

Regular Meeting of the Mt. Pleasant City Commission
Monday, October 24, 2022
7:00 p.m.

AGENDA

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

LAND ACKNOWLEDGEMENT STATEMENT:

ROLL CALL:

PROCLAMATIONS AND PRESENTATIONS:

1. Introduce Director of Planning & Community Development Manuela Powidayko Souza.
2. Introduce Public Safety Office Professional Meagan Long.
3. Introduce Paid On Call Firefighter Marcus Vogel.
4. Mid-Michigan Aquatic Recreational Authority update provided by John Zang.

ADDITIONS/ DELETIONS TO AGENDA:

PUBLIC INPUT ON AGENDA ITEMS:

RECEIPT OF PETITIONS AND COMMUNICATIONS:

5. Minutes of the Planning Commission (September).
6. Third Quarter Investment Report.

CONSENT ITEMS:

7. Approval of the minutes from the regular meeting held October 10, 2022.
8. Consider resolution in support of fees related to electric scooters and/or skateboards.
9. Consider Central Business District Tax Increment Finance Authority (CBD TIFA) Façade Improvement Program.
10. Consider agreement with Central Michigan University for copier leases.
11. Consider approval of Payrolls and Warrants.

PUBLIC HEARINGS:

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

October 24, 2022

Page 2

12. Public hearing on the necessity of the public improvement, consider resolution #3 to proceed with improvements; consider resolution #4 to accept the special assessment roll and set a public hearing for November 14, 2022 regarding said roll for Special Assessment District # 3-22.

NEW BUSINESS:

13. Receive draft PILOT Policy and provide input.

ANNOUNCEMENTS ON CITY-RELATED ISSUES AND NEW BUSINESS:

PUBLIC COMMENT ON AGENDA AND NON-AGENDA ITEMS:

RECESS:

CLOSED SESSION:

RECESS:

WORK SESSION:

14. Discussion on the proposed 2023 Operating Budget.

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

OCTOBER 20, 2022

FROM: AARON DESENTZ, CITY MANAGER

SUBJECT: CITY MANAGER REPORT ON AGENDA ITEMS

Proclamations and Presentations:

4. Mid-Michigan Aquatic Recreational Authority update provided by John Zang.
 - a. John Zang will be at the next City Commission meeting to provide an update on the work of the Mid-Michigan Aquatic Recreation Authority and the work going forward.

Receipt of Petitions and Communications:

Consent Items:

8. Consider resolution in support of fees related to electric scooters and/or skateboards.
 - a. The attached Resolution establishes fees for licenses for the operations of electric scooter and skateboard companies. It also establishes fees for the recovery of units that are impounded by the City due to obstructive parking or use. The fees are as follows:
 - i. Fee for license to operate for one year: \$1,000
 - ii. Fee for impoundment: \$100/\$120 (after hours)
 - iii. ICHAT fee: \$10
 - iv. Unit inspection fee: \$15
9. Consider Central Business District Tax Increment Finance Authority (CBD TIFA) Façade Improvement Program.
 - a. The City's zero-interest loan program for façade improvements in the Central Business District (CBD) have not been utilized since 2017. In order to encourage use of the funds, staff as well as the CBD Tax Increment Finance Authority (TIFA) request that the funds be used for a matching grant program. Applicants would be able to apply for a \$5,000 grant provided they have a match equaling this amount or greater.
10. Consider agreement with Central Michigan University for copier leases.
 - a. The City has contracted with CMU for the lease of copy machines. The partnership allows the City to achieve a better price given the economy of scale the two organizations can achieve together. The City plans to lease five (5) machines at a rate of \$12,828 per year for a one (1) year term.

Public Hearings:

12. Public hearing on the necessity of the public improvement, consider resolution #3 to proceed with improvements; consider resolution #4 to accept the special assessment roll and set a public hearing for November 14, 2022 regarding said roll for Special Assessment District # 3-22.
 - a. The City received a petition from property owners to reconstruct the alley between Fancher and Kinney Street which connects Lincoln and Chippewa Streets. A map of the area has been included in your City Commission packet. Per the City's policy, the homeowners will pay for a special assessment for 70% of the reconstruction and the City's Capital Improvement millage will pay for the remainder. The City's engineering staff estimate the project to cost \$79,497.59. The homeowner portion subject to special

assessment is estimated to be \$55,648.32 with the remaining \$23,849.28 to be paid by the City.

