

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD IN THE COUNCIL CHAMBERS,
17145 MAUMEE AVENUE, GROSSE POINTE, MICHIGAN ON MONDAY, OCTOBER 19, 2015.**

The meeting was called to order at 7:01 p.m.

ROLL CALL

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

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Public Service Director Huvaere, Parks and Recreation Director Hardenbrook and City Planner Jackson.

CONSENT AGENDA

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

1. Minutes from the regular Council Meeting held on September 21, 2015.
2. Invoices
 - a) Michigan Municipal League - Liability Insurance, 10.1.15 – 10.1.16, \$118,380
 - b) F.D.M. Contracting
 - Chalfonte Water Main & Pavement Reconstruction, Estimate #6, \$45,017.20
 - c) Bell Equipment - Yardwaste Toters, September 2015, \$7,500
 - d) Rizzo - Recycling, October 2015, \$5,768
 - e) Anderson, Eckstein and Westrick, Inc.
 - SRF Sewer Project, 8.24.15 – 9.20.15, \$9,199.40
 - SRF Sewer Project, 7.27.15 – 8.23.15, \$18,628.40
 - 2016 Resurfacing, 8.24.15 – 9.20.15, \$10,149.30
 - f) City of Detroit - Sewage Disposal, August 2015, \$70,700
 - g) Century Cement - 2015 CDBG Sidewalk Ramp Replacement, Estimate #2, \$13,579.50
 - h) City of Grosse Pointe Farms - Water Purchased, 7/1/15 – 9/30/15, \$157,611.65
 - i) M.L. Schoenherr Construction - City Hall Roof Replacement, Payment #3, \$63,585
3. Adoption of Resolution of Appreciation for Public Service Supervisor Francis J. Schulte in honor of his retirement after 35 ½ years of City service.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PUBLIC HEARING – PROPOSED SPECIAL ASSESSMENT DISTRICT – FISHER ROAD

Mayor Scrace indicated that this was the time set for a public hearing regarding the Fisher Road Streetscape project and special assessment district.

City Manager Dame made the following report:

At the February 2015 Council meeting, discussion took place regarding creating a plan to upgrade the Fisher Road Streetscape. This project would take place in conjunction with the installation of a new water main that will be placed under the sidewalk and parkway requiring disruption or removal of public sidewalks on Fisher Road. The project would also be coordinated with the Fresh Farms Market redevelopment project which would remove the existing streetscape for 40% of the block encompassing that project. In March, the City engaged property and business owners in the process of agreeing to a design concept of an improved streetscape instead of simply replacing existing sidewalk as is. Workshops, surveys and meeting were conducted to discuss details of the proposed plan. Various amenities, screening and lighting were discussed by stakeholders. The plan would also create a handicap curb cut and bumpout for a midblock pedestrian crosswalk to improve safety given the proximity to the high school.

The total construction cost for the project is estimated at \$611,686, not including engineering and project management. The preliminary cost spreadsheet was submitted and discussed. An MDOT grant application was submitted and has been favorably reviewed, which when finalized should cover 60% of the cost of the

construction of the project. A special assessment district is proposed to have the property owners pay for the project as well.

The assessment roll was made available to the public according to the legal notice published in the Grosse Pointe News on October 1 and was mailed to the property owners on September 30. The financial impact to a property owner of this proposed assessment is \$297.5152 per front footage, with a repayment over three years. For a standard 50 foot lot, that would equal not more than \$4,954 per year to be split in three equal parts on the tax bills starting in the summer of 2016. It is planned that the City will contribute approximately \$26,000 to the construction costs for replacing the sidewalks as is after the water main replacement. The City has already contributed approximately \$17,000 in developing the plan and the grant application and is expecting to cover the engineering and project management costs estimated to be between 8 and 10% of the construction cost, i.e. \$48,000 and \$60,000. Further, it was recommended that the City contribute an additional approximately \$65,000 to the project from the Capital Projects Fund which would lower the property owners assessments in the mailed notice by 25%, down to \$222.22 per front footage. To ease the ability to pay the lowered assessment amount, City staff recommends changing the payback period to five years from the three years stated in the property owners notice.

