

**City of Ypsilanti
City Council Meeting
Tuesday, October 7, 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 Gawlas and Council Member Nickels.

Absent: Council Member Schulze

Mayor Pro-Tem moved to excuse the absence of Council Member Schulze; Council Member Nickels supported.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

INVOCATION

Mayor 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.

AGENDA APPROVAL

Mayor Farmer removed item C from the Consent Agenda. Mayor Pro-Tem Swanson offered and Council Member Nickels supported a motion to approve the amended Agenda.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

PRESENTATIONS

- A. Presentation of "National Association of Physically Handicapped Week" Proclamation, to Geraldine Meadows, Michigan Area President.

Ms. Meadows thanked the Mayor and City Council for their support. She mentioned working with the City of Ypsilanti in the future.

- B. "Fire Prevention Week" Proclamation presented to Fire Chief, James Roberts and Fire Marshall, Jon Ichesco.

Fire Chief, James Roberts and Fire Marshall, Jon Ichesco thanked Mayor Farmer and Council for their continued support.

- C. Letter of Commendation presented to Jon Ichesco, for being recognized as Fire Inspector of the Year, by the Michigan Fire Inspectors.

Fire Marshall Ichesco has been a Fire Fighter for the City of Ypsilanti since 1984. He has received the honor of Fire Fighter of the Year and this Year he was awarded by the State of Michigan, Fire Inspector of The Year.

- D. Presentation of the sale of \$4,400,000 City of Ypsilanti General Obligation Taxable Improvement Bonds, Series 2003B, by Dennis Neiman, Bond Attorney.

1. **Resolution #2003-193**, attached and made a part hereof, offered by Council Member Richardson and supported by Council Member Nickels.

WHEREAS, the City Council of the City of Ypsilanti, Michigan adopted a bond authorizing resolution on August 26, 2003 (the "Bond Resolution") approving the issuance of its General Obligation Taxable Improvement Bonds, Series 2003B (the "Bonds") for the purpose of paying certain capital improvement costs relating to the Water Street Development Project, together with related costs and financing costs; and

WHEREAS, an offer from MBIA Insurance Corporation to insure the Bonds has been accepted by the City; and

WHEREAS, pursuant to the sale order (the "Sale Order") and a Bond Purchase Agreement (the "Bond Purchase Agreement") with Oppenheimer & Co. Inc. (the "Underwriter"), each executed on behalf of the City by the City Manager of the City and dated as October 2, 2003, the City has accepted the offer of the Underwriter to purchase the Bonds.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The City hereby ratifies, confirms and approves the City's acceptance of the offer by the Underwriter to purchase the Bonds as set forth in the Bond Purchase Agreement. All of the actions heretofore to hereafter taken by any of the officers, administrators, agents and attorneys of the City to execute and deliver the Bond Agreement on behalf of the City to the Underwriter, including but not limited the execution of the Sale Order, are hereby ratified, confirmed and approved.

2. The Bonds shall bear interest, mature and be payable at the times and in the manner and be subject to redemption prior to maturity in the manner and at the times and prices as set forth in the Sale Order and the Bond Purchase Agreement.

3. Proceeds of the Bonds shall be deposited into the funds created by provisions of the Bond Resolution in the amounts shown on Exhibit A to the Sale Order, and such amounts may be changed as actual statements for the issuance expenses are presented.

4. The Official Statement relating to the Bonds, dated as of the date October 2, 2003, which Official Statement has been presented to this City Council, is hereby authorized and approved as of its date and as of the date hereof and its distribution is hereby ratified, confirmed and approved. The Preliminary Official Statement relating to the Bonds, dated as of September 22, 2003, which Preliminary Official Statement has been presented to this City Council is hereby authorized and approved and its distribution is hereby ratified, confirmed and approved. All actions heretofore taken by the officers, administrators, agents and attorneys of the City to execute and deliver the Preliminary Official Statement and the Official Statement on behalf of the City with such additions or corrections as appropriate are hereby ratified, confirmed and approved.

5. The actions taken by either the Mayor, City Manager, Finance Director or City Clerk of the City in signing the commitment MBIA Insurance Corporation to issuance a municipal bond insurance policy for the Bonds are hereby ratified, confirmed and approved and the provisions of such commitment are incorporated herein.

6. All of the officers, administrators, agents and attorneys of the City are authorized and directed to execute and deliver all other agreements, documents and certificates and to take all other actions necessary to complete the issuance and delivery of the Bonds in accordance with the Bond Resolution and this Resolution and to pay costs of issuance including purchase of bond insurance, bond counsel fees and expenses, financial consultant fees and expenses, rating agency fees, transfer agent fees, and costs of printing the preliminary and final official statements, and any other costs necessary to accomplish the sale and the delivery of the Bonds.

