



City Council Study Session

Monday, October 21, 2024 at 6:00 PM

27400 Southfield Road, Lathrup Village, Michigan 48076

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1. **Call to Order** by Mayor Garrett at 6:00pm
 2. **Discussion Items**
 - A. **PILOT Ordinance**

DDA Director, Austin Colson, explained the economic development tool known as the PILOT Ordinance, and said this could be used for part of the redevelopment of the old Lathrup Village School site. There would be Payment in lieu of taxes, that would last for up to 15 years.

Sam Surnow described the project as shown in the study session packet, and mentioned the redevelopment in the community would be mixed use. Mr. Surnow mentioned that the Surnow Company has been exploring all financing options, including TIF-Tax Increment Financing program, but thought that the PILOT program is better. He stated, even if Surnow was awarded this program, they would still have a financial gap to fill. He believes that his company's work on this project is finally at a point where he feels the community will be happy with what he is proposing, he wanted to know what is Lathrup doing to show their support?

The current plans provide restoration of what we have here as our largest historical site, providing community space, co-worker space, and this could be workforce housing. DDA Director Austin Colson, said the plan preserves the integrity of the original building and takes the wings added in the 1970s and 1980s, demolishes them and repurposes the area for housing.

Mayor Pro Tem Kantor, asked if the contract would be with the City, not the DDA correct? Austin said yes.

Eric Tuomey, a consultant on the project for the Surnow Company, answered questions related to the PILOT program, and how it is calculated and categorized.

City Attorney LeAnn Kimberlin, explained the guidelines regarding this program and the review process, and said that other people or companies, could ask to use it too, that the process itself, the evaluation process, the framework, is the same, and does ask what value (the project) will be bringing to the City.

DDA Director Austin Colson, said this is open to any developer to use. Attorney LeAnn Kimberlin stated that we would need to get this ordinance in place first for this program.

Eric Tuomey, said that Traverse City and Detroit are doing similar things, establishing a model ordinance. The Surnow Company is asking for a 4% program.

Councilmember Hammond wants something to happen with this building, and wants options to help make this happen, and find the best way to fund this project, he thinks the PILOT Ordinance will be another tool to use to make this happen.

Mayor Garrett said that Surnow needs a grant or a revitalization loan to make their project happen, and that they will not be anywhere near where they need to be without Lathrup Village's support and asked if the Council is interested in the PILOT Ordinance?

City Council members and Consultant Tuomey discussed the differences between the TIF program and the PILOT program including what is the best financial option for the City.

Additional Discussion Item – Holiday Lights

City Administrator Greene said that the holiday lighting, could not get contracted with the DDA, because they did not have a Quorum, and asked if Council is interested in helping with this by approving the contract and then having the DDA approve refunding the City at a subsequent meeting. He said that DDA Director, Austin Colson, has multiple designs and quotes, Mayor Pro Tem Kantor, said yes, just as long as the DDA transfers the money that was used back to the City.

3. Public Comments

Jonathan Kerra asked what is the relationship between PILOT program and what has been done in downtown Detroit? He stated his concern that it is like a condo development, where they can change the numbers, and he is concerned about what happens after the 15 years that is in the program and wanted to know if this is guaranteed to stay rentals or become condos after the 15 years are over.

Autumn Sousanis, thinks this is an exciting opportunity, but has some concern, that it (the building) is used as a tax write off, in 2016, she called Mr. Surnow's dad, and toured the school, his understanding, she said, was that the deed has a restrictive covenant that has to have educational purpose, and she wondered, what has happened to that? She thought it can be for shops, but is concerned about discrepancies in what the drawings are showing, and doesn't think amenities would be for the community, but would be for the building residents. She said there is potential for a great building, that could unify the community, and wants it to be clear as to how it is categorized. She had many ideas for the building and its use.

4. Mayor and Council Comments

Councilmember Hammond reiterated the PILOT program would be a good tool to be able to use, and agrees with Autumn, about the potential for this to be a great space.

Mayor Pro Tem Kantor asked about short-term rentals codes, that were discussed at a previous meeting, with consequences that included them possibly losing their certificate, and wanted to know if we have moved on that, City Attorney, Mike Greene, said, not yet.

Councilmember Hammond said he is working with City Administrator, Mike Greene, for suggestions for topics for the next Town Hall.

5. Adjourn 7:08pm