

# City of Portland

Portland, Michigan

## Minutes of the City Council Meeting

Held on Monday, December 16, 2013

In Council Chambers at City Hall

Present: Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Members Krause, Fitzsimmons and Sunstrum; City Manager Dempsey; City Clerk Miller; Police Chief Knobelsdorf, DDA/Main Street Director Reagan

Guests: Jim Smith; Kathy Parsons; Craig Patterson of The WODA Group; Jim Valentine, Director of Ionia Central Dispatch; Aaron Cross, Rosemary Neller, and Noreen Logel, Friends of the Red Mill, Tom Thelen of the Review & Observer

The meeting was called to order at 7:00 P.M. by Mayor Barnes with the Pledge of Allegiance led by DDA/Main Street Director Reagan.

Motion by VanSlambrouck, supported by Sunstrum, to approve the Agenda with the addition of D under presentations for Craig Patterson of The WODA Group.

Yeas: VanSlambrouck, Sunstrum, Krause, Fitzsimmons, Barnes

Nays: None

Adopted

Under the City Manager Report, City Manager Dempsey presented information on the action items for consideration on the Agenda.

City Manager Dempsey noted Holiday hours for City Hall and wished everyone best wishes for a Happy Holiday and Happy New Year.

Under Presentations, Jim Valentine, Director of Ionia County Central Dispatch, presented information on Smart 911. Smart 911 is a free service that allows citizens of Ionia County to create a safety profile for their household to include any information they want 9-1-1 to have in the event of an emergency. This allows emergency personnel to be armed with potentially lifesaving knowledge from a profile of the home or other important medical information.

Aaron Cross with Friends of the Red Mill presented information on proposed improvements to the property to include the addition of a pavilion that could be used for multiple purposes.

Mayor Barnes extended his appreciation to the Leik Brothers, Rosemary Neller, Madeline Frank, and all those involved in the efforts of creating and holding the Farmers Market and stated the City is available to offer assistance where needed.

Mayor Pro-Tem VanSlambrouck echoed the Mayor's sentiments.

DDA/Main Street Director Reagan gave a report on activities in Downtown Portland. HolidayFest on the Grand, held November 22<sup>nd</sup> and 23<sup>rd</sup> was once again a fun and successful event. Activities included horse carriage rides, a snowball drop, a window decorating contest, and the annual “Light Parade”. This year, Portland Main Street held a pancake brunch with the Portland Area Service Group with donations being split between the two programs. Director Reagan thanked all of the sponsors and volunteers that helped make the event a success.

Director Reagan also presented Portland Main Street’s “Decade Report”, published as this was Portland’s tenth year as a Michigan Main Street Community.

Craig Patterson of The WODA Group gave an update on the design of their proposed redevelopment of Old School Manor, at a cost of approximately \$6.3 million. The lower level is planned to include a community room, bathrooms, and office space. The building would include 6, 1-bedroom units, 18, 2-bedroom units, and 5, 3-bedroom units with rents ranging from \$325 to \$761. There would be no change to the footprint of the building. The plan complies with local Ordinances and will be presented to the Planning Commission in January for a request to approve the site plan.

Mayor Barnes noted the experience of The WODA Group as they manage over 7,000 units with 175 properties over multiple states.

Under New Business, the Council held the First Reading of Ordinance 195B to provide for a service charge in lieu of taxes for a proposed multiple family dwelling project for persons of low income to be financed or assisted pursuant to the provision of the State Housing Development Authority Act of 1966, as amended. This type of ordinance is often referred to as a PILOT (Payment in Lieu of Taxes). This ordinance is being considered to provide an inducement to the redevelopment of the property at 306 Brush St, commonly referred to as Old School Manor. The developer, Portland School Limited Dividend Housing Association Limited Partnership, is making an application to the Michigan State Housing Development Authority (MSHDA) requesting allocation of low income tax credits to rehabilitate, own and operate a housing development known as Portland School Apartments (Old School Manor) to serve persons of low income. The developer is offering payment of an annual service charge in lieu of all taxes equal to 8% of the annual shelter rents, which are the total of actual rent or occupancy charges paid over an annual period less charges for gas, electricity, heat, or other utilities furnished to the occupants.

Jim Smith, resident at 232 Hill St. located across from Old School Manor, addressed the Council and stated he would like to see the property improved but would like to see other options considered rather than have the property rehabilitated for low income housing. He urged the Council to consider comments of other property owners in the area in terms of the effect on their property values. He stated that his research seems to show that The WODA Group appears to be successful and tremendous company he is concerned that the property manager would be adequate. He stated his main concern is value of his property.

Mayor Barnes commented that he would have similar concerns if he was a neighbor of this property. He further stated there are different degrees of low income properties. There is a difference here in the dedication of our law enforcement, codes, and the quality of the property manager.

