

City of South Lyon
Regular City Council Meeting
February 22, 2021

Mayor Pelchat called the meeting to order at 7:30 p.m.
Mayor Pelchat led those present in the Pledge of Allegiance

Roll Call: Mayor Pro Tem Kivell joined the meeting from South Lyon MI, Councilmembers: Dilg joined the meeting from South Lyon MI, Kennedy joined the meeting from South Lyon MI, Kurtzweil joined the meeting from South Lyon MI, Richards joined the meeting from South Lyon MI and Walton joined the meeting from South Lyon MI

Also, present: City Manager Zelenak, Attorney Hamameh, Chief Sovik, Chief Vogel, Finance and Benefit Administrator Tiernan, DDA Director Nate Mack, Superintendent Varney and Clerk/Treasurer Deaton

MINUTES

Councilmember Dilg mentioned the heading stated Mayor Pelchat called the meeting to order and it should say Mayor Pro Tem Kivell

CM 2-1-21 MOTION TO APPROVE THE MINUTES

Motion by Kennedy, supported by Kivell
Motion to approve the minutes as amended

VOTE: MOTION CARRIED UNANIMOUSLY

BILLS- None

AGENDA

CM 2-2-21 MOTION TO APPROVE THE AGENDA

Motion by Kennedy, supported by Dilg
Motion to approve the agenda as presented

VOTE: MOTION CARRIED UNANIMOUSLY

PUBLIC COMMENT

Chuck Mason of 13875 Bridgewater Court stated he is here because he is very curious about the rezoning and the traffic flow on Dixboro. He is interested in having a paved access road. He is interested in what the plan will be with the additional traffic.

Jasmine Valentine of 801 Vanguard Drive, Pontiac Michigan stated she is here on behalf of Haven in regards to the CDBG funds. She stated Haven helped 12 city residents last year. She further stated Haven cares for and provides services for people and many of the residents use the court advocacy services. She stated Haven is the only comprehensive agency in Oakland County and their survivors come to them for services and support to heal from sexual assault, or violence. She further stated anyone can be victimized regardless of social economic status.

DISCUSSION- Downtown

Nate Mack, DDA Director stated he now has all the information for the liquor license application for 135 W Lake Street and it will be on the next agenda for Council. Mr. Mack stated we have one greenhouse left, originally Suzi from Suzi's Bar wanted it, but she no longer wants to use it. He has reached out to other businesses, and if no one else is interested in it, it will go to Lake Street Tavern. He then stated he and the Market Manager Tim Davids have begun planning the 2021 Farmers Market. He further stated 2-22-2021

they are discussing the budget as well as programming, we are looking at having music once a month this year. He further stated we are still working on the DDA budget for 2021 and he has gotten some quotes back from various projects that we are working on. He stated we are looking at crack sealing the farmers market parking lot. He further stated we were allocated \$27,549 reimbursement funds through the restaurant relief program so he is now working on an application for businesses to apply for them. He stated the total we have received is \$43,016 which includes the greenhouses and the disinfecting sprayers. Councilmember Dilg asked if he has heard from the businesses if the greenhouses are popular and being used. Mr. Mack stated they are being used all the time. Councilmember Kivell asked for an update on Draft Street. Mr. Mack stated he assumes they are still doing demo work on the inside, he hasn't spoken with anyone recently, but he will contact them.

FIRE CHIEF REPORT

Chief Vogel stated it has been a busy week. He stated the Fire Department has shoveled snow away from 50 hydrants and many people have taken care of it on their own. He said if anyone has a hydrant that is covered and unable to shovel, call the station and they will take care of it. He then stated the Fire Department had 3 promotions, Cindy Conrad was promoted to Lieutenant, Jeff Noechel was promoted to Lieutenant and Firefighter Taylor was promoted to Sargent.

POLICE CHIEF REPORT

Chief Sovik thanked Lieutenant Cindy Conrad for providing our Officers with CPR recertification training. He then stated the AFIS and the mugshot system should be arriving the beginning of March. He then stated the new Officer has completed his training and will be on his own soon. He just completed his shadow training. He further stated Officer Joseph Czapski who came to us with 6 years' experience will be flying solo soon. Chief Sovik then stated that all the Officers that wanted to get the vaccination have received their vaccination. He further stated most of the officers that had the second shot knocked them down for a day or so, with fighting chills, sweats and headaches. Councilmember Kennedy asked for an update on the phone system. Chief Sovik stated they were supposed to be in last week, but we had some technical difficulties and they should get an installation date later this week. Discussion was held regarding the after affects from the second shot on the vaccination which were chills, fever and headaches, and it lasted about a day.

CDBG PUBLIC HEARING

City Manager Zelenak stated each year the US Department of Housing and Urban Development (HUD) provides funds to jurisdictions throughout the country for projects that meet their national objectives. The City of South Lyon will receive funds from HUD via Oakland County. This coming year our tentative allocation will be \$29,552. Last year the City designated the funds to be used for the Senior Center and Haven. The 2021 CDBG application deadline for receiving CDBG funds for the upcoming year is Friday March 5th. On February 8, 2021 the City published notice of the CDBG Public Hearing which tonight gives the opportunity for hearing public comments relating to allocating those funds in South Lyon. Mayor Pelchat opened the public hearing at 7:51 p.m. Mayor Pelchat closed the public hearing at 7:52 p.m. with no comment from the public being heard.

