



**CITY OF YPSILANTI
COUNCIL WORK SESSION AGENDA
CITY COUNCIL CHAMBERS, 1 S. HURON ST.
WEDNESDAY, JUNE 13, 2018
7:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 7:04 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Absent	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Council Member Richardson	Present		

III. INVOCATION –

Mayor Edmonds asked all to stand for a moment of silence.

IV. PLEDGE OF ALLEGIANCE –

“I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.”

V. AGENDA APPROVAL-

Mayor Edmonds stated the goal is prior to 10:00 p.m. staff will have received enough direction to submit an ordinance for first reading. The intent of the format is to allow REDY members to join Council at the table, to allow a back and forth dialogue. Council as a body has formalities and allowing REDY a place at the table. Multiple Council Members have expressed a need for more dialogue between Council and the community.

Council Member Murdock moved, seconded by Council Member Richardson to waive Council Rules and adopt the process listed in Mayor Edmonds memo.

Council Member Bashert voiced concern about inviting another group to the table for a number of reasons. First she only learned of this possibility at 4:00 p.m. today, which is not helpful nor enough time for such a large change in procedure. Secondly, in her time on City Council she has never seen another group invited to the table. The city has long time partners who have decades of established work with the city who have never been invited to the table. There are citizen groups who have completed extensive work for the city and have never been invited to the table. She does not think this is a precedent Council should set, but does welcome REDY participation from the podium during the discussion.

Council Member Vogt stated REDY is a lobbying group, and it is grossly inappropriate for a lobbying group to be invited to the table, or otherwise be equivalent to the decision making body at any level of government. He asked where organizations that might have an opposing view from REDY are, this is not what the voters voted for when the Charter was passed. This is totally and completely inappropriate. He

is not against being more than usually relaxed since this is a work session, but this is not a public forum, nor a joint meeting. He strongly objects to the motion.

Council Member Richardson stated she does not think of REDY as a lobbying group, they are a community group. REDY is the group that requested the work session, and suggested rather than REDY being allowed at the table Council step down from the table to allow an exchange. She believes there needs to be open discussion in order for the CBO to be developed properly.

Council Member Vogt stated there are rules regarding Council process for a reason, which is that Council is to maintain ultimate authority. There is time allowed for the public to participate and to provide Council with a presentation. There is nothing in this specific process that would need to alter the rules so substantially for a lobbying group. It might not be a formal lobby group, but it is none the less a lobbying group. He stated if another group with an opposing view of REDY they would not be invited to sit at the table.

Mayor Edmonds stated a work session does not follow normal Council procedures and was hoping this would provide structure. She does not disagree this group has an interest in the CBOs development, it does not include all interests and should not be the only interest Council should be considering. Her proposed process allows Council to have a dialog with REDY. Council Member Vogt replied he welcomes a dialog just not allow the group a seat at the table. Council Member Bashert interjected allowing REDY to be at the mic as presented, with easy access to participate. This process has worked adequately with every other group Council has worked with and should be adequate for REDY.

Council Member Richardson asked the Assistant City Attorney for his opinion. Council Member Robb interjected the motion is for Council to suspend its rules. Assistant City Attorney Dan DuChene responded he does not have a legal opinion on the matter, it is a policy issue. Council Member Bashert asked how many votes are needed to suspend the rules. Mr. DuChene responded two-thirds of the body.

Council Member Bashert moved amend the motion to rather than suspend the rules, Council offer two members of REDY full access to the podium for presentations, questions, and feedback during the work sessions.

Council Member Vogt stated one group should not take precedent over another and asked Council Member Bashert to revise her motion to allow any group or individual the same access. The point is to allow all interested parties that opportunity, not a single lobbying, or special interest group.

Council Member Murdock stated he does not see a need for Council Member Bashert's motion, Council has the ability to call on anyone from the audience. He would prefer to start talking about the ordinance and stop talking about the process.

Council Member Murdock moved to withdraw his motion to suspend Council rules.

Council Member Bashert moved, seconded by Council Member Vogt to approve the agenda.

Council Member Richardson moved, seconded by Council Member Vogt to move the first Audience Participation following Section IX, Presentations.

On a voice vote, the motion carried and the agenda was amended.

Council Member Murdock moved, seconded by Council Member Richardson to add a presentation by REDY.

On a voice vote, the motion carried and the agenda was amended.

On a voice vote, the motion carried and the agenda was approved as amended.

