

Regular Meeting of the Mt. Pleasant City Commission
Monday, August 8, 2022
7:00 p.m.

AGENDA

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PROCLAMATIONS AND PRESENTATIONS:

1. Introduce new Water Plant Operators Alexander Swick and Zach Griffith.

ADDITIONS/ DELETIONS TO AGENDA:

PUBLIC INPUT ON AGENDA ITEMS:

RECEIPT OF PETITIONS AND COMMUNICATIONS:

2. Monthly report on police related citizen complaints received.
3. Minutes of the Tax Increment Finance Authority (TIFA) (March).
4. Minutes of the Zoning Board of Appeals (April).
5. Minutes of the Airport Joint Operations and Management Board (June).

CONSENT ITEMS:

6. Approval of the minutes from the regular meeting held July 25, 2022.
7. Approval of the minutes from the closed sessions held July 25, 2022.
8. Consider approval of purchase from JWC Environmental for a rebuilt 2022 channel grinder assembly.
9. Consider waiving fees for Downtown Pride and Pitch Competition.
10. Consider approval of Payrolls and Warrants.

PUBLIC HEARINGS:

NEW BUSINESS:

11. Follow-up discussion on Youth Services Unit (YSU) Officer.
12. Consider resolution approving the Downtown Mt. Pleasant Social District and approve a budget amendment for the same.

ANNOUNCEMENTS ON CITY-RELATED ISSUES AND NEW BUSINESS:

All interested persons may attend and participate. Persons with disabilities who need assistance to participate may call the Human Resources Office at 989-779-5313. A 48-Hour advance notice is necessary for accommodation. Hearing or speech impaired individuals may contact the City via the Michigan Relay Service by dialing 7-1-1.

City Commission Agenda

August 8, 2022

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PUBLIC COMMENT ON AGENDA AND NON-AGENDA ITEMS:

RECESS:

CLOSED SESSION:

RECESS:

WORK SESSION:

13. Housing discussion.

ADJOURNMENT:

All interested persons may attend and participate. Persons with disabilities who need assistance to participate may call the Human Resources Office at 989-779-5313. A 48-Hour advance notice is necessary for accommodation. Hearing or speech impaired individuals may contact the City via the Michigan Relay Service by dialing 7-1-1.

TO: MAYOR AND CITY COMMISSION

AUGUST 4, 2022

FROM: AARON DESENTZ, CITY MANAGER

SUBJECT: CITY MANAGER REPORT ON AGENDA ITEMS

Proclamations and Presentations:

Receipt of Petitions and Communications:

Consent Items:

8. Consider approval of purchase from JWC Environmental for a rebuilt 2022 channel grinder assembly
 - a. The City's Water Resource Recovery Facility (WRRF) uses a channel grinder during high flow situations to grind debris before processing wastewater at the plant. The existing grinder needs to be replaced. JWC Environmental is the sole source vendor for the grinder model used at our plant. The City Commission is asked to approve the purchase of a rebuilt 2022 grinder assembly for \$29,452. Of this, \$16,500 is covered by a 2% grant from the Saginaw Chippewa Indian Tribe.
9. Waive fees for Downtown Pitch Competition.
 - a. The City and various stakeholders/community partners plan to hold a pitch competition at the Broadway Theatre on November 9th. The organizers are asking for various fees and charges to be waived for the winning business pitch for downtown. The total fees and charges will not exceed \$2,500 and would include building permits, sign permits, etc.

Public Hearings:

New Business:

11. Follow-up discussion on Youth Services Unit (YSU) Officer.
 - a. At the 07/25/2022 City Commission meeting, Mount Pleasant Public Schools Superintendent Jennifer Verleger presented a request for the City Commission to consider adding an additional youth services officer at the middle school. Further information including YSU training and tasks are included in your City Commission packet. The City Commission is asked to discuss the request from the Mount Pleasant School District.
12. Consider resolution approving the Downtown Mt. Pleasant Social District and approve a budget amendment for the same.
 - a. In consideration of Broadway Central 2022, the City Commission directed staff to move forward with a social district in the downtown area. A social district will allow for alcoholic beverages purchased from specific downtown vendors (such as restaurants) to be consumed outside within the district. Several other cities including Midland, Holland, Grand Rapids, Ada Township, and Petoskey all have social districts. These cities have not reported any major concerns or issues as a result of these programs.

In developing the social district, staff consulted with downtown business owners on how best to maintain the sort of atmosphere we are interested in promoting. Along with this sort of input, businesses requested that the social district fees be waived for the first year and that the district would be open for a full one-year term. The reasoning is that businesses will need to apply for special licensure with the State which includes additional fees and time, and that a full year will give them the opportunity to recoup these costs vs. a shorter time frame. Staff discussed this and feels comfortable making this recommendation. The Resolution has been written so that activity between the months of November and May will only serve special events.

Costs will not exceed \$5,000 which will be for marketing, maintenance, and supplies. The attached Resolution will establish the social district, a \$250 fee, and waive the fee for the first year of operation.

- i. Recommended Action: A motion to approve the attached resolution in support of the Downtown Mount Pleasant Social District and a budget allocation of \$5,000 from the General Fund Economic Incentives Fund.

Work Session:

13. Housing Discussion

- a. The City's planning consultants at McKenna have prepared three (3) memos to discuss different parts of a potential housing program. Those three (3) parts include discussion on payment in lieu of taxes (PILOT) programs, Neighborhood Enterprise Zones (NEZ), and a rental to owner occupied incentive program. Detailed reports on each including definitions and data for your consideration can be found in your packet. Below is a list of primer questions that we will discuss in order to establish parameters and acceptable conditions of each program:

PILOTs:

1. Is a lower shelter rent percentage (set at 3-4%) combined with a municipal services fee (3%) an acceptable approach?
2. Do you expect that proposed projects will incorporate all of their housing units meeting the criteria for affordable housing?
3. Would you consider a policy that allows for an approved PILOT to be renewed at the end of its term or at least consider such a request on a case-by-case basis?
4. How long a term should be considered? Minimum 30-years? Less?
5. Do you expect a policy to specify a term for which the PILOT will be issued, or should that be determined by the term of the mortgage (perhaps with a maximum term specified)?
6. Should the PILOT policy specify a rating system against which proposals are evaluated?
7. Are you comfortable with soliciting proposals for affordable housing once or twice per year, or should we consider proposals whenever they are submitted?
8. Are there specific elements you would like to see addressed in an affordable housing proposal, or is it acceptable only for a proposal to comply with the City's zoning ordinance?
9. Does the Commission have a preference for the size of these developments?

NEZ Policy Prompts:

1. Are you supportive of using NEZ as a method to begin to address attracting owner-occupied housing opportunities?
2. Is NEZ a desirable tool to incentivize home-owners to specific neighborhoods?
3. Do you support designating an appropriate district or districts as NEZs within which properties could qualify for the program?
4. Do you have any questions or comments that would be important for staff to know as the parameters of this program are developed?
5. Is NEZ a desirable tool for rental, condo, or other missing middle housing types (duplex, triplex, quadplex)?
6. Is a shorter term (less than 15-years) or a lower tax break (less than 50%) desirable?
7. Are there concerns about the potential impact of a tax jump on lower-income and fixed-income (seniors) following the period?
8. Is there a preference for NEZ incentives to apply to owner-occupied new construction, or rehabilitation of existing structures, which might not require owner-occupation?

Owner Occupied Policy Prompts:

1. What do you see as the goal of such a program: permanent conversion of rental properties to owner occupied units, or as a way of helping aspiring homeowners enter the housing market?
2. Is giving up a rental license for 5 years a sufficient time period for the program, or should it be longer? Shorter? If longer, what is reasonable?
5. Should the amount of the incentive be increased beyond the amount offered by the previous program (up to \$16,000 depending on the type of rental and the purchase price)? For example, increasing from \$16 K to \$25K. Or establishing a percentage of purchase price, up to 20%?
6. Should such a program be limited to a targeted area, a particular type of rental unit, or should it apply City-wide and include all rental types? Should the program available citywide?
7. Should any of the objectives or measures included in the support memorandum be considered in the next version of the program?

[illegible]

City of Mt. Pleasant, Michigan



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320 W. Broadway • 48858
(989) 779-5300
(989) 773-4691 fax

PUBLIC SAFETY
804 E. High • 48858
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PUBLIC WORKS
320 W. Broadway • 48858
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(989) 772-6250 fax

March 2, 2022 MINUTES – TAX INCREMENT FINANCE AUTHORITY (TIFA)

MEMBERS PRESENT

R. Blizzard	EA	12/31/2025
Vacant	N/A	12/31/2022
George Ronan	P	12/31/22
Vacant	N/A	12/31/22

N. Frost	P	12/31/2022
R. Swindlehurst, Chair	P	12/31/2022
B. Wieferich, Vice Chair	P	12/31/2022
M. Sponseller, Staff	P	N/A

A = Absent without notification

P = Present

EA = Excused Absence

N/A = Not Applicable

Guests: Bill Mrdeza

I.) CALL TO ORDER

Call to order at 8:31am

II.) ROLL CALL AND INTRODUCTIONS

Board member roll listed above with attendance.

III.) CHANGES/ADDITIONS TO AGENDA

Deletion of election of officers until bylaws can be updated.

IV.) MINUTES

Motion to approve the regular November 2021 minutes as presented.

M = Wieferich

S = Ronan

Motion approved

V.) RECEIPT OF COMMUNICATION

A.) DOWNTOWN DIRECTORS REPORT

Receipt of March Downtown Development Directors report. No action taken.

V. RECEIPT OF COMMUNICATION

B.) INDUSTRIAL PARK NORTH (IPN) TIFA 2021 YEAR-END BUDGET

Motion to accept the 2021 IPN year-end financial report as presented.

M = Wieferich

S = Ronan

Motion approved

V. RECEIPT OF COMMUNICATION

C.) CENTRAL BUSINESS DISTRICT (CBD) TIFA 2021 YEAR-END BUDGET

Motion to accept the 2021 CBD year-end financial report as presented.

M = Ronan

S = Frost

Motion approved

VI. PUBLIC COMMENT

No public comment.

VII. OLD BUSINESS**A.) PARKING LOT 5 & 11 TRANSFER OF OWNERSHIP**

Motion to direct the chair to sign the necessary paperwork to transfer the parcels below to the City of Mt. Pleasant:

- 00439
- 00091
- 00092
- 00093

M = Ronan S = Wieferich Motion passed.

VIII. NEW BUSINESS**A.) 2022-2023 MEETING SCHEDULE**

Motion to approve the 2022 meeting schedule as presented (see below).

M = Ronan S = Frost Motion passed.

Meetings remain every other month on the fourth Monday at 8:30am at City Hall in conference room A.

March 28

May 23

July 25

September 26

November 28

January 27, 2023

VIII. NEW BUSINESS**B.) FAÇADE IMPROVEMENT MATCHING GRANT PROGRAM**

Motion to accept façade improvement matching grant program as presented.

M = Wieferich S = Frost Motion passed.

VIII. NEW BUSINESS**C.) BLADE SIGNAGE MATCHING GRANT PROGRAM**

Motion to allocate \$10,000 of façade improvement matching grant program funds for blade signage matching grant program and update existing guidelines as presented.

M = Wieferich S = Ronan Motion passed.

VIII. NEW BUSINESS**D.) FIRE PROTECTION MATCHING GRANT PROGRAM**

Motion to accept fire protection matching grant program as presented or with changes.

M = Ronan S = Frost Motion passed.

VIII. NEW BUSINESS**E.) REVIEW 2021 BUSINESS INCENTIVES**

Recommend continuation of select marketing in 2022 utilizing the approximately \$12,866 balance.

M = Ronan S = Wieferich Motion passed.

IX.) OTHER/ADDITIONS TO AGENDA

None.

X.) ADJOURNMENT

Meeting adjourned 9:27am.

**Mt. Pleasant Zoning Board of Appeals
Minutes of the Regular Meeting
April 27, 2022**

I. Chair Raisanen called the meeting to order at 7:14 p.m.

Present: Friedrich, McGuire, Orlik, Raisanen, Stressman
Absent: Aaron White

Staff: Brian Kench, Laura Delamater

Raisanen welcomed newly appointed member David McGuire and re-appointed PC cross-over member Corey Friedrich.

II. Approval of the Agenda:

Motion by Orlik, support by Friedrich to approve the agenda.

Ayes: Friedrich, McGuire, Orlik, Raisanen, Stressman
Nays: None

Motion was approved unanimously.

III. Approval of the Minutes:

A. January 26, 2022

Motion by Stressman, support by Friedrich to accept the minutes as presented.

Ayes: Friedrich, McGuire, Orlik, Raisanen, Stressman
Nays: None

Motion was approved unanimously.

IV. Communications:

Kench noted that there were no communications.

V. Public Comments:

Chair Raisanen opened the public comment. Kench noted that there were no public comments submitted via zoom or electronically. There being no one who wished to address the board, Chair Raisanen closed public comment.

VI. Old Business:

A. None

VII. Public Hearing:

A. ZBA-22-01 – 931 S. Fancher & 505 E. Gaylord – Request for a variance from Section 154.608.B of the Zoning Ordinance to obtain a variance to reduce the 50-foot required lot width to permit a lot split.

Raisanen reviewed the bylaws and board procedures for the Public Hearing.

Kench introduced the ZBA-22-01 submitted by Sean Staricha requesting a variance from Section 154.608.B of the Zoning Ordinance to obtain a variance to reduce the 50-foot required lot width to permit a lot split. Kench explained that staff had met with the applicant and discussed possible scenarios where the line should be. Kench discussed the rental license history for the property.

Kench reviewed the property's zoning and other characteristics as well as the current use, zoning, and future land use of adjacent properties. The property is zoned CD-3 with the future land use being designated as residential.

Kench discussed the survey of the property. Kench reviewed the proposed parking for the property.

Kench shared photos of the area and current conditions of the buildings currently on the property.

Kench explained that the applicant is looking for a variance to reduce the required lot width of 50-feet down to 39.45 feet.

Raisanen asked if the board had any questions for Mr. Kench before the applicant presents his case.

Friedrich asked if staff had explored with the applicant the possibility of moving the new property line to the other side of the garage? It appears this would allow 50-foot on both sides without taking the garage down.

Kench explained that it would put the garage in the front yard and that the front yard would be on Gaylord Street with this option.

Discussion took place regarding the way the frontage of a lot is determined and how this would create another code violation.

Raisanen called on Mr. Staricha to present his case.

Staricha explained that the houses were built well over 100 years ago and the garage was built in the mid 1900s. Staricha would like to have the ability to sell 505 (E. Gaylord) as single-family home down the road if needed to. If would allow him to meet code by applying for a two-family home on 931(S. Fancher) so that garage is actually of some use to him whether that be renting it or using as a guest house for anyone staying with them. His main concern though was planning from the get go when he purchased the property was to split the two is he would be able to sell the 505 E. Gaylord on its own. This whole process of finding out that the apartment was an illegal residence has kind of fast forwarded the need to split them. He has been working with Brian Kench to come up with the best way to meet the zoning conditions that have been set out and match neighboring lots as much as they can. He wanted to add one other note to the gentleman's question as to why they didn't move the line between the garage and house. We also noted that by doing that would leave minimal space in what is now called the back yard. They would only have about 2-feet where the property line would end up, so that's another reason they avoided that route.

Raisanen opened discussion.

Orlik asked how Mr. Staricha got the impression that the duplex was allowed or that the rental property was allowed when he bought the property?

Staricha stated that his realtor at the time had given him a packet of information about the house itself and it noted that there was three structures on the property. The garage being one, which netted about \$450.00 of rental income. The 505 (E. Gaylord) address which at the time netted about \$725.00 rental income and then the main house which he was also renting out, which was about \$1200.00 of rental income. Other than that, it was just verbal discussions between him, the seller and the realtor. He found out about the illegal residence while working with his property management company on inspections. The Fire Department had been out and done inspections and went back to the office to input the information and it came up as an illegal residence.

Stressman asked whether the property was presented as a duplex or a tri-plex?

Staricha stated that they did not use that verbiage, they mentioned the property had three (3) dwellings.

Kench explained that with a tri-plex generally has shared common walls. In this case we potentially have a duplex and a single-family, would be considered three (3) dwelling units on the property under the rental licensing program.

Stressman asked if the Realtor went over what constitutes being done for this to become a licensed rental unit on the property.

Staricha stated he was told that to have 505 (E. Gaylord) by itself, is to split it off. The realtor told him he would be able to rent out the apartment immediately and do the split at a later date, which obviously is not the case. Sean stated that this was the first property he had purchased and the whole purpose they purchased the property was the intent of the rental income to help them pay the mortgage and have a little more of a gap of income so they don't have to worry as much. Obviously, this property is a little more complicated than the realtor presented.

McGuire asked about the property management company that Sean had mentioned and whether or not he was in the business of buying property for rental purposes?

Staricha explained that they were moving to the 931 (S. Fancher) home this weekend. He discussed how the property had been presented to he and his wife and how the rental income would impact his mortgage payment.

Stressman asked about the Fire Department Inspections that were mentioned and whether or not they had inspection the 505 (E. Gaylord) and assessed whether it could be a licensable rental.

Staricha stated that the 505 (E. Gaylord) and the 931 ½ (S. Fancher) were inspected. The 505 did pass and has an updated rental license. The 931 ½ (S. Fancher) was the only one that came up with issues.

Stressman asked about the parking for 931 A (S. Fancher) which is going to be the main house or are you looking at creating a garage unit to be able to rent out?

Staricha stated that it would be used as a garage; they had no plans to convert or use it as a rental. A portion may become an office. The two (2) car garage would be for parking.

Stressman discussed the proposed uses of the three (3) dwelling units.

Orlik pointed out for the applicant that although they had been talking about converting to a duplex and getting a Special Use Permit, we all need to keep in mind that that's an issue for the Planning Commission, so whatever we do tonight, would not relate to the idea of the Special Use Permit for the duplex, that's the other body.

Staricha stated that he understood. If for some reason they decide not to allow that duplex, they would use the apartment as a guest house for anyone that might be visiting them.

Stressman asked Mr. Staricha to share how the utilities are currently configured on the property.

Staricha stated that when he purchased the property, the water and gas at 931 (S. Fancher) were connected and are still currently connected. He separated the electric at 931 (S. Fancher) into two (2) services and that created a separate service for 931 ½ (S. Fancher). 505 (E. Gaylord) has their own gas, electrical and water meters. He does not plan to separate the gas or electrical for the duplex or hopefully soon to be duplex. He is planning on adding a separate water shut-off for the 931 (S. Fancher). He spoke with the Water Department and an excavating company and they found that 505 (E. Gaylord) has their own shut-off but the shut off for 931 (S. Fancher) is before 505 (E. Gaylord) so if you shut off 931 (S. Fancher) it also shuts off 505 (E. Gaylord). Staricha stated he plans to correct this issue.

Raisanen asked about a couple of different options on how to make the water and sanitary sewer work. One of them was to draft an easement for 505 (E. Gaylord) so that their sanitary sewer can remain on the 931 S. Fancher property. Are you prepared to do that once the property is no longer his to grant the easement for the sewer on your property?

Staricha stated that he is prepared to draft an easement for the sewer.

Discussion took place.

McGuire asked for clarification that it could be a requirement to grant an easement as a condition of granting the variance.

Discussion took place.

Stressman asked where the sewer tied in?

Discussion took place.

Kench reviewed the communication from the Department of Public Safety and the Department of Public Works.

Raisanen opened Public Comment. Kench noted that there were no electronic communications. There being no one who wished to speak, Public Comment was closed.

Motion by Orlik, support by Friedrich, to approve case ZBA-22-01 to permit splitting of the single parcel containing 931 S. Fancher and 505 E. Gaylord to create two (2) separate parcels more in line with the neighborhood and reduce the E. Gaylord lot width to 39.45 feet. The existing self-standing garage can be preserved, however, no increase in garage size will be permitted. Both created properties must comply with all DPW and Water Department regulations.

Raisanen explained that the findings of fact is how we (the ZBA) are legally required to make zoning variance decisions. Raisanen went through the findings of fact.

McGuire asked for clarification on whether all or just one of the findings of fact had to be met to grant a variance.

All findings of fact must be met.

Discussion took place on parking, yard size, and parking material that would be required.

Stressman stated that the proposed lot width is just under 40 feet. He is having a hard time with the less than 40-feet.

Kench noted that the applicant identified several lots in the area that had lot widths of 40-foot or under in his application.

Discussion took place.

Stressman asked about encroachment along the north property line with the neighbor's property.

Staricha stated that the metal fence is what he believes to be the property line.

Raisanen asked to have Vice-Chair Orlik to repeat his motion.

Motion by Stressman, support by Raisanen to postpone the decision on case ZBA-22-01 until the May 2022 meeting. He feels there is some questions that need to have some due diligence.

Kench asked if there were things that staff could bring back to help answer the questions.

More photos down the lot line

Survey

Discuss the case without the mention of the SUP for a duplex

Stressman asked if the variance is granted and this parcel becomes two (2) parcels, what does that do to his mortgage?

Staricha stated that he had spoken with his mortgage company and would provide the second tax i.d. to them and they would add it to the mortgage. The mortgage company could come out and appraise the property again as (2) two separate properties. Both properties would be attached to the mortgage.

Roll call vote: Postponement

Ayes: Stressman

Nays: Friedrich, McGuire, Orlik, Raisanen

Motion failed.

Roll call vote: Original motion

Ayes: Friedrich, McGuire, Orlik

Nays: Raisanen, Stressman

Motion carries; the variance is granted.

VIII. New Business:

A. None

IX. Other Business:

A. None

X. Adjournment:

Motion by Friedrich, support by Orlik to adjourn.

Ayes: Friedrich, McGuire, Orlik, Raisanen, Stressman

Nays: None

Motion approved unanimously.

Meeting adjourned at 8:19 p.m.

lkd

AIRPORT JOINT OPERATIONS AND MANAGEMENT BOARD

Meeting Minutes

Thursday, June 16, 2022

3:30-5:00 p.m.

Airport Terminal Building

I. Call to Order

Chairman Nanney called the meeting to order at 3:36 p.m.

II. Roll Call

Member	Present
Aaron Desentz	Yes
Nicole Frost	Yes
James McBryde	No
Rodney Nanney	Yes
Gayle Ruhl	No

Staff: Bill Brickner, Jason Moore

III. Additions/Deletions to Agenda

Motion by Desentz, support by Frost, to approve the agenda

Motion passed unanimously

IV. Public Input on Agenda Items

None

V. Approval of Meeting Minutes – May 19, 2022

Motion by Desentz, support by Frost, to accept the minutes as written

Motion passed unanimously

VI. Airport Manager's Report – April 2022

Brickner presented the airport manager report

VII. Old Business

- a. Crew Car – Up and running. Working on Township grant – possible Township DDA funding for car
- b. Education – Ongoing
- c. Additional ideas to promote corporate traffic - Ongoing
- d. Discuss possible P.U.D. at the airport – Revisit in September

VIII. New Business

Fiber optic cable to airport

IX. Announcements on Airport Related Issues and Concerns

Young Eagles event had 90± kids participate

Library event at airport had 110± people attend

X. Public Comment on Non-Agenda items

None

XI. Adjournment

Nanney adjourned the meeting at 4:03 p.m.

Minutes of the regular meeting of the City Commission held Monday, July 25, 2022, at 7:00 p.m., in the City Commission Room, 320 W. Broadway St., Mt. Pleasant, Michigan with virtual options.

Mayor Perschbacher called the meeting to order.

The Pledge of Allegiance was recited.

Commissioners Present: Mayor Amy Perschbacher and Vice Mayor Olivia Cyman; Commissioners Mary Alsager, Brian Assmann, Liz Busch & Maurene Eke

Commissioners Absent: George Ronan

Others Present: City Manager Aaron Desentz and City Clerk Heather Bouck

Proclamations and Presentations

Chief of Police Lauria introduced and swore in Police Officer Mike Williams.

Mt. Pleasant Schools Superintendent Jennifer Verleger gave a presentation regarding the school resource officer program and additional services needed.

Additions/Deletions to Agenda

Commissioner Eke asked that the condolence letter for the City of Okaya be added as Item #13 to New Business. Unanimously adopted.

Receipt of Petitions and Communications

Received the following petitions and communications:

3. Planning Commission Meeting Minutes. (June)
4. Second Quarter Investment Report.

Consent Items

Moved by Commissioner Eke and seconded by Commissioner Busch to approve the following items on the Consent Calendar:

5. Minutes of the regular meeting of the City Commission held July 11, 2022.
6. Minutes of the closed session of the City Commission held July 11, 2022.
7. Award contract to Denali Construction of Mt. Pleasant, Michigan in the amount of \$153,400 and budget amendment of \$43,400 for the Nelson Park shop renovation project.
8. Award contract to Denali Construction of Mt. Pleasant, Michigan in the amount of \$161,500 for the Island Park restroom addition.
9. Receive proposed ordinance amendment to §154.410.B.4 of the Mt. Pleasant Zoning Ordinances regarding registered student organization dwellings and set a public hearing for Monday, August 22, 2022 at 7:00 p.m. on same.

10. Receive proposed ordinance amendment to §154.410.C.2.B and Table 154.410.A of the Mt. Pleasant Zoning Ordinances regarding group “B” special regulated uses and set a public hearing for Monday, August 22, 2022 at 7:00 p.m. on same.
11. Warrants dated July 11 & 14, 2022 and Payrolls dated July 8, 2022 all totaling \$1,058,654.81.

Motion unanimously adopted.

Moved by Commissioner Assmann and seconded by Commissioner Eke to approve a budget amendment of \$53,713 for the purchase, setup and installation of Microsoft Office 365 and Barracuda SPAM and web filtering services. Motion unanimously adopted.

Commissioner Eke read a condolence letter which has been sent to Sister City Okaya, Japan.

Announcements on City-Related Issues and New Business

Commissioner Busch announced the Isabella County Fair is taking place this week.

Moved by Commissioner Eke and seconded by Commissioner Busch to conduct a closed session pursuant to sub-section 8(C) of the Open Meetings Act to discuss strategy and negotiation sessions connected with negotiation of a collective bargaining agreement.

AYES: Commissioners Alsager, Assmann, Busch, Cyman, Eke & Perschbacher

NAYS: None

ABSENT: Commissioner Ronan

Motion unanimously adopted.

The Commission recessed at 7:54 p.m. and returned at 8:05 p.m.

The Commission went into a closed session at 8:05 p.m. A separate set of minutes was taken for the closed session. The Commission went back into open session at 8:24 p.m.

Moved by Commissioner Alsager and seconded by Commissioner Eke to adjourn the meeting at 8:25 p.m. Motion unanimously adopted.

Amy Perschbacher, Mayor

Heather Bouck, City Clerk

Memorandum



TO: Aaron Desentz, City Manager
FROM: Tim Middleton, Deputy DPW Director
DATE: July 27, 2022
SUBJECT: Approve Purchase of Rebuilt Channel Grinder

Request

The City Commission is requested to approve the purchase of a rebuilt 2022 channel grinder assembly from JWC Environmental for \$29,452.

