

**MINUTES OF THE GROSSE POINTE CITY COUNCIL MEETING HELD AT THE NEIGHBORHOOD CLUB, 17150 WATERLOO, GROSSE POINTE, MICHIGAN ON MONDAY, DECEMBER 18, 2017.**

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

ROLL CALL

Present: Mayor Boettcher, Council Members Parthum, Stempfle, Tomkowiak, Turnbull, Walsh, Williams

In Attendance: City Manager Dame, Attorneys Fildew and Kennedy, City Clerk Arthurs, Finance Director Kleinow, Public Safety Director Poloni, Public Service Director Randazzo, and Parks and Recreation Director Hardenbrook.

CONSENT AGENDA

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

1. Minutes from the regular Council Meeting held on November 13, 2017
2. Invoices
  - a) Anderson, Eckstein, and Westrick, Inc.
    - 2017/2018 Watermain Replacement, 9/18/17 – 10/15/17, \$22,615.69
    - 2017/2018 Watermain Replacement, 10/16/17 – 11/12/17, \$10,704.27
    - 36" Storm Sewer – Lot 2, 9/18/17 – 10/15/17, \$15,340.58
    - 2017 Resurfacing Program, 9/18/17 – 10/15/17, \$20,851.84
    - 2017 Resurfacing Program, 10/16/17 – 11/12/17, \$12,234.30
  - b) Great Lakes Water Authority - Sewage Disposal, November 2017, \$75,800
  - c) Bricco
    - 2017/2018 Watermain Replacement, Estimate 4, \$230,672.93
    - 2017/2018 Watermain Replacement, Estimate 5, \$21,143.25
  - d) Pro-Line Asphalt Paving Co.
    - 2017/2018 Resurfacing Program, Estimate 4, \$91,463.06
  - e) Motorola - Mobile Radios, August 2017, \$15,453.73
  - f) GFL - Recycling, November 2017, \$5,864 and Recycling, December 2017, \$5,864
  - g) State of Michigan - Marina Land Rental, November 2017, \$15,213
  - h) Merlo Construction - 2017 CDBG Ramp Replacement, Estimate 2, \$21,933.96
3. Adoption of Resolution establishing Council Meeting dates for 2018.
4. Authorize the upgrade of the Public Safety SCBA Fill Station and Cascade System by Breathing Air Systems in an amount not to exceed \$6,983.20.
5. Adoption of Resolution designating Peter Randazzo as the Street Administrator.

CONSENT AGENDA UNANIMOUSLY ADOPTED.

PRESENTATION OF 2016-17 FISCAL YEAR AUDIT

Pam Hill, Partner at Plante Moran, presented the 2016-17 audit report. Plante Moran has given the City an unqualified favorable opinion as to the City's financial accounting.

Kaitlyn Powers at Plante Moran highlighted revenue and expense trends over a four-year period. There was a discussion of the balances in various dedicated reserve and capital funds. Water, sewer and auto parking operations were reviewed. Daniel Block discussed new rules governing management of federal programs and new pension standards and financial reporting.

Plante Moran commented that new reporting standards will take effect in the next several years for post employment benefits other than pensions including GASB 75. Plante Moran answered various Council questions regarding the audit.

RECEIVE AND FILE.

## STATUS REPORT ON HOTEL PROJECT – PEDERSEN DEVELOPMENT

### Background

In the latter part of 2016, two groups who had expressed an interest in building an upscale hotel in the Village to serve the Grosse Pointe area indicated they were interested in the opportunity to build them on City Lots 2 and 3, the surfacing parking lots north of Kercheval. Since the desirability of a hotel has been long expressed as an interest by many in the community and development of Lots 2 and 3 has been the expressed goal of adopted plans of the City, the City initiated a formal Request for Proposals/Qualifications. The City Council authorized release of the RFP/Q after the Grosse Pointe Village DDA, comprised of many representatives of Village business interests, also reviewed and provided input on the RFP calling for development of an upscale hotel on Lot 3 and parking structure on Lot 2, and encouraging a mixed-use development. The City Council held a hearing on February 13 regarding the three project proposals received. On February 27, the City Council unanimously voted to select Pederson Development as the preferred developer and to enter into an agreement that gave Pedersen Development exclusive negotiating rights to developing Lots 2 and 3. In response to the concerns raised by Village business interests who came forward, the Council placed several parameters on the developer in the preferred developer agreement. Upon selection, the developer started off by reconfiguring its proposal to place the hotel on Lot 2, as desired by the Lot 3 business interests and required by Council. The City Council approved an independent parking study firm, Rich Associates, to conduct the parking studies and evaluate the developer's proposals, and Pedersen conformed the revised project to the parking analysis provided by Rich Associates. Several stakeholder meetings were then held over the summer. By August, it was clear that much work remained to be done and the Council unanimously extended the original six-month preferred developer agreement until the end of December.

