

City of Gladwin

Committee of the Whole January 19, 2023

**Gladwin City Hall
1000 W. Cedar Ave
Gladwin, MI 48624**

Meeting Notes

Council Present: Nancy Bodnar, John Caffrey, Dave Crawford, Carol Darlington, Cristy Gutierrez, Jaimie Esiline, Mike Smith, Linda Winarski.

Also Present: Mayor Sarah Kile, Chris Shannon, David Stegnik (via Zoom)

Meeting was called to order at 5:00 PM by Pro Tem John Caffrey with pledge of allegiance and the invocation.

Public Comment: None

Old Business: None

Brownfield/Pheasant Run Update: David Stegnik from Envirollogic , working on behalf of DeShano interest with this project described what was trying to be accomplished with the Brownfield. David Stegnik stated, as you know, there is a obtainable and affordable housing crisis in America. The State of Michigan has empowered various statutes for municipalities, authorities, and developers to work together to incentivize these kinds of projects. This is one way to attack the housing shortage. This would be a cooperative public/private effort. Whereas the property can use the tax increment that is created from the new development to pay for certain cost. One of the reimbursable costs is the difference between what it cost to build a home and the selling price.

The developer, DeShano's has approached the City of Gladwin and has asked to work together to build eight home and develop Pheasant Run. The offset, the difference between what they would have sold if for and the market value is paid back to DeShano over time through property taxes. It is a tax increment financing program.

The property must be eligible. This is done by partnering with the County Land Bank Authority. The property would temporarily have control over the property and that would trigger the eligibility. The City and County would adopt a Brownfield Plan.

Council Members had many questions and voiced concerns in the area of cost of the home, potential to turn the homes into rentals, the length of the Brownfield Plan, the property being wet in the spring, value versus appraisal for buyers and setting purchasers up for failure, lost revenue from the homes due to the length of the Brownfield Plan, questioned why this was the first time they had seen the plan when the Downtown Development Authority (DDA) has reviewed the plan and had approved the agreement, administrative cost needing to be in the plan, other entities not receiving tax revenue and the possibly of the housing market going down.

Discussion on lack of homes for sale, the number of available layouts of the homes, the plan having a sunset clause, making sure this the plan is right for the city, and they receive a portion of the dollars, the plan would have changes discussed tonight and the timeline of the plan.

A sample of DURA getting a ten (10) year tax break and the left the community once the break was no longer available. It impacted the community.

**A comment of the benefit of the plan was given, stating, the community benefits in many ways, even without the tax revenue by individuals being homeowners. The community where residents own their homes, makes the community stronger.

A comment was also made that the Land Bank would follow suit with what the City chose to do and there is County funding for blighted land. This rose the question on whether the City can utilize those dollars to purchase blighted property.

MML Government 101 Training Webinar: The webinar video was unavailable to watch. Technical problems.

Council Comments: Council Member Bodnar voiced concerns over dead tree in the cemetery. Felt the DPW should have extra time due to the lack of snow this winter. Council Member Gutierrez agreed and commented that there were several trees around town the need to come down. Pro Tem Caffrey stated, spring is just around the corner, need to make sure the cemetery is ready, don't want the same incident as last year.

City Manager Comments: City Administrator Christopher Shannon inquired on how the Council felt about the Household Hazard Waste Day. Stay with the event in the May or switch back to the fall. Consensus was to go back to August. Council comment was to avoid the ORV Fun Run weekend.

Adjournment: With nothing further to discuss the meeting was adjourned at 6:20 PM