

**MINUTES OF THE VIRTUAL & IN-PERSON
REGULAR MEETING OF THE HIGHLAND PARK CITY COUNCIL**

December 5, 2022

Council convened at 7:01 p.m. with Council President Clyburn presiding.

Present: Council Pro Tem Patrick, Councilmember McDonald, Councilmember Bates, Councilmember Armstrong, and Council President Clyburn (5).

Absent: (0).

A quorum being present, Council was declared in session.

APPROVAL OF AGENDA

Moved by Council Pro Tem Patrick
Supported by Councilmember Armstrong

To approve the agenda with the following change: move item VIc from Community Development to Vc under Ordinance. Yeas (5), Nays (0), Absent (0).

APPROVAL OF MINUTES

Moved by Councilmember McDonald
Supported by Council Pro Tem Patrick

To approve the minutes of the In-Person and Virtual Workshop Meeting held November 21, 2022. Yeas (5), Nays (0), Absent (0).

*

Moved by Council Pro Tem Patrick
Supported by Councilmember Armstrong

To approve the minutes of the In-Person and Virtual Regular Meeting held November 21, 2022. Yeas (5), Nays (0), Absent (0).

**ORDINANCE
12-05-22 V a**

The following resolution was submitted for approval.

**RESOLUTION TO RESCIND THE FIRST READING OF ORDINANCE AMENDING
CHAPTER 208 HELD OCTOBER 17, 2022**

Moved by Councilmember McDonald
Supported by Council Pro Tem Patrick

WHEREAS, On October 17, 2022 City Council voted on a motion to adopt the first reading of amending property ordinance 2018.11 and that document read did not contain the necessary revisions.

NOW, THEREFORE, BE IT RESOLVED, that the first reading of the ordinance on October 17, 2022 is hereby rescinded. Yeas (5), Nays (0), Absent (0).

*

12-05-22 V b

The Clerk stated this was the 1st reading of the following ordinance.

An ordinance to amend the Highland Park Administrative Code, Chapter 208, by adding section 208.11 to adopt policies and procedures for the sale of real property, other than vacant lots.

ORDINANCE 208.11

Moved by Council Pro Tem Patrick
Supported by Councilmember Bates

WHEREAS, the City of Highland Park desires to amend a local ordinance by adopting policies and procedures for the sale of real property, other than vacant lots; and

WHEREAS, the Charter for the City of Highland Park provides that the City Council has the authority to enact all ordinances they deem necessary for the safety, order, and good government of the City and the general welfare of its inhabitants.

NOW, THEREFORE, THE CITY OF HIGHLAND PARK ORDAINS:

208.11 POLICY RE THE PURCHASE, SALE, GIFT OR LEASE OF REAL PROPERTY

- a. Whenever city real estate is no longer required for corporate or public purposes, except any park, or part thereof, except where a park is no longer required under an official master plan, such real estate may be sold or leased upon the affirmative vote of four or more members of the City Council. The City may sell or lease city-owned real property using one or more of the following methods: public auction, negotiated sale, listing with real estate broker pursuant to guidelines established by the Mayor, solicitation of sealed bids, or request for proposals. In all cases, the Mayor may develop the disposition strategies, policies, and procedures to facilitate the sale of city-owned real estate.
- b. **Private Property under City Control.** The City shall acquire by purchase, gift, condemnation, tax reversion or otherwise, real property, and interests in real property, within the corporate limits of the City, for any public use, purpose, improvement or service within the scope of its powers and to encumber or dispose of the same.
- c. **Auctions.** The City shall auction residential homes owned by the City on a quarterly basis.
 1. Individuals may bid on no more than three (3) residential properties per auction, and highest bidder shall become the Purchaser.
 2. The City shall have the right to negotiate with the Purchaser a minimum sum to be spent on rehabilitation.