7. The Bonds shall not be designated as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

8. The City hereby covenants that it will take no action which will have the effect of impairing the security for the Bonds.

9. This Resolution shall be effective immediately upon adoption. 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: 0 Absent: Schulze Vote: Unanimous

E. Presentation of Installment Purchase Agreement Contract Amendment with the Ypsilanti Branch Bank of Ann Arbor, by Brett Lenart, Development Coordinator & Dennis Neiman, Bond Attorney.

1. **Resolution #2003-194**, attached and made a part hereof, offered by Council Member Nickels and supported by Council Member Richardson.

WHEREAS, a Land Contract (the "Agreement") between the City of Ypsilanti (the "City"), High/Scope Educational Research Foundation (the "Vendor") and Bank of Ann Arbor (the "Bank") for the purchase of certain lands set forth therein (the "Lands") was executed on July 12, 2002; and

WHEREAS, pursuant to the Agreement, the Vendor conveyed the land to the City and all of its rights under the Agreement to the Bank in exchange for a payment from the Bank to the Vendor; and

WHEREAS, due to a change in interest market conditions, it is now necessary to adopt an Amendment to the Agreement as more fully described below, and authorize the City's Mayor and Clerk to execute the Amendment (the "Land Contract Amendment").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The second paragraph of Section 1 of the Agreement shall be amended to read as follows:

The City shall pay interest on the unpaid balance of the Purchase Price to the Bank as the assignee of this Agreement in accordance with Section 3 hereof, at a rate of interest as follows: (a) between the date funds are disbursed by the Bank as set forth herein until October 1, 2004 at a rate of interest equal to the prime lending rate charged by the Bank as the same may be announced from time to time, (b) from October 1, 2004 to October 1, 2005, at a rate equal to 5.75% and from October 1, 2005 to October 1, 2011 at a rate equal to 6.25% computed on the basis of a 360 day year which interest shall be payable semi-annually commencing October 1, 2002 through the final date of payment of this Agreement. The Purchase Price includes the Lands and other rights assigned and conveyed by Vendor to City. Upon the closing of this Land Contract, Vendor shall convey fee simple interest in the Lands to City by means of a warranty deed, in form and substance satisfactory to the City Attorney; subject to easements and restrictions of record. The City agrees that the useful life of the Lands is at least equal to or longer than the date of the final payment hereunder.

2. The Mayor and City Clerk are hereby authorized and directed to execute the Land Contract Amendment as attached hereto as Exhibit A and deliver it to the Bank.
3. All provisions of the Agreement not expressly amended by this resolution shall remain in full force and effect and the obligations of the parties to the Agreement shall remain unchanged.
4. 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: 0 Absent: Schulze Vote: Unanimous

AUDIENCE PARTICIPATION

Elliot Smith of Ypsilanti spoke against the Downtown Development Project due to the extended period of tax obligation the City would be taking on if the Resolution passed. He questioned whether Barry LaRue should vote on the Resolution due to his affiliation with the Riverside Arts Center.

William Taylor, owner of the Key Bank Building spoke in support of the Downtown Development Project and the need for improvement. He also wanted to clarify any miscommunication that has taken place regarding the Key Bank parking lot which is a private lot and no public money will be used for improvements.

Steve Pierce, Downtown Development Authority, Chairperson mentioned no public money will be used on private parking lots.

Tyrone Wilson of Ypsilanti representing RAID, expressed concern with the amount of notification given to the public in regards to the Human Relations Committee Meeting.

James Nelson of Ypsilanti and a Downtown Development Authority Member mentioned the Tax Increment Financing Act is the key to Redeveloping Downtown Ypsilanti.

Bob Doyle of Ypsilanti spoke in support of the Tax Increment Finance Plan.

Gabriel Tress of Ypsilanti questioned whether more copies of the budget could be available for the public.

MINUTES

Resolution #2003-195, attached and made a part hereof, offered by Mayor Pro-Tem Swanson and supported by Council Member Nickels- That the Minutes of August 7, 2002 and September 16, 2003 approved with corrections.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

ORDINANCE- SECOND READING

- A. Consideration of proposed ordinance entitled, "An Ordinance to adopt and Approve the Ypsilanti Downtown Development Authority Amended and Restated Tax Increment Financing and Development Plan for the Michigan Avenue Development Area, Pursuant to the Provisions of Act 197, Public Acts of Michigan of 1975, as Amended, and to provide for all matters pertaining thereto."
1. **Resolution #2003-196**, attached and made a part hereof, offered by Council Member LaRue and supported by Council Member Gawlas.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

That the ordinance entitled, "AN ORDINANCE TO ADOPT AND APPROVE THE YPSILANTI DOWNTOWN DEVELOPMENT AUTHORITY AMENDED AND RESTATED TAX INCREMENT FINANCING AND DEVELOPMENT PLAN FOR THE MICHIGAN AVENUE DEVELOPMENT AREA PURSUANT TO THE PROVISIONS OF ACT 197, PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED, AND TO PROVIDE FOR ALL MATTERS PERTAINING THERETO" be approved on Second and Final Reading.

