

**MINUTES OF THE
SPECIAL MEETING OF THE HIGHLAND PARK CITY COUNCIL**

March 24, 2014

Council convened at 5:40 p.m. with Council President Christopher Woodard presiding.

Present: Council Pro Tem Lewis, Councilmember Moore, Councilmember Patrick, Councilmember McClary and President Woodard. (5)

Absent: None (0).

*** Councilmember Moore entered the meeting at 5:50 p.m.**

A quorum being present, Council was declared in session.

The Clerk read the following notice.

I, Council President Woodard do hereby call a Special Meeting of the Highland Park City Council on Monday, March 24, 2014 at 5:30 p.m. pursuant to Section 5-3 (b) of the Highland Park City Charter.

The purpose of the meeting:

- 1. Resolution to approve a conditional option to purchase agreement for 11 Farrand Park between the City and Walter-Alexander Development, LLC.**
- 2. Request approval of lot sale at 34 & 40 Church St.**
- 3. Consider adoption of resolution concerning establishing New Water rates going forward.**

**Moved by Council Pro Tem Lewis
Supported by Councilmember McClary**

To recess the meeting for 10 minutes to read over new information just received pertaining to agenda item # 3. Motion carried meeting recess at 6:00 p.m.

**Moved by Councilmember Moore
Supported by Council Pro Tem Lewis**

To reconvene the meeting; motion carried meeting reconvened at 6:10 p.m.

03-24-2014-1

Resolution approving an Option to Purchase with Contingencies Agreement by and between the City of Highland Park and Walter-Alexander Development, LLC for the property know as Farrand Park located at the corner of Woodward Avenue and 11 Farrand Park. The property is City-owned.

WHEREAS, Walter-Alexander Development is requesting “Site Control” of 11 Farrand Park as a condition prerequisite to eligibility to apply for and potential be awarded Low Income Housing Tax Credits (“LIHCT”) from the Michigan State Housing Authority (“MSHDA”); and

WHEREAS, The City and the Developer have agreed on an Option contract for the Purchase of 11 Farrand Park attached hereto as Exhibit “A” and incorporated herein by reference as set forth in full that will satisfy the requirements of Site Control for MSHDA; and

WHEREAS, the City in consideration of the Alexander-Johnson Development, LLC paying \$1.00 (the “Option Deposit”), gives to Alexander-Johnson Development, LLC the exclusive option (the “Option”) to purchase the property described below (the “Property”); and

WHEREAS, the BUYER shall have the right to exercise this Option during a period of time beginning at 9:00 a.m. on March 20, 2014 and lasting until 5:30 p.m. on March 20, 2015; and

WHEREAS, the final purchase price shall be established as follows: The purchase price will be determined at the conclusion of the "Financing and Inspection" period and a successful allocation of Michigan Low Income Tax Credits, by an "As is" commercial appraisal paid for by the developer. The City of Highland Park will select the appraiser of its choice; and

WHEREAS, the Developer will perform certain activities in furtherance of their LICHT application to MSHDA and will share the work product arising from those activities, to wit: completion of a Phase I Environmental Assessment, completion of a structural engineering analysis, completion of a HVAC/Geothermal analysis, completion of a Market Value Analysis, completion of Pro Forma, Operating Budget, and Construction Budget. Walter-Alexander Development, LLC, must provide said deliverables with the City of Highland Park as a strict, mandated condition of maintaining the Option Contract/Site Control of 11 Farrand Park, at no expense to the City of Highland Park; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Highland Park that;

The City Council hereby approves the Option Contract for the Purchase 11 Farrand Park by and between the City of Highland Park and Walter-Alexander, LLC in accordance to the terms and conditions set forth in this Resolution and Exhibit "A" attached hereto and incorporated herein by reference as is set out in full.

THE ABOVE RESOLUTION WAS MOVED BY COUNCILMEMBER MOORE THE MOTION FAILED DUE TO LACK OF SUPPORT.

AFTER MUCH DISCUSSION ANOTHER MOTION WAS MADE BY COUNCILMEMBER MOORE AND SUPPORTED BY COUNCILMEMBER McCLARY TO RECONSIDER THE RESOLUTION. BEFORE THE VOTE WAS CALL FOR COUNCILMEMBER MOORE MOVED THAT THE RESOLUTION BE TABLED AND WAS SUPPORTED BY COUNCILMEMBER PATRICK. THE VOTE WAS CALL FOR TO TABLE THE RESOLUTION. YEAS (3) COUNCILMEMBER MOORE, COUNCILMEMBER PATRICK AND COUNCIL PRESIDENT WOODARD, NAYS (2) COUNCIL PRO TEM LEWIS AND COUNCILMEMBER McCLARY, ABSENT (0).

COMMUNITY DEVELOPMENT-REAL ESTATE:

03-24-2014-2

The following resolution was submitted for vacant lot purchase consideration.

**Moved by Councilmember Moore
Supported by Council Pro Tem Lewis**

**RESOLUTION TO APPROVE REHABILITATION AGREEMENT OF
VACANT LOTS LOCATED AT 34 & 40 CHURCH STREET**

WHEREAS, the vacant lots located at various addresses and are owned by the City of Highland Park; and

WHEREAS, the City of Highland Park passed the ordinance allowing for commercial and residential vacant lot sale; and

WHEREAS, the proposed purchaser meets the criteria approved by the City Council for the vacant lot sale program; and

WHEREAS, the purchaser agrees to comply with the provisions of the rehabilitation agreement program and the city ordinance regarding such purchase; and

NOW HEREBY BE IT RESOLVED that the Highland Park City Council approves the sale of 34 & 40 Church to Umeme Abbasi Hasan Hoyo at the cost of \$250.00 each lot. Yeas (5), Nays (0), Absent (0).

