

CITY OF BURTON
LEGISLATIVE COMMITTEE MEETING MINUTES
JANUARY 22, 2002, 4:00 P.M., COUNCIL CHAMBERS

MEETING CALLED TO ORDER BY CHAIRPERSON CHARLES CROSS AT 4:05 P.M.

MEMBERS PRESENT: Wells, Cross, Bement

MEMBERS ABSENT: None

OTHERS PRESENT: J. Major, DPW Director, D. Lowthian, Assessor, J. Adams, Clerk's Office

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

1. BURTON COMMONS PILOT ORDINANCE
2. BLACKBERRY CREEK APARTMENTS PILOT ORDINANCE

PRESENTATION:

Burton Commons Pilot Ordinance

Assessor Dennis Lowthian said the only issue before the Committee this afternoon is a request in payment in lieu of property tax ordinance. This request has been received from Madco, Inc., a company from Burr Ridge Illinois, located in the Chicago vicinity. Madco is requesting this Pilot Ordinance for a 104 unit townhouse development located off of Covert Rd., north of Davison Rd. A Pilot Ordinance basically would exempt the property from property taxes and they would pay an annual service fee which amounts to a percentage of the total rents that are collected on the property.

Mr. Lowthian said our understanding is they are proposing to build almost 200 townhouse units with approximately half of them being privately owned and the other half being rental units. The 104 units of rentals they are requesting property tax exemption on.

AUDIENCE PARTICIPATION:

Mitchell Franks, 4306 Farmcrest, Burton, MI, stated he lives three blocks from this site and he does not want it built there. It will cheapen the value of my home. Mr. Franks asked when they will have a meeting to vote on it.

Mr. Cross replied that if they come up with a recommendation today, we refer it back to City Council at the next regular Council meeting on February 4th at 7:30 p.m. If we do not make a recommendation today, it will stay in Legislative and I will determine when the next meeting will be scheduled.

Mr. Franks said he does not see where it is fair that they get out of paying taxes. If I pay taxes on my property, then they should have to. He inquired further if they could still build without the Pilot Ordinance being approved.

Mr. Lowthian said the property is currently zoned residential multiple, which allows for multiple housing use. They can build the housing if they wish to go ahead. Whether or not they would build that without receiving this payment in lieu of property tax ordinance, we don't know.

Mr. Franks said he received no prior notice. He inquired concerning notification of residents.

Mr. Major stated the property has been zoned since the Township days. They have not applied for any building permits yet to date, or site plan approval before the Planning Commission. They have not asked for any type of construction to take place. We are kind of jumping the gun to say they are going to build these units anyway.

Mr. Major indicated further, if you decide to put an addition onto your home or someone wants to build on a vacant lot within the Calvert Park area, they can come in and apply for a building permit and no one would have to know anything about it.

Mr. Franks stated that putting on an addition to your home to make it more valuable versus putting low income housing that will cheapen the value of a home that is already there is quite different.

Mr. Major said it is zoned multiple, they have made an investment in that property and have a perfect right as owners of that property, if that is zoned correctly which it is, to apply for a building permit.

Mr. Franks expressed concerns that the neighborhood and community does not have a right to vote. He said everyone knows low income housing will raise the crime rate.

Mr. Major said \$110,000 for a townhouse is not a low amount for a 2 or 3 bedroom townhouse.

Raymond Barr, 2273 Covert Rd., Burton, MI, said this property backs up to his property. He asked for clarification as to privately owned and rented.

Mr. Cross replied that 104 units will be rental, the second phase will be owner/occupied.

