

## LATE ITEM

It came as a surprise to see the letter on tonight's agenda from Councilperson Fricke regarding the Mckinley development. It is unfortunate that my response will be a late item but I feel that it is important to address the issues presented in the letter tonight lest they be deemed valid due to a lack of a response:

1. It is untrue that all of the amendments recommended by Councilperson Fricke have not made it to the council floor. On the city council agenda for August 8, 2016, a correspondence was placed on the agenda by the City Engineer that specifically discussed the issue of the number of units to be included in the development. There was no support by the City Council to concur in reducing the number of units nor was their support to maintaining the number of units at sixty. The correspondence further indicated that the developer would be willing to discuss all additional issues but the discussion would be unnecessary if the number of units did not remain at sixty. Quite honestly, based on the high cost of redevelopment of the existing school structure coupled with the operating costs to maintain the building, it is not financially feasible to construct or operating a facility with anything less than sixty units. A more prudent and cooperative suggestion would be to agree to the sixty units and tentative layout for the development so that the remaining "demands" could be discussed with the developer.
2. The suggestion to eliminate the park and build new homes on the remaining vacant property also lacks feasibility. The neighborhood deserves a place for the children to play and single family homes are not in demand at this time. This is apparent based on the significant amount of vacant lots owned by the City as well as stalled projects at Labadie Park and Orchard and Biddle. A few years back, the City just entered into an agreement with Coachlight Properties to construct up to fifteen single family homes on city-owned lots. The developer was not interested in completing the project after five homes due to the lack of interest in them. While it may be a great sound bite to demand owner-occupied, single-family homes, there is a lack of demand for them.
3. The demand to include a redevelopment of only the school building with homes built on the remaining property is clearly referencing the second proposal received for the Mckinley School property. What is never mentioned though is that the second proposal involves participation from the State of Michigan as a component of the developer's plan. This involvement ultimately will include NO PAYMENT OF PROPERTY TAXES but instead a Payment-in-lieu of taxes which was estimated to be \$18,000 annually. Additionally, the RENTAL UNITS would have income limits, thus, only available to low-to-moderate income renters. These type of units are already available at the Wyandotte and Bishop Co-Op.

4. The reference to holding on to lots is irrelevant in the McKinley situation. The demand for market-rate residential units for senior citizens will only increase over the years. Having a project of this type has been on the city's radar for almost fifteen years with the right location finally presenting itself. Holding on to vacant property in defiance of current and future market conditions is just illogical.

Many of the remaining statements in Councilperson Fricke's correspondence begs for additional information:

1. You state that "Rentals create a stress on city services...". Explain how the senior living center will do this.
2. "Rentals provide less property tax". To my knowledge, all housing is taxed identically. Please explain your statement.
3. How do "owner-occupied housing provide revenue for taxation, revenue for schools, business growth, recreation programs, arts and culture, and economic growth" more than a rental dwelling? PEOPLE create those things you mention regardless of whether they own or rent their home.
4. You indicate "the best way to create neighborhood revitalization and stabilized areas during economic declines is to create homeownership". I hope you realize that the unbridled pursuit of this was the direct cause of the 2008 economic collapse which was caused by the failures in the residential housing market that resulted in hundreds of additional houses in our city becoming rental units.
5. "Providing diversity in our community is a good decision". I would think that offering a senior living facility would offer more diverse residential living options than more single family homes.

Lastly, the most important message that I would like to convey is that the negative perception and blatant mischaracterization of the proposed senior rental units in the City is simply an effort to conceal the real, unknown reasons for the lack of support for this wonderful project. In the late 1980s, the City made a policy decision to eliminate rental units in the city for three primary reasons:

1. Absentee landlords whose property were blighted
2. More frequent demands on our police department from many of the rental units
3. The effect on the school district caused by the transient student population fostered by rental units

The proposed market-rate senior living center DOES NOT HAVE ANY OF THESE ELEMENTS which caused the City and its residents to view rental housing as undesirable. Referencing the city's

historical feelings for rental units, which don't apply to this proposed development, as a reason to withhold support for this project is difficult to understand.

In closing, the FACTS remain the same as it relates to the proposed development by Coachlight Properties for Mckinley School:

1. There is a current and future demand for senior living units near the downtown area in Wyandotte.
2. The units will be market rate and not subsidized by the government or restricted for occupancy other than by age.
3. The developer is financially capable of executing his proposal and has experience with operating similar developments.
4. The taxes paid on the project will ultimately be more than any other option presented to the City.
5. The historical building will be saved.

Respectfully,

A handwritten signature in black ink, appearing to read "Joseph R. Peterson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mayor Joseph R. Peterson

**RESOLUTION**

DATE: August 29, 2016

RESOLUTION by Councilperson \_\_\_\_\_

BE IT RESOLVED that the communication received by Mayor Joseph Peterson relative to the McKinley School Site Redevelopment project is hereby received and placed on file.

I Move the adoption of the foregoing resolution.

MOTION by Councilperson \_\_\_\_\_

SUPPORTED by Councilperson \_\_\_\_\_

**YEAS**

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**COUNCIL**

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**Galeski**  
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**NAYS**

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