

CITY OF BURTON
LEGISLATIVE COMMITTEE MEETING MINUTES
APRIL 30, 1998, 10:00 A.M., COUNCIL CHAMBERS

The Meeting was called to order by Charles Cross, Chairman, at 10:00 A.M.

MEMBERS PRESENT: Centilli, Cox and Cross.

MEMBERS ABSENT: None.

OTHERS PRESENT: D. Lowthian, Assessor; J. Major DPW Director; Gina Causey, The Heritage Companies and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE RECOMMENDATIONS
CONCERNING THE FOLLOWING ITEMS:

1. Proposed Senior Housing Development on Belsay Road.
2. Method of Special Assessment for Water Main Extensions.

PRESENTATION:

PROPOSED SENIOR HOUSING DEVELOPMENT ON BELSAY ROAD

Mr. Lowthian explained there is a proposed 56 unit Senior Housing Complex on Belsay Road. They are asking for a tax exemption on the property and they are requesting a PILOT Ordinance (payment in lieu of property taxes). Gina Causey is here from the Heritage Company to make a presentation.

Gina Causey gave a brief background of the Company, noting this is a brother and sister partnership and was established in 1988. This proposed development is intended for the elderly in the City of Burton and Genesee County. The complex would have 56 unit one-story four-plex, with 28 one-bedroom one-bathroom units and 28 two-bedroom units. She said they have built in about 15 different states and they manage their own units. Michael DeMill has an option on the property. Belsay Gardens will be made available through the Lot Income Housing Tax Credit Program. A conventional construction loan will be in place and a conventional permanent mortgage will follow. We are asking the City of Burton to grant Belsay Gardens a \$40,000 rebate in tap connection fees and building permit fees, with a commitment for the tax abatement for the length of the mortgage. Mrs. Causey said they don't want to go where they are not welcomed or needed. According to Jean Morgan, Senior Citizen's Director, there is a need for senior housing in this area.

Mr. Major said if approved, this would be the first phase of a multi-phase single family and town housing. The tax abatement would only be pertinent to the Senior Citizens housing. They would not be asking for an abatement on any other type of housing.

Mrs. Causey said if the tenants are there for a period of years, a portion of their rent goes towards the down payment to purchase their home. She said they are currently building a community in Adrian with about 80 units and is under the same format as the proposed Belsay Gardens. We are also building in Hilton Head, South Carolina and in Colorado.

METHOD OF SPECIAL ASSESSMENTS FOR WATERMAIN:

Mr. Lowthian gave a brief overview of the proposed policy or method for assigning benefit in future special assessment districts involving water main extensions. He explained the equal benefit method involves assigning a 1.0 benefit unit to each building site. The total project cost of the district is then divided by the total benefit units to determine the base unit assessment (1.0).

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Mr. Lowthian noted that under special circumstances, there are two items of concern: Unplatted Property included in the district will be assigned an appropriate number of building sites pursuant to the provisions of the Land Division Act, as amended and the City Zoning Ordinance. The other area under special circumstances is the vacant land that is unsuitable, according to the Building Department, to build on. The vacant land not suitable for building will be assigned a one-half benefit unit (.50).

AUDIENCE PARTICIPATION:

PROPOSED SENIOR HOUSING DEVELOPMENT ON BELSAY ROAD

Linda Burris-Croley, 6223 Crabtree Ln., asked how long the proposed project would be under construction. She said she doesn't have a problem with the senior housing, but she objects to the proposed second phase of the single family housing in that area. She said she is also concerned about the wetlands area being developed.

Mr. Major said the second phase is not subsidized housing. It is the same as what could be built on that property today. He explained that Phase II would be site specific at sometime in the future. Today we are here to focus on the senior citizens housing. He explained that if a PUD is approved, it will consist of single homes, condos, etc. Once a PUD is established for the area, it will remain conventional financing. If there is any subsidized housing, it will have to go before the City Council. Nothing will happen with the wetlands area.

Mr. Cross explained that the Committee is only a recommending body and this project must be approved by the whole Council.

Leona Stephens, 3049 Vineland, asked what the current zoning is on the property. She was advised R-1A and R-1B. She also asked if there would be gardens at the senior complex and if the units would have basements.

Gina Causey explained the company does extensive landscaping and there will be a solar area. They are also proposing a club house for brunches and miscellaneous gatherings. She said they will build to what is comparable to the area.

Pauline Dargel, 6119 Hugh, asked what the company is looking for from the Legislative Committee. She also noted that she understood senior housing of this type looks for a place to provide various services and there is no place like this on Belsay Road. She stated there is no PUD located in the City at the present time.

Mr. Cross replied they are looking for a PILOT Ordinance. He said this is similar to what we did at the Hi-Rise.

Mr. Lowthian asked if the senior housing would be consuming the entire frontage of the 10 acres. He was advised it wouldn't take all of the frontage.

