

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE CITY COUNCIL
CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON
MONDAY, APRIL 21, 2008.**

The meeting was called to order at 7:00 p.m.

ROLL CALL

Present: Mayor Scrace, Councilmembers Parthum, Stempfle, Stevens, Walsh, Weipert

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Weitzel, Finance Director Johnson, Asst. City Manager Fincham, and City Planner Jackson.

Motion by Council Member Weipert second by Council Member Parthum to excuse Council Member Pfaehler from the meeting for personal reasons.

UNANIMOUSLY ADOPTED.

CONSENT AGENDA

Motion by Council Member Weipert second by Council Member Stempfle to approve the Consent Agenda consisting of the following:

- a. Minutes from the regular City Council meeting held on March 17, 2008.
- b. Invoices
 - a) Anderson Eckstein & Westrick - 2008 Resurfacing Program, \$5,317.64
- 2007 Sewer Cleaning & TV Inspection, S2 Grant, \$31,479.35
 - b) Tringali Sanitation - Curbside Recycling, February, 2008, \$5,088
 - c) City of Detroit, Board of Water Commissioners - Sewage Disposal Services, February, 2008, \$36,866.25
 - d) Barton Malow Company - Progress Payment, Municipal Parking Structure, \$493,019.86
 - e) City of Grosse Pointe Farms - Radio Maintenance, \$13,356.22
 - f) Grosse Pointes-Clinton Refuse Disposal - Refuse Disp, Jan., 2008, \$8,650.54
- Refuse Disposal, February, 2008, \$5,551.55
 - g) Tetra Tech Inc. - S2 Sewer Grant, Pump Station Repair, \$7,150.18
 - h) Rich and Associates, Inc. - Professional Services, Parking Structure, \$9,453.34
- c. Approval to set hearing date for the 2008-09 Budget for Monday, May 12, 2008 at 7:00 p.m.
- d. Approval of Resolution proclaiming the last week of April 2008 as Arbor Week with April 28, 2008 marking the celebration of Arbor Day.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PRESENTATION – TRANSPORTATION RIDERS UNITED

Megan Owens, Executive Director of Transportation Riders United, gave a PowerPoint presentation regarding transit-oriented development in southeast Michigan. Transit-oriented development is a neighborhood-planning tool that integrates development opportunities with multiple forms of transportation, including mass transit, biking and walking. Ms. Owens discussed ways for

communities along transit corridors to take steps to integrate TOD into their community fabric and the economic benefits of doing so. After Ms. Owens answered various Council questions regarding Transportation Riders United, the City Council thanked her for the presentation.

PUBLIC HEARING – FORMATION OF A DOWNTOWN DEVELOPMENT AUTHORITY AND DESIGNATION OF DOWNTOWN DISTRICT BOUNDARIES

City Manager Dame made the following report:

In March, the City Council approved April 21, 2008, as the date for a public hearing intended to obtain input from citizens on whether to establish a Downtown Development Authority (DDA) for the Village business district and to hear comments on the proposed boundaries of such district. According to state law, a public hearing notice was sent to all property owners within the proposed district on March 28. The public hearing notice was published in the Grosse Pointe News on March 20 and 27 and posted in 20 public places by the City Clerk.

Mr. Dame introduced Pat McGow of Miller, Canfield, Paddock & Stone, the City's DDA counsel. Mr. McGow provided an overview of what a DDA is and its eligible activities. He noted that under state law, no action can be taken by the Council regarding the establishment of a DDA until 60 days after the public hearing which is estimated to be some time in July. If a DDA ordinance was approved, the Mayor would appoint, with the concurrence of City Council, a DDA board which would develop with the Council a plan for the activities in the DDA.

