

**Regular Meeting of the Howell City Council**  
**Monday, November 7, 2016**  
**Howell City Council Chambers – Lower Level**  
**611 E. Grand River**  
**Howell, Michigan 48843**  
**517-546-3502**

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1. The regular meeting of the Howell City Council was called to order by Mayor Nick Proctor at 7:00 p.m.

Council Members Present: Robert Ellis, Jeff Hansen, Jan Lobur, Michael Mulvahill and Mayor Nick Proctor.

Council Members Absent: Scott Niblock and Steven Manor.

Also Present: City Manager Shea Charles, City Attorney Dennis Perkins and Deputy City Clerk Deanna Robson.

Others in Attendance: Police Chief George Basar, Finance Director/Treasurer Catherine Stanislawski, Community Development Director Tim Schmitt, DPW Superintendent Marcel Goch, Assessor Joey Lentine, DDA Outreach Coordinator Kate Litwin, Paul Streng, Debbie Neumann, Dominic Romano, Caron Davis, Mark Szerlag and John Porth.

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVED MINUTES**

MOTION by Ellis, SUPPORT by Lobur, “To approve the minutes of the regular meeting of the City Council held October 24, 2016 as amended.” Mayor Proctor noted that the meeting actually began at 7:03 p.m. MOTION CARRIED (5-0).

4. **CITIZENS’ COMMENTS**

- None.

5. **REPORTS – COUNCIL MEMBERS SERVING ON COMMISSIONS**

- Member Ellis reported that at the November 1<sup>st</sup> meeting of the Howell Area Parks & Recreation Authority the Board revised the employee handbook as it relates to recent legislative changes in overtime requirements; attempted and failed to amend the handbook as it pertains to harassment relating to sexual orientation and gender; approved some revisions of the articles of incorporation, which will be distributed to the participating municipalities for ratification; eliminated the open school board position due to lack of participation from Howell Public Schools; and approved draft 2017 budget and third quarter 2016 budget adjustments, including reallocation of funds. He noted that the Authority will end the year with an approximate \$100,000 fund balance and is meeting the deficit reduction plan.

- Member Ellis also informed Council about the new Teen Center location: the Board discussed the Memorandum of Understanding with the property owner; the Certificate of Occupancy is expected within a couple of weeks; the grand opening is planned for January 20<sup>th</sup>; and they are working through tile and flooring issues regarding the deterioration of the asbestos tiles and associated repair/replacement costs. The next meeting is scheduled for December 20<sup>th</sup>.
- Mayor Proctor noted that the DDA Board met on October 26<sup>th</sup> and he announced the following events: Lunar New Year Festival on February 4<sup>th</sup>; Small Business Saturday on November 26<sup>th</sup>; and a food truck rally on Saturday, November 12<sup>th</sup> from noon until 3 p.m. in the parking lot near the old train depot. He added that downtown has a low vacancy rate but the Board is looking at sprucing up the craft paper in some vacant buildings by putting up creative signs. Mayor Proctor also informed Council that Main Street was just reaccredited by National Main Street Center, Inc. for another two years. Mayor Proctor introduced DDA President Brian Walker who thanked Howell Main Street committee members for their work in helping to achieve the master level Main Street accreditation for the 11<sup>th</sup> year in a row; listed the vendors for the upcoming food truck rally; noted that Fantasy of Lights VIP seating is available for 100 Friends of Howell Downtown; stated that 200 goodie bags will be distributed at Uptown Coffee House for Small Business Saturday; informed Council that donations can be made to Howell Main Street Inc. on Giving Tuesday; and announced that the downtown storefront decorating contest will be held November 21<sup>st</sup> – 28<sup>th</sup>.

6. **COUNCIL CORRESPONDENCE**

- None.

7. **PRESENTATION – REDEVELOPMENT COMMUNITIES**

Community Development Director Timothy Schmitt introduced Debbie Neumann from the Michigan Economic Development Corporation (MEDC) to provide information to Council regarding the Redevelopment Ready Communities (RRC) program and the evaluation and certification process which will impact future grant funding.