OLD BUSINESS

1. 2021 CDBG Allocation

City Manager Zelenak stated the 2021 CDBG application deadline is Friday March 5, 2021. On February 22, 2021 at the regularly scheduled City Council Meeting the City held a public hearing relating to the CDBG funds allocated to the City of South Lyon. The City’s tentative funding allocation for 2021 is \$29,552. The suggestion is that the City will continue to use the allocation for 2021 to support the projects that we have funded in recent years, the Senior Center and Haven. Councilmember Kivell stated he can’t think of any better two groups for our community. Councilmember Kurtzweil thanked everyone at Haven for doing a very difficult job and they are the backbone to some individuals that are going through very difficult times. Mayor Pelchat thanked Ms. Valentine for being here to discuss Haven and it is terribly tragic that people are in that situation during the past year. He then stated he works closely with the Senior Center and he sees many people taking advantage of the services and being able to socialize with others. Councilmember Richards asked if the funds could be co-mingled with other funds such as the drug forfeiture funds. Chief Sovik stated there are only certain things the drug forfeiture funds can be spent on, they don’t go back to general fund, they are specifically for police use.

CM 2-3-21 MOTION TO APPROVE

Motion by Kivell, supported by Kennedy

Motion to approve the allocation of funds to Haven and the Senior Center

ROLL CALL VOTE:

- Dilg- Yes
- Kurtzweil- Yes
- Richards- Yes
- Walton- Yes
- Kivell- Yes
- Kennedy- Yes
- Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Consider approval of revised resolution establishing policies and guidelines for granting poverty exemption from payment of property taxes

City Manager Zelenak stated due to recent changes to the General Property Tax Act, specifically MCL 211.7u, the provision commonly referred to as the Poverty Exemption, the Resolution Establishing Policies and Guidelines for Granting Poverty Exemption from Payment of Property Taxes needs revision. The attached revised Resolution Establishing Policies and Guidelines for Granting Poverty Exemption from Payment of Property Taxes removes the City application requirement and specifies the exemption amounts of 25%, 50% or 100%. The Resolution will remain in effect without having to approve a revised resolution each year after the annual income level is updated. Councilmember Kivell asked if the City provides the information to the applicant. Clerk/Treasurer Deaton stated they have to apply every year. They have to fill out the application and include all of their financial information each year. Councilmember Kivell asked if they just have to know when to do this, or do we tell them it is time. Clerk/Treasurer Deaton stated the March Board of Review meets 3-4 times to hear poverty exemptions. City Manager Zelenak stated they don’t have to wait to apply until March, they can apply as early as January, but they have to appear before the Board of Review in March. Councilmember Richards asked how many years do they have to be in arrears for them to go through the procedure. Clerk Deaton stated they don’t have to be behind in their taxes, they have to prove that with their finances, they are unable to pay the full amount of their taxes. Councilmember Kivell stated the resolution states you cannot be in arrears in taxes to apply for the exemption. Councilmember Kurtzweil stated if your taxes are in arrears as of March 1st they are turned over to the County. These are two different issues.

CM 2-4-21 MOTION TO APPROVE RESOLUTION

Motion by Kennedy, supported by Dilg

Motion to approve the revised resolution establishing policies and guidelines for granting poverty exemption from payment of property taxes

ROLL CALL VOTE:

- Kennedy- Yes
- Kurtzweil- Yes
- Kivell- Yes
- Dilg- Yes
- Walton- Yes
- Richards- Yes
- Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

2. City Investment Policy

City Manager Zelenak stated the City of South Lyon has engaged with ANDCO Consulting Group to create an updated investment policy for the City of South Lyon. The previous policy was last updated in 1998. Attached is the agreement with ANDCO Consulting Group and investment policy.