### Status Report

Curt Pedersen and Dan Francis, from Pedersen Development provided a status report on the hotel project. Mr. Pedersen indicated that since being selected as the preferred developer in March, there have been numerous meetings with business community stakeholders and city consultants and based on the feedback received, multiple design options have been created. Mr. Pedersen reviewed the chronology of the project. Architectural layout drawings were prepared for each design modification. Mr. Pedersen noted that the current iteration has changed substantially from the initial RFQ based solely on the feedback received at the stakeholder meetings. Since there was no direct input from the Council on the project, Pedersen Development is requesting guidance from City Council regarding further items to consider as the process moves toward completion of a redevelopment agreement.

The City Council thanked Pedersen Development for their work on the hotel project and indicated that throughout the process, the developer has clearly shown a desire to work with the community to develop a suitable project. The Council Members commented on the project including concern over the size and height of the hotel, concern regarding the proposed project not meeting Master Plan and City ordinance requirements, project viability, concern that the development process is not on track, concern that the Council has not see an iteration of the proposed hotel to be able to determine what would or would not work in the proposed locations, concern that no parameters have been set for the project, and the need to focus on the community, not to compare to other projects, and develop a project that is best for Grosse Pointe.

It was suggested that the Council reevaluate the plan for feasibility in moving forward with a hotel project and establish an effective framework to include input from the City Council, Downtown Development Authority, business stakeholders and City residents. It is necessary to clarify what the community wants in a hotel.

It was suggested that the design process start over with the creation of a small work group to provide clear specifications and definitions for the project. Council discussion took place regarding various suggestions.

Motion by Council Member Walsh, second by Council Member Parthum, to convene a work group, not to exceed eight representatives of the City Council, Downtown Development Authority, business stakeholders, City residents and the Developer, to provide guidance and definition for the development of a presentation of a hotel project at the April 16, 2018 City Council meeting; with the members of the work group being appointed by the Mayor, with the consent of the City Council at the January 8, 2018 City Council meeting; and that the City Council hereby extends the preferred developer agreement with Pedersen Development by four months, to the last day of April, 2018.

#### ROLL CALL

Ayes: Boettcher, Parthum, Stempfle, Tomkowiak, Turnbull, Walsh  
Nays: Williams  
Absent: None

Motion Carries 6 votes Aye to 1 vote Nay.

#### PRESENTATION ON PUBLIC WORKS LOCATION ALTERNATIVES

##### Background

In August, voters approved issuing bonds to fund a new Public Safety building for the City and a replacement building for its Public Works building. The City Council voted at its November meeting to extend by 30 days the time to decide about proceeding with the purchase agreement for relocating the Public Works department currently located behind 17145 Maumee to a facility in Detroit at 4849 Canyon. This extension allowed for further consideration of options to build a new, larger Public Works facility at its current location on Maumee and to examine the potential of also utilizing the City owned land under the cell tower behind CVS and/or part of the City owned parking lot on Rivard just off of Mack (Lot 8) for additional Public Works facility space.

##### Presentation

David Gassen and Lauren Gallinger of Partners in Architecture, presented an analysis comparing two options for the new Public Works facilities. One is the option on which the August bond proposal was based, located at 4849 Canyon in Detroit. The other option is to utilize City owned property at the existing Public Works location on Maumee. This option would reuse parts of the existing Public Safety building at 17145 Maumee that would be vacated when its new facility is built. It would also expand the footprint of the existing Public Works building onto the entire yard and part of the parking lot behind the Public Safety building and would utilize the back corner of the City owned parking lot 8 on Rivard, just off Mack Avenue. Mr. Gassen reviewed the Operation Cost Analysis and Cost Comparison charts for both sites and offered a Power Point presentation showing proposed renderings of the 4849 Canyon and Maumee site locations. Cost estimates for the Canyon project are \$6,615,047 versus \$8,177,451 for the Maumee/Lot 8 proposal. It was noted that the amount reserved in the bond approved by voters was \$6.3 million. Ms. Gallinger reviewed the pros and cons site comparison dated December 15, 2017.

