as body cameras.

  City Manager Lange responded this was going to be scheduled once time was available.

- There is a possibility of a Washtenaw County ID card and would like to bring a resolution of support to Council.

Richardson

- Tomorrow the Parkridge Community Center Board will be meeting to sign an agreement for the solar panel project. This project began with an anonymous individual who donated panels for six locations.

Robb

- There is a petition to remove parking from Youngs Street. Mr. Robb requested a back story on this issue.
- Stated he is happy some of the graffiti is coming down and wants to know what individuals need in order to remove the remaining graffiti.
- City Manager evaluations are due by next Council Meeting.

Jefferson

- Stated there is a tree on 426 Hawkins that needs to be trimmed and an update of the progress.

XVII. COMMUNICATIONS FROM THE MAYOR –

- Thanked Patty Harrington for the update on the Water Street information list.

- Received a request from State Representative Anderson to support his resolutions regarding fireworks.

  Mayor Pro-Tem Richardson moved, Council Member Vogt supported to form a resolution of support for Representative Andreson's resolutions.

- Stated he was contacted by Bob Krzewinski of the Recreation Commission to form a resolution banning smoking in the parks.

  Council Member Murdock moved, supported by Mayor Pro-Tem Richardson to form a resolution to ban smoking in "tot lots".

- Asked why Council did not pass a resolution of support for Heritage Festival.

  Council Member Robb responded he feels it is disrespectful to Council to add an agenda item two minutes before the Council meeting. Mr. Robb added he thinks the fee schedule should be adjusted and the charges for police dispatch reduced rather than providing additional funding.

  Mayor Schreiber stated it would be a good thing for the city to sponsor this festival since it is a free festival.

  Council Member Moeller asked why we sponsor festival one and not the other festivals.

  Council Member Robb stated he would rather city staff restructure the fee schedule making the cost more manageable, than sponsor festivals.

  Council Member Murdock stated in order for him to support the festival he would need to see an audit.

  City Manager Lange stated the police department provided the festival with less expensive fees.

  Assistant to the City Manager Savage stated the City changed park fees for the heritage festival in order to make it more manageable for the organization.

  Mayor Schreiber stated no matter the amount that Council deems acceptable it should sponsor the event.

  Mayor Pro-Tem Richardson stated the City should support the Heritage Festival, however the festival is given payment in-kind by reducing fees.

XVIII. COMMUNICATIONS FROM THE CITY MANAGER –

- Welcomed Nan Schuette back from her trip to Scotland.
- Stated the CIL update was provided by Assistant to the City Manager Ericka Savage and commended Ms. Savage on her work.
- Urgent road repairs are underway and a great amount of work has been completed.
- Prospect Street North Bridge approach was a major innovation.
- Stated the County asked him to attend a regional meeting regarding roads and a county-wide millage that could be approved by the Board of Commissioners.
- Economic development efforts continue for Water Street.
- Provided an update on the recovery plan; the general fund balance is very critical the pre-audited fund numbers will be available soon and Council will be pleased.
- Working with the state to make a major push to contribute fire protection.
- The new City Manager Intern has an accounting background and will work closely with Ms. Savage for the next five year projections.
- Through efforts more funding will be available to go into the police and fire pension and will not need to raise the millage.
- Star Hunt has been selected as the school resource officer. The city still working on that contract. By next September the DDA officer should be in place.

XIX. AUDIENCE PARTICIPATION -

1. Nathan Phillips, 509 N. Washington, spoke about his experience this year with the Heritage Festival. Stated his organization, the Native American Alliance, has been a part of the Heritage Festival in the past and when asked to be a part the festival this year he was avoided. Mr. Phillips stated he approached a committee member stating his displeasure that there is no Native American representation there is a man discussing Native American history. Mr. Phillips stated that he was spoken to very poorly when asking to be involved in the festival. Mr. Phillips asked Council for a resolution of support for the Native American people of Ypsilanti.

XX. REMARKS FROM THE MAYOR -

- Mayor Schreiber asked that Mr. Phillips not let one voice silence him and said he looked forward to seeing Native American Alliance at the Heritage Festival.
- Mayor Pro-Tem Richardson thanked Mr. Philips for speaking and stated Council would be remiss if it simply told him to try again. Ms. Richardson asked that this matter be examined by the Human Relations Commission. Ms. Richardson added

if the Heritage Festival asks the City for sponsorship and discounts in fees then matters such as these should be addressed.

- Mayor Schreiber requested that the City Clerk alert the HRC Chair of tonight's discussion regarding the Heritage Festival and share comments.

- Asst. to City Manager Ericka Savage reported that Mr. Phillips did contact the city regarding the Heritage Festival. Ms. Savage stated she created a report listing the most pressing complaints she received regarding the Heritage Festival and brought them to the attention of David Nickerson, Chairman of the Heritage Festival Board, and is waiting for a meeting to be held once he returns to town.

XXI. ADJOURNMENT –

Resolution No. 2014-214, adjourning the 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 and the meeting adjourned at 10:10 p.m.