

**City of Ypsilanti
Special Council Meeting
Wednesday, October 30, 2002
7:30 P.M.**

CALL TO ORDER

City Clerk, Robert Slone called the meeting to order at 7:30 p.m. in the Council Chambers at City Hall, One South Huron Street, Ypsilanti, Michigan.

Present: Mayor Farmer, Council Member Richardson. Council Member Gawlas, Council Member LaRue, Council Member Schulze and Council Member Nickels.

Absent: Mayor Pro-Tem Swanson

Invocation

Mayor Cheryl Farmer asked for a moment of silence.

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."

INTRODUCTIONS

No Introductions

PRESENTATION

- A. Presentation of Bond Sale Resolution by Dennis Neiman, for the expansion of the Ypsilanti Community Utilities Authority Waste Water Treatment Plant.

Resolution No. 2002-196 attached and made part hereof, offered by Council Member Nickels and supported by Council Member Gawlas, approving Bond Sale for the expansion of the YCUA Treatment Plant.

WHEREAS, Wednesday, October 30, 2002, at 1:30 o'clock p.m., Eastern Standard Time, has been set as the date and time for opening bids for the purchase of the City's \$8,660,000 Water Supply and Sewage Disposal System Revenue Bonds, Series 2002C (the "Bonds"); and

WHEREAS, said bids have been publicly opened and read; and

WHEREAS, the bids attached hereto as Exhibit A have been received; and

WHEREAS, it is appropriate for the City Council to award the sale of the Bonds to the bidder; whose bid meets the requirements of law and which has been determined to produce the lowest interest cost to the City.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Award. The bid of Fahnestock & Co., Inc., as attached hereto as part of Exhibit A, is determined to produce the lowest interest cost to the City, and the bid is hereby approved and accepted.

2. Return of Good Faith Checks. Checks received from the unsuccessful bidders shall be returned to each bidder's representative or by registered mail or overnight courier as set forth in the Official Notice of Sale as published.

3. Repealer. All resolutions and parts of resolution insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

B. Presentation by City Clerk, Robert Slone Jr., regarding the Progress Report on preparation for the November 5, 2002, General Election.

City Clerk Robert Slone Jr. answered questions from Council.

AUDIENCE PARTICIPATION

Tyrone Wilson, Ypsilanti resident, representing RAID. Madam Mayor, I am very nervous about this upcoming election. What would happen if an AV ballot was sent out by a resident and they go out of town and the ballot was returned. Their vote would not be counted. A citizen named Jacquelyn Yvonne Gore in 1996 was arrested by the Ypsilanti Police Department for allegedly disturbing the Police. Ms. Gore has been a victim of mistaken identity. The Chief of Police and the City Attorney told Ms. Gore and myself that they could not help us. We recently went to Lansing to get this matter resolved and fingerprints were taken to confirm she was not Jacqueline Yvonne Gore but Jacquelyn Taylor and she did not have an arrest record. We would like to have this matter straightened out so she would not be arrested any longer. I recently attended a Human Relations Committee Meeting and I have never been treated so rudely by one person, Norman Kennedy, besides from this Council. Norman Kennedy, who is the Chair of the Human Relations Committee, talked down to me as if I was a third class citizen. All because I asked a question about Ordinance 947 which gives people exemption from the Anti-Discrimination Ordinance. Norm Kennedy was upset because he did not know what his responsibilities were as Human Relations Chair.

Lee Tooson, The Holy Koran talks about people who often reprove and not hear. They shall themselves be suddenly destroyed, and destroy people along with them. I have all reasons to believe that what has happened to this Council. They have been reprovod

often and often. Time and time again and you have not done anything. Cheryl, you could possibly lose by mistake and Lois you can win by mistake. The problems in the Clerks office for example, the voter registration cards, Ronnie and Gloria Peterson were left off of the ballot, the bar code being incorrect on the Absentee Ballots. I talked to the Consumers Affairs in Detroit and I have a letter here. If the bar code is wrong, it will return to the sender. After checking with the Mail Piece Design Division of the United States Post Office, I was informed that the bar code is neither Washtenaw nor Wayne County. I was also denied the right to take back Absentee Ballots and return request. I have been doing this for the past 18 years and I did talk to the Election Commission in Lansing, and I was told he was being picky.

