



**CITY OF OAK PARK, MICHIGAN  
REGULAR COUNCIL MEETING OF THE  
36<sup>th</sup> OAK PARK CITY COUNCIL  
January 3, 2017  
7:00 PM**

**MINUTES**

The meeting was called to order at 7:00 PM by Mayor McClellan in the Council Chambers of City Hall located at 14000 Oak Park Boulevard, Oak Park, MI 48237. (248) 691-7544.

**PRESENT:** Mayor McClellan, Mayor Pro Tem Burns, Council Member Radner,  
Council Member Rich

**ABSENT:** Council Member Speech (Excused due to illness)

**OTHERS**

**PRESENT:** City Manager Tungate, City Clerk Norris, City Attorney Murphy

**APPROVAL OF AGENDA:**

**CM-01-001-17 (AGENDA ITEM #4) ADOPTION OF THE AGENDA AS  
SUBMITTED – APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to approve the agenda as submitted

Voice Vote:            Yes:        McClellan, Burns, Radner, Rich  
                              No:        None  
                              Absent:    Speech

**MOTION DECLARED ADOPTED**

**CONSENT AGENDA:**

**CM-01-002-17 (AGENDA ITEM #5A-J) CONSENT AGENDA - APPROVED**

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to approve the Consent Agenda consisting of the following items:

- A. Regular Council Meeting Minutes of December 19, 2016 **CM-01-003-17**
- B. Request to cancel the regularly scheduled Zoning Board of Appeals Meeting of January 27, 2017 **CM-01-004-17**
- C. Request to cancel the regularly scheduled Planning Commission Meeting of January 9, 2017 **CM-01-005-17**
- D. Planning Commission Meeting Minutes of October 10, 2016 and November 14, 2016 **CM-01-006-17**
- E. Recycling and Environmental Commission Meeting Minutes of October 20, 2016 **CM-01-007-17**
- F. Corridor Improvement Authority Board Meeting Minutes of October 20, 2016

**CM-01-008-17**

- G. Proposed change order No. 1 in the amount of (\$28,029.11) and payment application No. 4 in the amount of \$226,197.59 to Mattioli Cement Co., LLC for the 2016 Sidewalk Replacement Project, M-627 **CM-01-009-17**
- H. Proposed change order No. 1 in the amount of (\$87,688.50) and payment application No. 3 in the amount of \$12,128.41 to Pro-Line Paving Corp. for the Scotia Resurfacing Project, M-642 **CM-01-010-17**
- I. Request to schedule a public hearing for February 6, 2017 to consider the adoption of revisions to the Corridor Improvement Authority Development and Tax Increment plans **CM-01-011-17**
- J. Licenses - New and Renewals as submitted for January 3, 2017 **CM-01-012-17**

**MERCHANT'S LICENSES – January 3, 2017**  
**(Subject to All Departmental Approvals)**

<u>NEW MERCHANT</u>	<u>ADDRESS</u>	<u>FEE</u>	<u>BUSINESS TYPE</u>
None			
<u>RENEWALS</u>	<u>ADDRESS</u>	<u>FEE</u>	
Midland Equipment	12771 Capital	\$150	Tool Repair
Four Seasons Garden Center	14471 Eleven Mile	\$150	Landscape
Elie Khoury, MD	24611 Coolidge	\$150	Medical
Salwan Francis, DDS	24611 Coolidge	\$150	Medical / Dental
E Z Petroleum 4 Inc	13551 Nine Mile	\$150	Gas Station
McDonald's/Martinique Mgmt	21000 Greenfield	\$150	Fast Food Restaurant

**TAXI CAB/MOTOR VEHICLE FOR HIRE – RENEWALS 2017**  
**(Subject to All Departmental Approvals)**

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Inder Singh Khera	Yellow Cab of Southfield	47451 Iroquois Ct.

