

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE CITY COUNCIL  
CHAMBERS, 17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON  
MONDAY, DECEMBER 15, 2008.**

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

ROLL CALL

Present: Mayor Scrace, Council Members Parthum, Stempfle, Stevens, Walsh and Weipert

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Assistant City Manager Fincham, Finance Director Johnson, Public Safety Director Fox, Parks and Recreation Director Hardenbrook 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:

1. Minutes from the regular and closed session meetings of the City Council held on November 17, 2008.
2. Invoices
  - a) AT & T Global Service, Inc. - Telephone Service Maintenance, \$6,064
  - b) Fildew, Hinks, PLLC Professional Services, October, 2008, \$5,384.95
  - c) Florence Cement Company 2008 Resurfacing Program, \$31,230.64
  - d) Michigan Municipal League Worker's Compensation Fund - Quarterly Premium, \$19,569
  - e) W. Joe Miller -Fire Pumper Repairs, \$6,660.00
  - f) Plante Moran, PLLC - Final Payment – Financial Audit, \$7,850
  - g) Midwest Golf and Turf - Lawn Mower, \$8,400
  - h) McKenna Associates Inc. - Professional Services, \$5,424.50
  - i) Marine City Nursery Co. 2008 Tree Planting, \$16,500
  - j) Indian Summer Recycling - Disposal of Compost, November, 2008, \$8,789.58
  - k) Gene's Landscape Service Co. - Snow Plowing, November, 2008, \$7,150
  - l) French Associates - Space Needs Study, \$9,376.11
  - m) City of Detroit, Board of Water Commissioners - Sewage Disp. Services, October, 2008, \$75,604.18
  - n) Anderson, Eckstein & Westrick, Inc. - Sewer Metering Study, \$9,978.37
3. Approval of the Resolution establishing the 2009 Council meeting date schedule.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PUBLIC HEARING – DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT AND TAX INCREMENT FINANCING PLAN

City Planner Jackson made the following report:

After discussions at Council meetings earlier this year including a public hearing held in May 2008, the City Council approved an ordinance establishing a Downtown Development Authority for the Village business district in July. A DDA board was appointed and its bylaws were subsequently approved by the DDA Board and City Council. After several public meetings, the DDA Board unanimously approved a DDA/TIF plan that establishes the projects and activities for which DDA funds could be utilized for in the Village.

Mr. Jackson provided an overview of the proposed projects in the DDA/TIF plan and provided an example of tax increment financing. It was noted that adoption of the DDA plan would not affect the amount of property taxes currently being received by the City or other taxing bodies. Any taxes on the incremental increased property values in the future, if any, would accrue into the DDA for eligible purposes outlined in the plan and the DDA creates a potential source of future revenue dedicated solely toward the betterment of the designated district.

Mayor Scrace opened the public hearing. The following comments were made:

Andy Martin – Chair of the Downtown Development Authority Board commented on his experience making the DDA plan a reality.

Anneliese Bajer of Tire Systems Engineering asked if the Council and DDA Board were aware of recent senate bills relating to Downtown Development Authorities. It was noted that both boards were aware of the legislation.

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

The City Council discussed the DDA development and tax increment-financing plan. Various Council comments were made about the exciting opportunities this plan brings to the Village and the City and that a DDA is an excellent tool for the betterment of the district.

Motion by Council Member Weipert second by Council Member Parthum that the Downtown Development Authority Development and Tax Increment Financing Plan be approved and the following ordinance be adopted:

#### ORDINANCE NO. 380

AN ORDINANCE TO ADOPT AND APPROVE THE CITY OF GROSSE POINTE DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN PURSUANT TO THE PROVISIONS OF ACT 197, PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED, AND TO PROVIDE FOR ALL MATTERS RELATED THERETO:

WHEREAS, the City of Grosse Pointe Downtown Development Authority (the “Authority”) has prepared and recommended for approval the Development Plan and Tax Increment Financing Plan (the “Plan”) on file with the City Clerk for the Development Area in the Downtown District within the City; and

WHEREAS, on December 15, 2008, the City Council held a public hearing on the Plan pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the “Act”); and

WHEREAS, the City Council has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the City Council and to express their views and recommendations regarding the Plan, as required by the Act; and

WHEREAS, after consideration of the Plan, the City Council has determined to approve the Plan.

