

CITY OF BURTON
LEGISLATIVE COMMITTEE MEETING MINUTES
FEBRUARY 23, 2004, 4:00 P.M., COUNCIL CHAMBERS
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MEETING CALLED TO ORDER BY CHAIRPERSON CHARLES CROSS AT 4:00 P.M.

MEMBERS PRESENT: Cross, Isham, Centilli

MEMBERS ABSENT: None

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

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

1. PILOT ORDINANCE FOR LOCKWOOD
(MAPLEGROVE APARTMENTS)

PRESENTATION:

Mr. Lowthian stated the pilot format is pretty much set by MSHDA which require certain items to be in the ordinance. The most important section is dealing with the service charge, Section 5. We specified the service fee would take effect December 31st after a Certificate of Occupancy is issued. Up until that point, our policy has been to place a value on the property on the vacant land. Once a pilot ordinance is passed, it is clearly understood the intent is to exempt the building. There would be no point in putting partial assessments on buildings that are under construction.

Mr. Lowthian addressed further the exemption process and annual service fee. He stated in the City's prior ordinances passed, the annual service charge is equal to 5% of the annual shelter rents. It basically takes gross rent, less the utilities. We take that net number, 5% of it, and that is the annual service fee. We receive that number in total and allocate that to the various taxing jurisdictions. The City of Burton receives a percentage based upon the millage that they levy. The City's portion is approximately 15%.

AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh St., Burton, MI, said she reviewed material and brochures submitted by Lockwood and noted other units of government where Lockwood has different types of housing. Mrs. Dargel made reference regarding multiple family housing, rents and the projected number of students for the Atherton School District. She feels Atherton School appears to be the only one that would come out the winner of this proposal. Mrs. Dargel inquired regarding the 15% that goes to the City.

Mr. Lowthian responded it would be 15% of the total service fee that is collected. We can anticipate a service fee of about \$50,000 in total, and we would get our percentage of that which is approximately 15%.

Mrs. Dargel referenced Mt. Morris Township's three housing projects and stated she feels the City of Burton cannot afford this proposal. She commented on the number of fire runs made to Lockwood's senior housing complex. She does not believe the amount of revenue or fee that is paid to the City covers the cost of those fire runs. As a taxpayer she feels they need to have a report from the fire department as to the number of runs and the costs to the Lockwood complex. If the pilot is approved, the fee should incorporate the cost of that specialized service. Mrs. Dargel mentioned the newspaper article that indicated the City needs to take a very close look at this and determine if this is truly a benefit to the City of Burton.

COMMITTEE DISCUSSION:

Mr. Isham said he agrees with Mrs. Dargel that the Atherton School District would be a winner in this case with a hundred new students. With this particular project being a prevailing wage job, there are good jobs that would come from that development. Mr. Isham spoke further regarding the man hours involved with a complex of that size.

Kristin Orlando from Lockwood addressed concerns expressed by Mrs. Dargel. She indicated with the number of fire runs, they are working out a better system and with the fire department.

Mr. Cross stated the Lockwood senior complex had 100 plus fire runs compared to 20 at Burton Place.

Mrs. Orlando said the fire alarms are so sensitive that burnt toast in a toaster sets them off. Again she stressed they are working with the fire department.

Mr. Centilli questioned the payment in lieu of taxes.

Mr. Lowthian said the total pilot is 5% of the annual shelter rents. It is computed by taking the gross rents less the utilities, and that net amount is 5%. The total pilot is about \$50,000 for this project. Once we get the total pilot, we allocate to all taxing jurisdictions according to the amount of millage that is levied. The City's total is close to 15% of the \$50,000. They are projecting the City's portion would be \$7,300.

Mr. Centilli asked if they did not have a pilot what would the amount be.

Mr. Lowthian replied if they went ahead and built the project, the estimated annual property taxes would be \$117,000, the City portion would be about \$17,000.

Mr. Cross stated the senior high rise, Blackberry Creek and Lockwood on Center Rd. are the three pilots currently in the City. Mr. Cross referenced this year's budget and the Flint Journal newspaper article.

Mr. Isham re-iterated his earlier comments and stated he has no problem with the pilot ordinance for the Lockwood project. He is optimistic the State will balance the budget and he is hopeful we will not see a reduction in revenue to the City of Burton.

Mr. Cross asked Mrs. Orlando how many full time jobs would be created.

Mrs. Orlando replied there would be five full time positions at the complex. There would also be trash pick-up, snow removal and other jobs involved.

COMMITTEE RECOMMENDATIONS:

Centilli moved and Isham seconded the following motion:

1. The Legislative Committee made no recommendation in reference to the pilot ordinance for Lockwood. Motion carried, 3-0.

Meeting adjourned at 4:22 p.m.

jra