

**REGULAR MEETING**

The meeting was called to order at 8:00 p.m., Mayor Steven M. Brown presiding.

Pledge of Allegiance to the Flag.

Invocation by Rev. Joy Chong Wong of First United Methodist Church.

**PRESENT:** Councilpersons Valerie Brady, Mario DiSanto, Michael Higgins, Mark Kandes, Thomas Murphy, and Frank Vaslo.

**ALSO PRESENT:** City Attorney Ed Zelenak and City Clerk Donna Breeding.

Mayor's Remarks

**RESOLUTION 04-381 Minutes**

By Councilman Murphy, supported by Councilman DiSanto.

RESOLVED, that the minutes of the Regular Meeting held under the date of July 12, 2004 be approved as recorded.

Motion unanimously carried.

Moved by Councilman DiSanto, supported by Council President Kandes that the minutes of the Special Meeting held 7-12-04 at 6:30 p.m. regarding Ordinance Review are approved as printed.

Moved by Councilman Vaslo, supported by Councilman DiSanto that the minutes of the Public Hearing held 7-12-04 at 7:30 p.m. regarding Reprogramming of CDBG Funds are approved as printed.

PUBLIC HEARING Called to Order.

Discussion regarding dangerous building at 1478 College/garage only.

No party of interest appeared.

Reconvene Regular Meeting.

**RESOLUTION 04-382 Demolish Dangerous Bldg. 1478 College (garage)**

By Council President Kandes, supported by Councilman Vaslo.

WHEREAS, the Dangerous Building and Code Appeals Board issued an order to **demolish** the structure located at **1478 College (garage only)**, said order being issued subsequent to a hearing of the facts pertaining to this matter and identified as **Case #04-03**, which was held on **February 25, 2004** in accordance with Section 1444.04 of the Codified Ordinances of the City of Lincoln Park; and

WHEREAS, the Dangerous Building and Code Appeals Board has filed a report of its findings and a copy of its order with this Council and with each party having a recorded interest in the subject property; and

WHEREAS, the City Council has established the date of **June 7, 2004 & continued to July 19, 2004**, the date for a hearing to review the findings and order of said Board, the owner or party of interest having been given the opportunity to show cause why said structure should not be demolished, and the Council having duly held such hearing.

NOW, THEREFORE BE IT RESOLVED, that said order of the Dangerous Building and Code Appeals Board to demolish and remove the structure located at **1478 College (garage only)**, Lincoln Park MI, is hereby approved by the Council of the City of Lincoln Park, and BE IT FURTHER RESOLVED, that the Superintendent of Public Works is hereby directed to comply with the order of the Board as approved by Council after 20 days from the date of this resolution; and

BE IT FURTHER RESOLVED, that the Superintendent of Public Works shall determine the date of demolition and shall notify each party of interest as required by Section 1444.10 of the Codified Ordinances; and

BE IT FURTHER RESOLVED, that the cost of the demolition shall be assessed against the real property on which said structure is located, such costs shall be reported to the City Assessor who shall place said lien.

Motion unanimously carried.

**RESOLUTION 04-383 Ord. Chpt 892-Tax Abatement Park Plaza**

By Councilman Murphy, supported by Councilman Higgins.

RESOLVED, that "AN ORDINANCE TO AMEND THE CODIFIED ORDINANCES OF THE CITY OF LINCOLN PARK BY ADDING A NEW CHAPTER 892 – TAX ABATEMENT – PARK PLAZA", be given its third and final reading and be ADOPTED.

**THE CITY OF LINCOLN PARK ORDAINS:**

That the Codified Ordinances of the City of Lincoln Park by amended by adding a new Chapter 892 – TAX ABATEMENT – PARK PLAZA.

**892.01 SHORT TITLE.**

This Chapter shall hereafter be known and cited as the City of Lincoln Park Tax Abatement Ordinance for Park Plaza.

**892.02 ACKNOWLEDGEMENTS.**

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with State Housing Development Authority Act of 1966 (1966 PA, as amended, M.C.L.A. Section 125.1401 et seq.). The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same, by providing certain real estate tax exemption for such housing, is a valid public purpose, and, further, that the continuance of the provisions of this chapter is essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The City acknowledges that Fort Street Associates Limited Dividend Housing Association Limited Partnership (the "Sponsor") has offered to acquire, own and operate a housing development, identified as Park Plaza, on certain property located at 200 Fort Street in the City of Lincoln Park, to serve persons of low income. The Sponsor has offered to pay the City on account of this housing development an annual service charge for public services in lieu of all taxes.

The real property upon which the project is to be built is described as follows:

City of Lincoln Park, County of Wayne, State of Michigan, and described as follows:

Lots 7, 8 and 9, Lincoln Park Urban Renewal Replat No. 2 of Part of Private Claim 61, as recorded in Liber 94, Pages 42 and 43 of Plats, Wayne County Records.

Tax I.D. No. 45-002-10-0007-000

Oxford Realty, Inc., will serve as the general partner of the Sponsor, Fort Street Associates Limited Dividend Housing Association Limited Partnership, a Michigan Limited Partnership, which partnership has been organized pursuant to Chapter 7 of the State Housing Development Authority Act, being 1966 PA 346, as amended, for the exclusive purpose of providing housing facilities for persons of low and moderate income.