~~VI. AUDIENCE PARTICIPATION~~ (Moved Following Section IX)

VII. REMARKS FROM THE MAYOR –

VIII. PRESENTATION -

IX. COMMUNITY BENEFITS ORDINANCE (CBO) WORK SESSION -

- Interim Economic Development Director Joe Meyers introduced Kathleen Duffy and Carmine Avantini from Smith Group and CIB Planning.

Kathleen Duffy and Carmine Avantini from Smith Group and CIB Planning provided a presentation regarding facilitating a discussion regarding a Community Benefits Ordinance.

Mayor Edmonds asked for clarification of what is meant by “a CBA can negotiate items a city cannot legally do.” Mr. Avantini there are certain things such as an offsite benefit.

Council Member Vogt asked if there are any potential strategies that have succeeded in relieving the risks, or perceived risks for developers. Mr. Avantini responded the more you can do to quantify, and make what is sought from the developer the easier it is for them. Mr. Vogt stated that sounds like something staff would do early on in the process with the developer. Mr. Avantini responded that is one potential, but understanding what is trying to be achieved by the agreement makes the process smoother. Mr. Vogt stated asked how staff and city officials will know what the community wants in order to inform the developer. Ms. Duffy responded staff can review a communities Master Plan, and once the goals for the community benefits ordinance are established it is good practice to adopt a policy statement for future developments. Developers are looking for predictability and to understand what a city is looking for.

Council Member Richardson stated Ypsilanti has been in the lead in many things in this state, and this is just another thing.

Mayor Edmonds asked if staff could share the amount of pressure the city is under in terms of development later in the meeting. She specifically speaking towards the need for subsidies in order to develop in the city.

Council Member Vogt asked if only higher end developments, with higher project margins, and being constructed. Mr. Avantini responded there is some truth to that. Ms. Duffy added higher end developers are more likely to take risks.

Mayor Edmonds stated Ypsilanti is situated between Ann Arbor and Detroit and it is difficult to attract contractors. Ms. Duffy agreed, and explained it depends on who the developer is and who they have on their team.

Council Member Richardson stated depending on what the incentive the city is providing the developer it could decrease the risk of the developer. Ms. Duffy responded in the affirmative. Mr. Avantini stated many projects under a CBO have been given incentives based on TIFs, and the amount given is tied to the completion of the project.

Mayor Edmonds asked the scale of projects involved in a CBO threshold. Mr. Avantini stated most developers are willing to work with communities, regardless size. The key is what scale the city is looking for versus the size of the project and the benefits that can be obtained.

Mayor Edmonds asked if segments of the city’s draft CBO might be better suited as a different ordinance. Ms. Duffy replied much can be included in the zoning ordinance, but it depends on what the city wants.

Council Member Vogt asked if the presenters have witnessed a CBA applied to a site such as Water Street. Ms. Duffy responded no, there are not that many available examples. Mr. Vogt asked how large the neighborhood groups were in the other comparison cities. Ms. Duffy responded neighborhood associations are usually self-created, and are usually based on walking distance. Mr. Vogt asked if there have been any smaller scale cities that have developed a CBO. Ms. Duffy responded she believes New Haven would be the smallest city with a CBO. Mr. Vogt asked if developers have been surveyed regarding how they feel about the CBO process. Ms. Duffy responded no, not a formal survey. Mr. Vogt asked if any feedback was given by developers. Mr. Avantini responded no. Ms. Duffy suggested a local developer round table to understand what their realities are. Mr. Avantini added smaller communities are building a developer base from within because large developers are not looking at communities of that size.

- Presentation and Discussion Points – Joe Meyers, Interim Economic Development Director and Dan DuChene, Assistant City Attorney

Interim Economic Development Director Joe Meyers and Assistant City Attorney Dan DuChene provided a presentation regarding the development of a CBO.

Mayor Edmonds asked if an Equal Opportunity Employer must follow the city's requirements. Mr. Meyers responded he believes it is.

Mayor Edmonds asked if the city has any pull over brownfield TIFs. Mr. Meyers responded a brownfield is approved locally, but it is also approved at the county level. Ms. Edmonds asked if the city has any pull in the criteria of the brownfield. Mr. Meyers responded yes, but it could not be revoked by the city.

Council Member Robb stated the data provided in the valuation of the building open completion of the OPRA are not accurate. Mr. Meyers replied he updated the numbers but they are still estimates. Mr. Robb stated his point is these are not incentives. Mr. Meyers replied that is why it is difficult to set thresholds for the CBO.

Council Member Bashert stated SPARK East has been given a relatively small number by the city, but they are providing no business development and Ypsilanti is not given a seat on their board. Mr. Meyers replied the building owner was given the incentive, not the business.