Councilmember Kivell pointed out a few typos. He stated on page 2, the word quality should be qualifying, on page 5, the word they should be thee and on page 6 the last sentence the word recognize should be recognized. Councilmember Kurtzweil asked for some background information from Mr. Brian Green. He stated he is with ANDCO Consulting and they are one of the largest independent institutional consulting firms in the United States. He stated their headquarters are in Orlando, but he and two others work here in Michigan in their Southfield office. He further explained he works with 22 different communities mostly in the southeast Michigan area. He stated he has been doing this non-stop since 2000. Councilmember Kurtzweil asked for clarification for delegation of authority and who makes the final determination of investing. Mr. Green stated his only role with the City of South Lyon was to assist with the investment policy and nothing further than that. He stated the investment team is the Finance Administrator, the City Manager and the Treasurer. It requires a majority of those individuals to agree to a specific transaction if a new investment wanted to be made. He stated his company wouldn't be involved. Councilmember Kurtzweil asked who will give the advice to make the investments. City Manager Zelenak stated the investment team will make the decision on what organizations we want to invest, whether it be the banks, the local government investment pool or other institutions to determine based upon cash flow needed for the City, based upon fund balance and based upon future needs. The actual investments with the local government investment pool will be up to them. Councilmember Kurtzweil stated she thought we were getting a broker for investment opportunities. City Manager Zelenak stated Oakland County has specific funds they will be investing those dollars in. Ms. Tiernan, the Finance and Benefit Administrator stated this will be similar to how we work with MERS and the OPEB Trust. They have the portfolio managers there that handle the overall investments. She further stated they will make recommendations to what investments we participate in and then it is up to them to watch the day-to-day activities to see if things need to be moved around. She stated the investment team would not be doing any day trading or such things as that. This policy will allow us to work with organizations that do have the resources to do that, so we aren't just keeping the amount of money we have in money market accounts or checking accounts which is earning very small interest. This policy gives us the opportunity to move some funds into the Oakland County Local Government Investment Program that we have discussed before to earn a little more interest and to have the experts to invest those dollars. Councilmember Kurtzweil asked if anything that is done will be audited by Plante Moran. Ms. Tiernan stated it would. Councilmember Kurtzweil stated the City will be required to keep the portfolio

sufficiently liquid which means we won't be able to do much long-term investments. Mr. Green stated the premise is because we are talking about short term cash needs, the idea of buying a bond, in this part of the portfolio, what's permissible is this is cash management and you are trying to earn incremental returns that help from a budgetary standpoint but not trying to generate some outsized return for this part, safety is paramount. This section refers to if there is a capital improvement project that is coming in 2 years, and we have money earmarked for it, rather than investing that into a money market, you may buy a treasury bill or treasury bond that matures in two years that will tie that liquidity to a specific need, and that may allow for greater income. Further discussion was held regarding the investment policy. Councilmember Kurtzweil asked for clarification on a security swap with an investment. Mr. Green stated the intent is to be able to leverage the Oakland County Investment Pool, when the policy is crafted, you want to have a little room to grow. So, to the extent the community continues grow, the fund balance continues to grow, there could be other opportunities that exist. As the asset pool you may have the opportunity to swap one bank CD for another, or one treasury bond for another. Councilmember Kurtzweil asked about the pooling of funds. She asked what would be an unrestricted fund that we can pool together. Mr. Green stated you will see water and sewer, roads and such pooled for investment purposes. The distinction when talking about pooling for investment purposes, there is the underlying accounting side of it. For example, you have a water and sewer fund that has two million in it and another fund that will have three million in it, from an investment standpoint that is still accounted for separately and independently on the City side, income is allocated proportionally to each side of it that's something that Plante Moran audits on an annual basis on an audit. There are some funds much more restricted. If someone donates money to the City but they specifically say where they want the money spent it would be outside of this policy and it would be restricted.

CM 2-5-21 MOTION TO APPROVE AGREEMENT WITH ANDCO

Motion by Kivell, supported by Walton

Motion to approve the agreement with ANDCO Consulting Group to provide an Investment Policy for the City of South Lyon

ROLL CALL VOTE:

Walton- Yes
 Richards- Yes
 Kurtzweil- Yes
 Kennedy- Yes
 Dilg- Yes
 Kivell- Yes
 Pelchat- Yes

MOTION PASSED UNANIMOUSLY

CM 2-6-21 MOTION TO APPROVE THE INVESTMENT POLICY

Motion by Kurtzweil, supported by Kennedy

Motion to approve the Investment Policy for the City of South Lyon

ROLL CALL VOTE:

Richards- Yes
 Walton- Yes
 Kivell- Yes
 Dilg- Yes
 Kurtzweil- Yes
 Kennedy- Yes
 Pelchat- Yes

MOTION CARRIED UNANIMOUSLY

3. Second reading of Ordinance to amend the official zoning map of the City of South Lyon conditionally rezoning 34.42 acres (parcel 21-30-126-003) from I-1 (light industrial) to R-3 (single family residential) using the open space preservation option