The City Commission is asked to hold a public hearing on the proposed improvements. The City Commission is further asked to consider the attached Resolutions. The Resolutions approve the public improvements being proposed and directs the Assessor to prepare the special assessment roll and set a public hearing on the roll for November 14, 2022.

- i. Recommended Action: Following the public hearing, a motion to approve Resolutions 3 and 4 as presented.

New Business:

13. Receive draft PILOT Policy and provide input.

- a. Following several conversations about housing, the City Commission is now presented with a draft PILOT (Payment in Lieu of Taxes) policy for consideration. The policy sets standards for requests from a developer that the City Commission is interested in reviewing. In particular:
 - PILOTS need to be tied to an application through the Michigan State Housing Development Authority (MSHDA).
 - Eligible projects must consist of a minimum of 80 percent of the units for affordable housing
 - The policy sets a process requirement for how applications are to be reviewed
 - PILOT rates: Rates are set between 4 and 6 percent of net shelter rent (total property owner revenue) and are supplemented by a municipal services fee collected by the City of 3 percent.
 - Keep in mind that the PILOT fee between 4 to 6 percent is shared among tax capturing agencies while the municipal services fee of 3% is retained by the City in its entirety.
 - Term: Term of the agreement can last between 25 and 40 years.
- i. Recommended Action: It is recommended that the City Commission provide feedback to staff on the proposed PILOT policy. Staff will then use this feedback to deliver a final proposal to the City Commission in November.

Work Session

14. Discussion on the proposed 2023 Operating Budget.

- a. The City Commission will discuss the proposed 2023 budget. A list of questions will be provided to the City Commission based on the items for further discussion identified in the budget transmittal (page III). Staff did not receive any questions on the budget ahead of this upcoming discussion.

**Mt. Pleasant Planning Commission
Minutes of the Regular Meeting
September 1, 2022**

- I.** Chair Hoenig called the meeting to order at 7:00 p.m.

Present: Andrew Devenney, Corey Friedrich, Yannis Haveles, Lesley Hoenig, Glen Irwin, David Kingsworthy, Matt Liesch, Kelli Nicholas, Christine Ortman

Absent: None

Staff: William Mrdeza, Paul Lippens, Andrew Littman, Laura Delamater

- II. Approval of the Agenda:**

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

Motion approved unanimously.

- III. Approval of the Minutes:**

A. August 4, 2022 Regular Meeting

Motion by Friedrich, support by Liesch to approve the minutes from the August 4, 2022 regular meeting.

Motion approved unanimously.

B. August 4, 2022 Work Session

Hoenig noted an error on page 1 of the Work Session minutes in the date.

Orton noted an error in the minutes on page 1 and asked that the minutes reflect that the meeting was called to order by Ortman, not Hoenig, who was absent.

Motion by Friedrich, support by Haveles to approve the minutes from the August 4, 2022 work session meeting as amended.

- IV. Zoning Board of Appeals report for August:**

Commissioner Friedrich reported that the ZBA did not meet in August.

V. Communications:

Mrdeza reported that there were (2) two updated site plan sheets received after the packets went out and those plans were provided to the Planning Commission this evening.

VI. Public Hearings:

A. SUP-22-15 & SPR-22-16 – 210 W. Pickard – Stash Ventures, LLC – Request for Special Use Permit & Site Plan Review for Adult-Use Retail Establishment.

Littman introduced SUP-22-12 & SPR-22-16 210 W. Pickard, submitted by Stash Ventures, LLC with a request for Special Use Permit & Site Plan Review for Adult-Use Retail Establishment.

Littman reviewed the current and prior uses of the property. Littman provided an overview of the property including current zoning as well as future, current and prior land use. Littman reviewed photos showing current conditions of the property.

Littman reviewed the site plan and zoning requirements.

Littman reviewed Special Use Conditions regarding the Adult-Use Grower license.

Littman closed his presentation with recommendation to approve SUP-22-15& SPR-22-16 subject to conditions.

Discussion took place.

Matthew Roman, Director of Government Relations for Stash Ventures, was on hand to address the board and answer questions.

Discussion took place.

Hoenig opened the public hearing. Mrdeza noted that there were no public comments submitted virtually or via email. There being no one else who wished to speak, public comment was closed.

Discussion took place.

Motion by Liesch, support by Haveles to approve SPR-22-16 & SUP-22-15 subject to the following conditions:

1. The applicant obtains an adult-use marijuana retailer license from the State and maintains compliance with all applicable state statutes and rules at all times.
2. The applicant complies with all State rules of a co-located facility.