Robert Hunter, an Ypsilanti resident, I am concerned with what I see. It appears as if no one is listening to the concerns being brought to the Council. I received an invoice from the Building Department for a charge for weed cutting for my vacant lot on Orchard. I need to know what is considered an over growth and how is it enforced, because there was other property on the same street. Had not been targeted, but my property was. Mr. Boulard informed me to write a letter of appeal to the City Manager, which I did. In my letter I addressed the lack of due process and my rights of a citizen to question the City. I resent the notion that a person can stand here and act as if this is some sort of dictatorship and tell someone they must pay a bill or be charged on their Tax Bill without due process.

PUBLIC HEARING

- A. Consideration of proposed application for exemption of new personal property from Visteon Corporation, for personal property, to be located at 128 Spring Street.

Open Public Hearing by Mayor Cheryl Farmer

Mr. Robert Hunter, I appreciate the time and effort Visteon Corporation has made to this community. However, I would want to know and would encourage Council to at least if we are going to be granting personal tax breaks to inquire of Visteon to provide us with information on how many City residents will benefit. Not just comments, but specific goals and targets and their commitment to the City of Ypsilanti and not residence of the Township.

Resolution No. # 2002-197, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue - That the Public Hearing per Act 328 of the Public Acts of 1998, to consider the application from Visteon Corporation for an exemption of new personal property tax as defined in Act 328, be officially closed.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

Resolution No. #2002-198, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue, be approved.

RESOLVED BY THE YPSILANTI CITY COUNCIL:

Whereas, Ford Motor Company and now Visteon Corporation has an Ypsilanti Plant that has been a major employer and tax payer in our community for many years; and

Whereas, the City Council is interested in retaining jobs and a healthy business climate in our community, increasing the tax base and providing for residents employment opportunities; and

Whereas Act 328, Public Acts of 1998 allows for personal property tax exemptions for personal property located with in an Industrial Development District created per Act 198, Public Acts of 1974 as amended; and

Whereas, Visteon Corporation has applied for exemption of new personal property, per Act 328, Public Acts of 1998 for personal property located within an Industrial Development District, created per Public Act 198 of 1974, known as the "Ford Visteon Industrial Development District" located at 128 Spring Street, home of the Ypsilanti Visteon Plant; and

Whereas, a public hearing was held on October 30, 2002 per Act 328 of the Public Acts of 1998 to consider the application from Visteon Corporation for an exemption of new personal property tax as defined in Act 328; and

Whereas, the City Council finds that granting this exemption would reduce unemployment, promote economic growth and increase capital investment in the City and State of Michigan.

Now, therefore, be it resolved that the Visteon Corporation Application for Exemption of New Personal Property, per Act 328, Public Acts of 1998 be approved for a period of twelve (12) years.

Further, that the City Clerk forwards a copy of this resolution to all taxing agencies in Washtenaw County, and the Michigan Department of Treasury, State Tax Commission.

Discussion

Council Member Richardson- I have some of the same thoughts as Mr. Hunter in regards to employees being residents of the City. I think it should be that a major portion of the new hire should be from the City if we will be granting tax cuts to area businesses. There should be a way to protect ourselves by putting a clause in.

Mayor Farmer inquired of Assistant City Attorney Jack Gilbreath if it is possible if a clause can be put in that if the city were to grant tax exemption to a business a certain amount of new hires would have to be city residents.

Assistant City Attorney, Jack Gilbreath- The resolution itself states in the last clause that the resolution would be submitted to all taxing agencies in Washtenaw and the State Tax Commission. They would then evaluate the economic impact on jobs and jobs lost within the municipality and neighboring communities. The State Tax Commission will look at the impact before exemption is granted.

Ms. Ghandi- In Louisiana, there tax incentives use to require that a certain percentage of employment or a certain percentage of purchases to be made locally. It was struck down by the Louisiana Supreme Court as being unconstitutional and infringing on their freedom.

Council Member Nickels- I have two questions, one is the 110 jobs. What is the total employment at the Ypsilanti plant and what is the status of the other exemptions on the existing plant?