Council Member LaRue questioned City Attorney, John Barr whether he should abstain from voting on the Ordinance. City Attorney, John Barr stated that it would be alright for him to vote.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

CONSENT AGENDA

Resolution #2003-195, attached and made a part hereof, offered by Council Member Gawlas and supported by Council Member LaRue- That the following Consent Agenda be approved.

- A. Resolution #2003-198 updating the City Fee Schedule.
- B. Resolution #2003-199, approving an agreement with NTH Consultants of Detroit, for engineering & quality assurances for the Water Street Project.
- C. Resolution #2003-200 was removed by Mayor Farmer.
- D. Resolution #2003-201, approving a traffic order for parking on Gregory, Louise and Mark Street.
- E. Resolution #2003-202, approving the purchase of the Huron Trade Center, from the Ypsilanti Economic Development Corporation.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

Resolution #2003-200, attached and made a part hereof, offered by Council Member Richardson and supported by Mayor Pro-Tem Swanson.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the City Council desires to partner with local agencies to provide services to the community through Parkridge Community Center; and

WHEREAS, the Parents Together organization provides prevention programming to youth and has collaborated with the City on grant applications for services; and

WHEREAS, Parents Together is interested in pursuing a lease agreement with the City to rent specific office space in Parkridge Community Center and City Council supported the concept of this arrangement at the regular Council meeting of July 15, 2003; and

WHEREAS, the City Council expects this (and any) lease agreement for city-owned recreation facilities to support and preserve use of the facility for public recreation opportunities, community organization meeting space, and other programming partners as appropriate.

NOW, THEREFORE BE IT RESOLVED THAT, the City Council authorizes the City Manager to finalize the lease agreement arrangements and requirements with Parents Together and sign on the City's behalf, contingent on approval as to form by the City Attorney.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

MOTIONS, RESOLUTIONS & DISCUSSION ITEMS

A. **Resolution #2003-203**, attached and made a part hereof, offered by Council Member Nickels and supported by Mayor Pro-Tem Swanson.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, Public Act 289 of 1977 provides for payments to municipalities for fire protection services received by state owned facilities; and

Whereas, the State of Michigan has cut its financial commitment from 46 percent funding in Fiscal Year 2001-02 to 23 percent funding in Fiscal Year 2002-03 for local communities with state owned facilities; and

Whereas, the City of Ypsilanti in fiscal year 2003-04 will only receive \$155,000.00 of the fully funded figure of \$672,000.00 to provide fire protection services to Eastern Michigan University (EMU); and

Whereas, fire protection for university campuses is complicated. EMU has 8,000 students living on campus and only those dorms built last year are fully sprinkled. This is not uncommon on campuses across the state. EMU has a total of 67 buildings on its campus, only three (3) of which are totally sprinkled; and

Whereas, campuses provide additional challenges in that special training and equipment are required so firefighters are prepared to deal with fires that may occur in chemical labs, and in research facilities where radioactive materials are present; and

Whereas, Public Act 289 has been under-funded every year since its inception in 1977, and since 1995 alone the City has had a total shortfall of \$3,418,653.00 because the Act 289 formula has not been fully funded. This has created an average loss of \$427,332.00 per year to the City which has had a tremendous negative impact on the City's \$13.5 million dollar General Fund Budget.

Now, therefore be it resolved that the Ypsilanti City Council requests that fully funded fire protection payments to local communities providing fire protection to state owned facilities become a budget priority for fiscal year 2003-04 for Governor Granholm; and

Further that a copy of this resolution be sent to Governor Granholm, Lieutenant Governor Cherry, Senate Majority Leader Sikkema, Speaker of the House Johnson, Senator Brater and Representative Jamnick.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

B. **Resolution #2003-204**, attached and made a part hereof, offered by Council Member LaRue and supported by Council Member Gawlas.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, a lack of coordinated development and planning in the greater Washtenaw County area, including the areas surrounding the City of Ann Arbor, at times has had an adverse impact on the residents of Ann Arbor and neighboring communities; and

Whereas, the Ann Arbor City Council has identified the need to aggressively maintain the environmental quality of life for their community by identifying, acquiring and maintaining parkland, natural habitats, open space and farmland, and to protect the City's source waters to insure a quality water supply for the future; and

Whereas, the Ann Arbor City Council has proposed a Charter Amendment Proposal known as the Ann Arbor Parks and Greenbelt Proposal for their November 2003 City Election that would authorize a millage of .5 mills to replace the existing .5 mills due to expire in 2004. This money will provide for the preservation and protection of parkland,

open space, natural habitats and City source waters by the acquisition and management of land and land rights both within and outside the City of Ann Arbor; and

Whereas, such a proposal if approved, will combat regional sprawl and improve the quality of life for the residents of Ann Arbor and those in surrounding communities such as Ypsilanti; and

Whereas, the Ypsilanti City Council commends Mayor John Hieftje and the Ann Arbor City Council for their leadership and foresight in undertaking this plan which has regional significance and impact.

