

City of Iron Mountain

501 S. Stephenson Ave
Iron Mountain, MI 49801
Telephone: 906-774-8530
Fax: 906-774-3774

Email: clerktreasurer@cityofironmountain.com

Website: www.cityofironmountain.com

Special Meeting of the City Council, City of Iron Mountain, County of Dickinson, Michigan held on Wednesday, September 28, 2016 at 6:30 p.m. in the Council Room.

Presiding: Mayor Alessandrini

Present: Council Members List, Revord, Stohl, Coe & Blomquist

Absent: Council Member Maule

Also Present: City Manager Stanchina & City Attorney Pirkola

Public Comment

None

Planned Unit Development Approval Re: Commonwealth Development

It was moved by Alessandrini and supported by Revord to approve the planned unit development for Commonwealth Development's adaptive reuse of Central School and the surrounding property.

Motion Prevailed Unanimously

Public Hearing

Payment in Lieu of Tax Ordinance Re: Commonwealth Development

Alessandrini opened the Public Hearing.

David Ritchay, Vice President of Development for Commonwealth Development Corporation, outlined the project's funding mechanisms, Michigan State Housing Development Authority scoring criteria, and taxation calculations.

Mike Miller – 400 Lake Antoine Road

Miller expressed the opinion that there is a sufficient amount of veterans that are currently in need of affordable housing.

Jeff Michaud – 801 Wells Street (Iron Mountain Public School's Board President)

Michaud detailed the reasons that the Iron Mountain Public Schools must sell the former Central School.

Katie Maxon – 1300 E. Grand Boulevard

Maxon read a letter of support for the proposed project that was authored by Russ Kassin, W8910 W. Grand Oak Drive, Breitung Township, Economic Development Alliance member, due to the positive economic impact on the City.

Kim Harder-Webb – 1000 Detroit Avenue

Webb indicated that in her experience as a real estate agent there is a shortage of rentals in the area and that additional foot traffic in the downtown would be ideal.

Debbie Cavalieri – 311 4th Street

Cavalieri supported the Commonwealth Development project based on its ability to aid the school and the community.

William Toedter – 517 W. F Street

Toedter objected to the unfairness of approving a payment in lieu of taxes for Commonwealth Development and not the other landlords in the City.

Barb Kramer – 135 Bradley Street

Kramer relayed that suitable low-cost rental space is in high demand.

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Bob Moraska – 224 W. D Street

Moraska voiced his objection to low-income housing being developed in his neighborhood and adjacent to the school campus.

Raphael Rittenhouse – 1025 N. Evergreen Drive

Rittenhouse stated that it is important to preserve the school's human capital through the completion of this project.

Dave Brule – 1203 Evergreen Drive

Brule conveyed his support for the project due to the positive affects it will have on the school and its ability to rejuvenate the surrounding neighborhood.

Bruce Rosen – 1307 S. Hemlock Street

Rosen questioned the difference between Commonwealth Development's and the City's calculation of the full tax rate for the Central School redevelopment. He imparted that approving a payment in lieu of taxes for this development would not be equitable to the current landlords. Stanchina clarified the tax valuation discrepancy.

Blomquist raised the issue that if the development proposal was altered slightly, the taxes paid would be greatly increased. He asserted that the development would help the school and improve the neighborhood, but could be better configured to benefit the City. Blomquist reviewed how the development's income targets affect their State grant application and the City's tax allotment.

Ritchay explained the process Commonwealth Development undertook concerning the financial projections for the Central School project. He informed the City Council of the Central School Project's highest possible scoring and probability of success based up the best known criteria. Ritchay confirmed that Commonwealth Development cannot change their Michigan State Housing Development Authority(MSHDA) development proposal until the next project submission deadline in April of 2016. Ritchay offered an explanation on the method by which the property tax calculations were determined.

Stohl exited at 7:54 P.M.

Stohl entered at 8:00 P.M.

List exited at 8:10 P.M.

List entered at 8:13 P.M.

Blomquist communicated the opinion that there are several questions concerning the project's tax calculations. Revord stressed his support for the school district and his concerns for the level of understanding regarding the proposed payment in lieu of taxes (PILT) calculation.

Stohl, List and Alessandrini relayed their reluctance to approve the PILT without further consideration. Stanchina verified that the project can be awarded by MSHDA without the PILT being approved. Ritchay noted that the project's timetable was truncated by the Iron Mountain Public School's desire to complete the Central School sale within the current fiscal year.

Blomquist stated that without changing the income allocations, there is not going to be a way to adjust the payment in lieu of taxes and that not approving the PILT will only reduce their likelihood to get funding for the project. List conveyed the opinion that it would be preferable to vote on the issue now as the project's facts will not be altered in the future. Coe supported approving the project based on the fact that there is no revenue being derived from the Central School property at this time and that it could help save the school system. Alessandrini stressed the importance of ensuring the City is making the best decision for its citizens.

Robert Langsford – 903 Wells St. (Iron Mountain Public School's Vice President)

Langsford asserted that Commonwealth Development needs to have the most point possible to have the best chance of being awarded the grants.

Blomquist reasserted the argument that it would be preferable for the City to accept the current deal as there will not be a better deal offered in the future.

Alessandrini closed the Public Hearing.

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Old Business

Consideration of Payment in Lieu of Tax Ordinance Re: Commonwealth Development

It was moved by Revord and supported by Alessandrini to table the payment in lieu of taxes for Commonwealth Development's proposed redevelopment of the Central School and surrounding property.

List Aye

Alessandrini Aye

Stohl Aye

Coe Nay

Revord Aye

Blomquist Nay

Motion Prevailed (Aye-4, Nay-2, Abstain-0)

New Business

None

Public Comment

Bruce Rosen – 1307 S. Hemlock St.

Rosen thanked the City Council for their diligence on this matter.

Adjournment

It was moved by List and supported by Stohl to adjourn.

Motion Prevailed Unanimously

Meeting adjourned at 8:58 p.m.



Isaac Micheau
Clerk-Treasurer