Debbie Neumann, RRC Planner with the MEDC, also introduced Dominic Romano, the City's Community Assistance Team Representative, and stated that the RRC is a third party independent review and audit team with a strategic focus to empower communities to develop strong foundations to attract businesses. She noted that the previous completion of the Master Plan by the City shows commitment to the program. She informed Council that the RRC has a team approach that integrates transparency and efficiency to decide how communities will pursue best practices; and there is no cost to the City. Ms. Neumann reviewed a presentation, the RRC process and six best practices. She noted that the Master Plan and Capital Improvement Plan should go hand in hand with the community vision; adding that community vision is implemented via the zoning ordinance. Mayor Proctor inquired about the timeline for the project and Ms. Neumann responded that timing is flexible and mainly determined by the City; the report of

findings should be completed in December followed by a resolution, Memorandum of Understanding and quarterly reports; and the partnership between RRC and the City is ongoing, and can also include future marketing assistance. She thanked Council for their participation and noted her enthusiasm regarding the project.

Mayor Proctor stated that he believes this project is something that the community is excited about, noting the meetings at the Chamber of Commerce regarding place-making and economic development as well as the work of the Planning Commission regarding rezoning and implementation of form-based code in the South Michigan Avenue corridor. He inquired about the timeline and Dominic Romano responded that the timeline is not as important as getting the process right and completing the work. He noted the importance of the work already begun by the City through the MEDC to help improve the community, and also recognized the value of RRC.

**8. APPROVED – PURCHASE AGREEMENT, HIGHLAND HOWELL PROPERTY**

City Manager Shea Charles stated that the City initially received two offers for the Highland Howell property, and unexpectedly received additional information from Cornerstone Building Group earlier that day with a slight increase to their initial offer. He added that if Council approves the term sheet from Branoff & Randle, LLC, as recommended, staff will work to develop a purchase agreement for Council approval.

Mark Szerlag, Thomas Duke Company, stated that he and his associate John Porth have met with both Branoff & Randle, LLC and Cornerstone Building Group and received corresponding purchase offers. He noted that both offers were terms deals, not cash offers. The most recent offer from Cornerstone Building Group included a slight increase to their initial land contract offer; an agreement to sell the property as long as the buyer continues to make payments. The offer from Branoff & Randle, LLC is also a terms deal where they are required to make payments in order to obtain releases of portions of the property; and the agreement would terminate with no need for litigation if the buyer did not make the required payments. Mr. Szerlag added that the deal was structured so that it was front-loaded and would be beneficial for the developer as well as the City; the parcels will be less expensive to acquire in each phase; and presents a significant opportunity to develop the road on the property.

Discussion followed regarding the differences between the development companies and the corresponding offers. Mr. Szerlag informed Council that the first phase with either developer would likely be multi-family (without frontage on Michigan Avenue so as to promote development of the road and back properties), followed by a mixture of residential and commercial styles. City Manager Charles stated that the City provided a copy of a development plan previously submitted as part of the marketing of the property as conceptual ideas

to which the City is amenable. Conversation continued regarding the proposed interest rate for the land contract offer; the expectation that development would continue until the property is fully developed; financial statements and reputations of both developers; the due diligence period; market improvement; location of the property; potential added revenue to the City if the property is developed; other large parcels for sale in the county; the terms sheet; impact on the long-term revenue stream; contract payments and the corresponding development phases; the Class A road type requirement; challenges to developing the road and the property; Branoff Randle, LLCs ability to leverage brown field tax dollars to build the road; the proper apportioning of the water and sewer utilities; and the sales commission agreement – split with the other realtor and paid on release phases versus paid on sale for the land contract.

MOTION by Ellis, SUPPORT by Hansen, “To approve the term sheet for the sale of the Highland Howell property, selling the land in three phases, to Branoff Randle Real Estate Partners for a total of \$3,000,000 and to direct City staff to develop a purchase agreement to be subsequently approved by City Council.” MOTION CARRIED (5-0).