Now, therefore, be it resolved, that the Ypsilanti City Council supports the adoption and passage of the Ann Arbor Parks and Greenbelt Proposal and urges everyone involved to pledge their support, cooperation and assistance in the implementation of this plan.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

C. Report on the City Manager City Clerk Evaluations, by the City Council Evaluation Committee, Mayor Pro-Tem Trudy Swanson, Council Member Barry LaRue and Council Member Bill Nickels.

Council Member Nickels spoke on behalf of the Evaluation Committee. City Clerk, Robert Slone received 3.1 the same as January 2002. City Manager, Edward Koryzno a 4.5 up from January 2002 score of 4.4.

COUNCIL PROPOSED BUSINESS

Council Member Richardson expressed concern with trash being refused on Hawkins Street by Trash Collection Workers. She questioned whether Council was interested in supporting Ypsilanti Township regarding Ypsilanti Public Library installing filters to block pornography on their computers. She also questioned whether action could be taken to bridge the gap between Ypsilanti Township and the City of Ypsilanti to increase communication and start a working relationship. She mentioned Bias Awareness Week starts October 20-24 for the Washtenaw County Bar Association. The Bar Association will be hosting a daily luncheon with a variety of speakers to bring about bias awareness.

Council Member Nickels stated Ypsilanti Township Treasurer, Larry Doe mentioned the impact of budget cuts and the possibility of the City and the Township working together on something in the future. He requested an Ordinance Enforcement Officer be sent out to address couches on porches. He also mentioned a proposal is being brought to the Traffic Review Committee about the possibility of unifying the codes for Eastern Michigan University and the City of Ypsilanti to combat the problem of on street parking.

Council Member LaRue mentioned an email he received from Sandy French from the Building Department regarding work scheduled on the Forest Avenue railroad

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crossing. He requested to also be informed of any road work in the future. He announced club level renovations to the Riverside Arts Center are complete.

Council Member Gawlas questioned whether a book review had been scheduled for, "The Rise of the Creative Class" by Richard Florida. He informed Council of an upcoming Washtenaw County Planning Meeting scheduled for October 22, 2003 at the Washtenaw County Intermediate School District at 6:30 p.m. He mentioned he will not be able to attend the Eastern Michigan Michigan Meeting or the Public Hearing on Thursday, October 9, 2003. He also questioned whether Council would be interested in presenting a resolution in support of the United Nations, Literacy Decade.

November 6, 2003 at 7:00 p.m. will be the new date for Richard Florida, "Rise of the Creative Class" book discussion.

Mayor Pro-Tem Swanson questioned whether an Ordinance Enforcement Officer had been sent to look at the matter between Ms. James and the Tooson's fence. She requested a sign could be posted to make drivers aware of the speed limit on Monroe and Perry Street.

LIASION REPORTS

No Liaison Reports.

COMMUNICATIONS FROM THE CITY MANAGER

City Manager Koryzno spoke in regards to his evaluation he mentioned this year has been challenging due to the Budget Cuts and he appreciates all of the support he has received from Council.

City Clerk, Robert Slone mentioned that he did post the sign for the Human Relations Committee on October 1, 2003.

COMMUNICATIONS FROM THE MAYOR

Resolution #2003-205, attached and made a part hereof, offered by Mayor Pro-Tem Swanson and supported by Council Member Nickels.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

Whereas, the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below.

| <u>Name</u> | <u>Board</u> | <u>Term To Expire</u> |
|---|---------------------|--|
| Jeffrey Goulet 1207 Roosevelt Street | Planning Commission | (to fill the expired term of Robert Miller) |

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5/1/2004

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

Mayor Farmer questioned if Council would be interested in hosting a joint meeting with the Historic District Commission, Zoning Board of Appeals and Economic Development Corporation addressing Ypsilanti long term vision.

Council agreed to a joint Council Meeting on November 18, 2003.

She also mentioned the Community Meeting regarding the Vacant Building Ordinance and the possibility of combining the Vacant and Dangerous Building Ordinance with by adding different gradations.

ADJOURNMENT

Resolution No #2003-206, offered by Council Member Richardson and supported by Mayor Pro-Tem Swanson to adjourn the meeting.

Ayes: 6 Nays: 0 Absent: Schulze Vote: Unanimous

Adjourned at 10:01 p.m.