Reason

The Water Resource Recovery Facility is equipped with an inline channel grinder that is used during high flow or emergency situations to grind and shred the debris in the waste stream before it enters the plant. Debris removal equipment is critical to protect pumps and other equipment from hazardous debris. The existing channel grinder was installed in 1981, rebuilt in 2007, and is in need replacement due to extensive wear on the cutter assembly.

JWC Environmental is the sole source vendor for the channel grinder model used at the WRRF that is compatible with existing equipment.

Recommendation

I recommend the City Commission approve the purchase of a rebuilt 2022 channel grinder assembly from JWC Environmental for \$29,452. Funds are available in the 2022 Operating Budget and Tribal 2% grant funds of \$16,500.

Memorandum



TO: Aaron Desentz, City Manager

FROM: Michelle Sponseller, Downtown Development Director

CC: William Mrdeza, Economic and Community Services Division Director
Mary Ann Kornexl, Treasurer and Finance Division Director

DATE: July 27, 2022

SUBJECT: Downtown Pride and Pitch Competition – Request to Waive Fees

Background

The City's downtown development department, along with economic development partners listed below, have developed a Downtown Pride and Pitch competition, designed to enhance the vibrancy of our downtown through community support of locally owned businesses and our downtown district.

Goals of the Downtown Pitch – Mt. Pleasant Competition

- Support the growth of locally owned, downtown businesses by providing access to capital to enhance and expand businesses.
- To generate new ideas that foster downtown vibrancy.
- To engage with community stakeholders who are passionate about our community and desire to be more actively involved in fostering its resiliency.

Eligibility

- The business sells products and/or services face to face AND has a physical location within the Central Business District Tax Increment Finance Authority (CBD TIFA).
- The business will have, or intends to have, control over the site for which they are applying prior to application. Please note: changes in the proposed business location after grant selection may result in grant being forfeited.
- The business may be operating as a for profit or non-profit
- Project must be completed within 1 year

Downtown Pitch Competition Partners:

- Central Michigan University – College of Business Administration;
- Central Michigan University Research Corporation;
- Lake Trust Credit Union;
- Middle Michigan Development Corporation;
- Mid Michigan College;
- Mt. Pleasant Area Chamber of Commerce;
- Mt. Pleasant Area Convention and Visitors Bureau;
- Small Business Development Center.

The program details and competitive process will be administered by Middle Michigan Development Corporation (MMDC).

Memorandum



The competition, anticipated to consist of three pitch rounds with a final competition presentation held on Wednesday, November 9, 2022 at the Broadway Theatre.

One applicant will be approved per year. Applications will be reviewed in the order in which they are received and considered on a first-come, first-serve basis.

Staff is requesting the waiver of the following city fees and charges, to the winner(s) of the Downtown Pride and Pitch Competition not to exceed \$2,500 per year of the Downtown Pitch competition for such fees as building permits, sign permits, outdoor merchandise, and outdoor dining permits. Please note this does not waive city water and sewer fees, which cannot be waived per the City of Mt. Pleasant Charter and Ordinances, special use permits, site plan and/or rezoning application fees or fees required by the State of Michigan.

Requested Action

Consider waiving up to \$2,500 in permit fees for winner of the Downtown Pitch Competition.

CHECK REGISTER FOR CITY OF MT PLEASANT
CHECK DATE FROM 7/15/2022-07/28/2022

Check Date	Vendor Name	Description	Amount
Bank COMM COMMON CASH			
07/15/2022	CITY TREASURER - UTILITIES	WATER/SEWER	\$5,441.34
07/27/2022	21ST CENTURY MEDIA - MICHIGAN	CONTRACT SVCS	687.00
07/27/2022	21ST CENTURY MEDIA - MICHIGAN	CONTRACT SVCS	998.01
07/27/2022	AMERICAN LEGAL	CONTRACT SVCS	495.00
07/27/2022	AMERICAN PLANNING ASSN	MEMBERSHIP	557.00
07/27/2022	ATI GROUP	CONTRACT SVCS	285.60
07/27/2022	BATTERIES PLUS - MP	SUPPLIES	146.76
07/27/2022	CHRIS BECK	FARMERS MKT	266.55
07/27/2022	BLOCK ELECTRIC COMPANY	CONTRACT SVCS	400.00
07/27/2022	BS&A SOFTWARE	CONTRACT SVCS	6,584.00
07/27/2022	KATHERINE BUGBEE	FARMERS MKT	114.35
07/27/2022	TINA CAPUSON	FARMERS MKT	69.40
07/27/2022	CDW GOVERNMENT, INC	SUPPLIES	486.66
07/27/2022	CENTRAL MICHIGAN CATERING, LLC	SUPPLIES	1,295.00
07/27/2022	CINTAS CORP	SUPPLIES/CONTRACT SVCS	252.13
07/27/2022	CMS INTERNET LLC	CONTRACT SVCS	499.00
07/27/2022	CONSUMERS ENERGY	UTILITIES	17,869.16
07/27/2022	COYNE OIL CORPORATION	FUEL	8,275.69
07/27/2022	ANDREW CURTISS	FARMERS MKT	297.90
07/27/2022	ENVIRONMENTAL SALES, INC.	CAPITAL ACQUISITIONS	14,011.15
07/27/2022	ETNA SUPPLY	SUPPLIES	40.70
07/27/2022	FELAN PAINTING LLC	CONTRACT SVCS	3,351.00
07/27/2022	KAREN FENTON	FARMERS MKT	78.60
07/27/2022	FERGUSON WATERWORKS #3386	SUPPLIES/METER REPLACEMENT	3,216.06
07/27/2022	FIDELITY SECURITY LIFE INSURANCE CO	OPTICAL INSURANCE	1,111.62
07/27/2022	FISHBECK, THOMPSON, CARR & HUBER	CONTRACT SVCS/CAPITAL ACQ.	36,127.70
07/27/2022	FOSTER, SWIFT, COLLINS & SMITH, P.C	CONTRACT SVCS	7,592.67
07/27/2022	GALGOCI OIL COMPANY	FUEL	686.74
07/27/2022	GRANGER	CONTRACT SVCS	82.31
07/27/2022	GREEN SCENE LANDSCAPING, INC.	CONTRACT SVCS	2,582.44
07/27/2022	DAVID GROTHAUSE	FARMERS MKT	127.50
07/27/2022	HYDROCORP, INC.	INSPECTION/REPORTING SVCS	4,829.50
07/27/2022	IDEXX DISTRIBUTION, INC.	CHEMICALS	8,227.60
07/27/2022	INSIGHT PIPE CONTRACTING, LLC	CONTRACT SVCS	11,728.89
07/27/2022	JOHN JOHNSON	FARMERS MKT	32.95
07/27/2022	BRUCE JORCK	FARMERS MKT	418.35
07/27/2022	J & W MACHINE	SUPPLIES	220.00
07/27/2022	BILL KEHOE	FARMERS MKT	53.40
07/27/2022	KENNEDY INDUSTRIES, INC	CONTRACT SVCS	22,635.00
07/27/2022	AMY KORTH	FARMERS MKT	16.56
07/27/2022	KRAPOHL FORD LINCOLN MERC	SUPPLIES/VEHICLE MAINT	6,355.31
07/27/2022	KRAPOHL FORD LINCOLN MERC	CAPITAL ACQUISITIONS	98,377.00

CHECK REGISTER FOR CITY OF MT PLEASANT
CHECK DATE FROM 7/15/2022-07/28/2022

Check Date	Vendor Name	Description	Amount
Bank COMM COMMON CASH			
07/27/2022	MANNIK SMITH GROUP	CONTRACT SVCS	10,514.15
07/27/2022	MHOK, PLLC	PROSECUTORIAL SVCS	7,633.31
07/27/2022	MARKSMANSHIP TRAINING CENTER	TRAINING	3,750.00
07/27/2022	MCKENNA	CONTRACT SVCS	1,925.00
07/27/2022	MEDLER ELECTRIC COMPANY	SUPPLIES	132.55
07/27/2022	STATE OF MICHIGAN	CONTRACT SVCS	20,499.68
07/27/2022	MICHIGAN MUNICIPAL LEAGUE	CONTRACT SVCS	126.72
07/27/2022	MID MICHIGAN AREA CABLE	CONTRACT SVCS	450.00
07/27/2022	MIDDLE MICHIGAN DEVELOP CORP	LDFA MGT FEE	11,400.00
07/27/2022	MICHIGAN POLICE EQUIPMENT CO	SUPPLIES	807.60
07/27/2022	MI MUNI RISK MGMT AUTHORITY	POLICY TERM	152,250.00
07/27/2022	JOHN MONAHAN	FARMERS MKT	63.65
07/27/2022	MOTOROLA SOLUTIONS, INC.	CAPITAL ACQUISITIONS	104,749.95
07/27/2022	MT PLEASANT ROTARY CLUB	DUES	218.00
07/27/2022	ALMA TIRE SERVICE INC	SUPPLIES/VEHICLE MAINT	1,181.64
07/27/2022	WILLIAM MRDEZA	REIMBURSEMENT	108.75
07/27/2022	MRWA	TRAINING	1,110.00
07/27/2022	CHERISH NAGEL	FARMERS MKT	18.85
07/27/2022	NCL OF WISCONSIN	SUPPLIES	386.01
07/27/2022	NYE UNIFORM COMPANY	UNIFORMS	212.55
07/27/2022	COREY DION WALTHER	FARMERS MKT	88.15
07/27/2022	O'BOYLE COWELL BLALOCK & ASSOC.	CONTRACT SVCS	2,432.00
07/27/2022	ON DUTY GEAR, LLC	SUPPLIES	370.90
07/27/2022	PAPAS PUMPKIN PATCH	FARMERS MKT	703.10
07/27/2022	LOGAN PINES	FARMERS MKT	9.20
07/27/2022	POLYDYNE INC.	CHEMICALS	2,291.58
07/27/2022	PREIN & NEWHOF	CONTRACT SVCS	34,725.20
07/27/2022	PRESENTING SOLUTIONS INC	CONTRACT SVCS	1,789.00
07/27/2022	KAREN AND DAVE LEWIS	REFUND	350.00
07/27/2022	STASH VENTURES LLC	REFUND	10,000.00
07/27/2022	AMY SIMONS	REFUND	360.00
07/27/2022	JOSHUA ADAMS	REFUND	375.00
07/27/2022	TIM GAUGHAN	REFUND	125.00
07/27/2022	RENT-RITE OF MT PLEASANT	EQUIPMENT RENTAL	231.84
07/27/2022	ROWE PROFESSIONAL SERVICES CO	CONTRACT SVCS	3,150.00
07/27/2022	DAN SODINI	FARMERS MKT	32.30
07/27/2022	SPACE	SUPPLIES	434.34
07/27/2022	SPECTRUM PRINTERS, INC.	SUPPLIES	400.00
07/27/2022	STEVIE SWAREY	FARMERS MKT	55.35
07/27/2022	SYSTEMS SPECIALTIES	SUPPLIES	2,093.00
07/27/2022	THIELEN TURF IRRIGATION, INC	CONTRACT SVCS	465.48
07/27/2022	JEFFREY A THOMPSON	REIMBURSEMENT	134.00

CHECK REGISTER FOR CITY OF MT PLEASANT
CHECK DATE FROM 7/15/2022-07/28/2022

Check Date	Vendor Name	Description	Amount
Bank COMM COMMON CASH			
07/27/2022	TRACE ANALYTICAL LABORATORIES, INC.	CONTRACT SVCS	634.00
07/27/2022	UNIFIRST CORPORATION	CONTRACT SVCS	52.72
07/27/2022	USA SOFTBALL OF MICHIGAN	SUPPLIES	104.00
07/27/2022	VERIZON CONNECT NWF, INC.	CONTRACT SVCS	210.47
07/27/2022	JAKE WALRAVEN	FARMERS MKT	1,318.00
07/27/2022	SHERYL WERNETTE	FARMERS MKT	46.49
07/27/2022	ERNEST WOLF	FARMERS MKT	71.90
07/27/2022	TRAVIS WELSH	REIMBURSEMENT	57.56
COMM TOTALS:			
Total of 92 Checks:			\$647,572.59
Less 0 Void Checks:			0.00
Total of 92 Disbursements:			\$647,572.59



City of Mount Pleasant, Michigan
DEPARTMENT OF PUBLIC SAFETY



MEMORANDUM

DATE: July 28th, 2022
TO: Aaron Desentz, City Manager
FROM: Paul Lauria, Director of Public Safety
SUBJECT: Tasks/Duties of a Youth Services Officer

Per your request is a list of tasks that an YSU officer performs. This is not an all-inclusive list nor do all of these occur every day. The officer has to be very flexible based on the needs of the school and the issues that may come up in any given day.

- Provides for safe learning environment.
- All lockdowns for MPPS/SHA Schools, Helps with scheduling, participating and staffing. Gives feedback.
- Presentations, trainings and lectures to classes and/or groups.
- Participates in GHOST events. This is child predator investigation programs.
- Organizes and carries out alcohol and tobacco sting operations.
- Responds to in progress calls at the schools.
- Investigates complaints: assaults, threats and narcotic investigations at schools.
- Meets routinely with BERT/Safety teams for all schools.
- Attends (SSA) School Safety Alliance monthly meetings.
- Meets with Principals and other school administrators to keep and strengthen relationships.
- Organizes, schedules and manages summer Youth Police Academy.
- Writes grant, organizes and participates with the Shop with a Cop program. Administers the Youth Police Academy.
- Participates in Shop with a Hero, Toys for Tots, Food Pantry, Public Safety Night and other City sponsored programs.
- Supports road patrol with juvenile matters and follow up.
- Works with the courts, truancy officer and probation to correct youth behavior.
- Attends sporting events and programs at request of schools.
- Refers students in crisis to mental health advocates/counselors.
- Reviews reports where juveniles were involved.
- Ensure orderly drop off/pick up by monitoring school parking lots.
- Walks through and is visible in schools and hence the most important deterrent to potential violence.
- Bussing related complaints.
- Go to houses to check on children with school administration.
- K9 bomb and narcotic for school sweeps.
- Assists kids and parents to find programs and help to resolution concerning family issues.