3. Upon a successful bid, the auction winner must commence rehabilitation of each residential home within six (6) months of the date of purchase, and the entire rehabilitation completed within one (1) year from the date of purchase. If Purchaser does not complete the residential renovations within one (1) year, the property will automatically revert to the City, unless the City, at its sole discretion, grants an extension to Purchaser.
4. The Purchaser must board up and otherwise secure the residential homes within 14 days of purchase and keep secure before, during and up to the completion of any project.
5. Commercial structures - Commercial structures are categorized in two classifications:
 - A. Demolish – Commercial structures that require demolition may be purchased. Within 30 days after closing the purchaser must:
 1. Provide the City a copy of an executed demolition contract from a licensed contractor showing that the structure will be demolished within 180 days after closing.
 2. Provide a copy of a demolition permit from the State of Michigan.
 3. After completion of demolition, secure and maintain the property thereafter.
 - B. Rehabilitation - Commercial structures that will be purchased for commercial uses are subject to the following:
 1. They will be required to enter into a purchase agreement.
 2. They will be required to secure the property and remove any debris within 14 days after closing.
 3. They will be required to provide the City proof of a certificate of occupancy within 12 months after closing. Where proof of significant repair progress has been made, but work is not complete, with reasonable proof and explanation, the City may, at its sole discretion, extend the 12-month deadline.
 4. Violation of the purchase agreement of any kind may subject the property to revert back to the City
6. For individuals/businesses purchasing commercial structures, the following conditions apply:
 - A. The Purchaser must submit an Offer to Purchase Application and pay a \$50 non-refundable fee.
 - B. The Purchaser shall submit to the Real Estate Division at the time of his or her request for purchase a notarized statement of a development plan. The purchaser shall also be in compliance with Zoning and Community Development Policy.
 - C. Purchaser must maintain the commercial structure in accordance with city ordinance.
 - D. Purchasers cannot owe personal or corporate past due taxes, unpaid blight bills nor unpaid water bills; and/or any other indebtedness to the City.
 - E. Not have any code violations within the past 18 months.
 - F. Secure the structure, remove debris and maintain the land within 14 days after closing.
 - G. If not current, Purchaser must pay the annual taxes on the property and stay current on water bills after purchase.
 - H. Commercial property located in strategic areas, or properties that the City expects will be in high demand or receive more than one bid are generally publicly marketed or packaged as part of a Request for Proposals (RFP). During the public marketing or RFP process, the City’s real estate committee will make disposition decisions based on offered purchase price, the use proposed, and the determined capacity of the potential purchaser.
7. Upon completion, the City shall certify the property prior to allowing occupancy or resale.

8. Purchaser is not eligible to purchase property if any of the following conditions exist:
 - A. Previously owned the property.
 - B. Currently owes property taxes or other indebtedness to the City (i.e., water bills, tickets, tax liens, etc.)
 - C. Failure to maintain property.
 - D. Has outstanding code, policy or ordinance violations

d. When, after recommendation by the Mayor, the City Council determines that it is in the best interest of the City, real property acquired by the City through tax reversion may be disposed of by one, or a combination of more than one, of the following methods, as determined appropriate by the Mayor, on a case-by-case basis: listing with real estate broker; auctions; solicitation of sealed bids; negotiated sale; or request for proposals. The Mayor shall submit the offer, which he or she deems to be in the best interests of the City, together with his or her recommendation, to the City Council for action.

e. This section shall not apply to real estate purchased pursuant to a United States Department of Housing and Urban Development program.

f. All sales of real estate shall be for cash, except that the City may sell on executory land contract if four or more members of the City Council shall vote in favor thereof, provided that in no case shall the contract be for a term of more than five (5) years, nor for less than thirty (30%) percent down; and provided further that the balance owing on the contract shall be paid in monthly or quarterly installments, whichever the City Council shall approve, and shall bear interest at a rate to be determined by the City Council on the unpaid balance. Such contract shall have such other provisions, as the City Council shall approve on the advice of the City Attorney.

g. Transactions involving the purchase, sale, gift or lease of real property shall be authorized by City Council resolution. Offers to purchase and proposals to sell city-owned property shall be reviewed by the City Attorney and a recommendation made concerning:

1. The sufficiency of the consideration.
2. The public purpose involved in the land transaction.

h. The following factors shall be considered and identified by the Mayor and approved by the City Attorney prior to making any recommendation to the City Council for the purchase, sale or lease of real property:

1. Purchase
 - A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.
 - C. Determination of value as reflected by any recent comparable sales in the immediate area.
 - D. Obtaining an outside appraisal or opinion of value if recommended by the City Attorney or requested by the City Council.
 - E. Transaction upon a negotiated purchase price or through condemnation, if authorized by separate Council resolution.
2. Sale
 - A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.

- C. Advertising and/or posting the property if two or more persons have indicated an interest in the property, the property has a general utility, or the City Council requests the property be advertised.
 - D. Examining the use to which the property can or will be put and the cost of acquisition, demolition and improvement.
 - E. Sale to the highest bidder. Consideration to include dollar offer and such other items as identified by the City Attorney that represent a legal obligation to the City and value assigned thereto. The City shall reserve the right to reject all bids.
3. Lease
- A. Identification of the public purpose involved in the proposed land transaction.
 - B. At a price which shall be not less than its market value, as determined and certified by the Assessor.
 - C. As lessor, advertising and/or posting the property if two or more persons have indicated an interest in the property or the property has general utility or the City Council requests that the property be advertised.
 - D. As lessee, the lease fee should be based upon the above indicators of value through a negotiated lease fee procedure.

These rules of procedure shall be construed liberally in recognition of the unique character of land transactions and the requirement that all real property transactions shall be authorized by City Council resolution. All land transactions involving city officers or employees shall be governed by applicable provisions of state law and city charter on conflicts of interest and, in any event, shall require a full disclosure of the officer or employee's interest and non-voting of the officer involved.

This shall be the first reading of amendment of Chapter 208 by adding section 208.11 to adopt policies and procedures for the sale of real property other than vacant lots. Yeas (5), Nays (0), Absent (0).

*

12-05-22 V c

The Clerk stated this was the 1st reading of the following ordinance.

Moved by Council Pro Tem Patrick
Supported by Councilmember Armstrong

TAX EXEMPTION ORDINANCE

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low-income persons and families to be financed with an Authority-aided Mortgage Loan or an advance or grant from the Authority pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

THE CITY OF HIGHLAND PARK ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the Highland Park Tax Exemption Ordinance for the Park Plaza Apartments.

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance

with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low-income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor (as defined below) has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, to construct/acquire, own and operate a housing project identified as Park Plaza Apartments on certain property located in the City of Highland Park, Wayne County, MI, described for tax purposes as follows:

Lot(s) 10, 11, 12 also Lots 73 to 84, inclusive, Block 4 and Lot 13 and South 15 feet of Lot 14,
Block 7 of SUBDIVISION OF BLOCKS 1, 2, 3, 4, 7 AND 10 OF STEVEN'S SUBDIVISION
1/4 SECTIONS 17 AND 24, 10000 ACRE TRACT according to the plat thereof recorded
in
Legal 030 - Ordinance - Development Specific1 Liber 24 of Plats, Page 76 of Wayne County
Records.