Kelly McIntyre of CIB Planning stated this is coming to Council with the recommendation from the Planning Commission to approve the first reading of the Ordinance to amend the official zoning map of the City of South Lyon to conditionally rezone approximately 35 acres on Dixboro from I-1 (light Industrial to R-3 (single family residential). Ms. McIntyre stated in October 2020 the applicant Thomas Schroder of Cornerstone Residential Group with permission from the owner, Charles L Smith requested the City rezone parcel number 21-30-126-003 using the open space preservation option with conditions that the development and use of the property be limited to single-family development project consisting of no more than 59 single family units. She then gave a history of the property. On November 12, 2020 the Planning Commission held a public hearing and tabled the application for more information. At the January 11, 2021 the Planning Commission recommended approval of the owner's request based on the conditions offered by the owner which consisted of; installation of a sidewalk along W. Lake/Ten Mile, from the subjects east property line to S. Hagadorn Street, provide more sound deadening windows (triple pane) in all residential homes in the proposed development to mitigate noise concerns from the tube factory and to provide 2x6 walls and additional insulation on all proposed homes to mitigate noise concerns from the tube factory. She then further explained the history of the property. The property has been before the Planning Commission and City Council numerous times. On March 13, 1989 at the request of the property owner, the City approved a rezoning of the property from R-2 (single family residential) to I-1 (light industrial). In 1999 the property owner received site plan approval for a light industrial park, consisting of 11 units. In 2003 utilities (water and sewer) and the road for the industrial park were started, although the property was not further developed. In 2016 the property owner requested rezoning of the property from I-1 (light industrial) to RM-1 (multiple family residential.) The request was denied by the Planning Commission and City Council. On September 24, 2020 the property owner requested the property be rezoned to RT (two family residential), however withdrew the application at the meeting. Then on November 11, 2020 an application was submitted to rezone the property from I-1 (light industrial) to R-3 (single family residential) using the Open Space Preservation Option. Based upon the recommendation by the Planning Commission a draft conditional rezoning agreement was drafted with time limits as authorized under MCL 125.3405(2) which the owner must meet or the rezoning of the parcel would revert back to R-IA the time limits includes Final site plan approval within six months of the approval of the agreement, a building permit for the project, or first phase, if applicable, obtained within 18 months from the date of the approval of the agreement and a final certificate of occupancy for the project or the first phase thereof, if applicable, obtained within 30 months from the date of the approval of the agreement. Ms. McIntyre then stated that CIB planning is not recommending approval based upon the single-family residential designation is not consistent with the City's Master Plan, the parcel is planned for industrial. She further stated the single family residential land use in the City is almost 60% of the land, less than 5% of the City's land is zoned and master planned for Industrial, therefore rezoning the property to single family residential does not meet a land use need/goal of the Master Plan, and evidence has not been provided that demonstrates that the property can't be used for any of the permitted and special land uses in the current I-1 zoning district and the proposed use is not compatible with surrounding uses to the east and south. Councilmember Kennedy stated he attended the Planning Commission meetings and during the meetings, the applicant was asked for a market analysis to 2-22-2021

be provided, has that been provided? He further stated their real estate agent attended the meeting and stated that it is cheaper to build in Lyon Township, but that is not an in-depth market analysis. Ms. McIntyre stated we did ask for evidence of the marketing over the past 20-30 years, and a market analysis reflecting the property is viable as industrial. The applicants provided other listings of property that are listed for sale, and some have been listed for thousands of days, which shows that particular property is still available and not completely developed isn't uncommon in that area. Councilmember Dilg asked when the property owner asked for a rezoning from R-2 to light industrial in 1989, what has changed about the property that makes them want to change it back. Ms. McIntyre stated nothing has changed in the physical standpoint of the uses of the adjacent lands. What has changed is the property owners desire. She further stated in 1988 when the request was made, the reason was that it was surrounded by industrial properties and it was unlikely the land would remain single family because it abuts to the industrial property. Councilmember Dilg asked if there is a reason the property hasn't been developed in all these years, other than the road and the utilities. She further stated it seems that most industrial parks are built out and then the businesses move in. Ms. McIntyre stated industrial users tend to move into buildings already in place, they don't tend to build their own buildings. Councilmember Dilg then stated there are serious concerns from the residents about Dixboro and the traffic. Ms. McIntyre stated that was not addressed extensively at the Planning Commission meetings. There were concerns about it being a dirt road and it being a County Road. If this moves forward, we would have to do some traffic studies and address those concerns then. Councilmember Kivell stated he is surprised we are pursuing this in this manner. He further stated without actually seeing the project, trying to decide on the rezoning request seems odd. He then stated what protection do we have if the rezoning takes place if that they would have a year to get approvals. Ms. McIntyre stated that if the rezoning is approved, they have to stay within the agreement. She further stated she didn't get into too much detail of the nuances of the site plan is because this is the first reading and if it passes, at the subsequent Council meeting we would go into greater detail. The site plan is conceptual and it demonstrates to the Council that a development can be built that meet the ordinance standards. Attorney Hamameh stated Council is not precluded from talking about the proposed development today, the idea is you have to have two readings for it to be adopted. Council is welcome to, but the only decision that should come out of today if the rezoning is approved.

Councilmember Kennedy stated he had a business owner ask him about light industrial space in the City, he runs a window cleaning business, he wanted a place to store his vehicles and ladders and such. He further stated we had 3 empty spaces on Mill Street, and this property, but he wanted to move into a building right now, he doesn't want to buy a blank piece of land. He then stated he believes this owner also owns the industrial complex on 10 Mile by Rushton where they built buildings. They seem pretty occupied, but why the owner didn't replicate the effort here. Councilmember Kennedy then stated this property abuts to a heavy industrial parcel and there is a possibility that Michigan Seamless Tube could expand, and if they expanded off the back of the property, they could expand it to Dixboro Road and that would be at the lot line of the houses. He further stated at the Planning Commission meeting, Mr. Schroder spoke of the open space the development was going to have and it was brought up that there is a lot of industrial in the area, which is when Mr. Schroder volunteered to add triple pane windows and 2x6 walls. Basically, that means he is going to build a subdivision where people can stay inside and they won't be able to go out and enjoy their yards. Councilmember Kennedy then stated there are 60 houses going on this property and everyone knows the condition of Dixboro, and the fact is we need some light industrial. He further stated after listening to the presentation by the builder, it seems the information has been manipulated over time to fit the scenarios that they want to come up with that best fit their desired outcome. If this is built, the residents will be contacting City Hall all the time based on the noise from the industrial as well as the condition of the road. It was zoned industrial because it is surrounded by industrial. Councilmember Kurtzweil stated she is a stickler for the master plan. Our master plan has this