Mr. Barr said how can the Board or anyone say okay on rental property when it may come out to be like Carpenter Rd. between Dort and Branch. It is a junk place and not safe to go around there, and I don't want that in the back of my home. Mr. Barr spoke further regarding taxes, additional kids to support at Kearsley School, and maintenance of the roads. He said to his knowledge there is only one easement which is three houses from me. For that kind of a housing complex with one easement, somebody is going to have a lot of trouble because the taxes won't open that easement up unless somebody sells out. Mr. Barr addressed taxes supporting the sewer. He stated there is going to be horrible problems around that neighborhood with the water run-off and the sewers, and his taxes are going to have to do it because none of the housing is going to do anything along that line to support us. His taxes will have to triple to support what is coming against it.

Diana Dumler, 4231 Leith, Burton, MI, said when they first brought the water and sewer in our area, we all paid a little extra in order for AC Spark Plug to be exempt from that. We took that on years ago and most of us have already paid that off. Now you are asking again, that we take it on again to pay for it. They said this time 104 rental units, and possibly, the rest of the housing individually owned. What if he says later I can't do that and he has to build another 100 rental units. That means he is exempt again. Mrs. Dumler said she understands there is two easements, one being on Leith Street. We just went through the shoddy job of the road being re-done, and you are going to put an easement in and all this extra traffic on Leith Street. Who is going to pay for it, we are. A lot of the people on Leith St. and Covert Rd. are older residents. We are on fixed income, we are retirees and cannot afford higher taxes to take care of the sewer and water, police and fire departments, streets, crime and everything that is involved. You already asked us once and we did it when you first brought in sewer and water and took care of AC Spark Plug, now you are asking us to do it again. We are older, we cannot do it again. It is not fair to ask, we are an older neighborhood.

Dennis Prescott, 2412 Covert Rd., Burton, MI, asked if it is up to the Committee to tell the developer he can hook into our sewer and water.

Mr. Cross said he believes they have to go through the County to see if they have the capacity.

Mr. Major said he can hook into the sewer and water, the capacity is there to handle the construction of these number of units.

Mr. Prescott asked Mr. Major if he lives in the area, and spoke on the flooding problems in his basement. He inquired as to the ownership of the property.

Mr. Lowthian indicated Mr. Foster has a purchase agreement on the property, but he does not believe he has actually purchased it. Whittier Building Company has been the manager of that property for quite some time. I believe the taxpayer of record is a gentleman by the name of Gutterman,

Gary Thomas, 2144 Covert Rd., Burton, MI, asked for clarification as to the purpose of the meeting, direction from the residents, and the Pilot Ordinance. He asked that as a City, what do we get out of an abatement for 104 units.

Mr. Cross expressed they want the residents input. As far as what the City gets out of this, Mr. Foster has indicated affordable housing for residents.

Mr. Thomas said he wants to know who is behind it, who is financing it, and where they came from. He wants any and all information that has been provided to the City. I don't know how something could come to this point on an important issue to so many people, and I did not know about it until Sunday evening.

Mr. Cross said anyone can obtain that information through the Clerk's office.

Duane Burnash, 2239 Covert Rd., Burton, MI, said this is not a personal attack, but for the record, Mr. Major does not live in this area, he lives closer to Belsay Rd. He spoke to the Drain Commissioner about the drainage in that area, and in his words, it is vintage 1920's in serious need of updating. A Pilot Ordinance should be for the benefit of everyone involved, the City of Burton and its residents. If you look at page 3 of your information titled Pilot Ordinance Request 104 units, it says 68 of those are 2 bedroom units, 36 of those are 3 bedroom units, will originally be rented, and financed using MSHDA private activity bonds. I am sure everyone here can read between the lines on that one. Mr. Burnash stated further, on the same page under the title of Pilot, it shows where the tenant is only required to pay half of that rental fee. So when you say they are going to rent these or sell these for \$109,000, the people moving in are not paying \$109,000, they are subsidized. They are not required to pay that amount, the State is covering the rest of that bill.

