

SPECIAL SESSION - JANUARY 31, 1994

The special session of the Ann Arbor City Council was called to order at 7:00 p.m. by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

Present: Councilmembers Larry Hunter, Tobi Hanna-Davies, Peter Fink, Jane Lumm, Robert Grady, Ulrich Stoll, Peter Nicolas, Julie Creal, Thais Anne Peterson, David Stead, Mayor Ingrid B. Sheldon, 11

Absent: 0

READING OF ORDER AND NOTICE OF CALL OF SPECIAL SESSION

The order and notice of call of the Special Session was read and filed with the City Clerk.

PUBLIC COMMENTARY - RESERVED TIME

DAVID NOEL - ANN ARBOR "Y"

David Noel, 420 W. Washington, said that the money to be used to cover the loan payments for the Ann Arbor "Y" addition should not come from Human Services funds or money otherwise set aside for other affordable housing.

PAUL LAMBERT - ANN ARBOR "Y"

Paul Lambert, 201 W. William, expressed the opinion that the Ann Arbor "Y" should be assisted, but not from Human Services Funds.

JEN RUBIN - ANN ARBOR "Y"

Jen Rubin, 807 Dewey, said that the rooms at the Ann Arbor "Y" are not really affordable because low to very low-income persons cannot afford to live there. In addition, the rooms contain no bathroom or cooking area.

MOLLIE BRENNAN - ANN ARBOR "Y"

Mollie Brennan, 504 S. Fifth Avenue, expressed disappointment with the Ann Arbor YMCA agreement with the City as it was drafted, and expressed the opinion that the rooms at the YMCA are too expensive.

LARRY FOX - ANN ARBOR "Y"

Larry Fox, 530 S. State Street, said that bad planning and financing of the addition to the YMCA has resulted in higher payments and therefore, higher rents that the people who were meant to occupy these rooms cannot afford.

MICHAEL KLINE - ANN ARBOR "Y"

Michael Kline, 822 S. Main Street, said that the only people who have won in the YMCA loan guaranty agreement is the bank and the YMCA. The losers are the citizens who have to foot the bill and the people for whom the addition was built because they cannot afford

the rooms.

APPROVAL OF AGENDA

Councilmember Hunter moved that the agenda be approved as presented.

On a voice vote, the Mayor declared the motion carried unanimously.

MOTIONS AND RESOLUTIONS

R-29-1-94 APPROVED

RESOLUTION TO APPROVE REVISED LEASE AGREEMENT WITH THE ANN ARBOR HOUSING COMMISSION AND TERMINATION OF LEASE AGREEMENT WITH CHILD AND FAMILY SERVICES FOR 406 N. ASHLEY

Whereas, City Council approved Lease Agreements with the Ann Arbor Housing Commission and Child & Family Service of Washtenaw for shared use of the lower level of 406 North Ashley; and

Whereas, Child & Family Service of Washtenaw has determined that the space is inadequate for its needs and has requested termination of its lease agreement; and

Whereas, The Ann Arbor Housing Commission has requested the City lease the additional space to the Commission for use by New Generations Youth Club and Unity Resident Management Corporation;

RESOLVED, That the Mayor and City Council approve termination of the Lease Agreement with Child & Family Service of Washtenaw; and

RESOLVED, that the Mayor and City Council approve the revised lease agreement with the Ann Arbor Housing Commission for both offices and the multi-purpose room of the lower level of 406 North Ashley to begin February 1, 1994 and terminate June 30, 1994, and authorize the Mayor and City Clerk to execute the lease agreement substantially in the form on file in the Office of the City Clerk.

Councilmember Hunter moved that the resolution and revised lease agreement be approved.

On roll call the vote was as follows: Yeas, Councilmembers Hunter, Hanna-Davies, Grady, Stoll, Nicolas, Creal, Peterson, Stead, Mayor Sheldon, 9
Nays, Councilmembers Fink, Lumm, 2

The Mayor declared the motion carried.

REPORTS FROM COUNCIL COMMITTEES

None.

COUNCIL PROPOSED BUSINESS

None.

COMMUNICATIONS FROM THE MAYOR

None.

COMMUNICATIONS FROM THE CITY ADMINISTRATOR

None.

COMMUNICATIONS FROM CITY ATTORNEY

None.

COMMUNICATIONS FROM COUNCIL

None.

PUBLIC COMMENTARY - GENERAL

None.

ADJOURNMENT

There being no further business, Councilmember Stead moved that the meeting be adjourned.

On a voice vote, the Mayor declared the motion carried and the meeting adjourned at 8:30 p.m.