3. Approval by the County's mechanical inspector of the building's air handling system in compliance with Sec. 154.410.B.4(b)(vii).
4. Landscaping requirements are followed so that there is one tree per 40 feet of frontage along West Pickard Street.
5. The site's relocated fence is not higher than six feet, its finished sides faces the adjacent property or thoroughfare, and its material is natural wood, brick or stucco over masonry, wrought iron or aluminum, or chain link.
6. The applicant provides a sign plan that shows compliance with the standards for monument signs.

Discussion took place.

Ayes: Devenney, Friedrich, Haveles, Hoenig, Irwin, Kingsworthy, Liesch, Nicholas, Ortman

Nays: None

Motion approved unanimously.

B. SPR-22-17 – 1219 N. Mission – D. L. Wilson Properties, LLC – Request for Site Plan Review for a proposed 55,000 square foot addition to an existing building.

Littman introduced SUP-22-17, a request for Site Plan Review for a proposed 55,000 square foot addition to an existing building.

Littman reviewed the current and prior uses of the property. Littman provided an overview of the property including current zoning as well as future, current and prior land use. Littman reviewed a photo showing current conditions of the property.

Littman closed his presentation with recommendation to approve SPR-22-17 subject to comments of the Department of Public Works and Public Safety.

Discussion took place.

Pete Lorenz, Lorenz Surveying & Engineering, Inc. and Dave Wilson, owner if D. L. Wilson Properties, LLC were on hand to address the commission and answer questions.

Discussion took place.

Motion Liesch, support by Haveles to approve SUP-22-17 subject to the following conditions:

1. The applicant to comply with the conditions of Public Works and Public Safety.

Discussion took place.

Ayes: Friedrich, Haveles, Irwin, Kingsworthy, Liesch, Nicholas, Ortman
Nays: None

Motion approved unanimously.

VII. Public Comments:

Hoenig opened the public comment. Mrdeza noted that there were no public comments submitted virtually or via email. There being no one who wished to speak, public comment was closed.

VIII. Site Plan Reviews:

A. None

IX. Unfinished Business:

A. None

X. New Business:

A. None

XI. Other:

A. Staff report.

Mrdeza provided an overview of a Minor Site Plan Review that staff had reviewed and approved in August.

B. Update on Staff Planner search

Mrdeza provided an update on the search for a Staff Planner.

XII. Adjournment:

Motion by Haveles, support by Friedrich to adjourn.

Motion approved unanimously.

Meeting adjourned at 7:25 p.m.

lkd

**CITY OF MT. PLEASANT
INVESTMENT REPORT
SEPTEMBER 30, 2022**

PORTFOLIO SUMMARY

PORTFOLIO BY INVESTMENT TYPE:

<u>Investment Type</u>	<u>30-Sep-22 Balance</u>	<u>Interest Rate</u>	<u>Percentage of Portfolio</u>
Demand Deposits:			
Isabella Bank Checking	\$ 267,011.98	0.1200%	0.8551%
Federated Government Obligatic	403,697.36	2.8100%	1.2929%
MBIA CLASS Investment Pool	8,772,850.41	2.5856%	28.0956%
Isabella Bank -Insured Cash Sweep	8,372,206.00	0.3500%	26.8125%
Fixed Income:			
Commercial Paper	5,920,470.56	3.2380%	18.9607%
Municipal Bonds	3,088,531.00	0.6910%	9.8912%
Government Agencies	1,318,730.85	1.5200%	4.2233%
US Treasuries	3,081,520.70	1.3210%	9.8688%
Portfolio Total	<u><u>\$31,225,018.86</u></u>		<u><u>100.00%</u></u>

PORTFOLIO BY FINANCIAL INSTITUTION/BROKER:

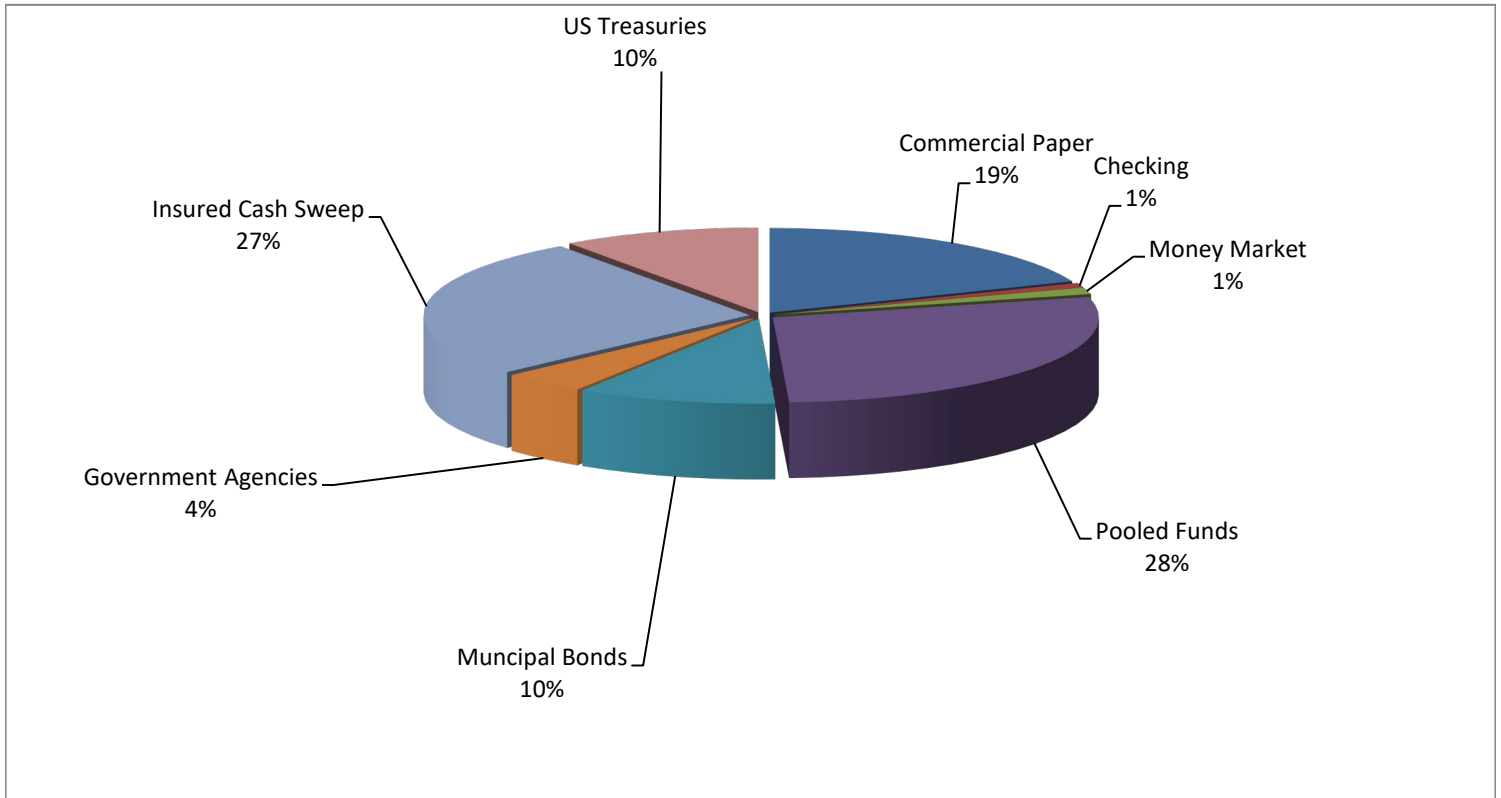
	<u>30-Sep-22 Balance</u>	<u>Percentage of Portfolio</u>
Meador Investment Management	\$13,812,950.47	44.23%
MBIA CLASS	8,772,850.41	28.10%
Isabella Bank	267,011.98	0.86%
Insured Cash Sweep	8,372,206.00	26.81%
Portfolio Total	<u><u>\$31,225,018.86</u></u>	<u><u>100.00%</u></u>

All investments were made in accordance with the investment policy dated May 26, 1998 including CDARS revision dated September 14, 2009.