Mr. Burnash continued, and stated that on the fifth page of information titled Modified Past Through Program Inducement Resolution Staff Report, it describes tax credit. He is already getting through MSHDA, being qualified under these programs HUD and whatever else, so he is already getting tax credit. On the page titled Resume, you can see his experience with low income housing. It is clear what his goal is, he knows how to build low income housing, subsidized housing. Our area is a middle class blue collar working and/or retired group of people. This whole development means more traffic on Covert and Risedorph, and drainage problems. Low subsidized housing means more crime. This is not discrimination or prejudice, this is pure fact. Is your police department prepared for this increase, have you budgeted for that, and also, the Fire Department. He talked to the DEQ and there is some serious issues there. In closing, you have accommodated Mr. Foster legally and you have to hear his point, it is zoned RM and why it is still zoned that I don't know. I understood it was suppose to go back to single family dwelling. Mr. Burnash asks the Committee to not support this proposal, this pilot ordinance, in this development or any of his development ideas.

Bernard Meader, 4220 Risedorph, Burton, MI, said that area is a swamp and there are underground streams. This alone should stop them from building. Also, Kearsley School is in debt and pretty heavy from what I hear, and if we have to build more buildings, who has to pay for these, we can't. There are a lot of retirees out there.

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Becky Lasley, 4231 Leith St., Burton, MI, said she moved to this address 2 ½ years ago. I moved out of the north end because of subsidized housing. They said this first 104 units is rental which is subsidized. Then they say he

might want to build single dwelling homes. Who is going to buy them when they have to go through subsidized housing, which is terrible because I moved out of it, to buy these larger homes. Is our taxes going up because we have to hire more police, because the police can't handle the crime in Burton now. You call the police officer in Burton and it takes 45 minutes to an hour and a half to get them to show up at your home.

Joseph Frost, 2194 N. Center Rd., Burton, MI, said he recently moved into Burton. He is investing money into the home he bought. If you are talking about people going to buy \$110,000 townhouse beside a rental, you are mistaken because it is not going to happen. They are not going to put that kind of money beside someone that does not care about his property. When I moved into Burton no one gave me a tax abatement, they are going to use everything we use, the roads, schools, water and sewers. I am investing money into this community, why are they getting a break and I didn't.

Mickey McKenny, 4177 Risedorph, Burton, MI, said the woods back up to his property. There is not a single person here that wants this pilot approved. You are going to have crime, drug dealers in the back of people's yards. You might as well put the City divide over on Covert Rd. and call it Flint.

Pauline Dargel 6119 Hugh St., Burton, MI, said she was hear last week and heard the presentation from the applicant. I asked about the rent at that time and he gave the rental but he did not speak what it was for the subsidy. She inquired of MSHDA this morning at 10:45 a. m., and I understand that they do not have Burton Commons. The applicant had stated he has full approval of MSHDA. Mrs. Dargel asked the Committee if they have a letter that this has been through a study in regard to the need for this type of housing, and if there is something pertaining to roads or transportation.

Mrs. Dargel continued, last night at the Council meeting she left with Mr. Cross the ads from Sunday's newspaper pertaining to apartments. She really questions the need for additional affordable housing other than what is on the market today. At your last meeting, I hope that the Legislative Committee would obtain from their Assessor perhaps the value, you would learn how many more years Burton Place has in lieu of taxes.

Mrs. Dargel stated Lockwood is new, and I would ask that you would learn what the duration of that is, and when that tax break begins. From what I read in the old provision for Burton Place it began with occupancy. Is there a percentage of occupancy or a total occupancy. As far as Lockwood, are they now having some form of abatement as they are in the construction process.

Malinda Burnash, 2239 Covert Rd., Burton, MI, said she understands when the City developed their plan, they hired Rowe Consulting for the Master Plan. Their recommendations for this area was for single family dwellings and not RM. Mrs. Burnash inquired as to why there wasn't another public hearing on the amendment that was changed to make this land RM and not single family dwelling. She asks that this RM zoning be investigated because I don't think this is fair to this company to have us fighting it when maybe it should not have been there anyway.

Mr. Cross asked Mr. Major if they changed it from single to RM.