Mayor Scrace opened the public hearing and asked for public comment regarding the proposed Downtown Development Authority and Downtown District Boundaries. Two letters were submitted for the record one in support of the DDA and one objecting to the DDA stating the need is not justified. Those in attendance made the following comments:

Jim Bellanca – is in favor of the DDA without the taxation option of the 2 mill increase. He expressed concern about the makeup of the DDA board. He asked if the 2 mill increase could be written out of a DDA plan and what the process would be for DDA board applicants.

Anneliese Bajer – Tire Systems Engineering – expressed concerns about additional assessments of properties in the proposed district and why more people were not told about the DDA and the hearing. She posed questions about a Detroit Free Press article about the DDA and other projects.

Robert Sfire – landlord in the Village – expressed concern about increasing real estate taxes with the optional 2 mill authority and the need for a good control on the DDA board and its plan, but supports a DDA.

Mike Kramer – Kramer's Bed, Bath & Window – is in favor of the DDA but was concerned about the DDA board's authority to tax and who the board members would be.

Landlord of properties at Waterloo and Notre Dame – stated that tenants are hesitant to sign long leases because of the uncertainty of what is going to happen in the Village which puts pressure on property owners to find renters.

Jacques Bajer – Tire System Engineering – a potential increase in any taxes is not a good thing for the Village.

Beverly Leinweber – Village Assoc. – is in favor of the DDA. Is concerned about where the funds for improvements will come from in the future if a DDA is not created now.

Ellen Durand – Village Toy Co. – is in favor of the DDA. Is concerned about the 2 mill option for taxes and stressed the importance of working together and carefully establishing the district and board members.

Georgia Valente – landlord in Village – the optional mills of taxation is a serious issue but supports the idea of a DDA. Is concerned about the retail decline in the area and additional taxes would not help.

Peter Dow – landlord on Mack Avenue – asked why the DDA is proposed in the Village and not on Mack Avenue.

Judy Orhan – 726 Notre Dame – asked for caution in what projects and developers are selected for development in the Village.

John Denomee – Village Association - supports a DDA but expressed concern about raising taxes with the 2 mill option authority and suggested looking for common goals with the City for DDA projects. DDA is the financing mechanism that does not require raising taxes like a principal shopping district does.

After those present were afforded an opportunity to comment, Mayor Scrace declared the public hearing closed.

City Manager Dame stated that the DDA board will be comprised of 9-13 business members including the Mayor. A majority of the members must have a business interest in the Village. The board appointments are made by the Mayor with the consent of the City Council. The City Council has veto power for the 2 mill option if it is approved by the DDA board. If an ordinance establishing a DDA is adopted, and appointments are made to the DDA board, a public hearing is required once a DDA Plan is created by the board and the City Council.

Council discussion took place regarding the proposed Downtown Development Authority and the Downtown District Boundaries. Council commented on the importance of promoting development and stimulating growth in the Village district. The Council thanked those in attendance for their comments.

The City Council now convened as the Zoning Board of Appeals.

ZONING BOARD OF APPEALS – 17898 MACK AVENUE – WHAT A GIRL WANTS BOUTIQUE

Mayor Scrace called to order the Zoning Board of Appeals to consider a variance request for 17898 Mack Avenue:

1. Reduce the number of required parking spaces to two.

City Clerk Arthurs informed the Board that notice of public hearing had been given as required by PA 110 of the State of Michigan and Grosse Pointe City Ordinance, proof of which is on file in the official records of the City of Grosse Pointe.

City Planner Jackson made the following report:

The applicant is proposing to occupy a 663 sq. ft. space within the Koehler building for a fashion boutique/retail store. The remaining portion of the building is leased by Maier & Werner Salon since 2007. There are four parking spaces provided on site. When the review was completed for the Maier & Werner Salon, it was determined that the previous medical office building required 17

parking spaces. Because the parking requirement for the salon (15 spaces) was less than the previous medical office (which received a parking variance in 1991 based on the availability of parking in the adjacent municipal lot) the use was permitted. Additionally, the variance in 1991 established a right for the property to be used in a non-conforming manner, i.e. deficient parking. At the time of the site plan review for Maier & Werner, the applicant was made aware that if the building required more than 15 spaces in the future, a variance will be required.

Four parking spaces are required for the proposed boutique's use. Based on the existing salon and the proposed boutique, 19 parking spaces are required for the building, which is 2 parking spaces above what was required by the previous office use. Therefore, a variance of 2 parking spaces is needed. Mr. Jackson discussed other ordinance requirements for the proposed boutique as noted in his report dated April 14, 2008. Further, based on the background information, the existing code and ordinances and a review of the parking system along Mack Avenue, it is noted that the proposed use will be a harmonious part of the district and due to the mix of uses within the area, parking for the proposed use will be available. The anticipated increase in parking demand generated by the proposed use and existing salon beyond the previous medical office building (2 spaces) is low. The City Planner recommended approval of the proposed parking variance.

Mayor Scrace asked for any public comment regarding the variance request. Peter Dow, landlord of 17854 Mack Avenue expressed concerns about parking in the area. He stated that his tenants, doctor's offices, stated that they are concerned about elderly patients, especially in the winter, not being able to park close to the building for appointments. He stated that most of the spaces along Mack Avenue are occupied by patrons of the two salons in the area and that boutique patrons will add to the parking problem. Discussion took place regarding parking standards and the parking supply in the area. It was suggested that designation of handicap spaces in the area be investigated. It was further suggested that employees of the salon should be parking in the leased spaces in the city parking lot. Mr. Koehler, the applicant, stated that there is plenty of parking and that the boutique will not have a significant impact. Board discussion took place regarding the variance request and comments received.

Motion by Council Member Stevens second by Council Member Parthum to grant the parking variance for What a Girl Wants Boutique, 17898 Mack Avenue.

UNANIMOUSLY ADOPTED.

The Board now convened as the Planning Commission.

SITE PLAN REVIEW – SIGNAGE FOR WHAT A GIRL WANTS BOUTIQUE – 17898 MACK AVE.

City Planner Jackson reviewed his report. The sign will be constructed of individually mounted acrylic letters, brown and pink in color with a baked enamel finish. The sign is not proposed to be illuminated. It is suggested that to promote a lively streetscape that exterior lighting be provided such as a gooseneck fixture or back lit lighting for the wall sign. It was further recommended that the sign lettering for the letter "G" be reduced to a maximum of 12 inches in height to meet ordinance requirements and be consistent with the adjacent Maier Werner sign.

Tameka Gutierrez, boutique owner, requested that the proposed 18" height of the letter "G" be allowed to better identify her business. Mr. Jackson suggested the applicant consider using a logo or small sign to identify the business similar to the "M & W" round sign under the gooseneck fixture used by Maier & Werner salon next door.

Motion by Council Member Weipert second by Council Member Walsh to approve the signage for What A Girl Wants Boutique, 17898 Mack Avenue, with the modification of the letter "G" not to exceed 12 inches in height and a gooseneck fixture is installed.

UNANIMOUSLY ADOPTED.

The Commission reconvened as the Zoning Board of Appeals.

ZONING BOARD OF APPEALS – 17845 MAUMEE AVENUE – FRESH FARMS MARKET

Mayor Scrace called to order the Zoning Board of Appeals to consider a variance request for 17845 Maumee Avenue in a P-1 zoning district:

1. Reduce the front yard setback per Section 90-101(2)(b), minimum requirement on the first 30 ft. of the westerly side (Lincoln) of the proposed parking lot.

City Clerk Arthurs informed the Board that notice of public hearing had been given as required by PA 110 of the State of Michigan and Grosse Pointe City Ordinance, proof of which is on file in the official records of the City of Grosse Pointe.

City Planner Jackson made the following report:

The applicant is requesting that the ZBA grant a front yard setback variance per Section 90-101(2) b, Height, yard spaces and area requirements. Section 90-101(2)b permits the ZBA to allow modification of the yard space requirements as may be necessary to secure appropriate improvement of a lot which is of such shape or so located with relation to surrounding development or physical characteristics that it cannot otherwise be appropriately improved without such modification. The subject property is located at 17845 Maumee and was recently rezoned P-1, Vehicular Parking District. The subject site also received two variances to allow parking within the required front yard setback and a reduced side yard buffer setback. A condition of that approval was that the wall be extended to screen the entire parking lot. After meeting with the owner of the residential property to the north, the applicant is proposing a 6 foot tall brick wall along the north property line, and is proposing to extend the wall to meet the existing fence located on the property to the north. Per Section 90-322, the setback along Maumee must be equal to or greater than the setback of the existing home to the north. Per the City, the existing home has a setback of 22 feet from Maumee, and the applicant is proposing a 2 foot wall setback, therefore a front yard setback variance of 20 feet is required. Mr. Jackson discussed other ordinance requirements pertaining to the variance request as noted in the City Planner report dated April 14, 2008. It was noted that the requested variance is necessary to provide adequate screening to the residential parcel to the north.

Mayor Scrace asked for any public comment regarding the variance request. Cynthia Redlawski, 360 Lincoln asked about the continuation of screening hedge along the wall. Mr. Jackson explained the configuration and planting materials proposed in the site plan.

Motion by Council Member Weipert second by Council Member Stevens to grant the variance for 17845 Maumee Avenue, as requested, contingent on compliance with the landscaping contained in the proposed site plan.

UNANIMOUSLY ADOPTED.

The Board reconvened as the Planning Commission.

SITE PLAN REVIEW – 17845 MAUMEE AVENUE – FRESH FARMS MARKET

The site is zoned P-1, Vehicle Parking District. The applicant previously received two variances to permit the proposed parking lot within the required front yard and side yard setbacks. The conditions of the previous site plan approval required that the screen wall be increased to six feet in height, that arborvitae be planted along the wall, and that a revised site plan for the 30 ft. setback area and screen wall be submitted to the Planning Commission.

After meeting with the owner of the residential property to the north, the applicant is proposing a 6 ft. tall brick wall along the north property line, and is proposing to extend the wall to meet the existing fence located on the property to the north. Further, the applicant is proposing a row of 10 to 12 ft. tall arborvitae within the greenbelt area along the wall for the length of the residential property to the north. The remaining greenbelt area will be planted with Hedge Maple trees and English yews as shown on the previously approved site plan. The proposed screen wall and landscaping exceeds ordinance requirements and meets the height, material, and length agreed upon between the applicant and adjacent property owner. A variance for the wall encroachment has been approved. Other than the wall and landscaping revisions noted herein, no other changes are proposed.

Motion by Council Member Stempfle second by Council Member Weipert to approve the revised site plan signed and dated April 18, 2008, for 17845 Maumee Avenue.

UNANIMOUSLY ADOPTED.

The Commission convened as the City Council.

PUBLIC HEARING – 2007 SINGLE LOT ASSESSMENT ROLL

Mayor Scrace announced that this was the time set for a public hearing by the City Council to review the 2008 Single Lot Special Assessment Roll for unpaid invoices for City services. City Treasurer Johnson reported that the special assessment roll is prepared in accordance with Section 1.15, of the Grosse Pointe City Code. Affected property owners were notified by first-class mail. The total amounts of the Special Assessments are \$72,463.58. The assessments will become a lien on the July 2008 City tax bills.

Mayor Scrace asked for any comments from citizens or Council members. After those persons present were afforded the opportunity to comment, Mayor Scrace declared the hearing closed.

Motion by Council Member Weipert second by Council Member Parthum to approve the 2008 single lot special assessment roll as submitted.

UNANIMOUSLY ADOPTED.

