

**COMMITTEE OF THE WHOLE WORK SESSION  
MINUTES FROM JUNE 24, 2025**

Mayor Patricia Randall called the Committee of the Whole Meeting to order at 04:05 PM in Conference Room #1 at Portage City Hall.

**ROLL CALL:** Councilmembers Chris Burns, Victor Ledbetter, Nicole Miller, Terry Urban, Jihan Young, Mayor Pro Tem Jim Pearson, and Mayor Patricia Randall were present.

**ABSENT:** None.

**ALSO PRESENT:** City Manager Pat McGinnis, Chief Operating Officer Adam Herringa, Chief Development Officer Peter Dame, City Attorney Catherine Kaufman, Deputy Director of Economic Development Jon Hallberg, Housing Resource Specialist Anita Johnson, and City Clerk Erica Eklov.

**PORTAGE COMMUNITY LAND TRUST OPERATING AGREEMENT AND STANWOOD CROSSINGS  
DECLARATION OF EASEMENTS AND RESTRICTIVE COVENANTS:**

At the Mayor's introduction, City Manager McGinnis introduced the matter, the city staff in attendance, Special Counsel Tim Orlebeke of Orlebeke Mackraz PC, and Jack Gesmundo of American Village Builders (AVB). He then deferred to CDO Dame, who presented the two documents being reviewed and noted the operating agreement had been edited to reflect previous discussions, particularly regarding the board composition. He closed his introduction by recommending that the Council appoint the City Manager as the initial Community Land Trust (CLT) Manager.

Attorney Orlebeke summarized revisions to the Operating Agreement for the Portage Community Land Trust, LLC. He highlighted revisions made to the operating agreement resulting from discussion at the May 27, 2025, Regular City Council meeting, including: a change in the preface which clarified that the City is the sole member of the trust, modifications to Articles 2 and 3 which appointed the city manager as the initial CLT Manager, an additional change to Article 3 which addresses the use of the word "board" and clarifies the role of CLT's member compared to the role of the CLT manager, and clarified definitions to allow for multiple managers and define who can appoint additional managers.

Mayor Pro Tem Pearson inquired about the anticipated staff and legal counsel time demands. City Manager McGinnis responded that the goal is to transition the CLT into self-sufficiency with minimal city staff involvement, with potential support coming from a community nonprofit. He stated the project will begin with the city's oversight to ensure the housing remains affordable in perpetuity, as attempts to involve other organizations proved unsuccessful. City Manager McGinnis expected initial staff involvement to be higher during property transactions to ensure proper education and compliance for buyers.

Councilmember Urban expressed his expectations that Stanwood Crossing should be treated as another neighborhood subject to city ordinances, without a Homeowners Association (HOA). He asked who owned the land after a home was purchased. CDO Dame responded that the city would own the land until the closing of the sale, at which point it would be turned over to the CLT. Councilmember Urban noted the document provided the City Manager with the ability to sell the land as the Manager of the LLC at any time, which could create problems in a worst-case scenario should the CLT Manager conduct a sale without the Trust's knowledge. Councilmember Burns and Young confirmed their understanding of Councilmember Urban's concerns while hesitating to believe the City Manager would take such action.

Attorney Orlebeke confirmed that the role of a Manager in an LLC is guided by state law and stressed that a manager violating obligations is subject to removal, sanctions, and potential criminal liability. He highlighted the Council had the ability to narrow the capabilities of the Manager in crafting the documents. There was additional discussion regarding the expectations of the future ownership of the CLT and the abilities of the Manager laid out in the documents pertaining to the Manager's rights and powers. City Manager McGinnis asked Attorney Orlebeke if the "Manager" could be a three-person body made of the City Manager, Finance Director, and Mayor as a safeguard, which he confirmed. Mayor Randall asked if the Council could be required to approve a property sale. Attorney Orlebeke confirmed; however, Councilmember Urban expressed concern that, per the City Manager's earlier stated goals, the CLT would eventually become self-sufficient and no longer under the oversight of City Council. CDO Dame relayed that both the house and the property would be initially owned by the city, which would then sell the building to the CLT. Future sales of the house would be between the CLT and the home buyer. Councilmember Urban then noted Article 4.3, titled Conflicts of Interest, and discussed concerns with Attorney Orlebeke, highlighting the city's existing conflict of interest policy. CDO Dame noted the city is held to a different standard than the CLT would be.

Councilmember Burns asked about the required financial reporting. Attorney Orlebeke responded that the CLT is obligated to provide the member (city) access to all books and records.