Ms. Ghandi- Currently the Visteon Plant has never been before the Council for an exemption before. Ford Motor Company, who use to own the facility, has for a smaller amount.

City Council Member Nickels- So, after you split from Ford, everything now has a fresh start.

Ms. Ghandi- No. Not really the old abatement we could not refresh the abatements would continue to roll off on their expiration date unless Visteon chose to refresh them. The benefit would reduce as time goes on as the equipment depreciated. The abatements will not refresh it is apart of the Tax Commission to transfer any old abatements and any new ones must be done by Visteon.

George Alvarez, Plant Controller- Our plant has 1,135 men and women working there today. We have many substantial challenges ahead of us. We are committed to maintaining the workforce 1,135. We have contractual obligations with the union that we have to maintain, but things do change. Our biggest supplier is facing major challenges and they are looking for price concessions. We are looking to maximize our efficiency and put in a new base to attract new businesses to insure new business and technology. I cannot guarantee a specific number of employment, but we do have commitment to the community. We just celebrated 50 years in the community and hope to have many more. We need the tax abatement to stay competitive.

Council Member LaRue- I hope that the representatives from Visteon understand the gravity of granting exemptions like these. I plan to support it but I hope that they understand what shaky times we are in. We have problems with revenue challenges. When we are looking at a potential amount of income when we have to provide Police and Fire Protection. To some extent we are making a trade. I would like to invite some of your members from your Government Relations Team to come to Ypsilanti to talk

with some of us, to find out what help is needed for our Arts and Social Service Agency to be more of a presence in the community beside just the plant.

Kim, Visteon Community Development Rep.- We do have community outreach by providing grant to social service agency and we could meet as well to provide some more input.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

Resolution No. 2002-199, attached and a part hereof, offered by Council Member Schulze and supported by Council Member LaRue approving an agreement between the City of Ypsilanti and the Visteon Corporation for rail relocation financing, for the Water Street Project.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Water Street project is a vital community revitalization project that is consistent with local plans and economic development goals including the City's Master Plan, Huron River Corridor Study, Economic Development Corporation goals, and City Council goals; and

WHEREAS, Visteon Corporation is one of the largest employers and tax payers in the City and is an important contributor to the vitality and quality of life in the City of Ypsilanti; and

WHEREAS, Visteon Corporation requires rail service in order to ensure the vitality of ---- the Ypsilanti facility; and

WHEREAS, Visteon Corporation has agreed to allow the current rail spur to be relocated to support the Water Street project and will make a contribution to the City pursuant to the proposed Contribution Agreement to assist with the relocation costs;

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council authorizes the execution of the Contribution Agreement with Visteon Corporation; and THAT the Mayor, City Manager, and City Clerk are authorized to sign all necessary documents, subject to review and approval by the City Attorney.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Unanimous

PUBLIC HEARING/ORDINANCE-SECOND READING

- A. Consideration of an Ordinance entitled, "An Ordinance to amend Chapter 102 of the Ypsilanti City Code, entitled, "Traffic and Vehicles **", by adopting by reference the Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, for the purpose of regulating the streets and highways of the City of Ypsilanti and to

repeal or amend all ordinance sections inconsistent thereto and to set forth the penalties.”

No audience participation.

Resolution No. 2002-200, attached and made a part hereof, offered by Council Member Schulze and supported by Council Member LaRue to close the public hearing.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

Resolution No. 2002-201, attached and made a part hereof, offered by Council Member Schulze and supported by Council Member LaRue-That the ordinance entitled, “AN ORDINANCE TO AMEND CHAPTER 102 OF THE YPSILANTI CITY CODE, ENTITLED, “TRAFFIC AND VEHICLES”, BY ADOPTING BY REFERENCE THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.1 TO 257.923, FOR THE PURPOSE OF REGULATING THE STREETS AND HIGHWAYS OF THE CITY OF YPSILANTI AND TO REPEAL OR AMEND ALL ORDINANCE SECTIONS INCONSISTENT THERETO AND TO SET FORTH PENALTIES,” be approved on Second and Final Reading be declared adopted.

THE CITY OF YPSILANTI HEREBY ORDAINS:

Section 1: Amendments, additions, and deletions to Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled “Traffic and Vehicles.”

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled “Traffic and Vehicles,” is hereby amended by re-titling Article I, which title shall read as follows:

Article I. Michigan Vehicle Code In General

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled “Traffic and Vehicles,” is hereby amended by adding a section to Article I, to be numbered 102-1, which section reads as follows:

Sec. 102-1. Code adopted.

The Michigan Vehicle Code, 1949 PA 300, MCL 257.1 to 257.923, as amended, is adopted by reference.

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled “Traffic and Vehicles,” is hereby amended by adding a section to Article I, to be numbered 102-2, which section reads as follows:

Sec. 102-2. References in code.

References in the Michigan Vehicle Code to “local authorities” shall mean

the City of Ypsilanti.

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," is hereby amended by adding a section to Article I, to be numbered 102-3, which section reads as follows:

Sec. 102-3. Penalties.

The penalties provided in the Michigan Vehicle Code are adopted by reference, provided, however, that the City of Ypsilanti may not enforce any provision of the Michigan Vehicle Code for which the maximum period of imprisonment is greater than 93 days.

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," is hereby amended by adding a section to Article I, to be numbered 102-4, which section reads as follows:

Sec. 102-4. Copies to be available.

Copies of the Michigan Vehicle Code, as amended, are available during normal office hours at the office of the city clerk for inspection by, and distribution to, the public.

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," is hereby amended by amending Article IV "Motor Carriers," by deleting section 102-221, "Adoption of vehicle weight limit provisions," for the reason that it is being replaced by the Michigan Vehicle Code, and which section shall read as follows:

~~Sec. 102-221. Adoption of vehicle weight limit provisions.~~

~~Sections 722 and 724 of Act No. 300 of the Public Acts of Michigan of 1949 (MCL 257.722, 257.724, MSA 9.2422, 9.2424), as amended, pertaining to vehicle weight limit, are adopted and incorporated in this section by reference.~~

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," is hereby amended by amending Article IV "Motor Carriers," by deleting section 102-223, "Operation in violation of state vehicle code," for the reason it is being replaced by the Michigan Vehicle Code, and which section shall read as follows:

~~Sec. 102-223. Operation in violation of state vehicle code.~~

~~No person shall drive or move or cause or knowingly permit to be driven or moved, on any street, any vehicle of width, height or length in excess of the limitations governing size and weight restrictions specified in the Michigan Vehicle Code, Act No. 300 of the Public Acts of Michigan of 1949 (MCL 257.1 et seq., MSA 9.1801 et seq.), as amended, or the provisions of this Code.~~

That Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," is hereby amended by amending Article IV "Motor Carriers," by amending section 102-224, "Penalty for violation of article," which section shall read as follows:

Sec. 102-224. Penalty for violation of article.

~~(a) *Misdemeanor.* Any person who shall be convicted of violating any of the misdemeanor provisions of this article shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine not to exceed \$500.00 or by imprisonment of not more than 90 days, or both, in the discretion of the court.~~

~~(b) *Civil infraction.* Any person who shall be convicted of violating the civil infraction provisions of this article shall pay a civil fine as set forth in section 724 of the Michigan Vehicle Code, Act No. 300 of the Public Acts of Michigan of 1949 (MCL 257.724, MSA 9.2424).~~

The penalties provided in The Motor Carrier Safety Act of 1963, as amended, are adopted by reference, provided, however, that the City of Ypsilanti may not enforce any provision of The Motor Carrier Safety Act of 1963, as amended, for which the maximum period of imprisonment is greater than 93 days.

Section 2. Severability.

If any clause, sentence, section, paragraph, or part of this ordinance, or the application thereof to any person, firm, corporation, legal entity, or circumstances, shall be for any reason adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, legal entities, or circumstances by such judgment shall be confined in its operation to the clause, sentence, section, paragraph, or part of this Ordinance thereof directly involved in the case or controversy in which such judgment shall have been rendered and to the person, firm, corporation, legal entity, or circumstances then and there involved. It is hereby declared to be the legislative intent of this body that the Ordinance would have been adopted had such invalid or unconstitutional provisions not have been included in this Ordinance.