The City would assume the cost of maintaining the new sprinklers at an added cost of \$500-800 per year. The City would continue to maintain the trees, albeit replacement ones, pay for the decorative street lights, plow the sidewalk consistent with Council's adopted snow policy and empty the sidewalk garbage containers. The property owners would be expected to maintain the plant materials and keep the sidewalks clear and clean. To avoid throwing snow up onto the new planting areas close to the curb, the city would reverse its street snow plows on that block and utilize salt for the whole block instead of spot salting.

Mayor Scrace opened the public comment portion of the public hearing. He asked those persons who wished to address Council regarding the special assessment district to please state their name and address and follow the public hearing guidelines made available to all those present. The following comments were made:

Ed Jeffries of Fisher Mews building, does not support the project or proposed assessment. The plan eliminates two parking spaces for his property. He stated that the streetscape plan will not change the value of the area and it is unacceptable that he loses two parking spaces.

A representative for James Barker, 395 Fisher Road, stated that the plan is acceptable but the cost to property owners is too high. A higher City contribution to the project should be considered to offset the property owner's costs.

William Jennings, 383 Fisher Road, stated that the streetscape project is an expensive undertaking and questioned what action will be taken with those owners who do not maintain their property.

Steve Najjar, 355 Fisher Road stated he supports the proposed streetscape project and feels it will have a positive impact on Fisher Road.

Jon Hartz, 750 University Place, asked how the costs for this proposed streetscape and special assessment compare to Mack Avenue.

Written letters from Valerie Gach, James Barker and Jeffries, LLC protesting the special assessment were received and submitted as part of the record.

Hearing no further comments, Mayor Scrace declared public comment closed.

Council discussion took place regarding the proposed streetscape project and special assessment. It was noted that this is the most appropriate time to complete the project in coordination with the water main replacement and the pending Fresh Farms Market project. A grant has been obtained to offset 60% of the project cost. Appreciation was expressed to the property owners for their ongoing efforts to maintain their property but the streetscape project will provide cohesive elements similar to other business areas in the City and improve the area. It was suggested that the City contribution be increased with a longer payback period for the property owners. It was further suggested that the City find ways to reduce the proposed costs of the streetscape and the City's contribution could be used for other projects such as a faster moving road

improvement project. Additional discussion took place regarding increasing the City contribution and adjusting the special assessment roll.

Motion by Council Member Parthum second by Council Member Walsh to approve a special assessment district for the Fisher Road Streetscape Project in an amount not to exceed \$182.962 per lineal foot, spread over six years, contingent upon final approval of the MDOT streetscape grant. The Council finds that the values of the assessed properties shall increase by more than the amount of the assessment.

UNANIMOUSLY ADOPTED.

A copy of the revised assessment roll is attached to these minutes.

PUBLIC HEARING – COMMERCIAL REHABILITATION DISTRICT – FISHER ROAD

Mayor Scrace indicated that this was the time set for a public hearing regarding the Fisher Road Commercial Rehabilitation District.

City Planner Jackson made the following report:

Nabro Holdings, LLC intends to pursue the redevelopment of a significant portion of the Fisher Road business district. With that in mind, the possibility of establishing a Commercial Rehabilitation District on Fisher Road was explored. The Commercial Rehabilitation District provides the City with a development incentive tool through a property tax freeze for eligible projects and would be the second district in the City. After a district is created, the Commercial Rehabilitation Act allows communities to freeze taxes of an existing property for 1 to 10 years so that any newly added value to a rehabilitated commercial property (but not the land) is exempt from certain property taxes (not including school taxes). The project within the approved district can be a commercial use and/or multifamily use. The incentive would mean that added taxable value from a newly redeveloped project would be foregone by the City for the agreed upon period of time for a specific project, after which it would be taxed at the full value.

To encourage the redevelopment of blighted and obsolete buildings on Fisher Road, the proposed district includes the area from Maumee all the way through the parking lot north of Fresh Farms Market. The site is part of the newly created Neighborhood Commercial district in the Master Plan and contains obsolete properties that are eligible “replacement facilities” as defined in the Commercial Rehabilitation Act. Replacement facilities include commercial property to be acquired, constructed, altered, or installed for the purpose of being substituted for obsolete commercial property. Property impaired due to changes in design, construction, technology, or improved production process, or damage due to fire, natural disaster, or general neglect is considered obsolete. The subject district contains buildings and property that is obsolete for a number of these reasons.

