- 4. DPS Facility (A0263) (Members received a copy of a City Council Work Session Discussion Information Sheet dated September 25, 2002 from Scott Cope, Director, Building Department, with attachments)
 - a. Site Selection
 - **b**. Environmental Work

President Dalton stated a request to conduct environmental studies at both sites had been received. He indicated an extensive comparative analysis had been conducted on the potential sites, and suggested a site selection be made prior to expending money for environmental studies at both sites. He noted the results of the environmental studies might not have much weight in the final selection of a site.

Mr. Anzek stated this topic had been debated at the City Council Budget Work Sessions held in August because the proposed 2003 Budget had included funding for the DPS Facility, along with the presumed proceeds from the sale of the Hamlin Road property being utilized to offset the cost of the renovation and expansion of the existing facility on Auburn Road.

Mr. Anzek stated the DPS Facility Committee had conducted a fair appraisal of which site would best serve the needs of the City in the future by evaluating all the components of how the DPS operations function. He noted Roger Thompson, Maximus, assisted in that analysis. He indicated acreage, topography, vegetation and terrain were all considered in the analysis of the sites.

Mr. Anzek stated the Auburn Road site is currently a functioning DPS Facility, which is flat and hard-surfaced where it needs to be, and has adequate parking; however, the facility is obsolete and requires renovation and updating. He reviewed the four (4) options reviewed and presented during the City Council Work Session and tour held on June 12, 2002. He indicated the Auburn Road site is rectangular in shape, comprised of approximately Eighteen (18) acres of usable land, with room to expand. He stated the Hamlin Road property is a triangular piece, which causes some narrowing down points at both the western-most and the northern-most points, and noted the rail corridor bisects the piece. He indicated the Hamlin Road site could be expanded vertically and towards the corners; however, it would difficult.

Mr. Anzek stated the Hamlin Road site sloped, and the cost to bring the site to a near flat surface with suitable drainage would be approximately Seven Hundred Thousand (\$700,000.00) Dollars. He noted the Auburn Road site did not contain wetlands; however, small wetlands were identified on the Hamlin Road site. He indicated the School District property was bisected by a large, regulated wetland, which encumbers that property.

Mr. Anzek stated the Auburn Road site has no elevation changes from the roadway and vehicles can easily pull on and off. He indicated there were road crown and tapering issues with the Hamlin Road site, which may become a moot issue with the proposed Hamlin Road improvements.

Mr. Anzek discussed the assets available on the Auburn Road site, including the fuel pumping station and outdoor storage, which would help defray the cost of renovation. He noted the Hamlin Road site would have to be cleared as the existing buildings were not usable for a DPS operation.

Mr. Anzek noted the Auburn Road site is located in the southeastern quadrant of the City, although emergency routes have been established for the winter maintenance vehicles. He stated the Hamlin Road site is more centrally located, although emergency routes have not been evaluated.

Mr. Anzek stated the Auburn Road site is master planned and zoned residential, and if sold, the site would have to be cleaned to those standards. He indicated an environmental study would determine the present level of contamination. He stated the Hamlin Road site had a Phase I, Phase II and BEA work conducted when the property

was purchased and it was declared "clean". He explained because of a reporting glitch to the Michigan Department of Environmental Quality (MDEQ), and a misinterpretation of the lead counts, the site was recorded in the MDEQ database as a "facility" under the Brownfield Rules. He stated Applied Science and Technology (ASTI) was currently working with the MDEQ to correct that matter.

Mr. Anzek discussed the noise level of the existing facility to the adjoining neighbors. He noted the expansion and renovation of that site would bring Ninety (90%) percent of the noise indoors, because a warm storage facility for the vehicles was being proposed allowing for quick starts in the winter. He stated additional landscaping and screening on the berm included in the renovation project would help reduce noise. He stated once the Hamlin Road site was leveled, there would be approximately an Eighteen (18') foot elevation difference in the back along the trail, which would put the facility above the resident neighbors. He indicated a berm would be very costly in terms of usable land area. He noted the adjoining Streamwood and Crestwood residents do not currently experience any noise levels from the Hamlin Road site.

Mr. Anzek stated outdoor storage at the Auburn Road site would be moved toward Auburn Road and away from the adjacent homes. He indicated outdoor storage on the Hamlin Road site would be closer to the adjacent homes.

Mr. Anzek stated no environmental work would be necessary in the renovation and expansion of the Auburn Road site. He stated if the Hamlin Road site were selected, environmental work would be required at the Auburn Road site.

Mr. Anzek indicated zoning issues could be corrected by Ordinance if necessary.

Mr. Anzek stated the renovation and expansion of the Auburn Road site would cost Twelve Million, Four Hundred Ninety Thousand (\$12,490,000.00) Dollars. He noted the Hamlin Road site would cost Sixteen Million, Three Hundred Fifty Thousand (\$16,350,000.00) Dollars. He explained the land costs associated with each site resulted in a cost of Thirteen Million, Two Hundred Thousand (\$13,200,000.00) Dollars for the Auburn Road site, and Twenty-two Million, Four Hundred Fifty Thousand (\$22,450,000.00) Dollars for the Hamlin Road site. He indicated if the Hamlin Road property was sold and the proceeds applied against the cost of renovation at the Auburn Road site, the result would be a Six Million, Three Hundred Thousand (\$6,300,000.00) Dollar project.

Council Questions/Discussion:

President Dalton questioned whether there was sufficient acreage at the Auburn Road site to erect a water reservoir. Mr. Rousse stated there was space available and suggested if the decision was made to erect a water reservoir, the reservoir could be incorporated as part of the renovation project.

President Dalton noted it had been suggested two (2) reservoirs would be required if the City chose to erect them, one (1) in the north end and one (1) at the south end. Mr. Rousse indicated the northwest and south central areas of the City were the recommended locations. He stated the Auburn Road site could be considered as a possible location for a reservoir.

Member Duistermars requested an update on the environmental work proposed at the June 12, 2002 City Council Work Session. Mr. Anzek explained ASTI had been requested to submit a proposal regarding the soil contamination levels at both sites. He stated only six (6) soil samples were taken at the Hamlin Road site in 1999. He stated ASTI had indicated twelve (12) to fifteen (15) soil samples would be the normal, typical standard practice for soil samples to conduct a contamination test. He noted ground water tests could be requested due to the proximity of the regional retention basin. He stated consideration would have to be given to asbestos abatement should any buildings be demolished at either site. He noted Council would decide what environmental work would be performed by ASTI when the proposal was scheduled for a Regular Meeting Agenda.

Member Duistermars questioned whether any areas had been identified at either site as potential problems. Trevor Woollatt, Hydrogeologist, ASTI, explained a preliminary review of the Auburn Road site identified the main areas of concern as the underground storage tank (UST) system; the hydraulic hoists in the building, and the open gravel area where the trucks were stored. He stated those areas would have to meet the residential clean up criteria if the property were sold as residential. He indicated a couple other areas of concern were the removal and replacement of a waste oil tank, and the area where a heating fuel tank was removed. He noted there was an area on the east portion of the property used for debris collected around the City, which could be an area of concern.

Mr. Duistermars questioned whether a serious problem would be evident from the preliminary review. Mr. Woollatt stated there was minor visual evidence of staining on the surface; however, that did not mean there was a problem. He noted subgrade features, such as underground storage piping, presented more of a concern.

Member Duistermars questioned the process of clean up of contaminated areas. Mr. Woollatt indicated clean up depended on the severity of the problem. He explained if it was a small area, soil could be removed. He stated if the problem were a larger issue, such as a leaking underground storage tank, sometimes removal of soil might be sufficient. He noted due to the shallow water table, if groundwater were affected, some form of groundwater remediation might be necessary.

Member Duistermars questioned whether the removed soil is treated and taken from the site. Mr. Woollatt stated if the property were going to be sold as residential, impacted or contaminated soil would not be put back in the ground. He explained landfill approval would be sought and the soil taken to a landfill.

Member Golden questioned the distance between the adjacent neighborhoods and the existing and proposed facilities. Mr. Anzek referred to a display on an easel and described the Hamlin Road site and the plans for a berm between the site and the adjacent homes. He estimated the distance was approximately Two Hundred (200') Feet. He referred to a display describing the existing facility, noting the Thirty-five (35') Foot rear yard setbacks, with approximately Two Hundred (200') feet to the proposed enclosed building. He noted most of the yard work at the Auburn Road site was being proposed closer to Auburn Road and away from the homes.

Member Golden questioned whether both sites were zoned light industrial. Mr. Anzek stated the Auburn Road site was zoned and master planned residential. He indicated city government operations were a permitted use in a residential area. He noted city government operations were not an expressly permitted use in an industrial area, which would have to be corrected with an Ordinance Amendment.

Member Golden questioned whether reservoirs were allowed in a residential area. Mr. Anzek noted reservoirs were not currently spelled out in the City's Zoning Ordinance. He noted the matter would have to be discussed with the City Attorney to determine if a municipal use would be exempted or whether the Ordinance would have to be amended.

Member Golden questioned the market value of the Auburn Road site. Mr. Anzek stated based on comparables from recent real estate transactions, residentially zoned property was priced at Seventy Thousand (\$70,000.00) Dollars to Ninety Thousand (\$90,000.00) Dollars per acre. He indicated the net proceeds from the sale of the Auburn Road site, less costs incurred by the seller, was projected at Eight Hundred Fifteen Thousand (\$815,000.00) Dollars, which did not include clean up costs because they were unknown at this time. Mr. Anzek stated industrial land in the City is priced at approximately Two Hundred Fifty Thousand (\$250,000.00) Dollars to Three Hundred Thousand (\$300,000.00) Dollars per acre.

Member Golden stated there were significant greenspace issues involved with the Hamlin Road site due to the fact the Clinton River Trail ran through that property. She noted the right-of-way on Hamlin Road, and the sensitive issue with expanding next to

the residential area on Auburn Road. She suggested the Planning Commission review this matter from a planning perspective.

Member Barnett stated many of the issues regarding environmental work, buffering, etc. should be decided once a particular site is chosen. He indicated he was very impressed with the work performed by Roger Thompson and Maximus in analyzing both sites. He felt based on the detailed research and the facts presented, there was a clear financial advantage from a City standpoint to renovate the Auburn Road site. He stated the specific decision for site selection for a DPS Facility should be based on facts. He indicated he felt the Committee and Council had asked pertinent questions regarding both sites, and it appeared Auburn Road was the best and most cost-effective site for a DPS Facility. He stated he would not agree with a "fire sale" of the Hamlin Road Site, noting there did not be appear to be a firm argument to consider building a DPS Facility on that site.

(Recess: 8:49 PM to 9:10 PM)

Member Hill stated the issues with the DPS Facility began many years ago based on proposed Federal mandates regarding salt storage. She questioned whether clean up would have to be performed at the Auburn Road site if it was renovated. She stated no mention about roadwork associated with the Auburn Road site had been discussed, noting Auburn Road was a State road. She noted Hamlin Road was a City road and was scheduled for improvement. She stated the Auburn Road site was closer to the adjacent residential area than the Hamlin Road site would be. She indicated a consensus was reached at the June 12, 2002 Work Session regarding environmental studies, which had not been performed to date. She noted the deterioration at the Auburn Road site was forcing an urgent decision, rather than considering the long-term benefits of either site. She felt the design presented for the Hamlin Road site was only a concept, and a joint venture could still be considered with the School District.

Mr. Rousse stated construction funds for the DPS Facility were removed during the recent Budget discussions, although funds had been allocated for evaluation and design. He stated environmental clean up was not out of the picture. He explained mandatory requirements would have to be met, as well as good neighbor requirements. He noted the City was not mandatorily required to perform an environmental assessment on either site. He stated once a site was selected, the environmental assessment would be performed. He noted the budget constraints, and indicated the cost of conducting an environmental assessment at both sites might not be beneficial at this time.

Member Hill stated the consensus at the June 12, 2002 meeting was to perform an environmental study at the Auburn Road site. She noted Council had received a subsequent Memorandum indicating the Hamlin Road site and other factors should be considered as part of the environmental study. She stated she was not comfortable selecting a site for the DPS Facility prior to receiving an environmental study. She noted no prior discussion had been held regarding the location of a reservoir at that location.

Mr. Rousse stated performance of a site analysis on just the Auburn Road site would give the appearance the site had been selected, noting no decision on site selection had been made. He noted a recommendation had been given based on economics, and Council's input was being requested on the direction to pursue.

Member Robbins questioned what the Planning Department would tell a private citizen coming forward with a similar proposal in a residential area. Mr. Anzek stated a private citizen or business would be informed the land was zoned and master planned residential, and that use would not be permitted without a zoning change approved by the City Council.

Member Golden stated working with the neighbors had been discussed at the June 12, 2002 Work Session, and questioned whether a meeting with the adjacent neighborhoods had been scheduled. Mr. Anzek stated no schedule had been put

together. Member Golden questioned whether a visit to the Hamlin Road site had been planned for Council Members. She suggested a discussion be held with the School District regarding their plans for the property they own adjacent to the Hamlin Road site.

Mr. Anzek stated the Committee had recommended a discussion with Dr. Schulz and the School District regarding their property, and whether the School District would also consider selling their property if the City sold the Hamlin Road property. He stated a meeting was held with Dr. Schulz earlier in the day. He stated Dr. Schulz was aware the School District site was encumbered with wetlands, and it was agreed discussions would continue if it was determined the City intended to sell the Hamlin Road site.

Member Golden referred to the planning issues, and suggested the Planning Commission review the matter prior to it coming back to Council. She stated there were public relations issues associated with the rail corridor on the site, noting the Community was concerned about greenspace and open space. She suggested the City should maintain a portion of the Hamlin Road property for that purpose.

President Dalton stated the Planning Commission would be involved once a site was selected. He did not feel it was appropriate for the Planning Commission to determine the site to be selected. He stated he had been a supporter of the Joint Venture; however, due to circumstances it was obvious the Joint Venture would not occur. He noted the Comparative Analysis reflected only minimal savings in comparison to the cost of the two (2) sites. He did not agree with spending dollars on an environmental study for both sites, as One Hundred Ten Thousand (\$100,000.00) Dollars had already been spent for the Comparative Analysis. He felt enough information had been presented to allow Council to select a site. He stated it appeared to be more economical to leave the DPS Facility at the Auburn Road site. He noted the City had owned the Auburn Road property for many years, and no additional property was being sought that would require a rezoning to continue utilizing the property for a DPS Facility.

Member Holder questioned the criteria necessary to rezone a parcel with an established business existing on the site, or to require a rezoning. Mr. Anzek stated a legally established existing business is not obligated to rezone; rather, they continue as a legal non-conforming use. He stated the business could request a zoning change, or Council could make a zoning change, which would result in the business becoming illegally non-conforming if new standards or setbacks were imposed.

Member Holder noted the residents adjacent to the Auburn Road site were "seasoned" as the DPS Facility was located there prior to the subdivision being built. She stated the residents in the Streamwood Condominium complex were very concerned about how the Hamlin Road site would be used. She suggested those residents be notified, if the Auburn Road neighbors are notified.

Mr. Anzek stated the City has exercised good judgment and sound practice in utilizing the Auburn Road site. He noted the berm built between the DPS operation and the residents averages about Twelve (12') Feet high, while the City's Code only requires a six (6') foot berm as a buffer between incompatible uses. He stated the berm was also planted with pine trees, which are excellent sound buffers. He noted the noise nuisance would be reduced if the Auburn Road site is renovated because the truck operations will be inside a building, and the operations would be moved closer to Auburn Road. He was unsure where the outside operations would be located at the Hamlin Road site.

Member Holder stated she travels Auburn Road several times a day, and noted the DPS vehicles act as a safety feature for the school located across the street. She explained the DPS vehicles maintain the posted 25 MPH speed limit during school hours, keeping all traffic on Auburn Road down to the posted speed limit.

Member Hill questioned whether the proceeds from the sale of the Hamlin Road site were going to be used for the renovation of the existing facility. Mr. Anzek stated that was unpredictable in the event the Hamlin Road site did not sell. Member Hill noted the present economy was not good for the sale of Hamlin Road property, and she would not

want to take a loss on the sale. Mr. Anzek noted the Administration had not stated it would be willing to take a loss on the property either.

Member Hill noted no environmental study had been performed on the Auburn Road site; therefore, clean up costs were unknown. She questioned whether clean up costs had been calculated into the cost of the project. She felt the money spent on an environmental analysis would be beneficial to determine potential liabilities, which would affect the bottom line on the project.

Mr. Rousse stated the same situation would apply to either site, although the City had some degree of assurance on the Auburn Road site because the DPS Facility had occupied it since 1969. He noted that level of assurance was not available on the Hamlin Road site. He felt the risks would be lower on Auburn Road based on what the City knows about the site versus the unknowns on the Hamlin Road site. He noted the Hamlin Road property had been a manufacturing facility; while the Auburn Road site was more of a truck garage.

President Dalton stated no member of Council or the Administration had suggested selling the Hamlin Road property at a loss, and noted he would be against that. He stated if environmental problems were discovered, they would be addressed when encountered. He stated the City's elected officials should be fiscally responsible, and Council needed to move forward with a plan. He indicated things had changed with the Joint Venture since the Comparative Analysis was conducted.

Member Golden stated she had expressed concern about selling the Hamlin Road site in a soft market. She agreed Council Members had requested certain things be done during the discussion at the June 12, 2002 Work Session. She stated the Planning Commission handled the Master Land Use Plan, and there were zoning issues to be considered, which is why she had suggested that professional group review the matter. She noted several years ago Council Members were given a set of facts in Closed Session indicating there was no room at the Auburn Road facility for expansion. She noted the current scenario was opposite the prior recommendation. She felt the residents would be upset because they had not been notified about the current proposals. She expressed concern about placing a water tower next to a residential area. She felt the Planning Commission should be utilized, and Council Members should be provided the information requested at the Work Session.

Member Duistermars stated he did not feel Council Members had incomplete information, noting they had received the Comparative Analysis that was conducted. He stated he felt the refurbishing of the Auburn Road site was justified based on the information presented. He stated Mr. Woollatt from ASTI had not indicated he had observed anything percolating in the ground at the Auburn Road site. He stated he would not be in favor of selling the Hamlin Road property at a loss, although he would like to see the Hamlin Road site sold prior to renovations beginning at the Auburn Road site. He indicated Council Members were elected to make decisions based on best judgment, and he felt it was time to make a decision about the DPS Facility site.

Member Robbins stated it would be normal practice for a developer to choose a site before beginning the Planning Commission process. He stated the City Council was responsible for making the decision about the site location.

Mayor Somerville stated City Council had approved hiring a consultant to conduct a study and bring the results of the study back to Council regarding a recommended site for the DPS Facility, which had been done. She stated she could not recall a time when the Planning Commission was asked to make a decision on anything other than a plan placed before them. She indicated once a site was selected, the site plan would be prepared and sent to the Planning Commission for review.

Member Hill referred to the June 12, 2002 Work Session Minutes, noting the consensus agreed to by the Council Members at the end of the discussion. She stated she did not agree this matter was ready to be brought forward on a Regular City Council Agenda.

Member Holder stated Mr. Rousse had explained why the environmental study was being discussed at this Work Session, which was due to budget constraints and the cost savings associated with choosing a site first.

Member Golden stated no discussion had been held with the residents adjacent to either property. She indicated the residents in the Streamwood complex might be concerned about the other uses available for the Hamlin Road site. She suggested a portion of the site might be considered for a greenspace corridor and a park.

President Dalton stated if the Auburn Road site were selected, then discussions would be held regarding the Hamlin Road site.

Mr. Anzek questioned whether Member Golden's reference to a greenspace corridor was in addition to the rail-to-trails land acquired. Member Golden stated it was a concern of the spin-off group from the Speak Out sessions. She indicated that group felt the City would be a good neighbor, noting the City had maintained the greenspace and natural environment where City Hall is located, and would be more sensitive to environmental issues. Mr. Anzek noted the Hamlin Road property was purchased through the Water and Sewer Fund, which would require an adjustment to the Park Fund or the General Fund if the site were to be used for greenspace or open space purposes.

Mr. Anzek stated it was the consensus of the DPS Facility Committee that an analysis group be established to evaluate the best means to go about the disposition of the Hamlin Road site. He stated Jean Farris had been researching the issue with other communities regarding the use of a broker, an auction or advertising.

Member Robbins questioned how many parcels made up the Hamlin Road site. Mr. Anzek indicated there were five (5) parcels. Member Robbins questioned whether the parcels could be combined legally and through the Zoning Ordinance, with the northern One Hundred (100') Feet dedicated as a park or City-owned land. Mr. Anzek stated a dedicated conservation easement, a landscape easement, or a public use easement could be considered.

Mr. Anzek noted if a parcel were deleted from the property, it would diminish the value of the property. Member Robbins noted the retail value would be diminished; however, the value of the trail and the services provided by the City would be enhanced. Mr. Anzek stated Mike Hartner had suggested utilizing the corner for a park and restroom facility because it would parallel the parking lot and vault toilet system along Tienken Road. Mr. Anzek noted it was difficult to get any type of building or structure into a corner.

President Dalton stated two (2) Council Members had indicated they did not feel this item was ready to move forward to a Regular City Council Agenda, although a majority of Council Members did seem to feel the item was ready to move forward. He stated any specific request for information would be provided prior to the next Council Meeting.

Members Robbins questioned whether there was a cost associated with the additional information being requested. Mr. Anzek stated the environmental work would take about four (4) weeks to complete, noting the scope of the environmental work would have to be defined before the cost could be determined.

President Dalton questioned whether money should be spent in conducting an environmental study of both sites. He stated the next logical step after selection of a site would be concentrating on an environmental study on the selected site.

Member Hill stated she did not understand why the environmental work was postponed after the June 12, 2002 Work Session. She stated if this item is brought forward to the October 9, 2002 City Council Agenda, it should be made clear exactly what uses are allowed per City Ordinance for the Hamlin Road property, noting it was zoned light industrial. She felt a City-owned DPS Facility would be more environmentally friendly.

She stated she regretted there was no environmental assessment prepared prior to site selection.

Member Golden requested the Minutes from the June 12, 2002 Work Session be included in the packet for the October 9, 2002 meeting. She requested a list of potential uses before the October 9, 2002 meeting as well. Mr. Anzek stated the Zoning Ordinance listed the permitted uses for the I-1 (Light Industrial) Zoning.

Member Golden questioned whether this item would be noticed for either adjacent neighborhood because the discussion could affect either site. She felt it was a good neighbor policy and part of being a good applicant.

Member Robbins questioned the need for a list of permitted uses on the Hamlin Road site, when no decision had been made to use the property for a DPS Facility or to sell the property. He stated when a developer appears before the Planning Commission, they came forward with a decision about where to build their project and a proposed site plan. He stated when the Planning Commission reviewed the plan, they would instruct the developer to work with the neighbors. He pointed out it would be hard to work with the neighbors before the City knew what it intended to do.

Member Barnett stated he agreed with Member Robbins. He stated after the first step is taken, it would then be appropriate to work with the Planning Commission and the neighbors, consistent with any project that is brought forward within the City.

Member Hill stated the Minutes from the June 12, 2002 Work Session should be included with the October 9, 2002 packet. She stated the residents in the Streamwood community were aware the City had purchased the Hamlin Road property for a Joint Venture, or for a City DPS Facility. She stated she had requested the permitted zoning uses for the Hamlin Road site be included in the October 9, 2002 packet to allow anyone who reads the packet to understand what happened during the June 12, 2002 Work Session discussion; to see what was being presented at the October 9, 2002 meeting regarding a decision on the site selection, and if the Hamlin Road site is not selected, the permitted uses for the Hamlin Road site. She felt this would provide the residents with a clear understanding of what was possible at the Hamlin Road site.

Member Robbins questioned what permitted uses are available to the City with the Hamlin Road site if the City retains ownership. Mr. Anzek stated it could be leased for any industrial use permitted under the I-1 Zoning. Attorney Staran stated the City could use the property for anything within the realm of a municipal building or use. He stated that could be recreational, service, reservoirs or any municipal use. Member Robbins questioned whether a list of permitted uses could be included in the October 9, 2002 packet. Attorney Staran indicated the information could be provided.

President Dalton stated this item would be moved forward to the October 9, 2002 Regular City Council Agenda. He stated if a site were selected, the environmental work would follow. He questioned whether there were any Council questions or discussion regarding the environmental work. No questions or additional discussion was heard.

(Recess: 10:16 PM to 10:31 PM)

6a. munity Development and Viability Committee

1. Road Policy Amendments (A0016) (Member Lerved a copy of a City sil Work Session Discussion Information Sheet dated July 17, 2002 from Land Barnett, Chairm Land, Community Development & Viability Committee, Land Land

President Dalton stated the Committee had forwarded this item to be Council.

Member Relation stated he had reviewed the March 21, 2002 Meeting Minutes which cated the current Four Thousand (\$4,000.00) Dollar on Special