City of Mount Pleasant, Michigan
DEPARTMENT OF PUBLIC SAFETY



MEMORANDUM

DATE: July 26th, 2022
TO: Aaron Desentz, City Manager
FROM: Paul Lauria, Director of Public Safety
SUBJECT: Youth Services Officer Training

At the request of Mayor Perschbacher I am providing a list of training that our school resource officers attend. One important element that has to be considered, that will not be in training, is the experience of the officer assigned to the school. This is a highly competitive process where only officers who have a high likelihood of success are selected.

The training is as follows:

- 2 Day Implicit Bias Training - Annually for all officers.
- De-Escalation Training - Annually for all officers.
- Community Mental Health - Annually for all officers. This is hosted locally by CMH personnel. The training is scenario based and hands on.
- 2 Week School Resource Officer Training. This is the bulk of the training that is completely specific to police officers who are in schools. The training is held in Lansing at the Michigan State Police (MSP) academy. It covers a vast number of topics including mental health (depression), peer pressure, bullying, child welfare, at risk youth mentoring etc. This training is intense and very hands on. It is also recognized as a national model for school resource officers to complete.
- TEAM (Teaching, Educating and Mentoring) Training. This one week course has lesson plans and presentations for students at all grade levels that include topics such as bullying, drugs, social media use, etc.
- ALICE (Alert, Lockdown, Inform, Counter, and Evacuate) Training provides effective active shooter training and preparedness to officers in schools. The officer ensures plans are in place, understood, and followed if required. This includes lockdown drills throughout the year at every school in the district.
- 1 Day Juvenile Law Update.

- The orientation for an officer coming into the Youth Services Unit is a comprehensive two week process. During this time introductions to school administrators, teachers, staff and students take place. Becoming familiar with the layout of the school and the current emergency plans is completed. The new officer is briefed on pending incidents that need follow up or attention.

Lastly, I would like to mention one of the most important aspect of a school officer is the relationships that are built through positive contact with students. This also becomes an important bridge between students who need help and our Social Crisis Clinician. Our officers never hesitate to get Krysta involved. They recognize that she has the expertise, understanding and professional networking to get the help a student might need. Please let me know if you have any questions.

Memorandum



TO: Aaron Desentz, City Manager

FROM: Michelle Sponseller, Downtown Development Director

CC: William Mrdeza, Economic and Community Services Division Director
Mary Ann Kornexl, Finance and Administration Division Director

DATE: July 28, 2022

SUBJECT: Establishment of a Downtown Mt. Pleasant Social District, Budget Allocation and Waive Fees

BACKGROUND:

On Thursday, July 2, 2020, Governor Whitmer signed into law two bills (House Bills No. 5781 and No. 5811) that allows for the sale of cocktails-to-go and alcohol consumption in established Social Districts. Local governmental units now have the authority to establish Commons Areas within Social Districts that multiple on-premises licensees can use to increase sales via permit until December 2024.

WHAT IS A SOCIAL DISTRICT?

A Social District is a district created by the governing body of a Local Government. A Social District is defined as an area within the Local Government's boundaries where consumers would be able to drink beer, wine, or spirits in a designated commons area outside the walls or patio spaces of licensed establishments.

WHAT IS THE DIFFERENCE BETWEEN A SOCIAL DISTRICT AND COMMONS AREA?

A Social District is the entire area designated by the Local Government, which includes the Commons Area within the Social District. Establishment of a Social District does not mean consumers can drink alcoholic beverages throughout the entire district. Consumption of alcoholic beverages outdoors can only be done in the designated Commons Area. The Michigan Liquor Control Commission defines a Commons Area as an area within the established Social District that is clearly designated and marked by the Local Government that is shared by and contiguous to the premises of at least two other qualified licensees. Social Districts can include more than one Commons Area.

Staff is recommending the establishment of the Downtown Mt. Pleasant Social District.

In the plan that follows, the management and maintenance of the Downtown Mt. Pleasant Social District is outlined for review by the City Commission. Pending City Commission approval, the plan would then be submitted to the Michigan Liquor Control Commission (MLCC) for state approval.

Prior to any business applying to the MLCC for a Social District Permit, a qualified licensee must obtain approval from the City Commission. To receive approval from the City Commission, the qualified licensee shall submit a completed Page 2 of the Social District Permit Application (LCC-208), a \$250 one-time fee, and any supporting documents to the City Clerk at least fourteen (14) days prior to the next City Commission meeting. If the City Commission approves of that application, the City Clerk shall complete Page 3 of that same document and return a copy to the qualified licensee. The qualified

Memorandum



licensee shall thereafter submit the completed application to the MLCC with the appropriate fees attached thereto.

Although a local \$250 one-time fee is within the operational and maintenance plan, staff recommends waiving the fee until January 1, 2023 in order to have a better chance of attracting participation by qualified establishments.

DIFFERENCES BETWEEN CITY AND BUSINESS OWNER PROCESS

Per Michigan House Bill 5781, Local Governments are responsible for the creation, maintenance, operation, and signage throughout the Social District. Creation of a Social District does not give local businesses permission to serve to-go alcoholic drinks automatically.

Businesses need to go through a separate process with the Michigan Liquor Control Commission and obtain a Social District Permit, which allows them to serve to-go beverages within the Social District Area.

SOCIAL DISTRICT/COMMONS AREA BOUNDARIES

The boundaries of the Social District/Commons Area are depicted on the included map and shall be from the sidewalks on the south boundary of the intersection of Main and Washington Streets and Illinois, north to Main Street and Lincoln Street. The east boundary shall be from Broadway and Mosher Streets and Franklin Street, west to Broadway Street at the railroad tracks and Michigan Street to Oak Street. Also included are the public parks and plazas (current and future) that are within the designated Social District, as well as the parking lots and city streets within the designated Social District that are not included in the qualified licensees' premises, when determined by the City.

Also included in the attached plan:

- List of qualified licensees
- Launch and Assessment
- Annual timeframe and hours of operation
- Seating, tables and chairs
- Security
- Signage
- Marketing
- Beverage containers
- Special licenses for non-profit event use
- Maintenance plan
- Frequently asked questions

Additionally, a budget allocation is necessary for the purchase of stickers, required for each plastic cup indicating the name of the social district, and signage for the boundaries of the district.

Requested Action:

The City Commission is requested to approve the attached resolution approving the Downtown Mt. Pleasant Social District and approve a budget allocation of \$5,000 from the General Fund Economic Initiatives Fund.

DOWNTOWN MT. PLEASANT SOCIAL DISTRICT OPERATION AND MAINTENANCE PLAN

INTRODUCTION

On Thursday, July 2, 2020, Governor Whitmer signed into law two bills (House Bills No. 5781 and No. 5811) that allows for the sale of cocktails-to-go and alcohol consumption in established Social Districts. Local governmental units now have the authority to establish Commons Areas within Social Districts that multiple on-premises licensees can use to increase sales via permit until December 2024.

WHAT IS A SOCIAL DISTRICT?

A Social District is a district created by the governing body of a Local Government. A Social District is defined as an area within the Local Government's boundaries where consumers would be able to drink beer, wine, or spirits in a designated commons area outside the walls or patio spaces of licensed establishments.

WHAT IS THE DIFFERENCE BETWEEN A SOCIAL DISTRICT AND COMMONS AREA?

A Social District is the entire area designated by the Local Government, which includes the Commons Area within the Social District. Establishment of a Social District does not mean consumers can drink alcoholic beverages throughout the entire district. Consumption of alcoholic beverages outdoors can only be done in the designated Commons Area. The Michigan Liquor Control Commission defines a Commons Area as an area within the established Social District that is clearly designated and marked by the Local Government that is shared by and contiguous to the premises of at least two other qualified licensees. Social Districts can include more than one Commons Area.

QUALIFIED LICENSEES AND APPLICATION COST

Any qualified licensee within the boundaries of the Social District may participate (see list below). Businesses interested in participating in the Social District must apply for a Social District Permit through the Michigan Liquor Control Commission (MLCC) and must submit a \$250 annual permit fee and \$70 inspection fee.

Prior to any business applying to the MLCC for a Social District Permit, a qualified licensee must obtain approval from the City Commission. To receive approval from the City Commission, the qualified licensee shall submit a completed Page 2 of the Social District Permit Application (LCC-208), a \$250 one-time fee, and any supporting documents to the City Clerk at least fourteen (14) days prior to the next City Commission meeting. If the City Commission approves of that application, the City Clerk shall complete Page 3 of that same document and return a copy to the qualified licensee. The qualified licensee shall thereafter submit the completed application to the MLCC with the appropriate fees attached thereto.

LIST OF QUALIFIED LICENSEES (DOING BUSINESS AS)

Bird Bar and Grill

Blackstone

Blue Gator Sports Pub and Grill

Brass Café and Saloon

Dog Central

Encore the Nightclub

Ginkgo Tree Inn

Jib-Bob's*

Pleasant City Coffee*

Marty's Bar

Midori Sushi and Martini Lounge

Mountain Town Station

Rubble's Bar

Vin Trofeo's

* in-process at Michigan Liquor Control
Commission

The term qualified licensee is defined by MCL 436.1551(8)(c):

- A retailer that holds a license, other than a special license, to sell alcoholic liquor for consumption on the licensed premises. (This includes the following license types: Class C, Tavern, A-Hotel, B-Hotel, Club, G-1, G-2, Brewpub.)
- A manufacturer with an on-premises tasting room permit issued under section 536.
- A manufacturer that holds an off-premises tasting room license issued under section 536.
- A manufacturer that holds a joint off-premises tasting room license issued under section 536.

DIFFERENCES BETWEEN CITY AND BUSINESS OWNER PROCESS

Per Michigan House Bill 5781, Local Governments are responsible for the creation, maintenance, operation, and signage throughout the Social District. Creation of a Social District does not give local businesses permission to serve to-go alcoholic drinks automatically.

Businesses need to go through a separate process with the Michigan Liquor Control Commission and obtain a Social District Permit, which allows them to serve to-go beverages within the Social District Area.

PURPOSE OF THIS PLAN

This plan is in place to comply with requirements outlined in House Bill 5781 and required by the Michigan Liquor Control Commission. This plan can change at the discretion of City Commission and City Administration. This plan includes steps that the City will take to maintain and operate the Social District to maintain consumer and resident safety.

SOCIAL DISTRICT/COMMONS AREA BOUNDARIES

The boundaries of the Social District/Commons Area are depicted on the map below and shall be from the sidewalks on the south boundary of the intersection of Main and Washington Streets and Illinois, north to Main Street and Lincoln Street. The east boundary shall be from Broadway and Mosher Streets and Franklin Street, west to Broadway Street at the railroad tracks and Michigan Street to Oak Street. Also included are the public parks and plazas (current and future) that are within the designated Social District, as well as the parking lots and city streets within the designated Social District that are not included in the qualified licensees' premises, when determined by the City.



OPERATIONS PLAN

The operations of the Downtown Mt. Pleasant Social District/Commons Area will be overseen by the Downtown Development Director with assistance from the Park and Public Spaces Director, the Police Chief and other City Departments as necessary. The Downtown Mt. Pleasant Social District/Commons Area is in place to support local business owners and has no regulatory or taxing authority. The City of Mt. Pleasant will provide any supporting documentation that local businesses need for their social district permit applications to the Michigan Liquor Control Commission.

LAUNCH AND ASSESSMENT

The Downtown Mt. Pleasant Social District/Commons Area will operate year-round. It is the intent of the City to launch the program on September 1, 2022. No later than August 14, 2023 a report will be provided to the Mt. Pleasant City Commission including feedback from participants and the city staff regarding any safety concerns or incidents. At that point, modifications to this Management and Maintenance Plan can be considered or the process to initiate revocation of the designation can begin.

ANNUAL TIMEFRAME AND HOURS OF OPERATION

The district will operate annually, April 1 to October 31, with allowance for operations during City approved special events from November 1 to March 30 (ex. Ladies Day Out, Christmas Celebration, Man vs. Mountain), Monday to Sunday, 11 am to 10 pm. After 10 pm, no beverages can be sold or consumed in the district and must be sold to be consumed in the license holder's service areas. The annual timeframe, days and hours of operation are subject to change in order to accommodate special events and as necessary to maintain the public health, safety, and welfare.

SEATING, TABLES, AND FURNITURE

The City places tables with umbrellas, benches and chairs throughout downtown that will be available for use throughout the Social District/Commons Area, including in Broadway Central, between Main and University, and near food establishments and other businesses. The City will evaluate if there are other areas that may benefit from additional seating.

SECURITY

Security and enforcement in the Downtown Mt. Pleasant Social District/Commons Area will be provided by the City of Mt. Pleasant Police Department. All State of Michigan and City of Mt. Pleasant laws regarding public intoxication, impaired driving, and open containers apply to areas both inside and outside of the Social District/Commons Area boundaries.

SIGNAGE

1. Signage will be placed to demarcate the boundaries of the Social District/Commons Area. The City will determine the placement of signage at entry points and intersections.
2. Signage will be attached to posts with weighted bases and match the color of the current City branding.
3. The City will be responsible for paying for the signage demarcating the boundaries of the Social District/Commons Area.

MARKETING

The City will provide signage throughout the Social District/Commons Area that clearly marks the boundaries of the entire Social District/Commons Area, signs will be placed at the North, South, East, and West boundary lines.

