

CITY COUNCIL MINUTES

City of Hillsdale
November 4, 2024
7:00 P.M.

Regular Meeting

Call to Order and Pledge of Allegiance

Mayor Adam Stockford opened the meeting with the Pledge of Allegiance.

Roll Call

Mayor Adam Stockford called the meeting to order. Clerk Price took roll call.

Council Members present: Adam Stockford, Mayor
Anthony Vear, Ward 1
Cynthia Pratt, Ward 2
William Morrissey, Ward 2
Bruce Sharp, Ward 3
Gary Wolfram, Ward 3
Joshua Paladino, Ward 4
Robert Socha, Ward 4

Council Members absent: R Greg Stuchell, Ward 1

Also Present: David Mackie (City Manager), Attorney John Lovinger, Katy Price (City Clerk), Jason Blake (DPS Director), Brandon Janes (IT), Mark Nicholas, Dan Poole (HCFD), CJ Toncray, Jeremiah Regan, C Winter, Matt Kniffin, Lucy Moyer, Sam Negus, John Condon, Joan Harvey, Susan Smith, Sam Waldvogel, John Mach, David Danford, Jack McLain, Jeff Fazekas, Dominick Sansone, Russell Richardson and Timothy Green.

Approval of Agenda

Motion by Councilman Morrissey, support by Councilman Vear, to approve the agenda as presented.

All ayes. Motion carried.

Public Comment

Jack McLain, Hillsdale Twp., spoke on rude comments that were made by a councilmember to another councilmember that was said at the last meeting, and a comment that discussions behind closed doors were needed.

Consent Agenda

- A. Approval of Bills
 - 1. City and BPU Claims of October 3, 2024: \$1,824,554.29
 - 2. Payroll of October 10, 2024: \$208,704.95
 - October 24, 2024: \$206,118.17
- B. City Council Minutes of October 21, 2024
- C. Finance Minutes of October 21, 2024
- D. Public Services Minutes October 15, 2024
- E. EDC Minutes of October 15, 2024
- F. BRA Minutes of October 15, 2024
- G. Traffic Control Order for Veterans Day Ceremony
- H. Veterans Day Ceremony Use Agreement
- I. Traffic Control Order for Holiday Steam-powered Passenger Train

Motion by Councilman Morrissey, support by Councilwoman Pratt, to approve the Consent Agenda.

Roll Call:

Councilman Paladino	Aye
Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrisey	Aye
Councilwoman Pratt	Aye

Motion passed 8-0

Communications/Petitions

A. Hillsdale County Commissioner Update – Doug Ingles

Introduction and Adoption of Ordinances/Public Hearings

A. Public Hearing- Resolution to Adopt Brownfield Plan for 300 Hidden Meadows Drive

The Three Meadows North project is anticipated to include multiple phases that span two or more years and will result in the development of sixty-two (62) new single-family detached homes when all phases have been completed.

The Developer has an executed purchase agreement with the City of Hillsdale Economic Development Corporation (“EDC”) to purchase the Property, which totals just over 22 acres, on which they propose to build these dwellings. The Developer intends to sell the first 80% (49 homes) of the units at market rate prices. In the event the market does not absorb the for-sale units then the Developer will rent the unsold units at market rate rents. A minimum of 20% (13 homes) will be reserved for workforce housing rentals to be rented to households earning at or below 120% of the Area Median Income (“AMI”).

The Developer is requesting reimbursement from the Brownfield Redevelopment Authority (“the Authority”) of up to \$7,032,663 for eligible brownfield activities. These eligible activities, which are defined in Act 381, are described in Section 2 of the Plan. Tax increment revenues (“TIR”) resulting from the increase in the value of the property as it is developed will be used to reimburse the Developer for the cost of eligible activities as authorized by Act 381.

The current taxable value of the Property is \$0.00 because it is owned by EDC and therefore tax exempt. The total private capital investment on the project is expected to be \$15,250,000. In year 25, the future taxable value of the property is estimated to be \$11,235,413, at which time the city will start collecting approximately \$228,935 in taxes annually.

