

**City of Ypsilanti
City Council Meeting
Tuesday, July 15, 2003
7:30 P.M.**

CALL TO ORDER

Mayor Farmer 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, Mayor-Pro Tem Swanson, Council Member Richardson, Council Member LaRue, Council Member Schulze, Council Member Gawlas and Council Member Nickels.

Absent: No Council Members absent.

INVOCATION

Mayor Farmer asked for an 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

There were no introductions.

AGENDA APPROVAL

Council Member Nickels requested to add the Kiwanis Club proposal to the City of Ypsilanti to use the Y in the new Ypsilanti Kiwanis Club Logo for discussion.

Mayor Pro-Tem Swanson offered and Council Member Gawlas supported a motion to approve the amended Agenda.

Ayes: 7 Nays: 0 Absent: 0 Vote: Unanimous

PRESENTATION

Attorney Patrick McGow presented the Downtown Development Authority Bond Sale Notice of Intent Resolution and answered questions from Council.

Resolution #2003-152, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue.

WHEREAS, the City Council, pursuant to Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), intends to authorize the issuance of limited tax general obligation bonds, in one or more series, in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Bonds") for the purpose of paying part of the cost of acquiring and constructing public improvements including parking, streets, streetscape, signage, utilities and related public improvements, including all appurtenances and attachments, in the Michigan Avenue Development Area as set forth in the Development Plan and Tax Increment Financing Plan, as amended, of the Ypsilanti Downtown Development Authority (the "Project"); and

WHEREAS, notice of intent to issue bonds must be published at least forty-five (45) days before the issuance of the same in order to comply with the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended; and

WHEREAS, the City intends, at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City or the Ypsilanti Downtown Development Authority for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue Bonds in the Ypsilanti Courier, a newspaper of general circulation in the City, as a quarter-page display advertisement prominent in size.
2. Said notice of intent so published shall be in substantially the following form:

OFFICIAL NOTICE TO ELECTORS AND TAXPAYERS
OF THE CITY OF YPSILANTI
OF INTENT TO ISSUE BONDS SECURED BY THE TAXING
POWER OF THE CITY AND RIGHT OF REFERENDUM THEREON

PLEASE TAKE NOTICE that the City Council of the City of Ypsilanti, County of Washtenaw, Michigan, intends to issue and sell one or more series of general obligation limited tax bonds of the City in the total principal amount of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) for the purpose of paying part of the cost of acquiring and constructing public improvements including parking, streets, streetscape, signage, utilities and related public improvements, including all appurtenances and attachments in the Michigan Avenue Development Area of the Ypsilanti Downtown Development Authority (the "DDA").

The bonds shall mature serially in not to exceed twenty-five (25) annual installments, with interest rates to be determined at sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on the bonds.

SOURCE OF PAYMENT OF BONDS

THE PRINCIPAL OF AND INTEREST ON THE LIMITED TAX GENERAL OBLIGATION BONDS shall be payable primarily from anticipated tax increment revenues derived within the DDA and the bonds shall also pledge the limited tax full faith and credit of the City of Ypsilanti.

IN THE CASE OF THE INSUFFICIENCY OF SAID TAX INCREMENT REVENUES, THE PRINCIPAL AND INTEREST ON SAID BONDS SHALL BE PAYABLE FROM THE GENERAL FUNDS OF THE CITY OR, IF NECESSARY, FROM AD VALOREM TAXES LEVIED UPON ALL TAXABLE PROPERTY IN THE CITY, SUBJECT TO APPLICABLE CHARTER, STATUTORY AND CONSTITUTIONAL LIMITATIONS.

RIGHT OF REFERENDUM

THE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION OR PETITIONS REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS IN THE CITY, IS FILED WITH THE CITY CLERK BY DEPOSITING SAID PETITION OR PETITIONS WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition or petitions are filed, the bonds cannot be issued without an approving vote by a majority of electors voting on the question.

THIS NOTICE is given pursuant to the requirements of Section 5(g) of Act 279, Public Acts of Michigan, 1909, as amended.

3. The City Council does hereby determine that the foregoing form of notice of intent to issue bonds and the manner of publication directed is adequate notice to the electors and taxpayers of the City and is well calculated to inform them of the intention of the City to issue the Bonds, the purpose of the bond issue, the security for the Bonds and the right of referendum of the electors with respect thereto.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse the City or the DDA for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$1,500,000.

- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the City's use of the proceeds of the debt to be issued for the Project to reimburse the City for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c) under general Federal income tax principles (as determined at the time the expenditure is paid).
- (f) No proceeds of the borrowing paid to the City in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

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

Ayes: 6 Nays: Richardson Absent: 0 Vote: Carried

AUDIENCE PARTICIPATION

Tyrone Wilson, representing RAID, alleged Council has an credibility problem. He questioned how the Recreation Department is allocating \$43,000 and how citizens and organization could make donations to the Recreation Department. He alleged the information in the Human Relation Commission brochure is inaccurate.

Lee Tooson of Ypsilanti stated Council should listen to the citizens of Ypsilanti and take the necessary precautions to protect the General Fund.

Robert Hunter of Ypsilanti, questioned Council about a bid awarded in June of 2003, for renovations to the Riverside Arts Center. He stated that he was appalled by Councils lack of regard for the Recreation Department.

Steve Pierce of Ypsilanti stated the Historic Southside Picnic was a success and he thanked the Ypsilanti Police and Fire Department for their support.

MINUTES

Resolution 2003-153, attached and made a part hereof, offered by Council Member LaRue and supported by Council Member Gawlas- That the Minutes of July 1, 2003 be approved with corrections.

Ayes: 7 Nays: 0 Absent: 0 Vote: Unanimous

CONSENT AGENDA

Resolution #2003-154, attached and made a part hereof, offered by Council Member Schulze and supported by Council Member Gawlas- That the following Consent Agenda be approved.

- A. Resolution #2003-155, making recommendations for Governor Granholm's Land Use Leadership Council.
- B. Resolution #2003-156, opposing the passage of House Bill 4009.
- C. Resolution #2003-157, approving an agreement with Plante Moran for auditing services.

Ayes: 7 Nays: 0 Absent: 0 Vote: Unanimous

MOTIONS, RESOLUTIONS AND DISCUSSION

- A. Discussion and possible action on a draft resolution of charges for the newly formed Recreation Commission.
 - 1. **Resolution 2003-157A**, attached and made a part hereof, offered by Council Member Nickels and supported by Council Member Richardson.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That it is the desire of City Council that the Recreation Commission will serve to ensure recreational programs and opportunities are afforded all citizens, by encouraging public-private partnerships between the City, local businesses, organizations, neighborhoods, Washtenaw County, and neighboring townships and by encouraging volunteerism. The goal of the Recreation Commission is to seek sustainable alternatives and methods for making recreational programming available to the citizens of the City of Ypsilanti. The Recreation Commission will develop a financially sound organization, through a comprehensive financial plan to support the vision and goals of enhancing the quality of life and contributing to a healthy community.

Ayes: 7 Nays: 0 Absent: 0 Vote: Unanimous

- B. Discussion of the possibility of renting space at Parkridge Community Center, to Parents Together.

City Council directed Shannon Stumbo Bellers, Recreation Department to continue discussion with Parents Together about the possibility of renting Parkridge Community Center for programming. Council requested a report of programs offered by Parkridge Community Center and Parent Together.

- C. Discussion of the possibility of the Kiwanis Club using the City of Ypsilanti trademark Y in its proposed new logo.

City Council decided the use of Y will not be used by any other organization. The Y is a nationally registered trademark only to be used exclusively by the City of Ypsilanti.

COUNCIL PROPOSED BUSINESS

Council Member Schulze had no Council Proposed business.

Council Member LaRue addressed the comments made by Mr. Hunter during Audience Participation concerning the renovations to the Riverside Arts Center. He stated that the Riverside Arts Center is owned by the Downtown Development Authority and is a part of the Downtown Development Plan to promote the Arts and spur Economic Development. He stated the Starkweather Memorial Chapel in Highland Cemetery is in need of restoration. A Fundraiser is planned for December to restore the historic site. He also mentioned that he had spoken with Mrs. Kirkpatrick, the wife of Eastern Michigan's President in regards to presenting a gift from the City of Ypsilanti to the University during a Board of Regents Meeting.

Council Member Nickels spoke about a canoe trip he had taken from Gallup Park to Riverside Park and the improvements he observed to the water and scenery. He questioned whether it would be possible to use the Huron River Dam located in Ypsilanti as an electrical generator. He mentioned he had received a call of concern from Dr. Edmunds in regards to the density of the Water Street Project. He also mentioned the City of Wayne will be building new condos in their downtown area.

Council Member Richardson stated that she was concerned about the Clerk's Office lack of supervision on June 27, 2003. She questioned who is in charge of the Clerk's Office when both supervisors are out of the office and the City Manager is away. She questioned former Representative John Hanson whether there is any money available in Lansing. He advised Council to look into the possibility of partnering with Ypsilanti Public School to pass a levy for the Recreation Department. Council Member Richardson stated the funds are out there but we have to be willing to search for them. She mentioned the Michigan Municipal League informed her of funds that are available from the Michigan Economic Development Corporation and the League will

be providing a new service to all members for grant writing and locating funds for various projects. She questioned if the dumpster located in Paradise Manor could be removed from the playground area.

Mayor Pro-Tem Swanson questioned if it was possible for her to receive a report from the Recreation Department in regards to the \$43,000 and how it was allocated.

LIASION REPORTS

Council Member Gawlas spoke about the Local Development Finance Authority Planning Meeting on July 11, 2003 at 7:30 a.m. He stated the Local Development Finance Authority role and focus is advocacy and education to foster new business in the area.

COMMUNICATION FROM THE CITY MANAGER

City Manager Koryzno said a sign procedure is currently being developed for Recreation Park. He stated the Michigan Municipal League is petitioning for the Senate to keep Bill 575 which keeps the current 3% reduction in state shared revenue. He also mentioned a meeting has been scheduled for September 9, 2003 to discuss the implications of the Headley Amendment and Proposal A.

COMMUNICATIONS FROM THE MAYOR

Mayor Farmer questioned whether a meeting had been set for the Recreation Commission.

ADJOURNMENT

Resolution No #2003-158, offered by Council Member Gawlas and supported by Council Member LaRue to adjourn the meeting.

Ayes: 7 Nays: 0 Absent: 0 Vote: Unanimous

Adjourned at 10:06 p.m.