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property zoned as light industrial. She then stated the applicant made the request in the beginning and it seems they now want the City to bail them out because they made a bad investment decision. The City isn't required to bail any developer out because they made a bad investment decision. She stated the owner asked for the zoning to be changed from residential to industrial, and the City agreed due to the location. She stated that hasn't changed over the decades. Commercial and industrial property takes a long time to sell. She further stated there are many lots in Lyon Township that are zoned industrial and has been for sale for decades, you have to wait for the opportunities to arise. She further stated she doesn't think the applicant has taken the time to market the property. She has clients that are looking for places to rent and the development at 10 Mile and Rushton is a gold mine. There are small businesses looking for small places that aren't looking for a significant land investment. She stated it would be nice if it was a business center and she is standing with the Master Plan and it is zoned light industrial and the City doesn't have a lot of light industrial available. She stated she looked at the properties that the engineer listed previously, and the list was wrong because the properties listed on Mill Street aren't necessarily available, they have the properties because they will expand at some point. She believes the light industrial is below 5%. Attorney Hamameh stated the applicant is here and it would be appropriate to allow them to speak. Councilmember Richards stated Mr. Schroder and Mr. Szerlag have called the property blighted in the past and there is a conflict of contradiction and definition. A blighted property is something polluted and contaminated, not just open space as this property is. Ms. Michelle Spencer stated she has many industrial clients and have done numerous industrial sites from 100 acres sites for Ashley Capital. She stated she has many clients and she has spoken to them about this particular property and the property is listed at a quarter of what some of the other properties are listed for which are similar and the other properties are not developed. She stated the way industrial works is an industrial park is put into place, then they put build to suit properties that are then put out there and the people who are looking then come in and tells them what they want to have built there and the person that owns the property then builds. This applicant is not the same person as the property owner that came before Council for the rezoning to industrial. The owner came before Council 30 years ago to change it from residential to industrial. The owners then put it up for sale, and they weren't getting any bites, so they decided to develop it as they did other properties they own. They put in the road and the utilities, storm water, water main and sanitary out to each one of the parcels ready for the build to suit a new property owner coming in. Then they listed the property for sale for all light industrial uses. They provided all the information and listed the property in 2003. Mike Szerlag is not the same person that originally listed the property. Unfortunately, when you list a property, you don't always keep the information. The property was listed and it was originally listed for much more money because it is a developed piece of property. They didn't get any bites and they switched realtors. Another developer came in asking for it to be a multiple family site, much like the corner was rezoned to multiple family. She stated they requested a duplex site. Among those 18 years or so, there was not one call for the site as industrial. However, they did request a duplex site that was denied. She further stated we are now asking for an open space cluster option which is far under the density allowed under this cluster option and the reasoning for saying it isn't in demand is because it was developed and the owner of the property put in hundreds of thousands of dollars to develop the property and listed it for sale. The other properties that are listed for much more money are currently not developed. She further stated there is a difference between this property and other sites for sale for more money. Ms. Spencer stated Mr. Schroder met with Kelly and she agreed this would be a nice development and would be good for attainable housing seeing as there was industrial to the south with residential to the north, west and east. She recommended he move forward. She stated we put this plan together and originally went for a standard rezoning for RT development which we withdrew that and at the recommendation of the Planning Commission came back 3 additional times, meeting all their requested requirements and making changes as they requested and putting more money into the site. She