This project will help meet Hillsdale’s critical need for additional housing. According to data from the Michigan Statewide Housing Plan, the vacancy rate in Hillsdale County was 0.9% in 2022, which was a 48.3% drop in the vacancy rate over the preceding five years. In the City of Hillsdale, only 2% of housing units were built after 2010, while 58.1% of housing units were built pre-1970. Our community has an aging housing stock and the dropping vacancy rate and rapidly rising property values confirm a severe housing shortage in our community that will worsen if we do not increase the supply of housing. As we continue to see new and existing companies investing in Hillsdale and the associated job growth that is occurring, this project, delivering 62 new units to Hillsdale, will have a meaningful impact on helping to alleviate the local housing shortage.

Brian Farkas, Allen Edwin Homes Workforce Director, presented the project, workforce housing, current housing data, rental costs and answered multiple questions from council.

Joe Agostinelli, Michigan Growth Advisors, commented that the project is utilizing Brownfield Redevelopment Financing Act and reviewed the Brownfield program with council.

Mayor Stockford opened podium for public comment at 7:22 p.m.

John Condon, BRA/EDC Chair, longtime resident gave background on what the City has been working on for Housing. BRA motion made to recommend council to approve the 381 workplan for this project.

John Mach, 11 Windswept Lane, project will extend to Windswept Lane, He would like to see more exits and asked to purchase property next to him.

Susan Smith, Hillsdale County EDP Director, stated there is a critical need for workforce housing in Hillsdale. Business attraction is what the EDP works on and is losing interest for the County due to lack of housing in the City. There is no housing option.

Timothy Green, ward three, attended the EDC meeting where they made a motion to send the recommendation to council for approval. He stated there wasn't much discussion against the project from the board. Green also doesn't like the aesthetic of the homes and stated it won't solve the workforce housing issue.

Jeremiah Regan, ward three, stated citizen wouldn't receive a tax incentive for building a home and doesn't feel a workforce housing project developer should get any tax incentives.

Jack McLain, Hillsdale Twp. commented if the demand is there for housing why the tax incentive is being given.

Sam Waldvogel, EDC Board member, gave recommendation from the EDC board for the project and stated there is a definite need for workforce housing in Hillsdale.

Dominick Sansone, asked council to vote in opposition of the project. He also spoke on median income in the City and the workforce housing development.

Matt Kniffin, ward three, commented on purchase price of property and the emergency services and going out of the way to get to the development and spoke on special assessments. Asked council to vote no on the plan.

CJ Toncray, ward three, commented on the tax abatement length for the project. The housing of the homes are within market price but is hard to get it in the Hillsdale area.

Christian Winters, ward one, not in favor of the project. Would like local contractors used for housing developments.

Russell Richardson, ward four, stated he doesn't know if this housing development is the correct approach for our housing shortage. He spoke about median income.

David Danford, stated he feels its rent seeking. Not in favor of the project. He doesn't like the aesthetic of the houses and stated the houses are generally cheaply built homes that are cookie cut and doesn't think they will last that long. Hillsdale has beautiful homes that can be reclaimed and asked council to vote against project.

Sam Negus, ward three, stated the developer presentation was good, but isn't in favor of the project does not like the aesthetic of houses as its modernized and spoke on tax incentives.

Mayor Stockford opened podium at 7:58 p.m.

Sam Fry, Economic Development Coordinator, addressed the concerns from the comments made during the public hearing and gave background on the Three Meadows property along with the EDC board's intent for the property. Phase one of the project has been completed that was approved by council a year ago, the plan presented is for the second phase of the project.

LENGTHY Council discussion ensued with city staff and the developer on housing demands, rental cost, tax incentive, aesthetics, rental requirements, illegal immigrants and building times.

Council discussed tabling the item.