Council Member Murdock stated when OPRAs are approved the only information Council makes a determination on is what is provided by the applicant. The applicant often inflates its number to make it more likely to receive a bank loan. It seems any incentives the city provides through an OPRA is going to be over \$50,000. Mr. Meyers responded possibly.

Mayor Edmonds asked if the public participation plan is an ordinance. Mr. Meyers responded no, it is an internal policy on how to engage the public. However, it is something he would like Council to review for adoption.

Council Member Bashert asked if there is a way to but more 'teeth' in the current incentives, such as OPRAs. Mr. Meyers responded in the affirmative. Mayor Edmonds asked if the brownfield is included in that possibility. Mr. Meyers responded the brownfield is different because it is overseen by the county, and there is not a way to revoke a brownfield. Ms. Bashert asked what would happen to the development process if the city added further checks. Mr. Meyers responded the process would maintain a similar length. Ms. Bashert stated the problem is the community is not a part of that process. Mr. Meyers replied community engagement could become a part of the process through the public participation plan.

- REDY Representatives Desirae Simmons and Mike Auerbach provided a presentation regarding REDY's suggestion for the development of a CBO.

Council Member Vogt asked how this can be presented to potential developers to not dissuade possible development. He asked what would happen if the city attracts a developer and during the public meeting an agreement is unable to be negotiated. Mr. Auerbach responded his hope is the timeline for meetings could be included in the incentive approval process. The ordinance would stipulate what benefits would be expected to garner public support. He is not sure what would happen if no benefits are negotiated. Ms. Simmons added their proposal is not intended to provide clarity and it is not a bad thing to set certain standards. The process should begin prior to the city attracting a developer and really think about what type of development would work in this city. Mr. Vogt replied neither questions was answered, but he is unable to answer them either because they are not answerable at this point. There is more work to do in order to answer those questions. He is not criticizing and likes much of what REDY has prepared. The point of having a Council Member, Planning Commissioner, and Housing Commissioner because they do represent the whole city, and are chosen by the voters. Ms. Simmons replied Commissioners are not chosen by the voters. Mr. Vogt replied they are accountable to Council and Council is accountable to voters. An Ad hoc committee is not accountable in any way to the voters. Ms. Simmons replied the Commissions are not closely related to the demographics of the city other than the Human Relations Commission. The HRC is not included in the city's draft ordinance as a part of the Ad hoc committee. The REDY proposal attempts to include more people in the processes than are currently represented. The Planning Commission already is in a position to view any development in the city through its own process.

Council Member Vogt asked what happens if decisions are not being made, and the process slows down for any number of reasons. He asked what some potential fail safes that can be put into place to avoid circumstances like that are. Ms. Simmons responded REDY is recommending forty-five to sixty days for the recommendation process. Mr. Vogt asked what happens if there is no decision made in that timeframe. Ms. Simmons responded it is important to ensure certain processes are followed prior to including a failsafe. The REDY has not addressed that concern at this point, however, there are ways to move past that as a group. The community group wants development, and sees it as unlikely to stall in that manner. Mr. Vogt agreed that a mediation process could assist in navigating around any stalemate. However, mediation is very expensive and it can be very slow. Ms. Simmons responded there are some unknowns because there is only one model, if there are issues the ordinance can be adapted. Mr. Vogt asked if Ms. Simmons agrees there is much more work to do. Ms. Simmons responded in the affirmative. Council Member Richardson stated hopefully the residents that are appointed to the Ad hoc committee because they want to be there, and are committed to what the group is trying to accomplish. The coalition has worked through many obstacles the city would have ran into, and asked if the Assistant City Attorney agreed. Mr. DuChene agreed, and said the current draft includes both REDY and staff input.

Council Member Bashert asked what is more important to the REDY coalition; the goal or the tactic. Meaning is the development of a Community Benefits Ordinance (CBO) more important than a development in the city that has had robust community involvement in preparation. Mr. Auerbach responded it is difficult to differentiate the two, but the lesson from the International Village Development was a process problem. The ordinance currently being worked on, can achieve that goal. Ms. Simmons added the goal has multiple layers; transparency and trust, community involvement, and efficiency that a CBO can provide. Ms. Bashert believes Council and the community share the same goals, in terms of benefits, for the most part. There are questions of degree, process, and representations. If there was another way to accomplish the same goals would REDY be on board. Ms. Simmons responded a CBO is a tool at the community's disposal, however, there might be other tools that could accomplish the same goal. Ms. Bashert stated her primary concern with the development of a CBO is a developer's timeline is very key to the success of a project. She hasn't heard REDY discuss much of a sensitivity to a developers timeline and would like to. Mr. Auerbach replied REDY still has work to do to decide where best to place the forty-five days for community review in the process. However, REDY is operating in the scenario outlined by the former Economic Development Director in that it could be included in the development process. Ms. Simmons stated the challenges for developers all come down to money, which is a conflict in policy. Ms. Bashert responded she would like REDY to continue to be a credible partner in the process. However, the lack of any sensitivity to the needs of the developer causes a loss in credibility. Council