NOW, THEREFORE, THE CITY OF GROSSE POINTE ORDAINS:

- I. Sections 28-20 through 28-29 are added to the Grosse Pointe City Code as follows:

#### ARTICLE II.

#### DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

##### **Sec. 28-20. Findings.**

- (a) The Development Plan and Tax Increment Financing Plan on file with the City Clerk (the “Plan”) meets the requirements set forth in the Act.
- (b) The proposed method of financing the developments is feasible and the Authority has the ability to arrange the financing.

- (c) The developments are reasonable and necessary to carry out the purposes of the Act.
- (d) The land included within the Development Area to be acquired, if any, is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.
- (e) The development Plan is in reasonable accord with the master plan of the City.
- (f) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
- (g) Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Plan, are reasonably necessary for the project and for the City.

**Sec. 28-21. Public Purpose.** The City Council hereby determines that the Plan constitutes a public purpose.

**Sec. 28-22. Best Interest of the Public.** The City Council hereby determines that it is in the best interests of the public to proceed with the Plan in order to halt property value deterioration, to increase property tax valuation, to eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District.

**Sec. 28-23. Approval and Adoption of Plan.** The Plan is hereby approved and adopted. A copy of the Plan and all later amendments thereto shall be maintained on file in the City Clerk's office.

**Sec. 28-24. Preparation of Base Year Assessment Roll.**

(a) Within 60 days of the publication of this Ordinance, the City Assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in the Development Area on the effective date of this Ordinance, the initial assessed value of each parcel of property within the Development Area, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on property in the Development Area.

(b) The City Assessor shall transmit copies of the base year assessment roll to the City Treasurer, County Treasurer, the Authority and each taxing jurisdiction, together with a notice that the base year assessment roll has been prepared in accordance with this Ordinance and the Tax Increment Financing Plan contained in the Plan approved by this Ordinance.

**Sec. 28-25. Preparation of Annual Tax Increment Assessment Roll.** Each year within 15 days following the final equalization of property in the Development Area, the City Assessor shall prepare the tax increment assessment roll. The tax increment assessment roll shall show the initial assessed value of each parcel of property within the Development Area and the amount by which the current assessed value as finally equalized for all taxable property in the Development Area exceeds the initial assessed value of the property as shown on the base year assessment roll (the "captured assessed value"). Copies of the annual tax increment assessment roll shall be transmitted by the Assessor to the City Treasurer, the County Treasurer, the Authority and the treasurer of each taxing jurisdiction within the Development Area, together with a notice that it has been prepared in accordance with this Ordinance and the Plan.

**Sec. 28-26. Establishment of Project Fund; Approval of Depository.** The Treasurer of the Authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the Treasurer of the City, to be designated Downtown Development Authority Project Fund. All moneys received by the Authority pursuant to the Plan shall be deposited in the Project Fund. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan.

**Sec. 28-27. Payment of Tax Increments to Authority.** The City Treasurer and the County Treasurer shall, as ad valorem and specific taxes are collected on the property in the Development Area, pay that proportion of the taxes, except for penalties and collection fees that the captured assessed value bears to

the initial assessed value to the Treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City Treasurer and the County Treasurer are required to remit taxes to each of the taxing jurisdictions.

**Sec. 28-28. Use of Moneys in the Project Fund.** The moneys credited to the Project Fund and on hand therein from time to time shall be used annually in the following manner and following order of priority:

First, to pay into the debt retirement fund, or funds, for all outstanding series of bonds issued pursuant to the Plan an amount equal to the interest and principal coming due (in the case of principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

Second, to establish a reserve account for payment of principal of and interest on bonds issued pursuant to the Plan to the extent required by any resolution authorizing bonds.

Third, to pay the administrative, auditing and operating costs of the Authority and the City pertaining to the Downtown District, including planning and promotion, to the extent provided in the annual budget of the Authority.

Fourth, to repay amounts advanced by the City for project costs, including costs of preliminary plans, and fees for other professional services.