By creating the Commercial Rehabilitation District, the City is not approving the tax abatement certificate. The approval or denial of the tax exemption certificate is a separate action.

The Master Plan includes specific goals regarding maintaining property values and property conditions in all the City’s business districts including Fisher Road. The Plan also includes objectives for encouraging quality development, adequate parking facilities, and attractive and well maintained streetscape. Establishing the Commercial Rehabilitation District in this area will allow the City to implement these goals.

Mayor Scrace opened the public comment portion of the public hearing. He asked those persons who wished to address Council regarding the commercial rehabilitation district to please state their name and address and follow the public hearing guidelines made available to all those present. Hearing no comments, Mayor Scrace closed public comment.

Motion by Council Member Weipert second by Council Member Parthum that the following resolution be adopted:

WHEREAS, the City of Grosse Pointe desires to establish a Commercial Rehabilitation District pursuant to the Commercial Rehabilitation Act, Act 210 of the Public Acts of Michigan of 2005, as amended, and

WHEREAS, the Grosse Pointe City Council has conducted a public hearing in accordance with the Act, and WHEREAS, the Grosse Pointe City Council finds that the proposed District contains parcels or tracts of land that are “qualified facilities” within the meaning of the Act, and

WHEREAS, the Grosse Pointe City Council finds that the establishment of a Commercial Rehabilitation District may be a positive incentive for re-development of Fisher Road,

NOW THEREFORE, the Grosse Pointe City Council resolves that the Grosse Pointe Commercial Rehabilitation District - Fisher Road is established as follows:

The Southerly 50 feet of Lot 1, Excluding the Easterly 25 feet thereof, Cadieux’s Subdivision of Lot 4, Private Claim 300, Recorded in Liber 12, Page 44, Wayne County Records.

and

Lots 2 through 4, Cadieux’s Subdivision of Lot 4, Private Claim 300, Recorded in Liber 12, Page 44, Wayne County Records.

IT IS FURTHER RESOLVED, that the Clerk is directed to provide a certified copy of this Resolution to Wayne County in accordance with the Act.

UNANIMOUSLY ADOPTED.

PUBLIC HEARING – APPLICATION FOR COMMERCIAL REHABILITATION DISTRICT, NABRO HOLDINGS, LLC

Mayor Scrace indicated that this was the time set for a public hearing regarding an application for a Commercial Rehabilitation District Exemption Certificate.

City Planner Jackson made the following report:

Nabro Holdings, LLC is proposing over 18,000 square feet as the new Fresh Farms Market and retail space. The proposed expansion is needed to accommodate rapid growth the business is experiencing. The proposed expansion will continue to provide high-end groceries, fresh produce and new second story mezzanine where cooking classes will be held and cooking accessories sold. This project involves the creation of 40 new full-time jobs, retention of 40 full-time employees and a total investment of \$15.4 million with \$9 million of that in real property. Nabro Holdings, LLC is requesting Commercial Rehabilitation Tax Exemption Certificates for 10 years.

Based on an estimated taxable value of \$1.5 million of real improvements and the current taxable value of just over \$1 million, the incremental taxable value is approximately \$500,000. The total tax Nabro Holdings, LLC would be abated on the real property improvements from the City could be approximately \$9,000 per year over the abatement period, if approved. The County and other taxing jurisdictions would be abating an additional \$9,000 to \$10,000 per year. In this case, there are no public infrastructure (roads, sanitary sewer, storm sewer, etc.) improvement costs to be incurred by the City. However, the City is considering an investment of over \$100,000 in streetscape improvements along Fisher Road.

The City recently updated its Master Plan and created a new Neighborhood Commercial zoning district to ensure that any new development on Fisher Road was consistent with the existing character of the district. The goals and objectives for this district included maintaining a pedestrian orientation, quality architecture and design, maintaining adequate parking facilities, and improving the streetscape on Fisher Road. Nabro Holdings, LLC recently received site plan approval for a new two story multi-use building that will be the first significant redevelopment on Fisher Road in decades. The redevelopment includes the acquisition and redevelopment of obsolete and blighted properties and the reorganization and improvement of shared parking facilities. The proposed project will result in improvements to approximately 40% of the Fisher Road frontage.

Decisions to grant tax abatement should be based on the expected costs and benefits, and once an abatement has been approved, the City should have a procedure for measuring the performance of the

company receiving the abatement. The most efficient tax abatements are targeted to specific locations and businesses that contribute the economic vitality of the area.

The benefits of the Nabro Holdings LLC Project, as described above could:

- Result in a direct investment of \$9.0M in improvements;
- Result in 40 new workers;
- Will not require any additional public infrastructure improvements;
- The City will continue to receive the base taxes over the abatement period;
- Meet the goals and objectives of the City's Master Plan; and
- Nabro Holdings LLC has executed the Letter of Agreement, which contains provisions designed to link the benefits of its proposal to its performance.

Mayor Scrace opened the public comment portion of the public hearing. He asked those persons who wished to address Council regarding the commercial rehabilitation district to please state their name and address and follow the public hearing guidelines made available to all those present. Hearing no comments, Mayor Scrace closed public comment.

Motion by Council Member Stempfle second by Council member Parthum that the following resolution be adopted:

WHEREAS, on October 19, 2015, the City of Grosse Pointe established a Commercial Rehabilitation District known as the Grosse Pointe Commercial Rehabilitation District - Fisher Road (the "District") pursuant to Act 210 of the Public Acts of Michigan of 2005 ("Act"), as amended, and

WHEREAS, Nabro Holding, LLC, has applied for a Commercial Rehabilitation Exemption Certificate in the District and answered all required questions under the application, and

WHEREAS, the Grosse Pointe City Council has conducted a public hearing in accordance with the Act, and

WHEREAS, Nabro Holdings has agreed that the true cash value, assessed value, and taxable value of its real and personal property in the City of Grosse Pointe as of December 31, 2015, will not be less than the values established for December 31, 2014, and

WHEREAS, Nabro Holdings has agreed to timely pay all real, personal, and commercial rehabilitation taxes, and all special assessments, during the exemption certificate period, and has stipulated that failure to timely pay any such taxes or assessments shall result in revocation of its exemption certificate under MCL 207.852, and

WHEREAS, the Grosse Pointe City Council finds:

- a) that Nabro Holdings has timely filed its exemption application and commencement of the rehabilitation of the facility has not yet occurred,
- b) that the application is for commercial property as defined under the Act,
- c) that Nabro Holdings' application relates to a rehabilitation program that when completed will constitute a qualified facility within the meaning of the Act and the qualified facility is situated within the District,
- d) that completion of the qualified facility will increase commercial activity, retain and create employment and will revitalize Fisher Road and the District,
- e) that Nabro Holdings has stated that rehabilitation of the qualified facility would not be undertaken without the receipt of an exemption certificate,
- f) that Nabro Holdings has represented that the facility will be substantially completed by December 31, 2016 and finally completed by December 31, 2017,
- g) that Nabro Holdings is not delinquent in the payment of any current property taxes,
- h) that the taxable value of the property proposed to be exempt plus the aggregate taxable value of property previously exempt and currently in force under the Act does not exceed 5% of the total taxable value of the City of Grosse Pointe, and

- i) that the proposed rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by the Act.

NOW THEREFORE, the Grosse Pointe City Council resolves that the Application for Commercial Rehabilitation Exemption Certificate of Nabro Holdings, LLC (excluding land) is approved for the below referenced property for 10 years beginning on December 31, 2015, and ending on December 31, 2025, contingent on substantial completion of the rehabilitation of the qualified facility no later than December 31, 2016, and final completion of the facility no later than December 31, 2017.

The Southerly 50 feet of Lot 1, Excluding the Easterly 25 feet thereof,
Cadieux's Subdivision of Lot 4, Private Claim 300, Recorded in Liber
12, Page 44, Wayne County Records.

and

Lots 2 through 4, Cadieux's Subdivision of Lot 4, Private Claim 300,
Recorded in Liber 12, Page 44, Wayne County Records.