Parcel ID: 43 013 09 0010 000

The housing project will serve low-income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

- A. Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- B. Authority means the Michigan State Housing Development Authority.
- C. LIHTC Program means the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.
- D. Low Income Persons and Families means persons and families eligible to move into a housing project.
- E. Mortgage Loan means a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of the housing project, and secured by a mortgage on the housing project.
- F. Sponsor means Park Plaza 9 Limited Dividend Housing Association, LLC or any entity that receives or assumes a Mortgage Loan related to Park Plaza Apartments.
- G. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan by the Authority. It is further determined that Park Plaza Apartments is approved for tax exemption under this Ordinance.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified in Section 4 and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 4% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before August 15th of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq*).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid/OR the housing project remains subject to income and rent restrictions under the LIHTC Program.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable and should any section or provision of this ordinance be declared by a court of competent jurisdiction to be

unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid. Provided, if a Sponsor or its successor fails to comply reimbursement or similar agreements referenced in Section 9, if such agreement(s) referenced in Section 9 is deemed invalid or unenforceable, or if Section 9 is deemed invalid or unenforceable then the City may, in its discretion, repeal this Ordinance as permitted pursuant to MCL 125.1415a.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

SECTION 12. Effective Date.

This Ordinance shall become effective on upon publication as provided in the City Charter.

This shall be the first reading of Tax Exemption Ordinance for the Park Plaza Apartments. Yeas (3) Clyburn, Patrick and Armstrong, Nays (2) McDonald and Bates, Absent (0).

**COMMUNITY DEVELOPMENT
12-05-22 VI a**

The following resolution was submitted for approval.

**RESOLUTION TO SELL THE VACANT RESIDENTIAL ADJACENT LOT AT
18 MIDLAND TO THE ADJACENT PROPERTY OWNER AT 20 MIDLAND**

Moved by Councilmember Bates
Supported by Council Pro Tem Patrick

WHEREAS, The City of Highland Park holds in its inventory a surplus of City- owned parcels that are not producing a taxable, habitable and general benefit to the City and its residents; and

WHEREAS, it is the goal of the City to decrease the number of city-owned parcels and return them to productive use; and

WHEREAS, the City of Highland Park is the parcel owner of the vacant commercial side lot at 18 Midland (vacant lot adjacent to resident's home); and

WHEREAS, all fees have been previously paid, and required clearances obtained from the Water Department, Treasurer, City Engineer, CED and Legal Departments are signed off and ready to purchase; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council approves the sale of the vacant lot located in Highland Park, MI at the cost of \$500. Yeas (5), Nays (0), Absent (0).

*

12-05-22 VI b

The following resolution was submitted for approval.

RESOLUTION TO APPROVE THE REZONING OF THE WOODWARD AND CALIFORNIA SITE FOR THE PARK PLAZA DEVELOPMENT TEAM FROM CIVIC (C) TO TRANSIT ORIENTED DESIGN (TOD)

Moved by Council Pro Tem Patrick

WHEREAS, in 2017, the City of Highland Park wanted to create an initiative to accelerate the redevelopment of Publicly Owned land in the City, which included land owned by the Wayne County Land Bank and the Michigan Land Bank.

WHEREAS, pursuant to that initiative, the City of Highland Park, in cooperation with the Wayne County Land Bank and the Michigan Land Bank, published a "Request for Qualifications" on Friday, January 5, 2018, with responses due on Friday, March 2, 2018.

WHEREAS, subsequent to responses received on March 2, 2018, the City choose the Qualifications and Proposal submitted by the Highland Development Partners.

WHEREAS, at a Meeting of the Highland Park Planning Commission on Wednesday, August 24, 2022, the Commission approved an amendment to their previous approval of the change in zoning from Civic to Transit Oriented Development, excluding the Park at Woodward and Massachusetts, adjacent to the site for the Park Plaza project.

WHEREAS, pursuant to a detailed review of Development requirements, the Traffic Commission, City Engineers, and CED recommended approval of the Park Plaza development and sent the Project to the Highland Park Planning Commission. On April 6, 2022, the Highland Park Planning Commission approved the Project's Site Plan and changing the zoning for that Site from Civic to Transit Oriented Development (TOD), pursuant to the City's Master Plan.