Fifth, to pay the cost of completing the remaining public improvements, if any, as set forth in the Plan to the extent those costs are not financed from other sources.

Sixth, to pay the cost of any additional improvements to the Plan that are determined necessary by the Authority and approved by the City Council in accordance with the Act.

**Sec. 28-29. Annual Report.** Within 90 days after the end of each fiscal year, the Authority shall submit to the City Council, with copies to each taxing jurisdiction, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding indebtedness, the amount in any bond reserve account, the initial assessed value of the Development Area, the captured assessed value of the Development Area and the amount of captured assessed value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the City Council or deemed appropriate by the Authority. The secretary of the Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

## II. Miscellaneous Provisions.

(A) Section Headings; Severability. Section headings are provided for convenience only and are not intended to be part of this ordinance. If any portion of this ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect.

(B) Publication and Recordation. The Ordinance shall be published in full promptly after its adoption in the Grosse Pointe News, a newspaper of general circulation in the City, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the City, which recording shall be authenticated by the signature of the City Clerk.

(C) Effective Date. This ordinance shall take effect seven (7) days after its adoption.

UNANIMOUSLY ADOPTED.

PUBLIC HEARING – CDBG 2009 FUND ALLOCATION

Assistant City Manager Fincham made the following report:

A public hearing has been set for the proposed 2009 Community Development Block Grant projects for 2009. Final reprogramming amounts are subject to the approval of Wayne County and the Dept. of Housing and Urban Development. Research was conducted to develop constructive projects to benefit the community that are eligible under HUD rules. Following is a list of the project requests with estimated costs for CDBG consideration:

<u>2009 Proposed Programming Projects</u>	
ADA Pedestrian Ramp Improvements	\$41,890
SOC (Public Service)	\$11,210
SOC Minor Home Repair (Housing Rehab)	\$30,000
Administration	<u>\$ 5,900</u>
Total	\$89,000

Mayor Scrace asked for public comment on the proposed programming for 2009 CDBG funds. Hearing no comment, the Mayor declared the hearing closed.

Motion by Council Member Stempfle second by Council Member Weipert that 2009 Proposed Programming Projects as listed above be approved and the applications be submitted to Wayne County for authorization.

UNANIMOUSLY ADOPTED.

AMENDMENT TO CITY PARK PASS POLICY

Parks and Recreation Director Hardenbrook made the following report:

As part of the Department’s initiative to formalize its operating procedures, staff has developed a written park pass policy. Council has previously approved the Neff Park policies, the marina rules and regulations and the Elworthy Field use permit policy. To date, there has not been a written policy governing park pass issuance at Neff Park. Since the City began issuing photo identification to City residents in 2006, the amount of unauthorized use of passes has dramatically decreased. Until then, it was easy to skirt the rules regarding non-resident guests. The park pass policy document will be used by the Parks and Recreation Department as a reference to help govern the issuance of park passes to residents and guests. The proposed policy clarifies what individuals are eligible to receive Neff Park passes and what type of pass they qualify for. With the exception of the proposed method for dealing with extended guest passes, the proposed policy is a compilation of established practices. The Parks and Recreation Commission did review and recommends that the Council adopt the proposed park pass policy. Council discussion took place regarding the proposed policy.

Motion by Council Member Weipert second by Council Member Parthum to adopt the Park Pass Policy for implementation in 2009.

UNANIMOUSLY ADOPTED.

NEIGHBORHOOD BEAUTIFICATION INSPECTION PROGRAM

Public Service Supervisor Schulte made the following report:

The City Council identified improving the City’s housing inspection programs as a priority and a program has been developed. In response to the priority request, a regular exterior inspection program of all residential properties is proposed. Exterior residential inspections are conducted only at the time of a property transfer, or otherwise typically in response to complaints. It was determined that a scheduled and uniform inspection of rental and owner occupied homes for property maintenance code violations would support upkeep of buildings, thereby promoting attractive neighborhoods and preserving property values.

City staff interviewed two companies that provide residential exterior front and rear yard home inspection services. After reviewing both proposals, staff determined that Landscape Services Inc. was better suited for the Neighborhood Beautification Inspection program.

