

CITY OF BURTON
LEGISLATIVE COMMITTEE MEETING MINUTES
NOVEMBER 17, 2008, 6:30 P.M., COUNCIL CHAMBERS
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The Meeting is called to order by Chairwoman Laurie Tinnin at 6:30 p.m.

MEMBERS PRESENT: Tinnin, Ellenburg and Conley.

MEMBERS ABSENT: None.

OTHERS PRESENT: G. Kray, DPW Director and J. Adams, Deputy City Clerk.

PURPOSE OF THE MEETING: Discussion and possible recommendations concerning the Following:

- 1. Ordinance 2008-2, 156.24 (D), (3), (b), an ordinance establishing a dollar value for required assurances given by developers in lieu of completion of construction of utilities and other site improvements prior to final plat approval, and to provide penalties for the violation thereof.**
- 2. Ordinance that covers the special assessment petition process.**

PRESENTATION:

Mrs. Tinnin said they would like to establish new criteria of selling a general obligation bond to finance special assessment improvements.

AUDIENCE PARTICIPATION:

John Staphish, PO Box 190134, spoke regarding imposing stiff penalties to developers that owe the City money.

COMMITTEE DISCUSSION:

Mrs. Tinnin thanked Mr. Austin for information he provided on October 10th. At the October 6th Legislative Committee Meeting, they discussed required assurances from developers in lieu of uncompleted projects. We suggested language be changed to state “the dollar value of the above referenced 5 acceptable assurances shall be an amount equal to 120% of the estimated cost of the unfinished public improvement.” It currently states 100%.

Mrs. Tinnin stated further by requiring a higher dollar value for the estimated assurances, she feels this would build in some additional security. She does not believe there would be a big problem with developers because they are getting the best cost that the City can possibly furnish with combining these projects with others that need to be finished, and they are getting a good asphalt estimate from whoever is going to contract that project.

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Mrs. Ellenburg said she contacted MML (Michigan Municipal League) and they searched through the Ann Arbor archives and in our areas. No one really has this in ordinance because of the fact Council has the final approval on projects. She spoke to many council people this past week from other states and they stated they do not like to tie the hands of the City by putting in an ordinance.

Mr. Austin said Council does have the final approval. The ordinance can be changed, and it does state now 100%. This proposed ordinance amendment could essentially say the dollar value of the assurances shall be an amount equal to the City Council at the time they give final plat approval, and take out that 100% and any reference to it and leave the dollar value in the hands of the City Council to determine at the time the plan is reviewed.

Mrs. Ellenburg stated that with inflation the way it is, we can even make it higher.

Mr. Austin indicated a developer could come to the podium and state to Council that he is struggling and ask for less assurances.

Mr. Kray said we wait till the subdivision is at certain percent of build-out and then we require the final lift. We don't know what is going to happen to the price of asphalt, it could double, triple or quadruple. We should either require completion of the roadway, full thickness asphalt all the way up to the lip of the curb right when the road is built, or an initial bond good for 2 years at an estimated 110% of the cost of the asphalt, and an escalator clause. Each year after that, we could find out the price of asphalt, the amount of change, and the bond could be adjusted. The builder would then have the option of increasing his bond to the new amount, or if they refuse to do that, we cash the bond at that point and pave. No matter what percentage you pick, you could get stuck with your back against the wall if it becomes years and years until you can finally pave out your subdivision.

Discussion continued concerning the escalator clause and bonding.

Mr. Austin suggested adding a subparagraph E. It would essentially say plat approval with unfinished improvements shall vest the DPW Director with the authority to require of the developer additional assurances based upon increase cost of materials or other relevant factors, subject to Council approval. Failure of the developer to comply with the required additional assurances shall result in a 90 day order to complete the project or have the bond executed.

Mr. Austin said he would have this proposed revision in plenty of time to meet at the next Legislative Meeting on December 1, 2008 at 6:30 p.m.

COMMITTEE RECOMMENDATIONS:

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Tinnin moved and Conley seconded the following motion:

1. The Legislative Committee approves to address the proposed ordinance amendment for Ordinance 008-2, 156.24 (D), (3), (b), for the next Legislative Committee Meeting on December 1, 2008 at 6:30 p.m., and also to place the special assessment petition process on that agenda.

Motion carried 3-0.

Meeting adjourned at 7:05 p.m.

jra