Staff analysis of Partners in Architecture's review of the two options is that both options do achieve the objective of providing the amount of space that has long been needed for the Public Works Department. The additional review over the last month does also reaffirm several previous reviews that the Maumee site has insufficient space to accommodate the Public Works Department, and the only way to meet its space needs - while keeping the current Public Safety building is to utilize a second site for material storage. However, by having two entirely separate locations on opposite sides of the community and operating out of two different buildings on the Maumee site, there are significant operational inefficiencies that result, primarily from having the vehicles stored at one place and materials needed for its operations stored offsite.

Mayor Boettcher asked for public comment on the public works location alternatives presentation. The following comments were made:

Roz Leto Gietzen, 459 Neff, stated there is a history of rats in the area of the current public works facility which has affected her home, noise issues and parking are also concerns; please think about the residents and move the facility out of the neighborhood.

Mike Rozny, 836 University, the information regarding the public works facilities project became public too late which raised questions and concerns. If the question was framed in the proper way, it might lead to different answers.

A resident stated that she was unaware that the Canyon site was not final and the proposed facility could be moved to another area. Garbage and storage in more areas, means more rats, with an impact on home values. Do not keep a garbage dump in the middle of a residential area, move it to the Canyon site.

Dale Scrace, 559 Lincoln, stated that using lot 8 for a use other than parking could have an impact on the businesses and homeowners in the area.

Jennifer Appleyard, 860 Rivard, stated that lot 8 is used by her patients regularly, along with patrons from other surrounding businesses, the recent paving project had an impact on parking in lot 8 as well as parking along Mack. The business district along Mack is making a comeback and having a storage area on lot 8 will impact those businesses.

A resident stated that there is no compelling reason to keep the DPW on Maumee, and moving would be better than staying.

A St. Clair Terraces resident stated that scattering the DPW services throughout the community with additional traffic will not serve the residents well, moving the facility enhances the current area surrounding the DPW.

Bryan Iannuzzi, 970 Rivard, stated that lot 8 is a lot busier than people think and using the lot will just force cars to park on Rivard which will have a definite impact on neighbors.

Dave Fries, 453 Rivard, stated that preserving vehicles and storing materials indoors in one location is positive and this can be accomplished at the Canyon site.

Susan Swickard, 502 St. Clair, discussed the history of the St. Clair Terraces and said that enlarging the DPW use on its current site will affect the terraces. The DPW function is not a good neighbor.

John Stevens, 3 Elmsleigh, stated that the Public Works should move from its current site and that there are opportunities to develop the site into residential; questions Canyon location selection.

Hearing no further comments, Mayor Boettcher closed public comment.

The Council Members commented on various aspects of the architects' presentation including, square footage comparisons, demolition costs, alley drainage and paving costs, there are good reasons to stay and good reasons to move, but a \$1.5 million difference in cost means the facility should move, there is an opportunity to move a service to an appropriate location which needs to be done now, approvals for Canyon property went well with the City of Detroit. After a lot of due diligence of previous and current councils, it was noted that moving the Public Works is a solution that is good for all neighbors to improve the community and is a positive for employees, residents and the City as a whole. After being skeptical about the project, and after review of the public works facilities, it was obvious that new facilities were needed and a two site solution is not a fiscally viable solution. A significant investment of this nature should not be taken lightly and that additional due diligence has proven which site is best for the project.

Motion by Council Member Tomkowiak, second by Council Member Stempfle, to proceed with the option to relocate the public works facility to 4849 Canyon and to direct staff to notify St. John Hospital that the City intends to proceed to closing on the purchase of that property.

UNANIMOUSLY ADOPTED.

Motion by Council Member Tomkowiak, second by Council Member Stempfle, to authorize staff to negotiate a design/build agreement with Partners in Architecture for both the Public Works and Public Safety buildings with a guaranteed maximum price for the design and construction of each project for consideration at the January 2018 Council meeting.

UNANIMOUSLY ADOPTED.

#### PUBLIC COMMENT

Laurie Copelin, 863 University expressed concern regarding snow removal on the sidewalks. She stated that homeowners are responsible to clear sidewalks within ordinance requirements which are not being enforced.

Resident spoke in favor of a small, upscale hotel; possibly on a different site.

Resident spoke in opposition to a hotel. The hotel won't remain viable and is a foolish idea.

Meghan Spicer, Sidestreet Diner, stated she is pro-business and pro-development but expressed concerns about the hotel project size and the impact on Village businesses pertaining to construction time, more retail space, staging materials, and parking. The Council should find a better location for the project.

Joseph Gormley, 546 Neff submitted a letter that a hotel should have been built a long time ago but addressed several concerns regarding the height and size the hotel, and fewer rooms.

On Motion, the meeting was adjourned at 10:04 p.m.

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Julie E. Arthurs, City Clerk  
City of Grosse Pointe