The City will also have a dedicated page on its website that will include a copy of this plan, hours of operations, maps showcasing boundaries and participating businesses.

BEVERAGE CONTAINERS

The Downtown Mt. Pleasant Social District/Common Area will be branded and a logo will be printed on a 3" x 3" circle sticker to affix to clear 16-ounce plastic cups along with stickers designating each participant's business name that must be placed on the cup and dated before sale. The cups may not be reused, must remain in the establishment where they were purchased or in the Social District/Commons Area. The Social District/Commons Area cups may not be taken into any business that did not sell the beverage.

1. Alcoholic beverages consumed in the Social District/Commons Area are required to be in designated cups per the requirements of the MLCC and the City of Mt. Pleasant. Any participating licensed business serving alcoholic beverages to be consumed in the Social District/Commons Area must serve those beverages in designated cups.
2. Alcoholic beverages being sold to be consumed in Social District/Commons Area must be in designated cups that:
 - Are clear plastic and have less than 16 oz capacity;
 - Must display the logo of the permit holder and be dated along with the sticker of the Downtown Mt. Pleasant Social District/Commons Area.
3. The City of Mt. Pleasant will purchase the Social District/Commons Area stickers for participating permit holders and make them available through the Downtown Development office. Licensed establishment stickers will be the responsibility of the licensee but must meet the requirements of the MLCC.

SPECIAL LICENSES

If a non-profit organization requests a Special License for a location within a Social District commons area, the governing body of the local unit of government shall delineate the portion of the commons area to be utilized exclusively by the Special Licensee and the portion of the commons area to be used exclusively by Social District permittees. The Special License applicant must submit documentation from the local governmental unit, including a clear diagram, with its application.

REVOCATION OF SOCIAL DISTRICT

At any point, the City may revoke this designation if it determines that the program threatens the health, safety, or welfare of the public, has become a public nuisance, or for other reasons deemed appropriate by the City Commission. Before revoking the designation, the governing body must hold at least one (1) public hearing on the proposed revocation. The governing body shall give notice as required under the Open Meetings Act of the time and place of the public hearing before the public hearing.

MAINTENANCE PLAN

The City, under regulation established by the Downtown Development Director, Parks and Public Spaces Director, and the Police Chief, shall maintain the Social District/Commons Area in a manner that protects the health and safety of the public.

Due to the location of the Social District/Commons, sidewalk and street repairs/maintenance throughout the District will follow the schedule the City already has in place. Any significant safety concerns will be addressed by the Public Works Department on an as needed basis. Other services will continue to be provided by City departments as normal.

The City will ensure that all signage remains in good condition and will replace weathered signs as needed.

TRASH REMOVAL

1. Trash bins are currently emptied on Monday's & Thursday's, and City staff will review the necessity of additional pick-up in addition to these times.
2. The City & downtown businesses will monitor trash and recycling bins and alert Parks and Public Spaces staff if they need to be emptied at additional times. Contact information for Parks and Public Spaces will be shared by the City with businesses located downtown.
3. The City will purchase up to five additional trash and recycling bins to place in high-use areas and monitor if additional bins are needed.
4. The City hires employees seasonally, from May to September, which will work additional hours to pick up trash throughout the downtown if needed.

FAQs

Q: Can I take my cup out of the Downtown Mt. Pleasant Social District/Commons Area?

A: No. You cannot carry an authorized cup out of the district. An authorized cup must be thrown away before leaving the district.

Q: Can I walk anywhere with my social district/commons cup?

A: You must stay within the designated social district boundaries.

Q: Can I take my social district/commons cup back inside the establishment in which it was purchased?

A: Yes. A drink can only be consumed outside or taken inside the same bar or restaurant where purchased. Cups will have a sticker attached to the cup where purchased.

Q: Can I reuse an empty social district/commons cup to purchase another beverage?

A: No. When ordering a beverage, it must be served in a new cup.

Q: What types of alcoholic beverage can I have in my social district/commons cup?

A: Beer, wine, and liquor are all allowable drinks in a social district/commons cup. Drinks must be purchased from an authorized establishment. Cups hold up to 16 oz. of your chosen beverage.

Q: Can I bring my own alcoholic beverage, pour it into a cup, and walk around in downtown?

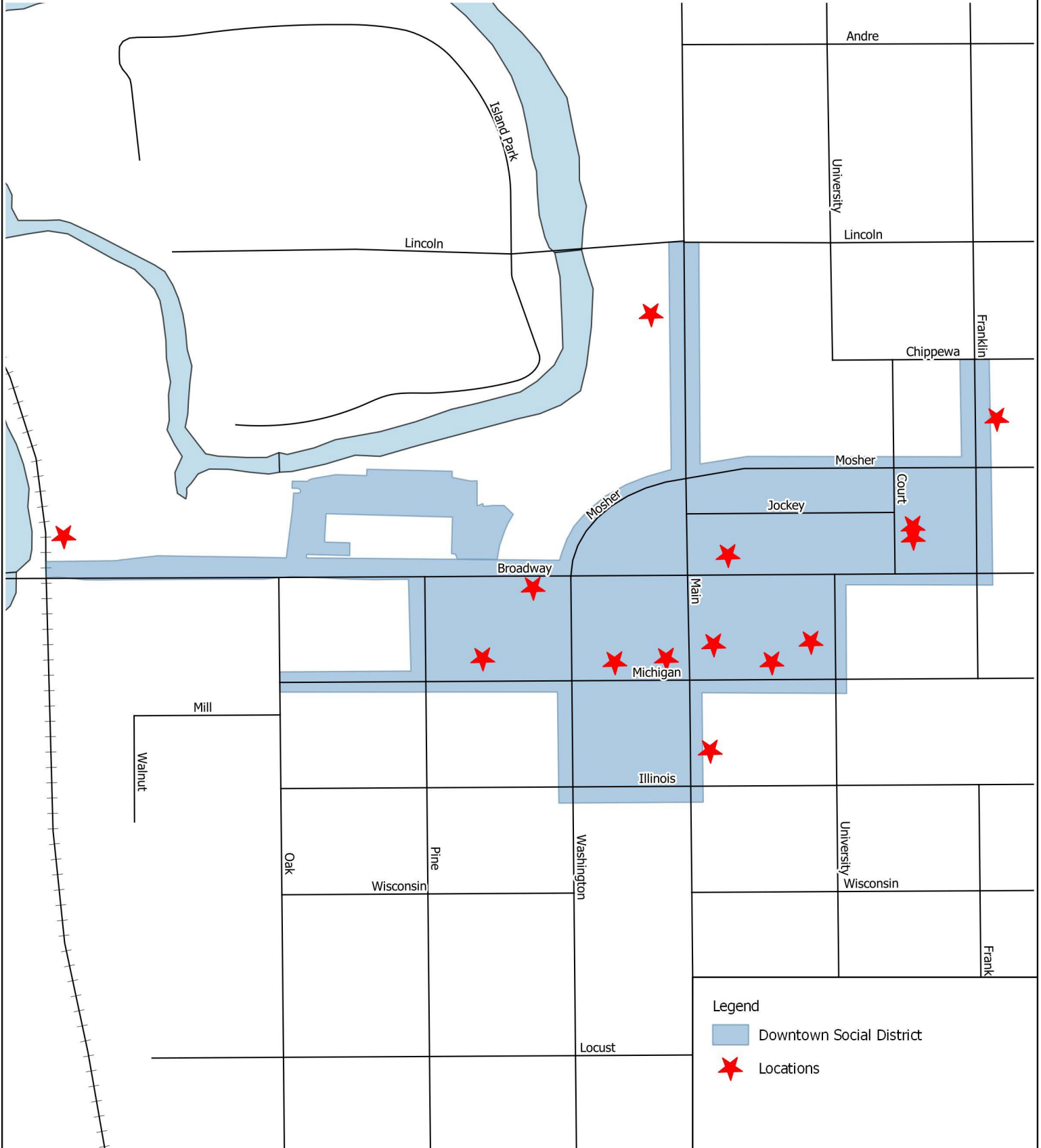
A: No. Only drinks purchased from businesses authorized in the social district/commons are permissible. No cans, glass bottles, or outside drinks are permitted.

Q: Who do I contact with questions?

A: Michelle Sponseller, Downtown Development Director, msponseller@mt-pleasant.org, 989-779-5348

Downtown Social District

City of Mt. Pleasant



Mt. Pleasant

[meet here]

0 250 500 ft



Published: Aug-1-2022
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**A RESOLUTION ALLOWING FOR THE CREATION OF A SOCIAL DISTRICT IN THE CITY OF MT. PLEASANT
TO INCLUDE A COMMONS AREA THAT WOULD PROVIDE FOR THE CONSUMPTION OF ALCOHOLIC
BEVERAGES IN OPEN CONTAINERS WHEN SOLD BY DESIGNATED LOCAL AND STATE PERMITTED
LICENSEES**

WHEREAS, Michigan Public Act 124 of 2020 was signed into law on July 1, 2020; and

WHEREAS, the law allows Michigan municipalities to establish Social Districts that allow for Commons Areas where two or more contiguous licensed establishments could sell alcoholic beverages in special cups to be taken into the Commons Areas for consumption; and

WHEREAS, the Downtown Mt. Pleasant Social District would be created and managed by the City; and

WHEREAS, the Downtown Mt. Pleasant Social District boundaries are generally described in the map attached hereto as Exhibit A, and generally include the following: the sidewalks on the south boundary of the intersection of Main and Washington Streets and Illinois, north to Main Street and Lincoln Street. The east boundary shall be from Broadway and Mosher Streets and Franklin Street, west to Broadway Street at the railroad tracks and Michigan Street to Oak Street. Also included are the public parks and plazas (current and future) that are within the designated Social District, as well as the parking lots and city streets within the designated Social District that are not included in the qualified licensees' premises, when determined by the City; and

WHEREAS, the City of Mt. Pleasant will follow all stipulations of Michigan Public Act 124 of 2020 and follow established best practices in the creation and maintenance of the Social District; and

WHEREAS, the creation of the Downtown Mt. Pleasant Social District will assist our downtown businesses in adapting to the social distancing recommendations of the COVID-19 crisis as well as attract customers for enhanced outdoor dining and entertainment experiences in downtown Mt. Pleasant.

BE IT FURTHER RESOLVED that all commons areas will contain signage that defines and clearly marks the boundaries of the space. In addition, the commons areas will be maintained in a manner that protects the health and safety of the community.

BE IT FURTHER RESOLVED that the City of Mt. Pleasant will establish local management and maintenance plans, including, but not limited to, hours of operation, for any commons area, and the City of Mt. Pleasant will submit said plans to the Michigan Liquor Control Commission.

BE IT FURTHER RESOLVED that these social districts and commons areas shall remain in effect until the designation of a social district/commons area is revoked via resolution of the Mt. Pleasant City Commission after a public hearing;

BE IT FURTHER RESOLVED that the fee for application will be \$250;

BE IT FURTHER RESOLVED that the fee shall be waived until January 1, 2023;

NOW, THEREFORE, BE IT RESOLVED, that the City of Mt. Pleasant City Commission does hereby approve the creation of the Downtown Mt. Pleasant Social District as depicted in the attached map (Exhibit A) and generally described above for consideration by the Michigan Liquor Control Commission, and

further resolve to designate the above referenced local licensees to proceed with their applications their application to the State of Michigan for Social District Permits which will allow them to sell alcoholic beverages that will be consumed in the Commons Area of the Social District.

Motion for adoption by:

Supported by:

AYES:

NAYS:

ABSENT:

This is to certify that this resolution was duly adopted at the meeting of the City Commission on August 8, 2022.

Amy Perschbacher
Mayor, City of Mt. Pleasant

Heather Bouck,
City Clerk, City of Mt. Pleasant

CERTIFICATION

I, the undersigned, the duly qualified City Clerk for the City of Mt. Pleasant, County of Isabella, Michigan do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Mt. Pleasant, on August 8, 2022, the original of which is in my office, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the full set of minutes from said meeting will be made available, as required by said Act.

Dated:

Heather Bouck
Mt. Pleasant City Clerk



Memorandum

TO: City of Mt. Pleasant, City Commission.
Paul Lippens, AICP, Vice President
FROM: Andrew Littman, AICP, Senior Planner
Maya Baker, Assistant Planner
SUBJECT: **City Commission Housing Discussion Prompts; August 8, 2022**
DATE: August 2, 2022

PILOTS, NEZS, AND OWNER INCENTIVES: INTRODUCTION AND PROCESS FOR NEXT STEPS

The City Commission had been working on evaluating tools to incentivize affordable and owner-occupied housing in the City and asked staff to prepare materials for this work session to explore three tools 1) Payments in Lieu of Taxes (PILOTs) 2) Neighborhood Enterprise Zones (NEZs), and 3) Past local owner occupied incentive programs. To prepare for this work session, McKenna has coordinated with City Staff to review past efforts and develop three background / issues memos outlining potential actions for the City to take and policy considerations. These three memorandums are included in the packet for Commission review.

In addition to providing feedback on each topic, we hope to validate and update the prioritization and timeline for near-term activities. For each subject matter we would anticipate the following next steps:

1. McKenna / City Planning Department to work on draft policy / program descriptions.
2. Prepare policy for consideration at City Commission meeting
 - a. Note – McKenna / City Planning Department will to determine noticing procedures and adoption policy implications for each program.
3. City Administration to incorporate budget considerations and staffing considerations into future work plans.

