



City Council Study Session

Monday, May 05, 2025 at 6:00 PM

27400 Southfield Road, Lathrup Village, Michigan 48076

1. **Call to Order** by Mayor Garrett at 6:03pm

2. **Discussion Items**

A. DRAFT - Fiscal Year 2025-26 Budget

CA Greene explained that there were no major changes since the last discussion outside of an increase in estimated assessing cost due to Oakland County announcing changes to their fees. Due to that last minute notice from the County, the City has also issued an RFP for assessing services to see if any other entity is interested in the City as a client. Budget is on the agenda to get City Council feedback.

Mayor Garrett and City Councilmembers discussed items in the agenda including:

- Employees being paid out of different departments
- Employee healthcare expense, since healthcare costs go up on a regular basis
- If the LexiPol Grant Service is a good value and beneficial for the City
- If the budget takes into account the tax-exempt properties
- The need for and cost of a new phone service and phones for City Hall
- Not buying a new backhoe, but looking into a used one
- The contract with the Southfield Public Library
- Reviewing versus updating the City's Master Plan
- A new membrane roof over the Community Room, versus repairing it
- Employee assistance program for mental health services
- Sewer bond prices
- Cuts in City leaf services, and the status of City leaf service equipment with one good, one not working, and one hit or miss
- Technology expense for the DDA
- Southfield Fire Department Contract renewal, and that it will probably go up by 5%
- A new Police car, based on the current two cars having over 150,000 miles on them, and that the new ones will have a life expectancy of 7 to 10 years
- Not buying new chairs for the Community Room, possibly getting chair covers and renting them out for a fee, and looking into reupholstering the chairs
- Possibly cutting employees to part-time and how this would work
- Not asking for the whole 3.1 mills, but just 1 or 2 mills
- That the City will have a balanced budget with no cuts in services if PA 33 passes

- Discussion of possible cuts to balance the budget if PA 33 does not pass including not moving forward with the project at Annie Lathrup Park

B. Public Act 33 - Special Assessment Roll

Mayor Garrett and Councilmembers discussed:

- The way the information was displayed in the agenda packet with just Parcel numbers, and the comparisons they could make using that format
- Asked if instead of just parcel numbers, they can see the addresses as well and CA Greene said he will work on it
- The impact that it will have on residents, and the amounts that each resident would have to pay, as well as the average amount for residents to pay
- Mayor and Councilmembers discussed concern for the impact that it would have on residents and that they are considering a lower amount of 2 mills

C. DRAFT - PILOT Ordinance

CA Greene explained that the Surnow Company is interested in pursuing this with the City, and in order to consider this for them and other developers the City has to have a PILOT Ordinance in place.

Mayor Garrett and Councilmembers discussed:

- Having the Ordinance in place is not an automatic approval, it still has to go through the process to approve proposed PILOT agreements
- The Ordinance would not be tailored to one proposed development
- Understanding what is meant by “Area” in the Ordinance, including a visual representation, and an understanding of how the mean income is found
- If the Ordinance can have a minimum amount
- The terms of the % in the contract if it will be overall or negotiated per contract
- The Community benefit requirement of the proposed developments
- Rehabilitation of existing housing versus new construction, and that the housing units are new
- Payment in lieu of increases every year based on what they charge in rent, and they have to submit a report to us every year of rent from occupied units
- That PILOT agreements can be extended beyond the 15 years
- The amount of taxes that the School currently pays of around \$23,000, and the amount the development would have to pay without a PILOT program
- Workforce housing definition and range of income
- The DDA gets all of the tax money received now in the DDA district, but the City can negotiate with the DDA

Jordan Sherman from Surnow, shared with Council that several other City’s have done PILOT programs to be competitive and attract developers to their City, and will share these finding with Council.

Councilmember Hammond, wanted to make sure that they compare information with communities of our size and population.

3. Public Comments

Don Eichsteadt, resident, commented that he is opposed to City Council raising taxes by 18% which is what the 3.1 mills would be, and he is glad they are thinking of lowering the amount. He expressed disappointment that the Council was talking about raising residents' taxes while also, talking about lowering taxes on developers, and that the Pilot money goes to the DDA not the City. He suggested the builder forget adding sides and just convert the School building to apartments. Mr. Eichstaedt also asked: How much additional revenue did we get under Headlee inflation adjustment, and What is workforce housing? He is concerned about low-income housing, and Mayor Garrett, said it is not low- income housing.

Autumn Sousanis, resident, expressed that the Surnow Company, can't guarantee the amount (range bracket) and that it can change, and they need to meet certain criteria to qualify for all of the programs that they are trying to use for the development, and they only have to keep it rent controlled for so many years. Ms. Sousanis, also stated that renters don't pay taxes to the City, but Condo owners would, and that there is an Urban Land Use program called PILOP – Payment in Lieu of Parking, used by some Cities, that could bring in money for the City, instead of just getting some Community benefit from the School development.

Diane Anderson, voiced opinions that: the City Council did not show the need for housing and that apartments in Southfield and other Cities are vacant, that the comparisons to Ann Arbor are irrelevant because it is a completely different size City, the members of the Historic District Commission are not preservationists, the Parks are being destroyed, the DDA is a de facto Government, and that the Surnow Company has not been held accountable for demolition by neglect of the School building and that is why housing values in Lathrup Village are not keeping pace with Birmingham.

Timothy Hillman, San Quentin, stated that he enjoyed the State of the City on April 24, 2025 and liked the awards section. He mentioned talking with someone after the awards about Headlee and that he would like to see what the City intends to do if Headlee passes or is rejected to help explain the ramifications in a consistent way in the future. He also promoted that the Finance Review Committee will be hosting another Town Hall.

4. Mayor and Council Comments

Mayor Garrett commented:

- To Diane, that there is Section 8 housing in Birmingham, and that Lathrup Village is different than it was before, in part because of a freeway running through it.
- Asked Autumn, to send her the references that she was using regarding the development statistics and the Urban Land use
- Reiterated that the City does not own the School
- To Don, that she is having a hard time agreeing with 3 mills too

Mayor Pro Tem Kantor commented that voucher housing is a 15-year agreement, and the School project plan is not shy of the parking requirements because the encroachment gave them 18 spots,

but they can also do a shared parking agreement. The Planning Commission reduced the required parking by 25% and they are allowed to do that in the Ordinance.

Councilmember Hammond, to Don, said if there is not a PILOT program in place, and they build anyway, there would be an increase in taxes, but the increase would go to the DDA, and the developer might not do the project without the PILOT program.

Thomas Kennedy, DDA and Community Development Intern, shared the “Shave the Intern” fundraiser for St. Baldrick’s organization, to help fund childhood Cancer research will be tomorrow, Tuesday, May 6, 2025, from Noon to 2:00pm, in the Community Center, and that lunch from one of the sponsors, Papas Pizza, will be provided, and everyone is welcome to attend.

Mayor Pro Tem Kantor, said the Financial Review Committee will have a Town Hall on Tuesday, May 13, 2025, at 7:00pm at City Hall.

Mayor Garrett and Mayor Pro Tem Kantor commented that recording devices must be in the designated place during meetings or the City Council can go in recess until there is compliance.

5. **Adjourn 8:02pm**