**PAWN BROKER – RENEWAL 2017**  
**(Subject to All Departmental Approvals)**

<u>NAME</u>	<u>ADDRESS</u>	<u>FEE</u>
Pay Benny, Inc. *Surety Bond Approval	21380 Greenfield	\$400

Voice Vote:            Yes:            McClellan, Burns, Radner, Rich  
                               No:            None  
                               Absent:      Speech

**MOTION DECLARED ADOPTED**

**RECOGNITION OF VISITING ELECTED OFFICIALS:** None

**SPECIAL RECOGNITION/PRESENTATIONS:** None

**PUBLIC HEARINGS:** None

**COMMUNICATIONS:** None

**SPECIAL LICENSES:** None

**ACCOUNTING REPORTS:**

**CM-01-013-17 (AGENDA ITEM #11B) APPROVAL FOR PAYMENT OF AN INVOICE SUBMITTED BY SECREST, WARDLE, LYNCH, HAMPTON, TRUEX & MORLEY, P.C. FOR LEGAL SERVICES IN THE TOTAL AMOUNT OF \$10,962.34 - APPROVED**

Motion by Rich, seconded by Burns, CARRIED UNANIMOUSLY, to approve payment of Invoice #1299569 as submitted by Secrest, Wardle, Lynch, Hampton, Truex & Morley, P.C. for legal services in the total amount of \$10,962.34.

Roll Call Vote:	Yes:	McClellan, Burns, Radner, Rich
	No:	None
	Absent:	Speech

**MOTION DECLARED ADOPTED**

**BIDS:** None

**ORDINANCES:**

**CM-01-014-17 (AGENDA ITEM #13A) FIRST READING OF AN ORDINANCE TO AMEND THE JEFFERSON OAKS PAYMENT IN LIEU OF TAXES (PILOT) ORDINANCE - APPROVED**

Motion by Radner, Seconded by Burns, CARRIED UNANIMOUSLY, to approve the first reading of the following ordinance to amend the Jefferson Oaks Payment In Lieu of Taxes (Pilot) Ordinance:

**CITY OF OAK PARK, MICHIGAN  
ORDINANCE NO.**

**AN ORDINANCE TO AMEND SECTION 72-61, TAX EXEMPTION ORDINANCE- JEFFERSON OAKS PILOT, OF ARTICLE III, TAX EXEMPTION ORDINANCE- JEFFERSON OAKS PILOT, OF CHAPTER 72, TAXATION, OF THE CODE OF ORDINANCES OF THE CITY OF OAK PARK, MICHIGAN.**

**THE CITY OF OAK PARK ORDAINS:**

**SECTION 1.**

Section 72-61, Tax Exemption Ordinance- Jefferson Oaks Pilot, of Article III, Tax Exemption Ordinance Jefferson Oaks Pilot, of Chapter 72, Taxation, of the Code of Ordinances of the City of Oak Park is hereby amended to read as follows:

Sec. 72-61. - Tax exemption ordinance- Jefferson Oaks Pilot.

- (a) This ordinance shall be known and cited as the City of Oak Park Tax Exemption Ordinance- Jefferson Oaks.
- (b) *Preamble.* It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. 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 low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The city acknowledges that the sponsor, **CHN Jefferson Limited Dividend Housing Association Limited Partnership**, (as defined below) has ~~offered~~ **committed**, subject to receipt of a mortgage loan from the Michigan State Housing Development Authority, ~~to acquire and~~ **an allocation of Tax Credits (as defined below)** to rehabilitate, own and operate a housing ~~project~~ **development** identified as Jefferson Oaks on certain property located at 22001 Republic in the city, **which is legally described in Section 4.G. of this ordinance**, to serve low income persons and families, and that the sponsor has offered to pay **and will pay** the city on account of this housing ~~project~~ **development** an annual service charge for public services in lieu of all ad valorem property taxes.

- (c) *Purpose.* **This ordinance authorizes and approves an annual service charge in lieu of all ad valorem property taxes for residential housing developments that: (a) serve low income or moderate income persons (as defined in the Act and this ordinance); (b) are financed or assisted by a federally-aided mortgage in accordance with the Act; (c) are located within the city of; and (d) comply with this ordinance.**
- (ed) *Definitions.* [The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

***Annual shelter rents* means the total actual collections during each calendar year from all occupants of a housing development representing rents or occupancy charges, which rental amounts shall be exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.**

***Authority*** means the Michigan State Housing Development Authority.

~~*Annual shelter rent* means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of utilities.~~

***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 (“HUD”);**
- (ii) **A market interest rate mortgage insured by HUD and augmented by a program of rent supplements;**
- (iii) **A mortgage receiving interest reduction payments provided by the HUD;**
- (iv) **A mortgage on a Housing Development to which the Authority allocates low income housing tax credits under Section 22b of the Act; or**
- (v) **A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.**

***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. For the purposes of this ordinance, “Housing Development” means Jefferson Oaks Apartments located on the property legally described as:**

A parcel of land located in part of the N.W. ¼ of Section 33, T. 1 N., R. 11 E., Royal Oak Township, Oakland County, Michigan, being more particularly described as:

Beginning at a point on a line 25 feet West of the East line of Republic Avenue, said point being S. 87°45'09" E. 1279.87 feet along the North line of said Section 33 and S. 00°54'09" E. 613.16 feet along said line from the N.W. corner of said Section 33; thence S. 00°54'09" E. 664.60 feet; thence along the North line of Leroy Street (width varies) S. 88°01'31" W. 609.90 feet; thence along the East line of “Ferndale-Wyoming Subdivision” as recorded in Liber 86 of Plats, Page 17, Oakland County Records, N.00°56'00" W. 364.78 feet; thence N. 88°02'31" E. 380.10 feet; thence N. 00°54'09" W. 300.00 feet; thence along the South line of Saratoga Street (60 feet wide) N. 88°02'31" E. 230.00 feet to the point of beginning.

~~*Low income persons and families* means persons and families eligible to move into a housing project.~~

***Low income or moderate income persons* means persons and families eligible to reside in the Housing Development as defined in the Act, as amended.**

~~*Mortgage loan* means a loan or grant made or to be made by the authority to the sponsor for the construction, rehabilitation, acquisition and/or permanent financing of the housing project, and secured by a mortgage on the housing project.~~

~~*Sponsor* means Community Housing Network, Inc. (“CHN”) and any entity that receives or assumes a mortgage loan.~~

***Sponsor* means person(s) or entities which have applied to the Authority for the Tax Credits to finance a Housing Development. For the purposes of this**

**Ordinance, the Sponsor is CHN Jefferson Limited Dividend Housing Association Limited Partnership.**

***Tax credits* means the low income housing tax credits made available by the Authority to the sponsor for rehabilitation of the housing development by the sponsor in accordance with the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.**

***Utilities* means charges for fuel, gas, electric, water, sanitary sewer and other utilities furnished to the occupants ~~that~~ **and which** are paid by the housing ~~project~~ **development**.**

- (~~de~~) ***Class of housing ~~projects~~ development.*** It is determined that the class of housing ~~projects~~ **development** to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing ~~projects~~ **development** for low income persons and families that are financed with a ~~mortgage loan by the authority~~ **federally aided mortgage**. It is further determined that Jefferson Oaks is of this class.
- (~~ef~~) ***Establishment of annual service charge.*** The housing ~~project~~ **development** identified as Jefferson Oaks and the property on which it will be located shall be exempt from all ad valorem property taxes from and after the commencement of construction or rehabilitation. The city acknowledges that the sponsor and the authority have established the economic feasibility of the housing ~~project~~ **development** in reliance upon the enactment and continuing effect of this ordinance, and the qualification of the housing ~~project~~ **development** for exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this ordinance. Therefore, in consideration of the sponsor's offer to rehabilitate, construct and operate the housing ~~project~~ **development**, the city agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a **federally-aided mortgage loan**, the annual service charge shall be equal to ten percent of the annual shelter rents actually collected by the housing ~~project~~ **development** during each operating year, however it is expressly understood and agreed that in any event, the minimum annual service charge to be paid for years one through 18 will be equal to the projections submitted by sponsor in support of its request for the pilot as approved by city council on August 3, 2015.
- (~~fg~~) ***Contractual effect of ordinance.*** Notwithstanding the provisions of [Section 15\(a\)\(5\)](#) of the Act to the contrary, **this ordinance constitutes** a contract between the city and the sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption **from ad valorem property taxes** and accept payments **of an annual service charge** in lieu of taxes, as previously described, is effectuated by enactment of this ordinance.
- (~~gh~~) ***Limitation on the payment of annual service charge.*** Notwithstanding **any other** subsection (~~e~~), the service charge to be paid each year in lieu of taxes for the part of the housing ~~project~~ **development** that is tax exempt but which is occupied by other than low **or moderate** income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing ~~project~~ **development** if the housing ~~project~~ **development** were not tax exempt.