METHOD OF SPECIAL ASSESSMENTS FOR WATERMAIN:

Pauline Dargel, 6119 Hugh, questioned whether the water would be brought down Hugh Street and Packard.

Mr. Cross said the method of special assessments for watermain is being updated.

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COMMITTEE DISCUSSION:

PROPOSED SENIOR HOUSING DEVELOPMENT ON BELSAY ROAD

Mr. Cox inquired about the statement in the Belsay Gardens Project Summary, regarding the \$40,000 rebate in tap connection fees and building permit fees. He doesn't recall Council acting on this just yet.

Mr. Major said the statement should read that the Council will consider the request for the \$40,000 rebate. He explained this would have to be adopted by the City Council through a resolution.

Mr. Lowthian noted he is proposing a PILOT Ordinance be adopted by Council. He gave the Committee a copy of the proposed ordinance that was previously considered by Council for another senior complex.

Mr. Major said Mrs. Causey has agreed to take the proposed PILOT Ordinance back to her legal Counsel and that would be a good starting point in a PILOT Ordinance for the newly proposed senior housing.

Mr. Cox noted that in looking at some of the information, not all of the properties have been managed by the Heritage Company. He also questioned the possibility of the property being sold once the mortgage has been completed.

Mrs. Causey said this issue would have to be addressed with the owners of the company. She explained that in their management company, there is a Director of Marketing and Director of Services. They have to stay in compliance or they will take away our credits. She then reviewed the operating expenses for management. The budget for the maintenance and management division amount to \$48,000.00 per year.

Mr. Cross asked what the value would be of the total project cost. He was advised \$4.4 Million, including the operating syndication. Mr. Cross inquired as to how the Heritage Company happened to acquire the land. He was advised the Heritage Company was working with a group from Southfield and they now have \$10,000.00 invested in the land, which is non-refundable.

Mrs. Causey said they would like to have some idea as to whether the City might be in favor of the project or not because they are working on a deadline date of July 15, 1998 for final site plan approval and submitting the application to MSHDA.

Mr. Cross addressed the following concerns: traffic study in the City; an extra lane into the development from the roadway; street lighting and location of services for seniors.

Mr. Major said the City has the capacity in that area for this type of development. He also said part of the frontage is dedicated for non-residential uses and if there is a need, medical facilities could be constructed.

Mrs. Causey said the developer would put in streetlights.

Mr. Lowthian said if the Council decides they want to pursue looking at this option, we should let Mrs. Causey take back to her legal counsel a copy of the PILOT Ordinance and bring back to the City with a counter proposal.

Mr. Cross said if the Committee members concur with this suggestion, there will be no decision made at this meeting.

Mr. Centilli asked how far off Belsay Road will the project be constructed.

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Mr. Major said he was advised it would be placed on the south side of the land, but this is only preliminary, nothing is concrete.

Mr. Centilli questioned MSHDA's approval.

Mrs. Causey replied that MSHDA has seen the market study and is okay with the proposal at this time.

Mr. Lowthian commented that one major difference between this proposal and that of First Centrum is the 60%-40% program. Under the First Centrum proposal, only 40% of the units had to be set aside for restricted income. The Heritage Company is willing to set aside 100% of the units for restricted and disabled.

Mr. Cross asked if this company is purchasing the entire 150 acres. He was advised no.

Discussion was held concerning the proposed PILOT Ordinance being reviewed by both parties and making any changes and then review them at the next meeting.

Mr. Cross said the Committee is receptive to this project and will endorse the concept of the project at this time. However, they are not willing to give the okay for the paper work until it has been reviewed by the legal counsel of both parties.

Mr. Cox stated the document for First Centrum was totally different than what is being proposed today. With this proposal, we are talking about tax abatement and service charges. He said he doesn't want to feel rushed to make a decision and apologizes for the timeline being so short. He said he would be interested in having Jean Morgan, Burton Senior Citizen's Director at the next meeting to answer any questions that may arise.

Mr. Cross set the date of May 7th at 10:00 a.m. for the next meeting regarding the proposed senior housing development.

METHOD OF SPECIAL ASSESSMENTS FOR WATERMAIN:

Mr. Cox stated that in regards to the unplatted property, if a property would not get water because it is unplatted, then it would be included in another special assessment district.

Mr. Lowthian said there would be one vote per taxpayer for purpose of determining the percentage of taxpayers.

Mr. Cox stated that by spreading the cost evenly, it has helped the residents and especially those on a corner lot. He said he doesn't have a problem with the proposed special assessment method.

COMMITTEE RECOMMENDATIONS:

Cox moved and Centilli seconded the following motion:

1. Approve and authorize the recommendation of the Committee, to full Council, the adoption of Water Main Extensions Method of Special Assessments. Motion carried 3-0.

Meeting Adjourned at 11:45 P.M.

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk