

City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: October 5, 2026
RE: Study Session

PILOT Ordinance Update

In July 2025, the City Council approved Ordinance #2025-01, which amended the City of Lathrup Village Code of Ordinances at Chapter 77. Urban Redevelopment, by Adding a New Article, Article III. Workforce Housing PILOT, to Provide for Approval of an Exemption From Ad Valorem Property Taxes for Housing, as Authorized by Provisions of the State Housing Development Authority Act of 1966, Public Act 346 of 1966, As Amended, MCL 125.1401, ET SEQ.

Since that time, the Council has also approved a PILOT agreement for the redevelopment of the Annie Lathrup School Property. The proposed amendment to the City's Workforce Housing PILOT Ordinance is recommended in response to feedback received from the Michigan State Housing Development Authority (MSHDA) during its review of the financing structure for the proposed workforce housing project.

The current ordinance requires City Council approval for all PILOT extensions. MSHDA has advised that projects financed with an Authority-aided mortgage need a more predictable, by-right extension mechanism tied to the duration of the MSHDA financing. This approach provides the long-term certainty needed to underwrite and finance affordable and workforce housing developments.

The proposed amendment creates a separate extension provision specifically for MSHDA-financed projects while retaining the City's existing extension requirements for all other PILOT projects. Under the amendment, MSHDA-financed projects would be eligible for an automatic extension beyond the initial 15-year term, provided the MSHDA mortgage remains outstanding and the required restrictive covenant remains in effect, up to a maximum of 40 years. The property owner would be required to provide annual documentation verifying the MSHDA financing remains active.

These revisions align the City's ordinance with MSHDA's model tax abatement ordinance and practices utilized by other Michigan communities, including the City of Detroit. They also ensure consistency with the PILOT resolution previously approved for the project by linking the duration of the tax exemption to the period of MSHDA financing and other governmental support, improving the project's financial feasibility while maintaining the City's oversight of non-MSHDA PILOT projects.

The purpose of this item is to continue the discussion that has taken place over the past few meetings, including the tabling of the 1st Reading during the September 21 City Council Regular Meeting.

The Surnow team and MSHDA plan on having representation at the Study Session to answer questions from the City Council.

Green Space Herbicide/Pesticide/Fertilizer

At the request of Councilmember Sousanis, this item has been included for discussion. Under the oversight of the City's current landscape maintenance agreement, the City utilizes herbicides, pesticides, and fertilizers in certain public green spaces as part of routine landscape maintenance. The City's landscape maintenance contract is currently out to bid,

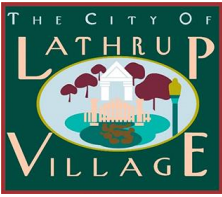
Bruce Kantor
Mayor

Kelly Garrett
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
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John Sousanis
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providing an opportunity to evaluate whether the current approach should continue, be modified, or incorporate additional limitations or alternative practices.

The current RFP has been scaled back and calls for only two (2) 2 fertilization applications at all flowerbeds within the DDA, City Hall grounds, including Municipal Park and Annie Lathrup Park, Goldengate Park, Sarrackwood Park, and Dorothy Warren Park. Once in the spring (completed by June 1) and once in the fall (completed by Nov. 30)

Potential Benefits

- Improved appearance: Helps maintain healthy, attractive turf and landscaped areas.
- Weed and pest control: Reduces invasive weeds, damaging insects, and plant diseases.
- Plant health: Fertilizers provide nutrients needed to maintain turf and ornamental plantings.
- Reduced maintenance: May reduce the labor and frequency required for manual weed and pest removal.
- Usability: Healthier turf can provide more usable areas for recreation, events, and passive use.
- Targeted treatment: Properly applied products can address specific problems without requiring larger-scale landscape replacement.

Potential Concerns

- Environmental impacts: Runoff may carry chemicals and excess nutrients into storm drains, waterways, and surrounding areas.
- Public exposure: Residents, children, and pets may come into contact with treated areas if applications are not carefully managed.
- Pollinator impacts: Certain pesticides can affect bees, butterflies, and other beneficial insects.
- Water quality: Excess fertilizer, particularly nitrogen and phosphorus, can contribute to nutrient pollution.
- Public perception: Chemical use in parks and public spaces may generate resident concerns.
- Contract oversight: Any reduction or elimination of chemical applications may require adjustments to maintenance standards, expectations, and contract pricing.

Options

- Continue Current Practices: Continue allowing the use of herbicides, pesticides, and fertilizers under the landscape maintenance contract, subject to applicable laws, manufacturer requirements, and appropriate application practices.
- Limit Chemical Use: Allow chemical applications only when reasonably necessary to address a specific weed, pest, disease, or plant-health issue. Routine or preventative applications could be limited or prohibited unless specifically authorized.
- Designated Chemical-Free Areas: Establish certain parks, playgrounds, natural areas, or other high-use locations as chemical-free zones while continuing treatment in other public green spaces where necessary.
- Reduce or Eliminate Use: Maintain the ability to use targeted herbicides or pesticides when necessary while reducing or eliminating routine fertilizer applications.

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