- (hi) *Payment of service charge.* The annual service charge in lieu of taxes as determined under this ordinance shall be payable in the same manner as general property taxes are payable to the city/township and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before ~~August~~ **May** 1 of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1 et seq.).
- (hj) *Duration.* This ordinance shall remain in effect ~~for a period of 18 years commencing from the date the mortgage loan is executed.~~ **and shall not terminate for so long as the housing development remains subject to a federally-aided mortgage and so long as the housing development submits the required annual notification of exemption pursuant to MCL 125.1415a(1), as amended.**
- (k) **Filing of Annual Audit.** The sponsor, or its successor, shall file a copy of any and all annual audits required to be provided to the federal government, the State of Michigan, and/or the Authority simultaneously with the city. The audit shall include detail with respect to occupancy of the housing development, annual shelter rents received from the housing development and the cost for utilities during the audit period.

**SECTION 2. Severability.**

No other portion, paragraph or phrase of the Code of Ordinances of the City of Oak Park shall be affected by this ordinance, except as to the above section and in the event any portion, section or subsection of this ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this ordinance or of the Code of Ordinances of the City of Oak Park.

**SECTION 3. Effective Date.**

This ordinance shall become effective ten (10) days from the date of its passage and shall be published as required by the Charter of the City of Oak Park.

Voice Vote:	Yes:	McClellan, Burns, Radner, Rich
	No:	None
	Absent:	Speech

**MOTION DECLARED ADOPTED**

**CITY ATTORNEY:** No Report

**CITY MANAGER:**

**Community and Economic Development, Planning Division**

**CM-01-015-17 (AGENDA ITEM #15A) REQUEST TO ACCEPT THE RECOMMENDATION OF THE PLANNING COMMISSION AND APPROVE DISTRIBUTION OF THE DRAFT MASTER PLAN - APPROVED**

Motion by Radner, seconded by Burns, CARRIED UNANIMOUSLY, to accept the recommendation of the Planning Commission and approve distribution of the Draft Master Plan.

Roll Call Vote:        Yes:            McClellan, Burns, Radner, Rich  
                              No:            None  
                              Absent:        Speech

**MOTION DECLARED ADOPTED**

Community and Economic Development Director Marrone stated that at their December 12, 2016 meeting, the Planning Commission reviewed the draft Master Plan and was generally satisfied with the document. The Planning Commission voted to present the plan to City Council and request its distribution. Ms. Marrone summarized the draft document and proposed schedule for its approval. She noted that a public meeting is scheduled for January 30, 2017 to discuss the plan. The draft Master Plan document can be found on the city's website.

**Recreation**

**CM-01-016-17            (AGENDA ITEM #15B) REQUEST TO INCREASE THE PARTICIPANT FEES FOR TOTAL BODY WORKOUT FROM \$1 PER CLASS TO \$2 PER CLASS AND BASIC HATHA YOGA FROM \$2 PER CLASS TO \$4 PER CLASS TO BE EFFECTIVE JANUARY 2017 - APPROVED**

Motion by Burns, seconded by Radner, CARRIED UNANIMOUSLY, to increase the participant fees for Total Body Workout from \$1 per class to \$2 per class and Basic Hatha Yoga from \$2 per class to \$4 per class to be effective January 2017.

Roll Call Vote:        Yes:            McClellan, Burns, Radner, Rich  
                              No:            None  
                              Absent:        Speech

**MOTION DECLARED ADOPTED**

Oak Park Recreation Department is requesting to amend the fees charged for two fitness classes. Increasing participant's fees for Total Body Workout from \$1 to \$2 per class and Basic Hatha Yoga from \$2 per class to \$4 per class will cover the cost of the instructor and administrative fees.

**CALL TO THE AUDIENCE:**

Joyce Bannon, 10611 Troy, expressed concerns about residents who do not have access to the internet and their lack of exposure to city information. She also expressed concerns about the proposed tax breaks available to residents of the Jefferson Oaks development project.

**CALL TO THE COUNCIL:**

**Mayor McClellan** reminded everyone to attend the Winterfest event to be held the last weekend of January.

**Mayor Pro Tem Burns** thanked everyone for coming out and encouraged them to be safe.

**Council Member Radner** thanked everyone for coming and wished them a good night.



**Council Member Rich** wished everyone a good night.

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor McClellan adjourned the meeting at 7:28 P.M.

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T. Edwin Norris, City Clerk

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Marian McClellan, Mayor