Section 3. Repeal.

All other Ordinances inconsistent with the provisions of this Ordinance are, to the extent of such inconsistencies, hereby repealed.

Section 4. Savings Clause.

The balance of Chapter 102 of the Code of Ordinances, City of Ypsilanti, Michigan, entitled "Traffic and Vehicles," except as herein or heretofore amended, shall remain in full force and effect. The repeal provided herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation, or prosecution of any right established, occurring prior to the effective date hereof.

Section 5. Publication and Effective Date.

The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published by printing the same in the Ypsilanti Courier. This Ordinance shall become effective after publication at the expiration of 30 days after adoption.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

CONSENT AGENDA

- A. Resolution #2002-203, authorizing the City Treasurer to levy and assess on the December 2002 Tax Roll, certain unpaid bills.
- B. Resolution #2002-204, calling a Public Hearing for November 19, 2002, regarding the proposed Tax Increment Financing and Development Plan of the Ann Arbor/Ypsilanti Smartzone Local Development Finance Authority.
- C. Resolution #2002-205, approving the purchase of a Dump Truck for the Department of Public Works.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

MOTIONS, RESOLUTIONS & DISCUSSION ITEMS-

- A. Resolution approving 6-8 East Michigan Avenue, as a part of the Water Street Redevelopment Project.

Resolution No. 2002-206, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue.

WHEREAS, a Land Contract (the "Agreement") between the City of Ypsilanti (the "City"), Omni Investment Co. and Gallup Properties, L.L.C., a Michigan limited liability company (together the "Vendor") and Bank of Ann Arbor (the "Bank") for the purchase of certain lands set forth therein (the "Lands") has been prepared; and

WHEREAS, the total purchase price of the Lands from Vendor is \$178,395 (the "Purchase Price"); and

WHEREAS, pursuant to the Agreement, the City will pay the Purchase Price of \$178,395 in eight (8) annual installments, commencing on October 1, 2004, as will be specified in the Agreement (each, a "Payment Date"), with interest payable thereon at the rates set forth in the Agreement; and

WHEREAS, the Agreement is to be assigned to the Bank; and

WHEREAS, it is necessary to approve the Agreement and authorize the City's Mayor and Clerk to execute the Agreement and to authorize various City officials to execute certain documentation relative thereto.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Agreement is hereby approved substantially in the form on file with the City Clerk. The City shall incur the debt described in the Agreement through execution of the Agreement by the officers authorized below which debt shall consist of the Purchase Price of \$178,395, which Purchase Price shall be payable in eight (8) annual installments with interest thereon at the rates set forth in the Agreement. The installments of interest shall be payable semi-annually, commencing April 1, 2003, and installments of principal shall be payable annually each October 1st commencing 2004 to 2011, inclusive.

2. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement and deliver it to the Vendor, substantially in the form on file with the City Clerk with such additions, changes and modifications as shall be approved by the City's Bond Counsel.

3. The useful life of the Lands is hereby determined to be not less than twenty (20) years.

4. The Mayor, City Clerk, City Manager, Finance Director, and Redevelopment Coordinator are each hereby directed and authorized to execute such additional documentation as shall be necessary to effectuate the closing of the Agreement and the assignment thereof.

5. The assignment of the Agreement by the Vendor to the Bank is hereby approved.

6. The City hereby agrees to include in its budget for each year commencing with the current fiscal year, a sum which will be sufficient to pay the principal of and interest on the Agreement coming due before the next fiscal year. In addition, the City hereby pledges to levy ad valorem taxes on all taxable property in the City each year in an amount necessary to make its debt service payments under the Agreement, subject to applicable constitutional, charter and statutory tax rate limitations.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution, be and the same hereby are rescinded.

October 30, 2002
12

RESOLUTION DECLARED ADOPTED.

Ayes: 6 Nays: 0 Absent: Mayor Pro-Tem Swanson Vote: Carried

B. Closed Session to discuss property purchases for the water Street Project.

Adjourned at 8:59 p.m.

October 30, 2002

1

Closed Session to discuss property purchases for the water Street Project.

Adjourned at 8:59 p.m.