Linda J. Wise
Acting Clerk of the Council
Recording Secretary

WORKING SESSION - JANUARY 31, 1994

The working session of the Ann Arbor City Council was called to order at 8:30 p.m. by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

Present: Councilmembers Larry Hunter, Tobi Hanna-Davies, Peter Fink, Jane Lumm, Robert Grady, Ulrich Stoll, Peter Nicolas, Julie Creal, Thais Anne Peterson, David Stead, Mayor Ingrid B. Sheldon, 11

Absent: 0

Administrative Staff Present: City Administrator Alfred Gatta, Chief Assistant City Attorney John Van Loon, Downtown Development Coordinator Reuben Bergman, Finance Director A. Dean Moore, Assistant City Administrator Rob Bauman

AGREEMENTS WITH FIRST CENTRUM CORPORATION FOR ANN ARBOR INN

Points of Discussion: ☐ Development Agreement

☐ Parking Agreement with the Downtown Development Authority

Presenters: Community Development Director Eileen Ryan, Community Development Housing Services Manager Larry Friedman, First Centrum Corporation Treasurer Nick Faber. Downtown Development Authority Board of Directors.

The Ann Arbor Inn, vacant and unused since January, 1990, is proposed for mixed use housing and commercial development. First Centrum Corporation was selected by the Ann Arbor Inn Review Committee from 3 respondents to the City's Request for Proposals as the chief candidate for development negotiations. The Council reviewed a summary of the negotiating team discussions which included: (1) Parking - should a specified amount of parking spaces be designated as part of the development agreement and, if so, should these spaces be available at a reduced rate which would be subsidized by the DDA, or the City? (2) Guaranty, Reserve Escrows, Performance Bond; (3) Long Term Affordability; (4) Building Exterior; and (5) Labor Standards - wage structure comparable to prevailing wages. (Filed with the City Clerk: *Negotiation Issues for Development Agreement; Ann Arbor Inn Projected Schedule; The Arbor Development Agreement Draft; Michigan State Housing Development Authority (MSHDA) - Regulatory Agreement/Restrictive Covenant - Low Income Housing Tax Credit Draft*)

ANN ARBOR Y LOAN GUARANTY

Presenters: Community Development Director Eileen Ryan, Community Development Housing Services Manager Larry Friedman, Administrative Aid Kevin Johnson, Community Development Acting Fiscal & Administrative Manager Kathleen Muscato; Ann Arbor YMCA Executive Director William Blewitt, YMCA Board President Judy Nold, Great Lakes Bancorp Vice-President James Crosby.

In November, 1988, the Ann Arbor City Council approved a loan guaranty agreement with the Ann Arbor YMCA of \$1,640,000. The loan was granted by Great Lakes Bancorp for renovation of 37 existing rooms, and construction of 63 additional rooms at the YMCA. The purpose was to provide affordable single-rooms to low-income persons. The YMCA began experiencing difficulty in meeting its monthly obligation to Great Lakes Bancorp, and the Ann Arbor City Council approved supplemental appropriations to avoid default on the loan.

Staff recommendations to resolve the problem include: analysis of the residential operations to facilitate a financial break-even status; development of a cost-reduction plan relative to residential expenses; rent structure adjustment on rooms not included in the affordability provisions of the DDA agreement; pursuit of debt refinancing and additional revenue sources. (Filed with the City Clerk: *Analysis of Major Issues Regarding Ann Arbor YMCA Loan Guaranty; Review of Ann Arbor YMCA Residence Program Expenditures and Revenues - January 26, 1994; Ann Arbor YMCA Residence Program Support Information for 1993 Projected Year End - Unaudited; Ann Arbor YMCA Residence Budgets; All Council actions since plan inception; Ann Arbor Y Project explanation*)

RETIREMENT SYSTEM REPAYMENT AGREEMENT

Presenters: Employees Retirement System Members: Chairperson Larry Hahn, Barbara Kessler, A. Dean Moore, Michael VanDam, Robert Amburgey, Rob Bauman, Douglas Smith; Retirement System Counsel Jerold Lax

The Ann Arbor City Council and Retirement System Board of Trustees met in a joint working session to discuss the Trustee's concerns with a shortfall in the City's Fiscal Year 1992-93 funding of the retirement system, and decreasing annual contributions to the system. The meeting specifically focused on the Trustee's request for reimbursement of \$1,147,623 to the System over a 20-year period at 7% interest, a proposed ordinance amendment to guarantee that revenue from the Pension millage would be contributed to the Fund before use on any other employee benefit, and a proposed yearly increase of the pension millage over the next four years until the Headly Amendment limit is reached. (Filed with the Clerk: *Proposed Resolution Approving Agreement Between the City and the Ann Arbor Employee's Pension System; Proposed Amortization Schedule*)

ADJOURNMENT

There being no further business, the Mayor declared the working session adjourned at 12:45 a.m.

Linda J. Wise
Acting Clerk of the Council
Recording Secretary