City Manager Dempsey gave an update on the property at 306 Brush St. The City has worked with Ionia County since before it was condemned in 2008; when the property owner and the bank walked away from the property. While the property has been owned by Ionia County and the Ionia County Land Bank the City has been actively pursuing alternative uses for the building and property and has shown it to multiple parties. The City approached The WODA Group based on their prior successes, although their original plan was for senior housing. A feasibility study showed they would not be able to reach the needed saturation levels and would not be able to secure funding for the intended use. The property is now being considered for low income use. Most rents will be nearly market rate and will provide quality housing for every market of the community. There have been no other parties interested in investing even \$1 million, let alone \$6.3 million. The PILOT would be for a 16-year term, and then property would be returned to the tax roll. The clock continues to tick on the property; at best the building has 3 years before it is beyond salvageable.

The alternative to this proposed development is to seek a grant for blight elimination which would require a 25% city match. The demolition costs would be dependent on asbestos abatement, but has been estimated at a cost of over \$400,000. If the PILOT is not approved, the City could be facing this alternative as well as the loss of historical character.

Mr. Smith stated he wants to see the best use of the property. He further stated he is not necessarily against this development but wants to ensure that all avenues have been considered. He inquired if the City had considered how property values would be affected if the building were to be demolished. His desire is that something successful be done with the property.

Mayor Barnes ensured Mr. Smith that due diligence has been done on the part of the City and the Ionia County Land Bank in regard to the Old School Manor property. There have been many people involved in trying to ensure the best use for the property. Many different scenarios have been considered, this was not the first.

Council Member Sunstrum stated the Planning Commission has also looked into and discussed this issue. City Manager has information regarding potential property values if the building were to be demolished.

Council considered Resolution 13-105 to appoint Police Chief Knobelsdorf as the City of Portland representative to the Ionia County Central Dispatch Board of Directors. In July the Council approved appointing Chief Knobelsdorf as the City of Portland representative on the Ionia County Central Dispatch Board of Directors to fill the remainder of Chief Bauer's term after he retired. That term expires at the end of this year. This resolution would appoint Chief Knobelsdorf to a full two-year term which would expire at the end of December in 2015.

Motion by Krause, supported by Sunstrum, to approve Resolution 13-105 appointing Police Chief Knobelsdorf as the City of Portland representative on the Ionia County Central Dispatch Board of Directors.

Yeas: Krause, Sunstrum, VanSlambrouck, Fitzsimmons, Barnes

Nays: None

Adopted

The Council considered Resolution 13-106 to confirm the Mayor's appointments to City Boards and Commissions.

Motion by VanSlambrouck, supported by Krause, to approve Resolution 13-106 confirming the Mayor's appointments to City Boards and Commissions.

Yeas: VanSlambrouck, Krause, Fitzsimmons, Sunstrum, Barnes

Nays: None

Adopted

The Council considered Resolution 13-107 to approve 2014 City Council meeting dates.

Motion by Krause, supported by Fitzsimmons, to approve Resolution 13-107 approving 2014 City Council meeting dates.

Yeas: Krause, Fitzsimmons, VanSlambrouck, Sunstrum, Barnes

Nays: None

Adopted

The Council considered Resolution 13-108 to authorize Ambulance Director Gensterblum to sign a Mutual Aid Agreement between the Portland Area Ambulance Service and the Clinton Area Ambulance Service Authority as requested by the Clinton Area Ambulance Authority to document the willingness of each organization to mutually assist one another during periods of heavy demand and clarify the terms under which such assistance will be provided. Both services agree to provide mutual aid so long as it does not jeopardize a service's ability to provide emergency services in its own coverage area. It also provided that each service is responsible for its own liability for accidents or damages received to its personnel or equipment and will bill patients for services provided.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 13-108 approving, authorizing, and directing the Ambulance Director to sign a Mutual Aid Agreement between the Portland Area Ambulance Service and the Clinton Area Ambulance Service Authority.

Yeas: Krause, VanSlambrouck, Fitzsimmons, Sunstrum, Barnes

Nays: None

Adopted

Motion by VanSlambrouck, supported by Krause, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council meeting held on December 2, 2013, payment of invoices in the amount of \$87,139.93 and payroll in the amount of \$123,718.23 for a total of \$210,858.16. Included is a purchase order to the Portland Area Fire Authority in the amount of \$21,059.98 for third quarter fire services.

Yeas: VanSlambrouck, Krause, Fitzsimmons, Sunstrum, Barnes

Nays: None

Adopted

Under Council Comments, Council Member Sunstrum thanked the Lt. Governor Calley, the Ionia County Sheriff Department and Michigan State Police for participating in the "Light Parade" during HolidayFest.

Mayor Pro-Tem VanSlambrouck commented the Portland Area Fire Authority is currently working through its budget process. It should be completed soon for presentation to the member jurisdictions.

Council Member Krause thanked Charles and Ed Leik for their contributions to the community and the efforts of all those involved in the upcoming project at the Red Mill.

Motion by Krause, supported by Sunstrum, to adjourn the regular meeting.

Yeas: Krause, Sunstrum, VanSlambrouck, Fitzsimmons, Barnes

Nays: None

Adopted

Meeting adjourned at 8:21 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk