

CITY OF WYOMING, MICHIGAN
Minutes of City Council Work Session
Monday, November 14, 2016

PRESENT: Councilmembers Bolt, Burrill, VerHulst, Voorhees and Mayor Poll,
Councilmember-elect Postema and Councilmember-elect Postler

ABSENT: Councilmember Pastoor and Vanderwood

STAFF: Holt, Dooley, Isakson, Oostindie, Rynbrandt, Sluiter and VandenBerg

1. Call to Order

Mayor Pro Tem Bolt called the meeting to order at 7:00 p.m. in the Council Chambers. Mayor Pro Tem Bolt welcomed Councilmembers-elect Postema and Postler to tonight's meeting.

2. Student Recognition

None.

3. Public Comment on Agenda Items

None.

4. Metro Hospital – U of M Merger Discussion

Veronica Marsich, general counsel for Metro Hospital, Cindy Corridore, Assistant Treasurer for the University of Michigan, Steve Frank, Miller Canfield and Kris Kurts, Chief Financial Officer for Metro Health provided information on a proposed partnership between the two entities.

Marsich explained the plan to partner with the University of Michigan, noting efforts have been underway for the past year to coordinate a plan between the two entities. Currently Metro Hospital has many opportunities and growth plans, but will greatly benefit in those efforts with a partner. An affiliation agreement was finalized in August and efforts have been ongoing to finalize a closing. The University of Michigan is committed to West Michigan and is eager to partner with Metro to provide health services in this area. One of the requirements to accomplish this transition is that Metro will refinance.

Corridore reiterated that the University of Michigan is extremely excited about this affiliation and the opportunity to come to West Michigan. Through this process the outstanding Metro bonds will be refinanced. There are currently two tax-exempt outstanding bonds. We would like to redeem those bonds and refinance under the University of Michigan. This would lower the financing costs and reduce some of the restrictive covenants that are currently on those bonds.

Frank explained there are numerous regulations applied to the refinancing of these federally tax-exempt bonds. One of the requirements includes a public approval process involving local government review and a public hearing process. The first step would include council calling a public hearing, holding the public hearing and finally approval of a resolution declaring local approval. Approval of this resolution would fulfill federal tax code requirements for a non-profit hospital and would not obligate the City in anyway. The November 21 and December 19 meetings of council would be used to process these items.

Poll inquired if there would be any financial impact on the City. Frank noted the changes would only affect Metro and the University of Michigan and the ability to fulfill tax code requirements. Holt verified this with bond counsel and they confirmed the same.

Council supports moving this item forward.

5. Lease for 2385 Porter Street SW – Tamaz, LLC

Holt explained 2385 Porter is currently an unoccupied city property that has been formerly used for Meter Shop purposes and as a fire station. Recent discussions explored working with local schools to use this site for robotics programs or other entrepreneurial purposes. That effort has been unsuccessful. Part of the concern with putting this property out to bid was the idea that the site would appeal to an automotive repair type business due to the design of the building. This has not been viewed as the most desirable reuse for this site.

Holt further explained the desire by Two Guys Brewing, or Tamaz, LLC, to use the former 7-11 location as a brewery and they have expressed interest in using the former fire station for production purposes. Staff is supportive of this concept given that it would put to use an underutilized building. Furthermore, the microbrewery concept is a growth industry within the metro area and this would be supportive of a local property owner and entrepreneur. We have developed a 3-year lease with an option to purchase the property after that time. Our hope is that this will inspire additional development in this area. Attorney Sluiter crafted a lease working with rental rates developed through data from the Assessor's Office to determine an appropriate lease amount. A cost of living increase is included in the lease amount each year. This item will come to Council on November 21 along with the liquor license request.

Sluiter noted there are contingencies in the lease regarding the business owner's obligations to secure liquor licensing and health department approvals.

Poll questioned whether the lease would allow production to continue if the brewery component failed. Sluiter explained the lease requires both business functions to operate together.

Burrill noted the business owner lives in the area and he and his wife are very excited to do this in their neighborhood. Burrill feels this concept supports discussions held at Council retreats in recent years and feels it is exciting to see this in that neighborhood.

Poll asked if there has been any neighborhood opposition. Holt noted Right to Life did provide a letter to the Zoning Board of Appeals expressing concern about potential interaction between the clients of these respective operations, as well as lighting of the parking areas.

Holt explained this will come to the meeting on November 21. With the approval of the liquor license, Council will then have the opportunity to consider the lease agreement. If Council does not approve the liquor license, there will be no need to consider the lease.

Council supports moving this item forward.

6. Any Other Matters

Rynbrandt provided information on the Coalition to End Homelessness and its effort and impact in the City of Wyoming. This is National Homeless Awareness Week and an event will be held Wednesday night to recognize this.

Holt reviewed the Council schedule over the next couple of weeks. Monday, November 21 will be the first official meeting of the newly appointed Council. Existing council will begin at 7 p.m., oaths of office will be issued to the new members and the new members will then be seated. Election of Mayor Pro Tem will immediately follow and we will move on to the rest of our regular agenda. The audit will also be presented at the meeting on November 21. Council pictures, both group and individual, will be taken on December 5 prior to the meeting.

7. Acknowledgement of Visitors/Public Comment

None.

The meeting adjourned at 7:30 p.m.

Kelli A. VandenBerg, City Clerk