further stated we are now asking Council to consider that 20 years of trying to sell an industrial site is enough to show the need for residential is higher than industrial. She stated if Council wants to discuss a public benefit such as paving the road from W Lake Street to the beginning of the site, rather than the sidewalk going into downtown. Mike Szerlag of the Thomas Duke Company stated he specializes in the sale of vacant land in Southwest Oakland and Livingston County for over 30 years. He stated he is providing this information on behalf of the Smith's. He stated the subject property as we mentioned was annexed in 1989 and in 1999 a site plan and rezoning for the industrial park came forward. At that time, they were marketing the property for sale or for lease to one user, or multiple users and there was no interest, so in 2003 the owners decided to spend the money hoping to spur interest by adding the road and utilities. He stated they weren't looking for a huge user, it could be smaller users such as the users the users at their other property. He then sited in hindsight it was a huge mistake. In the 17 years since the property has been developed, there has been no sale, no offers and no interest from anyone under this zoning. In the meantime, the owners hired several commercial brokerage firms who have tried and failed to sell or lease the property to anyone. He stated he was hired 5 years ago, and they have sent out over 900 marketing pieces averaging 200 per quarter specifically targeting industrial users, developers and brokers and over the last 5 years, we have procured five offers and all were from residential developers, nothing from industrial users. He further stated we learned over 5 years, we have spoken with many developers and industrial users and the responses have the common theme, they don't like the location, its too far from the expressway, there is no clear path for trucks to get there without having to go through downtown, no demand from tenants, and most importantly, other options are available in better locations. He further stated there have been questions regarding prove there is no interest, he can't prove no interest. He then stated he was hired to sell the property and the path to least resistance is to bring in an industrial developer, because at that point all he has to do is negotiate a price and let them come in with site plan approval with property that's already zoned. He stated we have had one of the strongest markets in the past 5 years and the greatest activity for industrial related properties. The Smith family has been through two economic cycles with no interest. He then stated someone had mentioned a marketing report, on December 1st he gave a report showing over 7,000 acres of available land for sale within a seven-mile radius. He then stated the average price for that was slightly over \$200,000 an acre. We are asking for \$52,000 per acre, so clearly the price is not the problem. He stated recently there was an announcement that the former Ford plant in Wixom of a 1.5 million square feet of industrial will be coming online. Councilmember Dilg stated she understands the property has not been easy to sell and she empathize with that but she keeps coming back to the reason that it was rezoned to industrial still exists. She stated she feels like just because industrial isn't selling, in her opinion doesn't mean it's ok to put houses in that spot. She stated when she hears that they will double the thickness in walls, that makes her worried that we will have unhappy residents there. Mr. Schroder stated the owners requested it to be changed from residential to industrial is why it is industrial. He stated the reason was to try to sell it. The flat-out proof is it hasn't sold. In the best economy of our lifetime, its zoned industrial, they put streets in to make more bite sized pieces for any one of all the industrial users could have and no one has had interest. He stated he literally spent the rest of his lifetime trying to sell the property as industrial. He then stated he has been working and building houses in South Lyon for about the last 38 years, he has family in South Lyon and he has a lot of properties, he is invested in South Lyon. He stated downtown can use a lot more foot traffic. He stated frankly he would like to see our downtown a lot busier and keeping this property industrial is nothing short of insanity. Spending 18 years of trying and spending a lot of darn money and not being able to get anyone to buy it is insanity. He then stated if the City wants, they can buy it, and if you want to keep it Industrial for another 20-30 years of no taxes and blight. He stated he drove by there when he first looked at it and there was concrete and trash dumped there and the sign on the front had graffiti on it. He stated he rented a dumpster and cleaned it up. There are no taxes coming in, there could

be 59 vibrant little homes there and they'd be more attainable starter homes. He stated he has always been told the biggest complaint at the City was the noise from the mill, so he is offering to use more soundproof windows and walls, to allow the residents to have peace inside their homes. He stated there is a buffer between the back of the homes and the industrial, there are trees there and that offers a buffer. Councilmember Kennedy stated he wanted to clear up the fact that Ms. Spencer said that Kelly recommended the rezoning at one point? Ms. Spencer stated she did not, she said the plan looked like a good plan for the site. Councilmember Kennedy stated the same narrative is used over and over, such as its too far from the expressway and its not a good location, the distance from the expressway is the same it has always been since the property was purchased. He then stated the comments about the trucks having to go through downtown to the expressway, if they turn left and go down to Rushton, it takes them right to the highway which is the same distance. He then stated the City is invested heavily in the Master Plan. He stated as City Council we have to look out for the current residents and the residents of the future. He stated it appears the developer does not because they want to put homes next to a heavy industrial parcel that's directly to the south and they could expand out the back of their property and that could be the driveway coming in and out of the plant and could become a manufacturing area, right on the property line of the houses of that development, which is why it is zoned light industrial. He further stated the City has been around for 150 years and there is plenty of time left to see when it will sell. He then stated speaking as one of seven, the City isn't interested in land speculation and buying the property ourselves. Councilmember Kurtzweil stated she disagrees with the engineer that they were blindsided by not presenting first, that gave them the opportunity to listen what the Council's arguments are and it give you the opportunity to counter argue. She can't think of a better advantage than listening to the debate and coming prepared with some answers. She then stated regarding the comment build to suit, developers that she knows that have built these types of projects or industrial parks have built the actual tenant housing themselves, then they built it on speculation and have done very well. What we have is a difference in approach to development. It appears the developer wants to have the money upfront before he puts up the tenant locations and there are other developers that go ahead and put up the tenant locations and they do it based on speculation and those individuals appear to do very well. So once again, it's a difference of you wanting to hold back and use other people's money to build the tenant locations. You have a choice of income stream. I guess you can actively market the property for 20 years, maybe there is a sign, maybe it was marketed by direct mail, but either way, a Master Plan is not there to say the property will be developed within a certain amount of time, the Master Plan is there to look down the road to the future. She then stated you may have to sit on the property for 30 years, she does know but you have to understand a Master Plan is a vision document, it isn't an overnight that this is going to happen. If you look at Lyon Township, there is property that have been zoned certain ways that have been vacant for decades. She then stated Amazon was looking for a spot to house their trucks and facilities and they were looking for vacant land. She stated she wonders if Mr. Szerlag approached them about this property. With respect to the location of the property, there are other sites in the area that seem to be doing fine. She then stated with respect to having more people walking downtown, the reason the downtowns aren't very busy right now is because the Governor is only allowing 25% capacity in the restaurants. When this economy was good our downtown was busy and there were people downtown so, she doesn't see this property on Dixboro making a significant difference in our downtown traffic, we were doing incredible, especially with our Pumpkinfest and car shows. She then asked what the fair market value of the property is. Mr. Schroder stated it is whatever someone is willing to pay, no one's been willing to pay anything for the industrial property for the last 20 or so years. Councilmember Kurtzweil asked what was the lowest offer made. Mr. Schroder stated there were no offers made. Mr. Szerlag stated the lowest offer was 1.1 million and it was for residential use. We did not reach an agreement with that buyer. The asking price is \$52,000 per acre and that is 25% lower than any other industrial land within 7 miles. He stated the asking