03-24-2014-3

The following resolution was submitted for approval.

WHEREAS, the City Council agrees to provide the budgetary resources to the Mayor needed to collect all or most of the outstanding water bills currently owed to the City of Highland Park which will result in a significant reduction of the outstanding debt owed to third parties; and

WHEREAS, the City Council agrees to amend the current budget for the water department in an amount necessary to retain the staff required to read meters, process bills and mail bills to the residents in a timely manner; and

WHEREAS, the Mayor and the current Interim Water Supervisor have advised the Highland Park City Council that there are additions to the current staffing that are required in order to effectuate the efficient and effective operation of the water department; and

WHEREAS, the Highland Park City Council recognizes that the residents of the City of Highland Park require some relief and assistance in paying their water bills; and

WHEREAS, the residents of the City of Highland Park's water and sewerage rates are not currently at a level that will allow the City of Highland Park to obtain maximum collection and as a result, may put the City of Highland Park in a position where it will be unable to meet all of its obligations; and

WHEREAS, on June 18, 1996, Detroit, Highland Park and Chrysler entered into a Settlement Agreement (the "Agreement") to mutually agree "to amicably resolve the disputes among and between them; to avoid the delays and uncertainties attendant upon further protracted, burdensome and costly litigation; and to provide a means by which Highland Park will be able to satisfy its current and future obligations to Detroit for wastewater treatment services; (Agreement and Consent Decree attached as Exhibit A hereto); and

WHEREAS, Highland Park paid over \$7.5 million to get the following agreement to cover current and future obligations of Highland Park:

"Highland Park will adopt a water/wastewater rate increase applicable to service provided by Highland Park to its customers in the amount of 14% and 68%, respectively, or a composite increase of 44%. The resulting water rate will be \$12.05 per kcf and resulting wastewater rate will be \$22.66 per kcf . The rate increase will be effective July 1, 1996 on all bills rendered on or after August 1, 1996."

WHEREAS, this specific rate increases to cover current and future obligations on and after August 1, 1996, was specifically referenced in Judge Feiken's Order as follows:

"Detroit, Highland Park Chrysler, having advised this Court and the U.S. Court Appeals for the Sixth Circuit that they mutually desire to amicably resolve the disputes among and between them; having entered into a settlement agreement; having stipulated to the dismissal of the pending appeals and the agreement; having Stipulated to the dismissal of the pending appeals and the entry of this Consent Judgment; and Highland Park, having adopted a composite water/wastewater rate increase applicable to service provided by Highland Park to its citizens in the composite amount of 44% on all bills rendered on or after July 1, 1996, the resulting

rate being \$12.05 per kcf; and the Court being duly advised in the premises...' (See, Order in Exhibit A)

WHEREAS, included in the Court's Consent Order was the following split of collected water and sewer bills;

Beginning August 1, 1996 and thereafter, Highland Park shall deposit into Said account, on a daily basis, 65% of any and all amounts received by it in payment of bills for water or wastewater treatment services rendered by it to its customers. Any and all amounts so deposited shall be held in trust solely for the benefit of the City of Detroit and shall be paid over to the City of Detroit through Its Detroit Water and Sewerage Department; on a monthly basis, on or before the 10th day of each month." (Exhibit A)

WHEREAS, the Highland Park City Council is committed to ensuring that The City remains solvent and in compliance with the 1996 Settlement Agreement between the City of Highland Park and the City of Detroit and therefore desires to constrain sewer rate increases to no more than double the Agreement's \$22.66 per kcf, or \$45.32, reserving all rights to enforcement of the agreed upon \$22.66 per kcf; and now therefore

BE IT RESOLVED, THAT THE Highland Park City Council approves and supports an program that will allow outstanding water balances to be paid in installments of a minimum of \$40 per month; and be it

FURTHER RESOLVED, that all bills mailed to residents after the effective date of this resolution shall include a sewerage rate reduced from the present \$110 per kcf to the amount of \$45.32 per kcf for all residential users subject to Council approval of final negotiation with the City of Detroit on the terms of the 1996 Settlement Agreement; and be it

FURTHER RESOLVED, that the Highland Park City Council will adjust the budget to pay for the additional personnel;

**Moved by Councilmember Moore
Supported by Council Pro Tem Lewis**

To discuss to above resolution.

Council Pro Tem Lewis asked what effect this would have on the resident's who have an agreement for the WRAP program?

Councilmember's want to know what notification or process will be implemented for this new process?

**Moved by Councilmember McClary
Supported by Councilmember Moore**

To table the above resolution. Yeas (1) Councilmember McClary Nays (4) Council Pro Tem Lewis, Councilmember Moore, Councilmember Patrick and Council President Woodard. Absent (0).

**Moved by Councilmember Patrick
Supported by Council Pro Tem Lewis**

To approve the above resolution with the changes and benchmarks included. Council requested that each member receive a copy with the changes and benchmarks. Yeas (4), Nays (1) Councilmember McClary, Absent (0).

ADJOURNMENT:

**Moved by Councilmember McClary
Supported by Council Pro Tem Lewis**

To adjourn the meeting motion carried; meeting adjourned at 7:55 p.m.