#### **REVIEW OF EASEMENTS AND COVENANTS:**

The discussion transitioned to the Declaration of Easements and Restrictive Covenants document. CDO Dame noted the highlighted items were above and beyond compared to city ordinances. Councilmember Urban expressed concern about holding residents to stricter terms than the citywide ordinances. CDO Dame elaborated on staff's intent to maintain property values long term, but Council held the discretion to remove undesirable prohibitions. City Manager McGinnis added that the requirement to get approval of capital expenses is important because the land lease only allows for an index-inflated price at the time of sale, and the intent is to maintain the value and maintenance of the properties over time. He also noted the residency requirement, as the intent is that the people buying the home live there.

Councilmember Urban noted the example lease agreement allowed for subletting. CDO Dame replied that the lease was only provided as a reference and would not be the final version. Councilmember Urban then went on to note the description of a single-family residence and a concern with potentially prohibiting home occupations. CDO Dame responded that the city's home occupation ordinance continued to serve as the guide for that type of use, continuing the definition of a single-family home.

Mayor Randall asked the project developer to comment on the included provisions. Jack Gesmundo responded that the included restrictions originated from prior AVB developments to ensure their long-term quality. He noted that the current items presented contained significantly fewer parameters than prior developments, as city staff removed about 80 percent more. He stated that Stanwood Crossings is not an HOA because there are no assets to maintain and no governing board of residents.

Councilmember Young noted the signage restrictions and asked Mr. Gesmundo about certain accommodations. He confirmed such items were currently allowed in other CLT communities developed by AVB.

Councilmember Urban asked whether the Council desired additional restrictions for residents of Stanwood beyond other city neighborhoods. Mayor Randall responded, emphasizing the goal of long-term success.

Councilmember Urban then asked about a prohibition of commercial vehicles in residential areas. CDO Dame highlighted that Section 2.2S details rules for non-commercial vehicles, which are comparatively the same as the citywide code. Councilmember Miller highlighted the notation of vehicles requiring a Commercial Driver's License. Councilmember Urban expressed concern with the

future CLT member board having to adjudicate such situations. Councilmember Burns discussed the standards. Councilmember Miller expressed concerns with the target marked of families and young professionals as compared with the increased restrictions which may affect resident longevity. She elaborated the plantings, siding, and roofing parameters might cause potential buyers to backout, or for residents to move earlier due to the restrictions. Councilmember Urban highlighted the onerous nature, as well as the requirement for a landscape plan.

Mayor Randall stated her desire for Stanwood to succeed and set an example of what the city can do while keeping it affordable.

Councilmember Urban stated that AVB's typical target housing market is not the same as Stanwood, noting that the goal for the development to offer affordable workforce housing. He expressed concern that additional restrictions would increase housing costs.

Councilmember Burns asked about amending restrictive covenants in the future, specifically noting Section 2.2E prohibiting chain link fences. Attorney Orlebeke confirmed amendments were possible, subject to a majority of residents who had already purchased agreeing on the changes and suggested a percentage vote could be included in the covenants, such as requiring a 75 percent vote to change a standard.

Discussion followed regarding policing and the city's role in enforcement, while maintaining neighborhood aesthetics and ensuring the fair treatment of the residents.

**SUMMARY OF DISCUSSION AND NEXT STEPS:**

Mayor Randall summarized the next steps, ensuring the Council was comfortable with the CLT operating agreement for the Regular Meeting's action. She asked Councilmembers to list specific issues and concerns within the covenant restrictions that add additional cost and prevent affordability. She also asked Councilmembers to mark up the protective covenants and deliver them to the City Manager within a week, and in turn asked the City Manager to summarize issues and provide answers to the Council an email while putting it on the agenda for the July 8 Regular Meeting.

Councilmember Urban asked who was the party responsible for fixing a broken sewer line from the house to the street. CDO Dame confirmed the homeowner is responsible for fixing the repair, but the city owns the land. Councilmember Urban then inquired about the various easement particulars, noting that the easements in the lease agreement were broader. Mr. Gesmundo noted it was a common issue with stormwater in developments. Councilmember Urban then noted issues with the lease agreement, specifically that the CLT can create a public easement path through any part of any lot at any time. He highlighted Section 3.1 that anything is as may be reasonable, such as utilities, storm drainage, sidewalks, and walkways, but the CLT in the future could demand and claim an easement for a nature trail.

**PETITIONS AND STATEMENTS OF CITIZENS:** One citizen in attendance declined to comment.

**ADJOURNMENT:** Mayor Randall adjourned the meeting at 05:41 PM.

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Erica L. Eklov, City Clerk

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