

City of Albion
Study Session Minutes
September 26, 2017

I. CALL TO ORDER

Mayor Brown called the meeting to order at 7:00 p.m.

II. ROLL CALL

PRESENT: Council Members Lenn Reid (2), Marcola Lawler (4) Jeanette Spicer (5), and Andrew French (6) and Mayor Brown. Council Members Maurice Barnes (1) arrived at 7:03 p.m. and Sonya Brown (3) was absent.

STAFF PRESENT:

Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Amy Deprez, EDC Director; Jill Domingo, City Clerk and John Tracy, Director Planning, Building & Code Enforcement.

III. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to **agenda items only** and to no more than three (3) minutes. Proper decorum is required).

Comments were received from Brian Howe, 213 W. Erie St.

IV. ITEMS FOR INDIVIDUAL DISCUSSION

A. Discussion-425 Property

Amy Deprez gave a brief overview of the 425 Project highlighting the following:

- The 425 Agreement is for land located in Sheridan Township. This agreement is based on the Public Act 425 of 1984 Conditional Land Transfer Act which allows two or more municipalities the option of conditionally transferring land to one another.
- 425 Agreements allow for great flexibility and also broadens the use of the Brownfield plan.
- PA 425 has been used to gain economic incentive tools that only core or distressed communities can offer toward support of economic development projects. Albion is a core community.
- The 425 Agreement for the City of Albion and Sheridan Township is 250 acres and has three (3) owners.
- No infrastructure is currently in place on the 425 property.
- Once the land is developed, Sheridan Township will transfer the property to the City of Albion. The City must make all services available such as water, sewer, electric, etc.
- The property is currently zoned as commercial industrial or multi-family and would remain as such.

- Fifteen acres of the property has been sold to Quality Asphalt and due to difficulties within the company has not yet been developed. Ms. Depez is working with Quality currently to work through the issues.
- Tax Sharing: Sheridan Township is capped at 4 mills which is approximately 1/3 of the property taxes collected.
- Sheridan Township is supportive of the project and willing to move forward.
- In talking with Sheridan Township, they would like to see the current property in the 425 developed before discussing releasing any additional land.

Potential Projects:

- There are two potential solar generation facilities interested in the land located in the 425 Project for their business.
- We would only be able to choose one or the other
- First is an established reputable business while the other is a new business that would need further investigation.
- Neither would create jobs.
- Each would have some type of storage mechanism and rows and rows of solar panels.
- Benefits: Would provide tax income for the City and Sheridan Township; viewed as cutting edge for renewable energy and would help with gateway appearance into the City.
- Each would be approximately a \$30 million project.
- If the City chooses not to move forward with this project, they must start working on the development process
- Both projects would be interested in the full 250 acres.

Questions/Comments were as follows:

- The City would need to find a funding mechanism to meet the requirement of providing the property with water and sewer services.
- One possible funding source would be a bond and the City would need a resource of repaying the bond.
- Is the property to prime of a property to just put a solar array on?
- It is unclear at this time, what the company would need in terms of water and sewer.
- Speed to market is the number one (1) incentive for marketing property. Currently the 425 is not site ready.
- What is the time frame for a decision? *The company would put a deposit down as soon as decision is made. It will take approximately a year to work out the contract with Consumers Energy.*
- Customer is interested in a tax savings incentive
- After checking with the State, it has been determined that solar companies are not exempt from personal property tax.
- Would the City be able to locate the new water tower on the 425 property? *It can be discussed with the company of having a piece of the property remain for either the new tower or additional development.*

- How much of the property would business be interested in? They would be interested in the full 250 acres.
- The positive side is this proposal would be the least amount of burden to the City and the downside is it would not create any jobs.
- Concern from Council that proposal would not create jobs.
- Would like to extend olive branch to Sheridan Township and work with them on this project.
- What is a rough estimate of the tax revenue this business would create- Approximately \$27,000.
- Does the EDC recommend moving forward with this project? *The EDC is recommending moving forward with this project.*
- If the City chooses to forgo this project, is there anything else that may be interested in the 425 land site? *Nothing for certain at this time.*
- Would the revenue go to the EDC or the City? *The revenue for this project would go to the City.*
- If the tax income is substantial, the City would have the opportunity to use the funds for additional staff; streets or using the funds to develop other properties to attract other businesses.
- This is marketing for the future and has secondary benefits for the City.
- Other businesses may be attracted for the use of renewable energy.

Comments were received from Council Members French, Barnes, Lawler, Spicer and Reid; Mayor Brown; City Manager Mitchell; City Attorney Harkness and Director of Planning, Building & Code Enforcement Tracy.

IV. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).

Comments were received from Brian Howe, 213 W. Erie St and Dennis Tomblin, 313 Irwin Avenue.

V. ADJOURNMENT

Spicer moved, French supported, CARRIED, to ADJOURN Study Session. (6-0, vv).

Mayor Brown adjourned the Study Session at 8:07 p.m.

Date

Jill Domingo
City Clerk