price is 1.8 million. Councilmember Kivell stated he wants to speak to a different side. He would love to see this remain industrial, but he has to clarify that some of the discussion that has already been held has just been patently false. We had light industrial at the end of Mill Street and we rolled over and built the Knolls. If the sanctity of our Master Plan is what it's been characterized as, how did that happen. He then stated opportunities present themselves and you either go along with the opportunity or you hold your feet to the fire and hope you end up being satisfied with the result. He then stated everyone on the board probably realizes the Knolls is a pretty good asset for this community. He further stated if this was built it would quickly end up being a reward to see our tax values go up, and the foot traffic going into town. To characterize that being near the tube mill is some kind of horrible circumstance, we have a lot of people that live around it and they seem to be quite comfortable. There are people across the road on Dixboro in four or five hundred thousand dollar homes that seem to survive being around the tube mill. Councilmember Kennedy again stated we have heard the planner's position and the planning commission has been consistent and clear, she is not recommending to change the zoning. Robert Matthews of 9612 Silverside Drive South Lyon Michigan, stated he has been a resident almost his whole life, and his wife has been a resident her entire life. As far as this property goes, we came to the City with a dream. There is no question about that. He stated we have put up beyond what we are asking for this in developing this. The money we have in site work, we put in over a mile of water main and sanitary sewer and storm sewer and we got the project done and nothing has happened with it in 20 years. He further stated going back to the Master Plan, he appreciates a master plan, it is important but this property was not zoned industrial. He stated the Master Plan was done after it was rezoned, it wasn't part of the master plan. We created it and it was a mistake and to hold us hostage for another 30 years is ludicrous and it's not going to happen. Something is going to change; it has to because it hasn't sold. He further stated we have Councilmember Kurtzweil talking about wanting to know how much money that we're going to make off of this. We will not make any money on this, we are losing money, with the amount of money that we have underground, again, no one has a clue. There is almost a million dollars underground that we put in there, and that doesn't include the labor we put into it as well. We own our own excavating company and we did everything ourselves and he feels approving a denial at this moment in time is a wrong decision. The right decision would be approval. The Planning Commission recommended it is approved. He stated he understands that Council is the end result and he appreciates that and he knows it is a heavy burden for Council because it results in a lot of problems if it is denied. He hopes Council will understand how they feel about it. His father-in-law just passed away, and he is in his 60's and if we have to wait another 30 years, it could end up being his grandkids problem. Councilmember Kurtzweil asked for clarification, what kind of problems will we have if this is denied. Mr. Schroder stated the Knolls is a gem and Singh has many beautiful houses and we both know that they had to sue the City and in one case won a million dollars from the City to build the Knolls and they are almost sold out; they have 6 houses left and that is a bad way to do business. Mr. Matthews stated he didn't say they were going to sue the City or anything like that. He was talking about the tax bases. He stated the City is losing money and he has listened to Council strategize on how to make the most of the money the City has by investing it properly. This is going to be an unwise decision if it isn't passed because you will be missing out on taxes for the next 20 years, and that will cause problems, having zero taxes out of a 32-acre parcel will cause a great deal of problems for the City. Councilmember Kivell asked if anyone was interested in a postponement. Mayor Pelchat stated he has seen this property sit there and he has seen the investment that was made and he applauds the team that came in tonight to discuss where they would like to see where the property to go. At the end of the day, Council has a job to do and now that we have the facts laid out, we can make the decision. He stated his opinion is this isn't a fit for our community.

CM 2-7-21 MOTION TO DENY REZONING REQUEST

2-22-2021

Motion by Kennedy, supported by Dilg

Motion to deny conditionally rezoning of Parcel 21-30-126-003 from I-1 (light industrial) to R-3 (single family residential) using the Open Space Preservation option for the following reasons:

1. The single-family residential designation is not consistent with the City's Master Plan, the parcel is planned for industrial.
2. Single family residential land use in the City is almost 60% of the land. Less than 5% of the City's land is zoned and master planned for Industrial; therefore, rezoning the property to single family residential does not meet land use need/goal of the master plan.
3. Evidence has not been provided that demonstrates that the property can't be used for any of the permitted and special land uses in the current I-1 light industrial zoning district and the proposed use is not compatible with surrounding uses to the east and the south.