IT IS FURTHER RESOLVED, that the Clerk is directed to provide a certified copy of this Resolution to the State Tax Commission in accordance with the Act.

UNANIMOUSLY ADOPTED.

PURCHASE OF PARKS AND RECREATION VEHICLE

Parks and Recreation Director Hardenbrook made the following report:

The existing Parks and Recreation Department pickup truck is scheduled for replacement. The new truck is a 2016 GMC half ton 1500 series and the cost is \$21,842. The City has successfully utilized the Oakland County Purchasing program since 1989 for truck acquisition. The Oakland County Purchasing program awards contracts to the low bidder in a sealed bid process thereby satisfying the City's charter requirement. Red Holman GMC in Westland is the winning dealership. No other vehicle equipment is needed.

Motion by Council Member Parthum second by Council Member Walsh to authorize the purchase of a pickup truck from Red Holman GMC in the amount of \$21,842.

UNANIMOUSLY ADOPTED.

PUBLIC COMMENT

Dave Fries – 454 Rivard, inquired about replacement top soil relating to the recent sewer repair project.

STAFF REPORTS

Public Service Director Huvaere reported on the start of leaf collection. Parks and Recreation Director Hardenbrook reported on marina renewal payments and platform tennis court reservations. Mr. Hardenbrook noted that Trick or Treating in The Village will be October 30 at 3:30 pm and the Tree Lighting ceremony is set for November 20. City Manager Dame stated the audit report will be presented in November.

COUNCIL COMMENT

The City Council commented on the following topics:

- Appreciation was expressed to Frank Schulte for his exemplary service to the City. Congratulations were expressed on his upcoming retirement.

On Motion, the meeting was adjourned at 8:31 p.m.

Julie E. Arthurs, City Clerk
City of Grosse Pointe

Fisher Avenue Streetscape - Special Assessment

Parcel Number	Owner Name	Property Address	Owner Address	Front Feet (FF)	Special Assessment Per FF	Total Special Assessment	Number of Years	Per Year	Due Date
37 004 01 0001 000	JEFFRIES, VIRGINIA S	369 FISHER	377 FISHER RD-STE H, GROSSE POINTE, MI 48230	150	\$182.962	\$27,444.30	6	\$4,574.05	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 004 01 0004 000	JENNINGS, WILLIAM	383 FISHER	383 FISHER, GROSSE POINTE, MI 48230	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 004 01 0005 000	COMERICA BANK	389 FISHER	13155 NOEL ROAD, SUITE 100, DALLAS, TX 75240	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 004 01 0006 000	BARKER, JAMES S-TRUST	395 FISHER	23121 ARTHUR CT, SAINT CLAIR SHORES, MI 48080	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 004 01 0007 000	GACH, VALERIE	397 FISHER	15487 ORCHARD RIDGE DR, CLINTON TWP, MI 48038	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 004 01 0008 000	COMERICA BANK	415 FISHER	13155 NOEL ROAD, SUITE 100, DALLAS, TX 75240	128	\$182.962	\$23,419.14	6	\$3,903.19	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 005 09 0001 301	NABRO HOLDINGS LLC	355 FISHER	355 FISHER RD, GROSSE POINTE, MI 48230	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 005 09 0001 302	JEFFRIES, LLC	377 FISHER	377 FISHER STE G, GROSSE POINTE, MI 48230	50	\$182.962	\$9,148.10	6	\$1,524.68	August 10, 2016, 2017, 2018, 2019, 2020, 2021
37 005 09 0003 300	NABRO HOLDINGS LLC	355 FISHER	355 FISHER RD, GROSSE POINTE, MI 48230	296.5	\$182.962	\$54,248.23	6	\$9,041.37	August 10, 2016, 2017, 2018, 2019, 2020, 2021
				874.5	\$182.961	\$160,000.27			
TOTAL:				874.5		\$160,000.27			

FINAL APPROVAL BY COUNCIL ON OCTOBER 19, 2015