needs to balance the needs of all stakeholders. Ms. Simmons replied she is not insensitive to the needs of the developers, but they already have a voice and Council has already been given that perspective. Ms. Bashert stated the biggest concern with the development of a CBO is the timeframe.

Council Member Richardson stated if the city had a CBO in place during the International Village development, there would have been a deeper conversation with the developer. The CBO would hold the developer accountable. Mayor Edmonds agreed.

Mayor Edmonds stated much of the development that occurs in the city is largely homegrown. She is trying to understand how they would be separate, and how to separate between scales of projects. Council Member Richardson stated she sees the openness in both drafts of the ordinance that would allow the city to deal with those scenarios. Ms. Simmons added she was excited to see most of the development is homegrown. Most of those businesses already know community members and would be more open to having these conversations. A CBO is not a demand it is a process and the city should not be afraid of these conversations. Ms. Edmonds encouraged REDY to have those conversations in order to find a situation that all involved leave the table happy. Mr. Auerbach stated he hopes the city will begin to ask the question on what community benefits can be offered, he hopes this process will expand who will be asked that question.

Council Member Vogt appreciated all four presentations heard by Council. They were all extremely well prepared and reasoned, and have found many helpful things for this process.

Mayor Edmonds asked for a motion to extend the meeting by a half hour.

Council Member Vogt moved, seconded by Council Member Bashert to extend the meeting until 10:30 p.m.

On a roll call, the vote to extend the meeting until 10:30 p.m. was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	No
Council Member Murdock	No	Mayor Edmonds	Yes
Council Member Richardson	No	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 3 NO: 3 ABSENT: 0 VOTE: Failed

X. AUDIENCE PARTICIPATION –

1. Tad Wysor, 610 N. Miami, stated he represents WROC, and as a community organizing process when more are participating economically and politically. WROC supports the work of REDY to bring a larger group of residents into the decision making process.

Council Member Bashert moved, seconded by Council Member Vogt to extend the meeting until the completion of Audience Participation.

On a roll call, the vote to extend the meeting until the end of audience participation was as follows:

Mayor Pro-Tem Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Yes
Council Member Richardson	Yes	Council Member Vogt	Yes
Council Member Bashert	Yes		

VOTE:

YES: 7 NO: 0 ABSENT: 0 VOTE: Carried

2. Bill Teepen, 718 Lowell, stated he is frustrated with Water Street projects not being completed. The only thing on Water Street is a Family Dollar and there is very little communication with the community.
3. Sam Jones-Darling, The Village A102A, stated a CBO set standards for a community. When developers are aware of a community standards it reduces barriers. REDY is not a special interest group there are constituents.
4. Jeri Dodge, No Address, stated there is no affordable housing in the city for her, and Council only does not work for all of city residents. CBOs are for people to feel represented that do not currently feel represented.
5. Amber Fellows, Ward 3, stated it is okay to acknowledge there is tension in these discussions, but even in competing interests there can be alignment. The MEDC presentation outlined a developers need to understand what is being asked of them. A CBO will be another tool to show values of the community. Most groups can see the good in full filling the CBO.
6. Finn Bell, 1123 Pearl St., stated equitable process matter, and much of this was caused by what happened with International Village. A CBO gives a clear process to a developer. The Smith Group claim that development is based on profit is flawed, many developments do not follow that model. The new economy is not based solely on profit.
7. Adam Gainsley, 409 N. Adams, stated he supports the development of a CBO to address the issue of transparency. This is a good way to make processes clear to developers and build a way to have constructive conversations. The CBO begins to address the need for sites and it is a separate process.
8. Erica Mooney, Huron River Watershed, stated the majority of developers who have worked under the Detroit's CBO have appreciated the process. She sees the goal and the tactic as the same because the goal is an equitable community process. She does not see that the CBO process will increase time for development, but that is to be seen. She asked what is so threatening about being equals at a table with community members. She would like to see more groups able to come to Council.

XI. REMARKS FROM THE MAYOR –

XII. ADJOURNMENT -

On a voice vote, the motion carried, and the meeting adjourned at 10:20 p.m.