It is anticipated that the program will begin in the spring of 2009. The City will mail letters to residents in the inspection area in advance and the contractor will place door hangers prior to the inspections taking place. A description of the program will be included in the spring City newsletter to create awareness of this new initiative. Council discussion took place regarding the program details and associated costs. It was noted that the City will determine the "walking list" items to be reviewed by Landscape Services inspectors.

Motion by Council Member Stevens second by Council Member Parthum to approve and execute a contract with Landscape Services Inc. for the Neighborhood Beautification Inspection Program at the rate of \$13 per property, not to exceed \$10,000.

UNANIMOUSLY ADOPTED.

#### EXTENSION OF TEMPORARY OCCUPANCY OF 16919 KERCHEVAL – KROGER CO.

City Manager Dame made the following report:

In August, 2008, the Council approved a four month extension of the temporary occupancy of the building at 16919 Kercheval, a space formerly occupied by Bath & Body Works. Since that time, Kroger has been actively developing plans for an entirely new store on its property in the Village. On December 9, Kroger submitted a complete site plan and request for review with various variance requests associated with the site plan. The City has organized a team consisting of traffic engineers, parking experts, the city planner and key city staff members to review the request for the variance and site plan review with a request for outdoor seating. The proposed schedule for review was discussed.

Motion by Council Member Weipert second by Council Member Walsh to approve the extension of the temporary use of 16919 Kercheval by Kroger Company until the end of February 2009 to allow time to consider plans for the new Kroger store.

UNANIMOUSLY ADOPTED.

#### FEDERAL ROAD FUNDING – WATERLOO FROM FISHER ROAD TO ST. CLAIR

City Manager Dame made the following report:

Earlier this year, the City modified its planned road program for this fiscal year when federal funds became available through Wayne County for projects that were previously submitted but not funded. Due to the City's ability to quickly commit to the Cadieux Road project, the City was able to secure outside funds to resurface a greater amount of needed road projects than it could fund on its own. With the City only paying for the engineering and 20% of the construction cost, the stretch of Cadieux from Kercheval to Jefferson, a project expected to cost at least \$450,000, will be completed in the spring of 2009.

To be in the position to take advantage of additional federal funding opportunities, staff recommends initiating the engineering for another street that the City has been submitting for two years to Wayne County as a street eligible for federal funding. It is a near certainty that there will be federal infrastructure funding for road projects eligible for federal aid and a likely criteria will be projects that are "ready to go" within as little as 90 days from the notice of the program, possibly as early as January 2009. The Waterloo project has been ready and awaiting federal funding for two years and even if federally funding is not available, with the engineering aspect of the project completed, the City would be able to take advantage of other opportunities for funding if other projects on Wayne County's list fail to be completed as occurred with Cadieux Road. The Council discussed engineering estimates and budgeted funds for capital improvements. It was noted that after the engineering of Waterloo and the final construction costs of Cadieux are determined, any remainder of this year's capital projects for roads will be allocated to smaller projects needing the most attention after the spring thaw.

Motion by Council Member Stempfle second by Council Member Parthum to direct staff to proceed with initiation of engineering for resurfacing Waterloo from St. Clair to Fisher Rd.

UNANIMOUSLY ADOPTED.

## PUBLIC COMMENT

Anneliese Bajer of Tire System Engineering asked about how much money was in the City's rainy day fund. City Manager Dame stated he would provide Mrs. Bajer a copy of the City's audit.

## STAFF REPORTS

Parks and Recreation Director Hardenbrook reported the refrigerated ice rink at Neff Park is up and running. The hockey ice rink will be flooded and use will depend on the weather. He also reported that boat well renewals are being mailed. City Manager Dame reported on the SEMCOG regional transit plan and enhanced bus service for the Grosse Pointes.

## COUNCIL COMMENT

The Council commented of the following topics:

- Village Tree lighting ceremony was well attended and the Village holiday decorations looks great.
- The Council is excited about the site plan for the new Kroger and their proposed investment in the community.

On Motion, the meeting was adjourned at 8:20 p.m.

---

Julie E. Arthurs, City Clerk  
City of Grosse Pointe