Based on our review of prior materials we anticipate the following schedule for development of policies for each item:

1. PILOTs; first priority
 - a. Developed in September – October of 2022
 - b. Adopted / initiated in early 2023.
2. NEZ; second priority
 - a. Developed in November – December of 2022
 - b. Adopted / initiated first quarter of 2023.
3. Owner-Occupied incentives; third priority
 - a. Developed in November – December of 2022
 - b. Adopted / initiated first quarter of 2023



To focus the work session discussion, please consider the following discussion prompts. We hope to facilitate a productive discussion that results in actionable next steps. Thank you!

DISCUSSION PROMPTS

PILOTS:

1. Is a lower shelter rent percentage (set at 3-4%) combined with a municipal services fee (3%) an acceptable approach?
2. Do you expect that proposed projects will incorporate all of their housing units meeting the criteria for affordable housing?
3. Would you consider a policy that allows for an approved PILOT to be renewed at the end of its term or at least consider such a request on a case-by-case basis?
4. How long a term should be considered? Minimum 30-years? Less?
5. Do you expect a policy to specify a term for which the PILOT will be issued, or should that be determined by the term of the mortgage (perhaps with a maximum term specified)?
6. Should the PILOT policy specify a rating system against which proposals are evaluated?
7. Are you comfortable with soliciting proposals for affordable housing once or twice per year, or should we consider proposals whenever they are submitted?
8. Are there specific elements you would like to see addressed in an affordable housing proposal, or is it acceptable only for a proposal to comply with the City's zoning ordinance?
9. Does the Commission have a preference for the size of these developments?

NEZ Policy Prompts:

1. Are you supportive of using NEZ as a method to begin to address attracting owner-occupied housing opportunities?
2. Is NEZ a desirable tool to incentivize home-owners to specific neighborhoods?
3. Do you support designating an appropriate district or districts as NEZs within which properties could qualify for the program?
4. Do you have any questions or comments that would be important for staff to know as the parameters of this program are developed?
5. Is NEZ a desirable tool for rental, condo, or other missing middle housing types (duplex, triplex, quadplex)?
6. Is a shorter term (less than 15-years) or a lower tax break (less than 50%) desirable?
7. Are there concerns about the potential impact of a tax jump on lower-income and fixed-income (seniors) following the period?
8. Is there a preference for NEZ incentives to apply to owner-occupied new construction, or rehabilitation of existing structures, which might not require owner-occupation?

Owner Occupied Policy Prompts:

1. What do you see as the goal of such a program: permanent conversion of rental properties to owner occupied units, or as a way of helping aspiring homeowners enter the housing market?
2. Is giving up a rental license for 5 years a sufficient time period for the program, or should it be longer? Shorter? If longer, what is reasonable?



3. Should the amount of the incentive be increased beyond the amount offered by the previous program (up to \$16,000 depending on the type of rental and the purchase price)? For example, increasing from \$16 K to \$25K. Or establishing a percentage of purchase price, up to 20%?
4. Should such a program be limited to a targeted area, a particular type of rental unit, or should it apply City-wide and include all rental types? Should the program available citywide?
5. Should any of the objectives or measures included in the support memorandum be considered in the next version of the program?



Memorandum

TO: City of Mt. Pleasant City Commission
FROM: Andrew Littman, Senior Planner at Mckenna
SUBJECT: **Background and Issues Relating to PILOT Programs**
DATE: August 1, 2022

Authorized under the Michigan State Housing Development Authority Act of 1966, a Payment-in-lieu of Taxes (“PILOT”) agreement is a strategy to incentivize the development of affordable multiunit apartment buildings. This agreement is a negotiable legal document that allows the owner to pay a defined percentage of net shelter rent (or total property owner revenue) instead of the local property tax rate. The Michigan legislature gives local municipalities broad authority to negotiate the terms of a PILOT agreement, and funds collected can range anywhere from 4 percent of projected net shelter rent up to 10 percent. The flexibility afforded by PILOTs allows municipalities to balance the need for municipal revenues against the need for affordable housing.

As detailed in the appendix, PILOTs are extremely common in Michigan. According to estimates made in 2018 by the Michigan State Housing Development Authority (“MSHDA”), there are approximately 950 PILOT properties statewide. These projects support an estimated 90,650 affordable housing units, which represent approximately 6.8 percent of all rental housing in Michigan (or roughly one in every 15 rental units). Moreover, Michigan’s PILOT-supported affordable housing developments are distributed across the state in roughly the same proportion as the population.

Housing affordability is a major problem in both the State of Michigan and City of Mt. Pleasant. The State of Michigan ranks 29th in the nation for the affordability of two-bedroom housing units, with a statewide average fair market rent of \$844¹. To afford this level of rent by working a full-time job (40 hours a week, 52 weeks a year) and maintaining housing and utility costs at 30 percent of income or lower, an individual would have to earn at least \$16.24 an hour. With the Michigan minimum wage set at \$9.25 an hour, this type of housing is out of reach for many of the state’s 52,000 residents who work for minimum wage or less.

The 2019 Housing Report completed by city staff found that in Mt. Pleasant an exceedingly high percentage of extremely low-income households are cost burdened (meaning, they spend over 30 percent of their monthly income on housing expenses). Indeed, the report asserts that “Ninety-five percent of households making less than \$20,000 per year are cost burdened. Seventy-two percent of households making between \$20,000 and \$35,000 per year are also cost burdened.” These cost-burdened households amount to roughly 3,050 total households, or 39 percent of the total households in the city. The 2019 Housing Report concludes that without incentives such as PILOTs, additional rental housing for extremely low-income households will not be constructed.

¹ The Fair Market Rent is set as the 40th percentile of gross rents (rent plus utilities) paid by recent tenants for non-substandard housing.



There are currently eight for-rent PILOT-supported affordable housing developments in the City of Mt. Pleasant. All of these were granted PILOTs over two decades ago. The first of these developments (Riverview Apartments and Pheasant Run) were approved in 1966, and the most recent (Dover Court) was granted a PILOT in 1997. Of the eight developments, three are for the elderly, one is for the mentally handicapped, two are for low-income residents, and two are for low to moderate income residents. By number of units, the smallest of these is Devine (with 12 units) and the largest is Chase Run (with 160 units).

As shown in the chart below, for the 2020 tax year these eight properties paid a total of \$58,025 in PILOT payments to the City of Mt. Pleasant. The chart also shows that the ad valorem taxes payable to the City for these properties would have totaled \$188,550, and that the City therefore incurred a tax “loss” of \$130,520. However, this is very misleading because in the absence of PILOT agreements these parcels would have almost certainly remained undeveloped or occupied by an obsolete structure or by substandard, low-value housing. It is also important to note that these eight developments have varying PILOT rates, running from \$1.00 per unit up to 10 percent. Accordingly, whether or not a new PILOT would produce a substantial tax benefit cannot be even roughly estimated until the project, PILOT rate, and municipal services fees are established.

Tax Information - For-Rent PILOT-Supported Affordable Housing Developments

Project	2020		Estimated 2020 Advalorem Taxes			Pilot Vs Advalorem Taxes	
	Total	City Portion	Taxable Value	Total Taxes	City Taxes	Total	City
Devine House	\$ 493.08	\$ 106.43	\$ 170,000	\$ 10,315.28	\$ 2,762.50	\$ (9,822.20)	\$ (2,656.07)
Riverview Apartment/Pheasant Run	26,023.71	7,764.69	3,046,275	184,842.18	49,501.97	(158,818.47)	(41,737.28)
Oak Tree Village	10,226.94	2,207.48	88,086	5,344.89	1,431.40	4,882.05	776.08
Oxford Row I	28,853.30	6,227.98	348,754	21,161.73	5,667.25	7,691.57	560.73
Winchester Towers	40,627.00	8,769.34	3,200,000	194,169.92	52,000.00	(153,542.92)	(43,230.66)
Chase Run	110,385.50	32,935.72	4,200,000	254,848.02	68,250.00	(144,462.52)	(35,314.28)
Dover Court	65.00	14.03	550,000	33,372.96	8,937.50	(33,307.96)	(8,923.47)
Total	\$ 216,674.53	\$ 58,025.67	\$11,603,115	\$ 704,054.97	\$ 188,550.62	\$ (487,380.44)	\$ (130,524.95)

Source: Office of the Mt. Pleasant City Assessor

In 2001, citing limited availability of developable land and a desire to increase its tax base, the City of Mt. Pleasant announced a new policy that it would no longer grant PILOTs for construction of new qualifying housing projects. However, in the last few years, the City Commission has discussed whether to revisit its policy on PILOTs. At a work session on June 8, 2020 regarding policy and programs to address strategies identified in the 2019 Housing Study, the Commission decided not to reenact the City’s PILOT policy at that time. But at a session held on April 25, 2022, the Commission expressed an interest in revising their policy to allow PILOTs under certain circumstances.

Affordable housing projects generally are not initiated without governmental incentives. This is even more apparent under current economic circumstances where interest rates and construction costs are especially high. It is



extremely unlikely that any affordable housing will be built in Mt. Pleasant without a substantial incentive such as a PILOT program.

Assuming that the Commission is interested in addressing the demand for affordable housing, we are listing and discussing some of the parameters for a new PILOT program.

- Eligibility

The parameters for PILOT eligibility is rather straightforward. Consistent with Michigan Public Act 346 of the Public Acts of 1966, the applicant must be designated as one of the following to be eligible for a PILOT:

- Nonprofit housing corporation
- Consumer housing cooperative
- Limited dividend housing association limited partnership
- Limited dividend housing association limited liability company
- Limited dividend housing corporation.

Moreover, almost all municipalities affirm in their Ordinance that PILOTs are only eligible for projects which are financed with a Federally aided or State Housing Development Authority-aided mortgage or with an advance or grant from such authority. Additionally, to be eligible to apply for a PILOT, most municipalities in the state require that an applicant own the property or have an option to purchase the property under consideration, as well as have financial support from MSHDA.

At the June 8, 2020 work session there was a discussion about whether a Mt. Pleasant PILOT program should be for low-income or elderly low-income or transition housing for the homeless. The “or” might be interpreted to mean that only one of these groups should be selected. However, none of the municipalities that were reviewed in preparation for this report have adopted an ordinance that limits eligibility to only one or two of these groups.

One interesting issue related to eligibility is whether to make it contingent upon having a certain minimum percentage of a project’s units set aside as affordable. The general rule is that all units in a PILOT-supported rental property must be affordable. However, although it would seem to be inconsistent with the purpose of PILOTs, the municipality can agree to less. For example, the City of Flint only requires that 51 percent of the units in a PILOT-supported rental property be affordable. When this occurs, the municipality is subsidizing market rate units. Moreover, this gives an unfair competitive advantage to the developer who participates in the PILOT program and leases a number of units at market rates. Accordingly, we recommend all of the units meet the requirements for affordability.

- PILOT Rate

There are three general approaches that municipalities take in setting the PILOT rate. One approach is to set a base PILOT rate, subject to reduction if the development meets certain criteria. For example, Muskegon has set a base PILOT rate at 7 percent, which is reduced by 1 percent for each item on a specified list which includes: serving families, location outside the DDA boundary, average AMI greater than 70 percent, and minimum 15 percent of units offered at market rate. Another approach is to offer a fast-track process which requires no more than administrative approval if the developer agrees to a 10 percent PILOT rate. Lansing has adopted this approach. The third and most common approach is to decide the appropriate PILOT rate on an ad hoc basis within the range of 4 to 10 percent. This is the approach that Mt. Pleasant took before discontinuing PILOTs in 2001.

In addition to the PILOT rate, some municipalities impose a municipal services fee to cover the shortfall in funds to service the site with essential public services. An example is the City of Muskegon, which typically sets the



municipal services fee at 3 percent for all PILOT-sponsored developments. The need for this fee will vary depending upon the PILOT rate and the specific recommendations of local departments such as police and fire.

To incentivize developers and provide sufficient funds for the city, the Commission might consider setting the PILOT rate at a relatively low percentage and adding a municipal services fee which will go solely to the city to make up any shortfall.

- Minimum Number of Units

As detailed in the appendix, Michigan's PILOT-supported affordable housing developments come in a wide range of sizes. According to MSHDA, approximately one-third (35 percent) of PILOT-supported projects have one to 50 units; roughly one in four projects (26 percent) have between 51 and 100 units; and roughly two out of five (39 percent) have more than 100 units. In fact, just in the last month, a 20-unit PILOT-supported affordable housing apartment building (Village Flats) was approved in Barry County and a 308-unit PILOT-supported apartment complex was approved in Ypsilanti. In our opinion, the size of the project should be left up to the marketplace. It is obviously affected by the size of the buildable area, the demand in the area, and the economics resulting from the size of the project.

- Term

The term of PILOTs vary widely, from 15 years to up to 40 or 50 years. Two years ago, the City of Traverse City approved a 16-year PILOT with the developer Woda Cooper Companies for a 58-unit apartment building. On the other hand, last year the City of Lansing approved a 40-year PILOT with General Capital Group to convert a school into 75 affordable housing units for seniors. In between these extremes, last year the City of Midland awarded a 20-year PILOT (for the Lincoln Park Residences) and Ypsilanti awarded a 30-year PILOT (at 845 Clark Road). The incentive to the developer, and the city's ability to attract them, increases with a longer PILOT term. In order to provide a meaningful incentive to developers, we recommend a PILOT term of 25 to 30 years.

Based on feedback received from the Commission at the August 8th work session, staff will work on a draft PILOT policy and a final version will be prepared and submitted for Commission adoption later in 2022. As an initial trial project, the City would solicit proposals for affordable housing projects in the first quarter of 2023. If more than one proposal is received, staff will evaluate and make a recommendation to the City Commission regarding which proposal to offer a PILOT contract. Upon project completion, the initial PILOT project will be evaluated in order to determine next steps, which could include deciding not to offer further affordable housing PILOTs, continue to solicit project applications annually for one PILOT project per year, or consider expanding the project solicitation process to more than one PILOT project per year.