Mr. Major said the zoning is appropriate for this construction. It has nothing to do with the Master Plan.

Dan Clemons, 2209 Covert, Burton, MI, asked what we have a Master Plan for and why do we pay for it if it means nothing.

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Mr. Cross in response explained that the Master Plan is a direction the City at this time wants to go in, but a Master Plan is not set in concrete. It pertains if it was you, a builder, or anybody, that is why you have a City Council to consider changes in the Master Plan and to the Planning Commission.

Mr. Clemons said DNR classifies wetlands as anything that holds water over two weeks during the growing season. From what I understand, Mr. Burnash cannot even mow his lawn until August. They have not registered anything yet with the DNR, I checked with them on their website. We need help in stopping this and I think it can be stopped.

Roberta Compton, 5347 Lapeer Rd., Burton, MI, inquired regarding the developer purchasing the land.

Lila Burnash, 2298 Melody Ln., Burton, MI, stated the developer at the last meeting said he was going to build with or without the abatement.

Mr. Cross said it remains to be seen, a lot of things could come up yet.

Bernard Meader spoke regarding the wild life in the area and indicated they need protection too.

Mike Rosalez, 4147 Woodrow, Burton, MI, said he is a new property owner and he has put a lot of money into his home. Every aspect of this is not going to benefit Burton at all. He asks that this is not passed.

Raymond Barr, 2273 Covert Rd., Burton, MI, said we have a consensus here that the people are very worried concerning taxes, police and fire protection, and schools. I know you gentlemen have our best interest at heart, and I believe that you will listen to the public that is involved in this area.

COMMITTEE DISCUSSION:

Mr. Wells said all his questions have been answered. People have brought out some great points here, and I cannot disagree to what they are saying. I think we need to make a recommendation and put this behind us today.

Mr. Bement inquired to Mrs. Dargel on her conversation with MSHDA.

Mrs. Dargel said MSHDA does not have a record of Burton Commons. The person I spoke to referred me to the construction area because if they have something submitted that has not moved up or possibly they were assigned a number for consideration.

Mr. Bement inquired as to a number being assigned.

Mr. Lowthian responded there is nothing really that is required that they go to MSHDA first. In fact, if they are applying for low income housing tax credits, those are allocated twice a year by MSHDA. They are done on a point basis, it is competitive. They get a certain number of points if they have the Pilot Ordinance in place. It could be he is attempting to get all the ground work done first and then make application to MSHDA.

Mr. Cross called for a five minute recess. The meeting resumed at 5:10 p.m. Mr. Cross asked if there is any more Committee discussion. After having none, he asked for any Committee recommendations.

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COMMITTEE RECOMMENDATIONS:

Bement moved and Wells seconded the following motion:

That the Legislative Committee recommends to the Council that we reject the pilot program for the reasons that in the area we are talking about, there is no demonstrated need for affordable housing in that particular area. Also, the costs to the City for services rendered would far exceed the benefits from putting the development in that particular area of Burton. The overburdened storm, water and sewer system would be heavily taxed in that particular area. Also, the fire / police work they would have to do in that area would cost money and the school system which in that area is the Kearsley School system, as it relates to their debt retirement, would bring me to say that this pilot

program should be rejected and we recommend that to the City Council. We are talking only in that area of Burton to where the affordable housing, that there is no demonstrated need for that.

Motion carried, 3-0.

Mr. Wells stressed that we are just talking about Burton Commons.

Mr. Cross said this will be recommended back to the main body at the regular Council meeting on February 4, 2002, at 7:30 p.m., that we request this to be denied.

Mr. Cross called a recess for five minutes. Mr. Cross resumed the meeting at 5:15 p.m. He said there is some other information he has requested as Chairman, so he will delay the Blackberry Creek Apartments Pilot Ordinance today and re-schedule it for another date.

Mr. Cross adjourned the meeting at 5:18 p.m.

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