9. **APPROVED – CONTRACT FOR THIRD PARTY ADMINISTRATOR, MEDC FACADE**

MOTION by Ellis, SUPPORT by Hansen, “To award the contract for Third Party Administrative services for the Downtown Façade Project to Revitalize LLC, with MEDC paying the entirety of the contract cost.” MOTION CARRIED (5-0).

10. **INTRODUCED – ORDINANCE NO. 910, MICRO ALCOHOL PRODUCTION**

Member Lobur introduced Ordinance No. 910, Micro Alcohol Production Facilities.

Mayor Proctor introduced Planning Commission Chairman Paul Streng to share any wisdom from Planning Commission discussions and Chairman Streng stated that he would be glad to respond to Council questions. Council inquired if the ordinance would affect establishments currently operating in the City or already approved, and Mr. Streng confirmed that those businesses would not be affected because they are grandfathered. Community Development Director Schmitt also confirmed that if an owner of an approved micro alcohol business sells that business, approval would be void if the business closed and the new owner failed to reopen within six months of the change in ownership.

11. **APPROVED PAYMENT OF BILLS**

MOTION by Lobur, SUPPORT by Ellis, “To approve payment of bills ending November 7, 2016 in the amount of \$717,508.18 and payroll to cover the period ending November 12, 2016.” Mayor Proctor questioned Genesee County AFIS Consortium and Member Mulvahill questioned Livingston Treasurer MTT, Municipal Advisory Council and Plumbing Tech. MOTION CARRIED (5-0).

**12. CITY MANAGER'S REPORT**

- Joint session with the DDA has been scheduled for December 1<sup>st</sup>, 7-9 pm, in the Meabon Room at the Howell Carnegie District Library.
- Tree issue brought up at the October 24<sup>th</sup> Council meeting by Nancy Mate has been resolved and will be re-evaluated in the spring when the trees bloom.
- Water main radial crack was repaired on Grand River in front of New China King.
- Community meeting regarding the North/South Rail study has been scheduled for Monday, November 14<sup>th</sup>, 6:30-8:30 pm, at the Bennett Recreation Center.
- Joint meeting and presentation with the Livingston County Finance Committee is scheduled for November 22<sup>nd</sup> or 23<sup>rd</sup> – will verify and communicate.
- General Election on November 8<sup>th</sup> – thanked City staff including Jane Cartwright, Deanna Robson, Lindsay Spitler and the DPW staff for help in setting up the polling locations.

**13. OLD BUSINESS**

- None.

**14. NEW BUSINESS**

- MOTION by Hansen, SUPPORT by Ellis, “To excuse member Scott Niblock from the November 7, 2016 meeting due to business travel, and member Steve Manor due to personal travel.” MOTION CARRIED (5-0).
- Mayor Proctor voiced his support for the Duane Zemper Legacy Project kickoff fundraiser at the Howell Opera House; thanked Jon King and WHMI for their support and attendance; and added that the project committee is trying to raise funds for a sculpture in Mr. Zemper’s honor.

**15. EXECUTIVE SESSION – PROPERTY ACQUISITION**

- 8:28 p.m. MOTION by Hansen, SUPPORT by Lobur, “To adjourn to executive session to discuss property acquisition with a roll call vote.” Lobur – yes, Hansen – yes, Mulvahill – yes, Ellis – yes, Proctor - yes. MOTION CARRIED (5-0).
- 8:45 p.m. MOTION by Hansen, SUPPORT by Ellis, “To reconvene the regular meeting.” MOTION CARRIED (5-0).
- 8:47 p.m. MOTION by Ellis, SUPPORT by Hansen, “To decline the right of first refusal in the sale of the property located at 121 South Walnut based on the sale by the Ann Arbor Railroad to Schroeder Properties, LLC for an amount of \$475,000.00.” MOTION CARRIED (5-0).

**17. ADJOURN**

MOTION by Hansen, SUPPORT by Mulvahill, “To adjourn the regular meeting of the City Council at 8:48 p.m.” MOTION CARRIED (5-0).

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Nick Proctor, Mayor

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Deanna Robson, Deputy City Clerk