AGREEMENT WITH THE VILLAGE INN OF GROSSE POINTE, LLC

City Manager Dame made the following report:

In late 2007, the City was approached by a group expressing an interest in building a small boutique hotel in the Village. Since the desirability of a hotel has been long expressed as an interest by many in the community, the City initiated a formal Request for Proposal/Qualifications which was sent earlier this year. On March 31st, the City received a single response to the hotel RFP from a group of partners who had formed The Village Inn of Grosse Pointe, LLC. This group proposed to build a 50 room boutique hotel on the Notre Dame side of City owned parking lot 2. The hotel would be a

City Flats Hotel, the first of which has opened in Holland, MI and in its initial concept proposes that the hotel would be five stories and have a rooftop restaurant. Mr. Dame discussed the development team, its members and proposed financing and ownership.

The agreement provides for a six month period for the City and the development team to review the feasibility of the proposed boutique hotel. It requires the developer to conduct an independent hotel market analysis, assess potential traffic impacts and conduct preliminary environmental studies. The City will also conduct various due diligence reviews. It was noted that public input will be sought on the design and layout of the hotel concept once it is determined the project is feasible.

It was noted that the developer has agreed to reimburse the City for its due diligence and planning costs of reviewing the proposal, including providing an upfront \$10,000 payment upon execution of the agreement.

Motion by Council Member Stempfle second by Council Member Weipert to authorize the Mayor and City Clerk to execute the agreement with The Village Inn of Grosse Pointe, LLC.

UNANIMOUSLY ADOPTED.

LETTER OF UNDERSTANDING – WHOLESALE WATER RATES

City Manager Dame made the following report:

The City of Grosse Pointe Farms has submitted a letter of understanding wherein it is proposed to make a minor modification to the methodology by which wholesale water rates in the City are calculated. The proposal is to base the water rate charged to the City and paid to the Farms on a rolling three year average of usage instead of the current annual usage. Under the existing contract, the rate for which the City is charged for water purchased from Grosse Pointe Farms for the period of July 1, 2007 through June 30, 2008 is primarily based on the actual cost of operating the Farms Water Plant during the prior year, as factored by the amount of water used by each party. The annual determination was calculated that the rate under the contract would have to be adjusted by nearly 30% due to significant operational costs related to changing out the filtering system and that water usage was much lower than normal. It was suggested that a three year average of water consumption be used. This will result in a 10.26% increase in the rate that the City is paying this year for the purchase of water from Grosse Pointe Farms, instead of 29.39% rate the could be charged under the current contract. Discussion took place regarding the wholesale water rates and City water usage.

Motion by Council Member Weipert second by Council Member Stevens to authorize the City Manager to execute the letter of understanding regarding calculation of wholesale water rates.

UNANIMOUSLY ADOPTED.

PUBLIC COMMENT

Melissa Brown from Congresswoman Carolyn Cheeks Kilpatrick's office gave a legislative update on projects the Congresswoman has been working on.

Stuart Grigg of the Grosse Pointe Historical Society updated the Council on projects the society has been working on with the intent on preserving the community. A funding request was submitted to the Council which will be reviewed and considered.

Roman Hammes of County Commissioner Tim Killeen's office offered the Commissioner's assistance in the Downtown Development Authority process and submitted the Commissioner's newsletter to Council.

Barbara Cottingham asked about the status of the Inland Water sewer project.

STAFF REPORTS

City Manager Dame reported on the progress of landscaping around, and waterproofing and painting of, the new parking structure now that the weather is warmer. Finance Director Johnson reported on the budget preparation process.

COUNCIL COMMENT

Mayor Scrace reminded Council and those in attendance about the Mayor's Prayer Breakfast to be held on Thursday, May 1, 2008 at the Grosse Pointe Yacht Club at 7:30 a.m.

On Motion, the meeting was adjourned at 9:20 p.m.

Julie E. Arthurs, City Clerk
City of Grosse Pointe