WHEREAS, the Planning Commission held a public hearing on April 6, 2022 at 5pm to review the request from Park Plaza team to rezone the Woodward & California site and;

WHEREAS, the development consists of three phases and will become a mixed- use development upon completion and;

WHEREAS, the application to apply for tax credits to the Michigan State Housing Development Authority (MSHDA), must be submitted by October 1, 2022 and;

WHEREAS, the Planning Commission recommended approval for the Park Plaza development team to rezone the Woodward & California site from Civic (C) to Transit Oriented Design (TOD), excluding the Park and;

NOW, THEREFORE, BE IT RESOLVED, that the City Council approves the request to rezone the Woodward & California site from Civic (C) to Transit Oriented Design (TOD).

* Motion dies, lack of support*

*

12-05-22 VI c

The following resolution was submitted for approval.

RESOLUTION TO APPROVE THE DEVELOPMENT AGREEMENT BETWEEN PARK PLAZA 9 LIMITED DIVIDEND HOUSING ASSOCIATION, LLC & THE CITY OF HIGHLAND PARK

Moved by Council Pro Tem Patrick
Supported by Councilmember Armstrong

WHEREAS, the Park Plaza development team wishes to purchase parcels 43-013- 09-0014-002 & 43-013-09-0010-000 from the City of Highland Park to build a mixed-use development which consist of three phases and;

WHEREAS, the City of Highland Park requires an agreement to purchase & develop land and;

WHEREAS, the application to apply for tax credits to the Michigan State Housing Development Authority (MSHDA), must be submitted by October 1, 2021 and;

NOW, THEREFORE, BE IT RESOLVED, that the City Council approve the development agreement between Park Plaza 9 Limited Dividend Housing Association, LLC & the City of Highland Park. Yeas (2) Clyburn and Patrick, Nays (3) McDonald, Bates and Armstrong, Absent (0).

**PUBLIC WORKS
12-05-22 VII a**

The following resolution was submitted for approval.

RESOLUTION TO SOLICIT QUOTES TO CUT GRASS ON 1470 CITY-OWNED PROPERTIES

Moved by Council Pro Tem Patrick
Supported by Councilmember Armstrong

To table the above item. Yeas (5), Nays (0), Absent (0).

*

12-05-22 VII b

The following resolution was submitted for approval.

RESOLUTION TO ISSUE RFQ TO SOLICIT BIDS FOR STREET SWEEPING

Moved by Council Pro Tem Patrick
Supported by Councilmember Bates

To table the above item. Yeas (5), Nays (0), Absent (0).

*

12-05-22 VII c

The following resolution was submitted for approval.

REQUEST TO ISSUE RFQ TO SOLICIT BIDS FOR AN ON-CALL PROFESSIONAL TREE TRIMMER/ARBORIST

Moved by Council Pro Tem Patrick
Supported by Councilmember Bates

To table the above item. Yeas (5), Nays (0), Absent (0).

COUNCIL AFFAIRS

Moved by Council Pro Tem Patrick
Supported by Councilmember Bates

To approve the City Council 2023 meeting schedule. Yeas (5), Nays (0), Absent (0).

Workshop & Regular Meetings

January 2 nd at 8:00 p.m. (<i>per City Charter section 5-1</i>)	
January 17 th	July 3 rd & 17 th
February 6 th & 21 st	August 7 th & 21 st
March 6 th & 20 th	September 5 th & 18 th
April 3 rd & 17 th	October 2 nd & 16 th
May 1 st & 15 th	November 6 th & 20 th
June 5 th & 19 th	December 4 th & 18 th

ADJOURNMENT

Moved by Councilmember Armstrong
Supported by Council Pro Tem Patrick

To adjourn the meeting, motion carried, meeting adjourned at 8:09 p.m.

CERTIFICATE

I hereby certify that the attached is a copy of the minutes of the In-Person and Virtual Regular Meeting held the 5th of December 2022 and that said minutes are available for public inspection at the address designated on the posted public notice.



Cidia Wicker-Brown, Deputy City Clerk