**892.03 DEFINITIONS.**

As used in this chapter:

- (a) "Authority" means the Michigan State Housing Development Authority.
- (b) "Act" means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.
- (c) "Annual shelter rent" means the total collections during an agreed annual period from all occupants of a housing development, representing rent or occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants or paid by the project.
- (d) "Federally-aided mortgage" means any of the following:
  - (i) A below market interest rate mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development.
  - (ii) A market interest rate mortgage insured by the Secretary of the Department of Housing and Urban Development and augmented by a program of rent supplements.
  - (iii) A mortgage receiving interest reduction payments provided by the Secretary of the Department of Housing and Urban Development.

- (iv) A mortgage on a housing project to which the Authority allocates low income housing tax credits.
- (v) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate income housing, consistent with the Act.
- (e) "Housing development" means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the Authority determines to improve the quality of the development as it relates to housing for persons of low income.
- (f) "Utilities" means fuel, water, sanitary sewer service and/or electrical service which are paid by the Housing development.

**892.04 APPLICATION OF CHAPTER TO PARK PLAZA.**

The class of housing developments to which tax exemptions shall apply and for which a service charge shall be paid in lieu of taxes shall be housing developments of multiple dwellings for persons of low income which are financed or assisted pursuant to the Act or a Federally-aided mortgage. Park Plaza is of this class.

**892.05 ESTABLISHMENT OF ANNUAL SERVICE CHARGE.**

The Housing development identified as Park Plaza and the property on which it is situated shall be exempt from all property taxes from and after its acquisition by the Sponsor. The City, acknowledging that the Sponsor and the Authority and/or the provider of financing to the Sponsor secured by a Federally-aided mortgage have established the economic feasibility of the Housing development in reliance upon the enactment and continuing effect of this Chapter and the qualification of the Housing development for exemption from all property taxes and a payment in lieu of taxes as established in this Chapter, and in consideration of the Sponsor's offer to acquire, own and operate the Housing development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be seven percent (7%) of the gross annual shelter rents actually collected for the applicable calendar years for the duration of this tax abatement as provided in Section 892.08.

**892.06 CONTRACTUAL EFFECT OF CHAPTER.**

Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority and/or the mortgagee of any Federally-aided mortgage, as third party beneficiary under contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Chapter.

**892.07 PAYMENT OF SERVICE CHARGE.**

The service charge in lieu of taxes as determined under this Chapter shall be payable in the same manner as general property taxes are payable, except that the annual payment shall be paid on or before July 1 of each year.

**892.08 DURATION OF CHAPTER.**

This Chapter shall remain in effect and shall not terminate so long as the Authority's mortgage or a Federally-aided mortgage remains outstanding and unpaid or the Authority has any interest in the property, or the Housing development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

Motion unanimously carried.

ADOPTED: July 19, 2004  
PUBLISHED: July 28, 2004  
EFFECTIVE: July 28, 2004

**RESOLUTION 04-384 Set Closed Mtg/Labor Negotiations**

By Councilwoman Brady, supported by Councilman DiSanto.

RESOLVED, that a **Closed Meeting** of the Mayor, Council and City Manager be held on **Monday, July 26, 2004 at 6:30 p.m.** to be held in the Conference Room of City Hall for the purpose of discussing labor negotiations.

Motion unanimously carried.

No Action taken regarding soliciting bids misc. street sections.

Lot Split 1665 Pagel HELD ONE WEEK.

Lot Split/Combination Vacant Anne St. Property HELD ONE WEEK.

**RESOLUTION 04-385 Appr. Site Plan /906 John A. Papalas Dr.**

By Councilwoman Brady, supported by Councilman Vaslo.

RESOLVED, that Site Plan PC #03-09 for 906 J.A. Papalas Drive be approved contingent upon securing proper licensing approvals including dance and entertainment permit and all other approvals from the Michigan Liquor Control Commission and all other agencies and governmental entities.

Motion carried.

NAYS: Councilpersons Brady and Murphy.

**RESOLUTION 04-386 Object Wayne County Retro Fees**

By Councilwoman Brady, supported by Councilman Higgins.

WHEREAS, the Wayne County Assessment and Equalization Department has notified the City of Lincoln Park that effective October 1, 2003 the Engineering and Tax Mapping Service Charges assessed to the City will be increased, and

WHEREAS, the increase of fees being retroactive does not allow for the City to recover these fees and places an undue burden on the City to absorb these charges.

THEREFORE BE IT RESOLVED that the City of Lincoln Park strongly objects to the increase of the Engineering and Tax Mapping fees being retroactive.

FURTHER BE IT RESOLVED, that the City Clerk be instructed to forward a copy of this resolution to Wayne County Executive Robert A. Ficano, and all participating members of the Downriver Community Conference.

Motion unanimously carried.

CITIZENS COMMUNICATIONS

ORAL REPORTS OF THE MAYOR AND COUNCIL

There being no further business, the meeting adjourned at 9:47 p.m.

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**STEVEN M. BROWN, MAYOR**

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**DONNA BREEDING, CITY CLERK**