Motion by Councilman Sharp, support by Councilwoman Pratt, to adopt the Brownfield Plan for 300 Hidden Meadows. **Resolution #3618.**

Roll Call:

Councilwoman Pratt	Aye
Councilman Sharp	Aye
Councilman Socha	Nay

Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Nay
Councilman Morrissey	Aye
Councilman Paladino	Nay

Motion passed 5-3

Old Business

New Business

A. Set Oath of Office Meeting for Newly Elected Council Members

Motion by Councilman Socha, support by Councilman Morrissey, to set meeting for November 12, 2024 at 8:00 p.m. due to the Veterans Day holiday (Monday November 11, 2024).

By a voice vote, the motion passed unanimously.

B. Cemetery Rules and Regulations Update

Jason Blake, DPS Director, spoke on 48” grave height approval.

Motion by Councilman Socha, support by Councilman Vear, to approve the Cemetery rules and regulations update of adding a 48” height grave marker.

By a voice vote, the motion passed unanimously.

C. DART Bus Price Increase

Motion by Councilman Sharp, support by Councilwoman Pratt, to approve F-550 DART Bus cost increase in the amount of \$18,737.00 which in total the bus would be \$195,461.00.

Roll Call:

Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrissey	Aye
Councilman Paladino	Aye
Councilman Pratt	Aye

Motion passed 8-0

Miscellaneous Reports

A. Proclamations – None

B. Appointment- Economic Development Corporation & Brownfield Redevelopment Authority – Kyrsten Newlon

Roll Call:

Councilman Sharp	Aye
Councilman Socha	Aye
Councilman Vear	Aye
Councilman Wolfram	Aye
Mayor Stockford	Aye
Councilman Morrissey	Aye
Councilman Paladino	Nay
Councilman Pratt	Aye

Motion passed 7-1

Motion by Councilman Socha, support by Councilwoman Pratt to extend meeting after 10:00 p.m.
C. Other- None

General Public Comment

Jeff Fazekas, commented on the leaf collection and the leaf machine that isn't being used.

Matthew Kniffin commented that an empty field isn't blight and chip sealing.

Jack McLain, commented on closing the public hearing. Good job passing the resolution for the brownfield plan.

Timothy Green, stated giving away of responsibility of Council to the state and experts. Thanked councilmembers that voted no on the project.

David Danford, stated that council was sold something from developers. He expressed displeasure of staff comments allowed after public comments. Thanked council for the project conversation.

Jeremiah Regan, spoke on city manager residency requirements of living in the city.

Dominick Sansone, spoke on the project developer.

City Manager Report

None

Motion by Councilman Socha, support by Councilwoman Pratt to extend meeting after 10:00 p.m.
By a voice vote, the motion passed unanimously.

Council Comment

Council member Socha would have like more time for the housing project.

Council member Sharp thanked residents for electing him to council. Thanked wife, staff and council enjoyed working with them. The community needs to grow in a positive way. Looks forward to retirement.

Council member Pratt stated it's her last meeting as well, she has listened and learned a lot serving on council.

Council member Socha apologized for comment made at the last meeting to Councilwoman Pratt.

Council member Vear thanked council and city staff and stated he has enjoyed working with them. If it is his last meeting he hopes that the new council can keep things moving in a good direction.

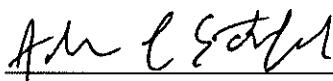
Council member Paladino wants things going through standing committees as he had lots of questions on the housing development project.

Mayor Stockford stated he bought house outside of city limits. He plans on tendering resignation in January 2025 as he will not be eligible to serve on council. Go vote tomorrow.

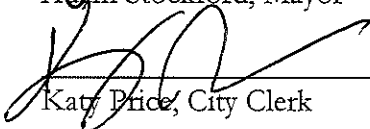
Adjournment

Motion by Councilmember Sharp, seconded by Councilmember Pratt to adjourn the meeting.
By a voice vote, the motion passed unanimously.

The meeting adjourned at 10:15 p.m.



Adam Stockford, Mayor



Katy Price, City Clerk