ROLL CALL VOTE:

Richards- Yes

Walton- Yes

Dilg- Yes

Kivell- No

Kurtzweil- Yes

Kennedy- Yes

Pelchat- Yes

MOTION CARRIED -1 OPPOSED

PUBLIC COMMENT- None

MANAGER'S REPORT

City Manager Zelenak asked Council to let him know if March 10 or 11th works best for the first budget workshop of 2021. City Manager Zelenak stated next week we will be having the joint Planning Commission/City Council Meeting on Monday the 1st to discuss the rewrite of the zoning ordinance. He stated we will be discussing the mural ordinance at a future Council meeting. He stated we are moving forward with the proposal for the development of the property at 318 W Lake Street, we have agreed with the applicant regarding conceptual drawing. He then gave a shout out to DPW and Water for doing the great job on moving the snow downtown and throughout the City to allow everyone to arrive safe to all their destinations. Councilmember Kivell asked what the value monetarily has been assigned for the lot at 318 W Lake Street. City Manager Zelenak stated it has not been established yet, they made an offer, but it was only 25% of the total evaluation of the submittal. We have not received the final offer for the property based upon the agreed house. Councilmember Kivell stated he is happy to hear the house will be built to fit in with the neighborhood. He further stated he doesn't want to give the dirt away to ensure we get a house that fits within the neighborhood and he thinks we can do both things.

COUNCIL COMMENTS

Councilmember Dilg stated Dr. Ruffin who is a chiropractor in Lyon Township has been doing some promotional giveaways and she will be joining her to do so here in South Lyon. She then thanked everyone that answered and reached out for comments tonight and to everyone that attended the meeting.

Councilmember Richards stated he has become aware the South Lyon Theatre is going to close permanently without selling it to anyone else that would run it. He is very distressed with that and it is an asset to our community. He reached out to the DDA Director and he hopes something can be done to help them keep the place running, they have invested thousands of dollars and it is beautiful. He stated it is a draw for downtown and a great meeting place for different functions.

2-22-2021

Councilmember Kurtzweil thanked Ariana from Girl Scout troop 76803 and Gabriella from Girl Scout Troop 77197 for the wonderful Girl Scout cookies. She then stated the Knights of Columbus have a fabulous fish fry on Friday's at St. Joes Church at 4:30 to 7:00. They have an incredible take-out system; everything is very safe. She then stated if you need anyone needs Chiropractic services, she hopes everyone will use one of our chiropractors that we have here in the City of South Lyon. She further stated we have a new chiropractic clinic in town which is Wilhelm Chiropractic Clinic and everyone should support our own businesses.

Councilmember Kennedy congratulated Sgt. Cindy Conrad and Sgt. Jeff Noechel of the South Lyon Fire Department. Both of these individuals were recently promoted to the rank of Lieutenant. He then congratulated Firefighter Taylor Buchanan who was promoted to the rank of Sergeant. Each of these individuals had to pass a written exam, go through an interview process and a senior chief interview. To quote Chief Vogel, "This is a great group of firefighters who have not only displayed hard work and dedication but have also invested in themselves and in the South Lyon Fire Department. He then congratulated and thanked each one of them for their service to our department and residents." Our city is so very fortunate to have such knowledgeable and dedicated individuals protecting the residents of our city. Councilmember Kennedy reminded everyone that unfortunately we are not finished with winter yet. So, as we continue to get more snow over the few weeks, please remember to keep the sidewalks clear. Also, please clear the snow from around the fire hydrants as well. The Fire Department recommends clearing a 3-foot radius around each hydrant. Also remember to clear the snow from the front of your mailbox if your mailbox is located at the street so the mail carrier can easily and safely deliver your mail. I know they'll appreciate it.

Councilmember Kivell stated he is disturbed by the lackadaisical folks that thinks it is ok to not shovel your walkway, especially people that live downtown. He hopes our Ordinance Officer is vigilant out there and it seems we have the same few bad apples and we deserve better than that. Councilmember Kivell stated tomorrow is taco Tuesday at the VFW.

Mayor Pelchat stated he has spoken with our Ordinance Officer and he is definitely working on it. Mayor Pelchat reminded everyone of the 41st anniversary of the greatest upset in sports history, when the men's hockey team knocked off the Soviet Union in Lake Placid in 1980 and for those of you that don't know, that was not the gold medal game, the USA Women's team did win gold over the Canadians in an overtime shoot out. Everyone should check out Miracle on Ice.

ADJOURNMENT

CM 2-8-21 MOTION TO ADJOURN

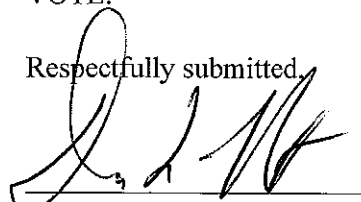
Motion by Kurtzweil, supported by Walton

Motion to adjourn meeting at 10:30 p.m.

VOTE:

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,



Dan Pelchat, Mayor



Lisa Deaton, City Clerk