Respectfully Submitted,

McKenna

Andrew Littman
Senior Planner



Appendix - Michigan PILOT Program Statistics

Since there is no centralized data repository for PILOT projects, the following analysis is based upon data from a sample of 103 PILOT projects compiled by the Michigan State Housing Development Authority (MSHDA) in 2018. MSHDA estimates that there are approximately 950 PILOT properties statewide, so this sample represents 11 percent of all PILOT properties. The following tables assume that the sample properties are representative of all PILOT properties in the State of Michigan.

Figure 1 shows PILOT properties by type. Using the sample to estimate statewide totals suggests that 415 of the affordable housing projects (44 percent) supported by PILOTs are for families, 332 (35 percent) are for seniors, and 203 (21 percent) are for both families and seniors.

Figure 1: PILOT Properties by Type, Sample and Statewide Estimates

Project Type	MSHDA Sample	Projected Statewide Totals
Family	45	415
Senior	36	332
Family and Senior	22	203
Total	103	950

Source: MSHDA Sample Data

Figure 2 shows the same information but by the number of rental units. Using the sample to estimate statewide totals, PILOT projects support an estimated 90,647 affordable housing units. Michigan has approximately 1.3 million rental housing units, so PILOT-supported units represent approximately 6.8 percent of all rental housing in Michigan, or approximately one in every 15 rental units. Of these units, 32,715 (36 percent) are for families, 31,950 (35 percent) are for seniors, and 26,342 (29 percent) are for both families and seniors.

Figure 2: PILOT Properties by Number of Rental Units, Sample and Statewide Estimates

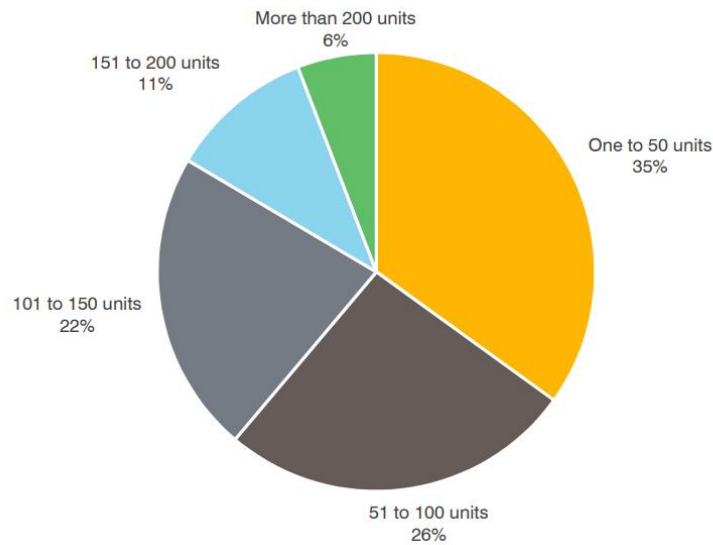
Project Type	MSHDA Sample	Projected Statewide Totals
Family	3,547	32,715
Senior	3,425	31,950
Family and Senior	2,856	26,342
Total	9,828	90,647

Source: MSHDA Sample Data

Michigan's PILOT-supported affordable housing developments come in a wide range of sizes. Approximately one-third (35 percent) of projects have one to 50 units; roughly one in four projects (26 percent) have between 51 and 100 units; and roughly two out of five (39 percent) have more than 100 units.



Figure 3: Share of Michigan PILOT Projects by Number of Units



Source: MSHDA Sample Data

Moreover, Michigan's PILOT-supported affordable housing developments are distributed across the state in roughly the same proportion as the population. *Figure 5* shows PILOT projects by Michigan prosperity region.

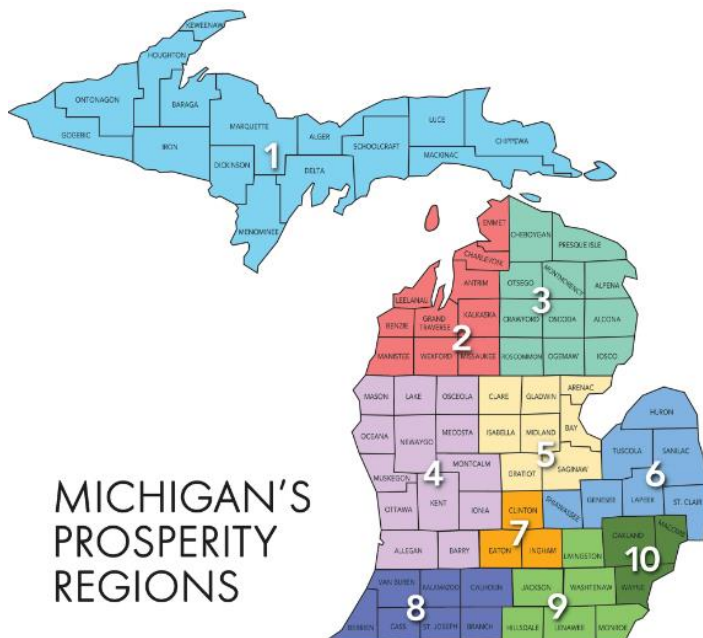


Figure 4: Map of Michigan's 10 Prosperity Regions. Michigan's state government organizes several initiatives according to this framework (Source: Michigan.gov).



As can be seen from the table below, approximately one-third of housing units supported with PILOTS are in Region 10, the Detroit Metro Prosperity Region, which consists of Wayne, Oakland, and Macomb Counties, and contains approximately 39 percent of the state's population. The second largest number of units are in Region 4, the West Michigan Prosperity Alliance, which consists of 13 counties, and contains Michigan's second largest city, Grand Rapids. This region has approximately 16 percent of the affordable housing units supported by PILOT agreements and 16 percent of Michigan's population. The Upper Peninsula and northern Lower Peninsula are divided into Regions 1, 2, and 3 – a primarily rural area – and contain approximately 9.2 percent of PILOT-supported affordable housing units and 8.2 percent of Michigan's population.

Interestingly, the East Central Michigan Prosperity Region, where Mt. Pleasant is located, contains 5.7 percent of the state's population but only 2.9 percent of Michigan's PILOT-supported affordable housing units. Furthermore, this prosperity region has the second fewest (28) number of PILOT-supported affordable housing projects, even though four other prosperity regions have a lower proportion of the state's population. This suggests that there is a critical need of additional PILOT-supported affordable housing projects in and around Mt. Pleasant.

Figure 5: PILOT Projects and Units by Prosperity Region

Region Number	Prosperity Region	Est. # of Projects	Est. # of Units	Percentage of Units	Percentage of Michigan Population
1	Upper Peninsula Prosperity Alliance	18	959	1.1%	3.1%
2	Northwest Prosperity Region	55	3,726	4.1%	3.1%
3	Northeast Prosperity Region	74	3,588	4.0%	2.0%
4	West Michigan Prosperity Region	166	14,683	16.2%	15.9%
5	East Central Michigan Prosperity Region	28	2,638	2.9%	5.7%
6	East Michigan Prosperity Region	65	9,408	10.4%	8.6%
7	South Central Prosperity Region	55	5,423	6.0%	4.8%
8	Southwest Prosperity Region	148	13,669	15.1%	7.9%
9	Southeast Michigan Prosperity Region	74	7,452	8.2%	10.1%
10	Detroit Metro Prosperity Region	267	29,100	32.1%	38.9%
Total		950	90,647	100%	100%

Source: MSHDA



Memorandum

TO: City of Mt. Pleasant, City Commission
Paul Lippens, AICP, Vice President
FROM: Andrew Littman, AICP, Senior Planner
Maya Baker, Assistant Planner
SUBJECT: **NEZ Incentive Strategies Discussion Prepared for City Commission Meeting on August 8, 2022.**
DATE: August 2, 2022

PURPOSE OF MEMORANDUM

The City Commission has reviewed the November 2019 City of Mt. Pleasant Housing Study prepared by prior planner Jacob Kain, AICP, and recommended the establishment of a Neighborhood Enterprise Zone or Zones to “promote neighborhood revitalization, encourage owner occupied housing, and stimulate new investment.” The Neighborhood Enterprise Zone is an incentive strategy which provides reduced taxes to newly constructed and improved owner-occupied housing. This memorandum will outline the function of a NEZ, how it can be established, and how it has been implemented in cities like Mt. Pleasant.

WHAT IS A NEIGHBORHOOD ENTERPRISE ZONE?

The Neighborhood Enterprise Zone (NEZ) Program was established by the Neighborhood Enterprise Zone Act of 1992 (Act 147, MCL 207.773). The Act allows local governments to designate zones in need of housing investment, revitalization, or greater levels of home ownership. Within these zones, certain properties may qualify for a lower NEZ tax in place of ad valorem real property taxes on the facility (but not on the land where the facility is located). This reduction is intended to incentivize the construction and maintenance of housing in a community, as well as promote owner-occupation.

There are three types of projects that can qualify for NEZ benefits: new facilities, rehabilitated facilities, and homestead facilities. A developer or owner must apply for a NEZ certificate if they wish to take advantage of NEZ benefits. The State of Michigan designates basic requirements for Neighborhood Enterprise Zone certification, but a local government may require more strict requirements (examples of which will be demonstrated later in this memorandum). The local government may also decide to designate a NEZ to apply exclusively to new and rehabilitated facilities, or exclusively to homestead facilities. A NEZ certificate may be valid for 6 to 15 years, at the discretion of the governing body creating the NEZ.

Requirements for the Three Types of NEZ Projects

- New Facility Projects
 - A new facility can be defined as a new structure or a portion of a new structure (only the new portion will receive a tax exemption). New condominium units qualify under this definition.
 - The new facility must be primarily for residential use and contain 1 or 2 units.
 - The owner of the property must occupy one of the units as their principal residence.



- Application for a NEZ Certificate must be submitted by owner/developer *before* a building permit is issued.
- New Facility Projects cannot include apartments for rent, unless:
 - The project is located in a qualified downtown district (DDA, PSD, or area identified by local government as primarily for business)
 - The building is mixed-use with retail space on the street-level floor.
- Rehabilitated Facility Projects
 - A rehabilitated facility is defined as an existing structure or portion thereof, with a current true cash value of \$80,000 or less per unit.
 - The primary purpose of the structure must be residential, consisting of 1-8 units.
 - Application for a NEZ Certificate must be submitted by owner/developer *before* a building permit is issued.
 - Minimum improvements are required to qualify as a rehabilitated facility:
 - For improvements done by a licensed contractor, they must be estimated at: More than \$5,000 or half of the true cash value (whichever is less) per owner-occupied unit; more than \$7,500 or half of the true cash value (whichever is less) per non-owner-occupied unit.
 - For improvements done by the owner, the cost of materials must be: More than \$3,000 per owner-occupied unit; more than \$4,500 per non-owner-occupied unit.
- Homestead Facility Projects
 - An existing structure purchased by or transferred to an owner after December 31, 1996.
 - The homestead facility must be primarily for residential use and contain 1 or 2 units.
 - The owner of the property must occupy one of the units as their principal residence.
 - The owner must commit in writing to invest a minimum of \$500 into the improvement of their property (including repairs or upgrades) in the first 3 years of receiving certification, and be willing to submit documentation thereof to the local assessor.

Tax Benefits for the Three Types of NEZ Projects

The NEZ tax is applicable only to the *facilities* on the property within the NEZ, but does not apply to the *land* that the facilities are located on. The land continues to be taxed at its standard rate. For all three types of projects, the tax reduction is lowered by one-eighth each year over the last three years that the certificate is active.

- New Facility Projects
 - For a principal residence unit: **One-half** of the previous year's (the year before the certificate was issued) state average principal residence millage rate to the value of the facility.
 - For a non-principal residence unit: Apply **one-half** of the previous year's (the year before the certificate was issued) state average non-principal residence millage rate to the taxable value of the facility.
- Rehabilitated Facility Projects
 - Apply the current total millage rate **from the year before the NEZ certificate was issued** to the taxable value of the rehabilitated portion of the facility.
- Homestead Facility Projects
 - The current taxable value of the facility, multiplied by **one-half** the number of mills levied by the local government unit and the county, *plus*
 - The taxable value of the facility, multiplied by the remaining total mills levied as ad valorem taxes.



CREATING AND MAINTAINING NEIGHBORHOOD ENTERPRISE ZONES IN MT. PLEASANT

NEZ Ordinance and Designating Zones

For a local government unit to be eligible to designate NEZs, it must be considered a qualified LGU under the Obsolete Property Rehabilitation Act (OPRA) PA 146 of 2000. The State of Michigan maintains a list of qualified LGUs, in which the City of Mt. Pleasant is included.

In order to create a Neighborhood Enterprise Zone in Mt. Pleasant, the City Commission must first pass an ordinance enabling the Zones. The ordinance may make specifications as to the requirements for receiving a NEZ certificate, such as creating a higher minimum investment for a homestead property or designating the length of time NEZ certificates will be issued for (such as allowing different lengths of time for different levels of investment). As a city with a population over 20,000, the City must have a housing inspection ordinance (if it does not already) in order to create NEZs.

The NEZ Act also requires that upon adopting a NEZ ordinance, the governing body “adopt a statement of the [city’s] goals, objectives, and policies relative to the maintenance, preservation, improvement, and development of housing for all persons regardless of income level living within the proposed neighborhood enterprise zone.”

Before enacting the ordinance, the City Commission must send a notice to the City Assessor and hold a public hearing no more than 45 days after this notice is sent. Once passed, the NEZ ordinance cannot be repealed or amended for at least 3 years, and any repeal or amendment must come into effect 6 months after adoption. If the NEZ is amended or revoked all certificates issued up to that point will continue to be valid until their scheduled expiration.

Requirements for a NEZ:

- The NEZ must contain at least 10 platted, contiguous parcels. If the NEZ is in a downtown district it may contain less than 10 platted parcels if the parcels contain at least 10 facilities.
- A NEZ for new and/or rehabilitated facilities may not exceed 15% of the total acreage of the City of Mt. Pleasant, 758.4 acres (the total acreage of the City is approximately 5,056).
- A NEZ for homestead facilities may not exceed 10% of the total acreage of the City of Mt. Pleasant, 505.6 acres.
- The creation of the NEZ should be consistent with the City’s Master Plan by being located in an area in need of development as identified by the Master Plan, or by advancing goals put forth in the Master Plan.

Administration of NEZs

Once a NEZ is established, property owners and developers pursuing qualifying projects must submit an application for a NEZ certificate to the City Clerk. The full list of application materials can be found at [Obsolete Property Rehabilitation Act Application Requirements \(michigan.gov\)](#). If the application is complete and all qualifications are met, the clerk then sends the application to the City Commission for approval by resolution. The city commission must approve the application if the qualifications are met. The approved application is then sent by the Clerk to the State Tax Commission (for New or Rehabilitated Facilities) or the City Tax Assessor (for Homestead Facilities). Exemptions are not effective until approved by the final body. If at any point in the process the issuance of the certificate is denied, the denial shall be sent to the applicant with an explanation of why it was denied and instructions for how to proceed.



Loss of NEZ Certification

A NEZ Certificate might be revoked if the property fails to meet standards for safe occupancy according to local housing inspection law. The certificate shall be revoked if the property owner fails to pay their property taxes. This stipulation is an example of how NEZ tools are better for attractive middle-income owners to new neighborhoods than assisting low-income owners in attaining home ownership.

EXAMPLES OF NEZ PROJECTS IN PARTICIPATING CITIES

While a number of cities participate in the Neighborhood Enterprise Zone program, some cities utilize the program more than others. The most success has been shown when cities and participating neighborhoods market the NEZ incentives so that residents are aware of the benefits available to them. The State NEZ Act allows cities to exercise some changes to their own NEZ ordinances. For example:

- Grand Rapids issues NEZ certificates for a base term of 9 years, but issues bonuses to projects fitting certain criteria up to 15 years (+6 years for affordable housing, +3 years for public transit access, introducing new housing types to an area, or hosting businesses using micro-loans in mixed-use projects). Lansing, on the other hand, offers a blanket 12-year term to all projects.
- In Kalamazoo and Grand Rapids, Neighborhood Associations must request that an area will be designated as a NEZ, while in cities such as Muskegon and Alpena, city councils determined the NEZs based on housing statistics and a desire to revitalize their downtown areas.

An incentive program is only as good as the developers that utilize them and the projects that result from them. The city of Mt. Pleasant should consider what types of projects have been successful in other cities, and consider if they would like to see similar projects in Mt. Pleasant. The following cities have used NEZs to stimulate development to varying levels of success, or with results that they may not have anticipated. The descriptions below focus on NEZ certificates for new and rehabilitation projects, as information on Homestead exemptions is less available

Kalamazoo:

Kalamazoo has designated a Neighborhood Enterprise Homestead Zone in the Vine neighborhood, one of the city's densest areas and home to many student renters. The city is home to Western Michigan University (23,900 enrolled), Kalamazoo College (1,400 enrolled), and Kalamazoo Valley Community College (11,400 enrolled). Tax exemptions in Kalamazoo have only been issued to owner-occupied, existing homes, aside from a single new-construction home. The city continues to struggle with poorly maintained rental housing, but homes have been improved for owner-occupants due to the incentive applied to homestead properties in the designated zone. At least 10 homes have been given the NEZ exemption thus far. In Kalamazoo, Neighborhood Associations are encouraged to work with the city in order to have their areas established as NEZ. So far only one neighborhood has utilized this resource.

Lansing:

A townhome-style condo complex, in an area of Lansing known for blighted housing, has received new construction NEZ exemption for some of its owner-occupied units. Owners likely would have had to pre-purchase their unit prior to construction in order to qualify for the exemption. Between 10 and 20 new duplexes and single-family homes with this exemption have also been constructed since 2006 in two neighborhoods in need of improved housing stock.

**Muskegon:**

Muskegon had a long gap in its issuance of NEZ Certificates. Initially, a single new home was constructed using the exemption. Recently, several certificates have gone toward construction of new owner-occupied single-family homes in a subdivision adjacent to downtown Muskegon.

Grand Rapids:

In 2006, early in Grand Rapids' regrowth period, NEZ incentives were used toward the development of a new loft-style condo complex in an historic furniture factory. This is the first recorded project in Grand Rapids to receive NEZ exemptions. Owner-occupation is not required for rehabilitation projects, but the majority of projects were used for rental by individual owners, while a few are owned by property investment firms. Around 60 units were rehabilitated with investments ranging from \$50,000 to \$200,000; frozen taxable value of the properties for 15 years ranged between under \$1,000 to a little over \$10,000. The tax incentives for most units expired in 2019 and 2020.

At least 10 new duplex and single-family homes have been built in Grand Rapids with NEZ exemption certificates. These homes must be owner-occupied in order to receive a 50% tax reduction for a minimum of 9 years (factors such as proximity to public transportation, affordability, and housing type diversity can extend the exemption for up to 15 years). Investment in construction has ranged from \$79,000 to \$400,000.

USEFUL SOURCES

Qualified Local Government Units under the Obsolete Property Rehabilitation Act:

https://www.michigan.gov/taxes/-/media/Project/Websites/taxes/OPRA/2015/2015_OPRA_Qualified_Local_Govt_Units_2015_8_25_2.pdf?rev=bc555c44854740d6963612d056f3a447&hash=007D712B69607DA4120ABB1753D1524E.

State of Michigan's Neighborhood Enterprise Zone Exemption Application Checklist:

https://www.michigan.gov/taxes/-/media/Project/Websites/treasury/BLGSS-CSD-FOLDER/NEZ-Checklist_for-taxpayers.pdf?rev=52a7fece81ec47aaade1caad5a246476&hash=6AF319874BF7895C6B060D5E3F259724.

Neighborhood Enterprise Zone Act, Public Act 147, MCL 207.771-787:

[http://www.legislature.mi.gov/\(S\(100oyxoaavz0g2qm2irx3g4m\)\)/mileg.aspx?page=shortlinkdisplay&docname=mcl-Act-147-of-1992](http://www.legislature.mi.gov/(S(100oyxoaavz0g2qm2irx3g4m))/mileg.aspx?page=shortlinkdisplay&docname=mcl-Act-147-of-1992).

State of Michigan, Frequently Asked Questions, Neighborhood Enterprise Zone Act:

https://www.michigan.gov/taxes/-/media/Project/Websites/taxes/NEZ/NEZ_FAQs_Final2.pdf?rev=9f14a4d6994448018679b974c846efa9&hash=E307863C1375DD31C5ECDA82A33C3D68.

Ypsilanti City Policy and procedures Regarding Approval of Neighborhood Enterprise Zone Certificates:

<https://www.cityofypsilanti.com/DocumentCenter/View/1080/Neighborhood-Enterprise-Zone-Policypdf>.



Memorandum

TO: City of Mt. Pleasant, City Commission.
Paul Lippens, AICP, Vice President
FROM: Andrew Littman, AICP, Senior Planner
Maya Baker, Assistant Planner
SUBJECT: **Owner Occupied Incentive Strategies Discussion**
Prepared for City Commission Meeting on August 8, 2022
DATE: August 2, 2022

PURPOSE OF MEMORANDUM

The City Commission has reviewed the November 2019 City of Mt. Pleasant Housing Study prepared by prior planner Jacob Kain, AICP, and indicated that further efforts to incentivize the transition of rental units to owner occupied units is desirable. Policies and programs that incentivize the creation of new owner-occupied housing and the transition of aging rental housing to owner-occupied housing align with the policies established in the Mt. Pleasant 2050 Master Plan and will help to implement the available development options permitted in the City Zoning Ordinance.

BACKGROUND AND PRIOR POLICY SUMMARY

Prior Policy Basis and Summary

Between 2009 and 2016 the City of Mt. Pleasant offered financial incentives for purchasing of rental properties for conversion to single-family occupancy for a minimum term of 5-years. Over the period that the program was active 15 home buyers received incentives, utilizing approximately \$70,000 of \$100,000 allocated. At the time the program was deactivated, it was determined that the program had not effectively shifted the percent of rental housing in the City, which at that time hovered around 35%. In the 2000 census that number had risen to 40%.

The actual effect of the City's investment in those properties was not evaluated. Notably, the many benefits of home ownership to maintaining and improving housing stock, investing in neighborhoods over long-term, and completing long-deferred renovations that can lead to depreciating housing values – roofs, painting, foundation repairs, etc.

In reconsidering home-owner incentives, the Commission should consider measurables that relate to the principal benefits of home-ownership to neighborhood development, rather than on the indicator. Stated simply, a program that helped 15 people become home owners, could be more successfully reported on if evaluated against site specific measures as opposed to city-wide measures.

New Policy Basis

As established in the City's Master Plan, Mt. Pleasant 2050, the creation of "Missing Middle Housing," (inclusive of bungalow courts, duplex, triplex and quadplex) is encouraged for future housing developments. While traditional multi-family housing forms incentivize rental units or condominium ownership, missing middle housing types offer a wider range of ownership options as well. Through encouraging a mix of housing types, the City could also incentivize a ladder of home-ownership options to make market rate housing available to lower income residents. Allowing owners of multi-unit properties to live in one unit while supplementing income by renting other units. Specific policies that encourage residents to build wealth while contributing to renovating, or even gradually



converting non-conforming rooming occupancies to single-family uses is consistent with City policy. The 2019 Housing Report includes a summary of barriers to missing middle housing in the city:

- Reducing Land Area per unit requirements for multi-family. The City took action on this recommendation in 2021 with Ordinance Amendment 21-05.
- Providing design assistance for missing middle housing types

An updated owner incentive policy could also include grants for design assistance for Missing Middle housing types and pre-approved site designs to remove barriers for people that qualify through the City program.

PEER COMMUNITIES

The City can expand the ownership incentive program to include opportunities for residents to build wealth and realize value from investing in the next 30-year cycle of housing within stock investment through targeted programs with clear stated objectives and measures. Here are some example programs from peer communities around the State:

Holland Michigan:

- Grants for home repair – up to \$8k
- Grants for energy retrofit - 10% rebate for improvements over \$10k.

<https://www.cityofholland.com/843/City-of-Holland-Rehab-Programs>

Lansing Michigan:

- Down payment assistance program – up to \$15K

<https://www.lansingmi.gov/366/Down-Payment-Assistance>

Monroe Michigan:

- FIX program provides rehab assistance through CDBG
- Down payment assistance program – coming soon

https://www.monroemi.gov/city_hall/departments/neighborhood_services/housing_program

Charlevoix Michigan:

- Downtown housing incentive program – up to \$25k to construct or renovate housing in downtown
- \$50k was available in 2021-22 (first year)
- Example of program targeted to a missing middle housing type and a specific district

<https://www.cityofcharlevoix.org/431/Downtown-Housing-Incentive-Program>

Battle Creek Michigan:

- Down payment assistance program – up to \$10K
- Also provides rental assistance up to \$4.5k per year

<https://www.battlecreekmi.gov/DocumentCenter/View/6286/BCPS-Housing-Incentive-Application-Rev-421?bidId=>



DISCUSSION AND NEXT STEPS

The City Commission in considering a new owner-occupied incentive program should establish criteria and measures for evaluating the effect of the program. Even if properties are moved from the rental market for a short period of time, for instance five-years, during that time the recipient of funds could make substantial improvements to the property and gain equity to facilitate their next home purchase (hopefully in the City!). The mix of rental to owner housing in the City of Mount Pleasant is similar to other peer communities. Increasing the overall percentage of owners within the City may be beyond the scope of a local incentive program; however, a program of this type can make a very positive impact on the quality of life for Mt. Pleasant residents and help to stabilize neighborhoods for future generations.

Objectives / Measures Discussion:

The following objectives may be achieved and measured through a local incentive program:

- Improving the quality and diversity of the City's housing stock
- Consider developing maintenance code provisions for owner occupied housing or expanding rental property maintenance code.
- Provide assistance to new home owners in addressing long-deferred property improvements, including painting, landscaping, foundation repair, roofs, bathroom and kitchen renovations, removal of obsolete rooming house amenities, etc.
- Increase housing diversity through owner-residence missing middle housing incentives for live-in duplex, triplex, quadplex, and small apartment buildings
- Provide down-payment assistance to new home-owners targeted to specific neighborhoods or housing types – like nonconforming rooming houses
 - Note – the City could initiate a program with multiple levels – for instance, providing 20% assistance to income qualified applicants, and 15% for first time buyers at all income levels, 10% for all income levels within specific neighborhoods or for specific housing types

The following measures could be considered in evaluating program effectiveness:

- Number of people receiving assistance
- Assessed values of properties before and after assistance
 - Tax impact evaluations adjusted for homestead, non-homestead millage rates
- Value of building permits for renovations over term of owner contract (previously 5-years)
- Demographic characteristics of grant recipients before and after program participations (possibly an interview requirement)
 - Owner / renter status prior to / post receiving assistance
 - Location of residence prior to / post receiving assistance
 - Income prior to / post receiving assistance
 - Familial / marital status prior to / post receiving assistance
 - Employment status prior to / post receiving assistance

Objectives and measures of the program should be tied to the goals the City is looking to achieve and the scale at which the City is investing – home ownership is an indicator of neighborhood health – by incentivizing home ownership the City can continue to make a positive impact on the community and its residents.