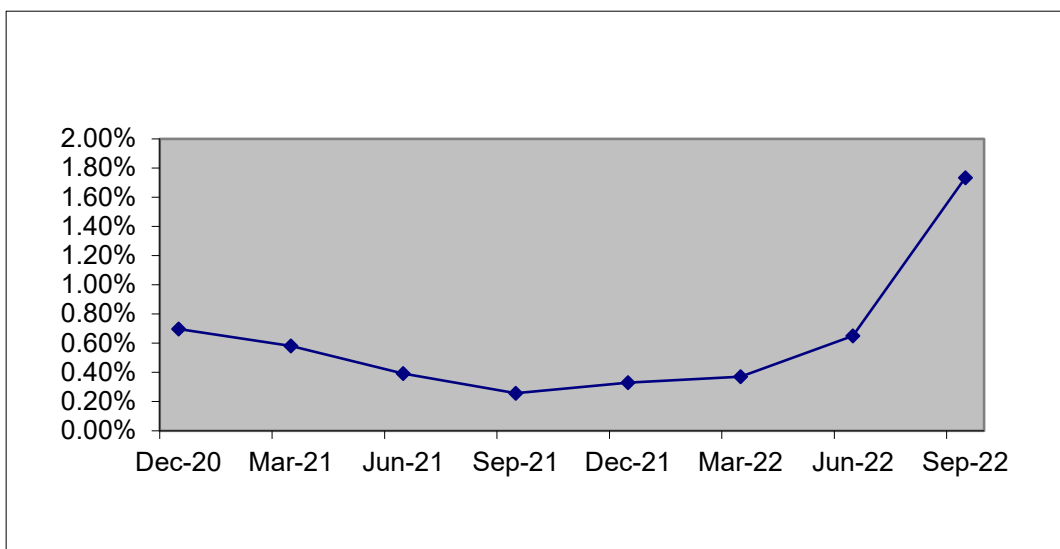
**CITY OF MT. PLEASANT
INVESTMENT REPORT
SEPTEMBER 30, 2022**

PORTFOLIO SUMMARY (Continued)

Portfolio by Investment Type



Interest Rates



**CITY OF MT. PLEASANT
INVESTMENT REPORT
SEPTEMBER 30, 2022**

FIXED INCOME PORTFOLIO - Balance September 30, 2022

Commercial Paper

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>		<u>Par Amount</u>	<u>Discount Amount</u>
Natixis NY	22-Aug-22	19-May-23	270		\$ 1,000,000.00	\$ 972,025.00
Credit Agricole Corp	22-Aug-22	16-Nov-22	86		600,000.00	595,814.66
Mufg Bank LTD	23-Aug-22	22-Feb-23	183		600,000.00	589,203.00
Santander UIK PLC	23-Aug-22	14-Nov-22	83		600,000.00	596,029.84
Lloyds Bank Corporate I	24-Aug-22	21-Nov-22	89		600,000.00	595,698.34
Swedbank	25-Aug-22	10-Nov-22	77		600,000.00	596,406.67
JP Morgan Securities	02-Sep-22	16-Nov-22	75		600,000.00	596,437.50
Collateralized Commere	02-Sep-22	27-Feb-23	178		600,000.00	593,143.33
Toyota Financial Service	12-Sep-22	27-Feb-23	168		800,000.00	785,712.22
Total Commercial Paper					\$ 6,000,000.00	\$ 5,920,470.56

Municipal Bonds:

<u>Bank Name</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Discount / Premium Amount</u>
Chippewa Valley School	29-Sep-20	01-May-23	944	0.4780%	\$ 255,000.00	\$ 255,000.00
River Rouge School	13-Oct-20	01-May-23	930	0.5140%	765,000.00	765,000.00
River Rouge School	13-Oct-20	01-May-24	1296	0.7170%	495,000.00	495,000.00
Allegan Schools	20-Oct-20	01-May-23	923	0.3990%	275,000.00	275,000.00
Dexter Schools	24-Mar-21	01-May-23	768	0.2500%	250,000.00	250,000.00
Dexter Schools	24-Mar-21	01-May-24	1134	0.3800%	250,000.00	250,000.00
Elk Rapids Schools	25-Mar-21	01-May-25	1498	4.0000%	100,000.00	113,531.00
Lake Orion Schools	29-Jun-21	01-May-25	1402	0.8500%	250,000.00	250,000.00
Midland Public Schools	27-Jul-21	1-May-26	1739	1.1030%	135,000.00	135,000.00
Plymouth/Canton Schoo	8-Sep-21	1-May-26	1696	0.7910%	300,000.00	300,000.00
Total Muncipal Bonds					\$ 3,075,000.00	\$ 3,088,531.00

Government Agencies:

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Discount Amount</u>
FFCB	05-Sep-19	05-Sep-24	1827	1.4900%	\$ 310,000.00	\$ 309,435.80
FHLB	09-Aug-19	16-Aug-24	1834	1.6100%	750,000.00	749,512.50
FHLB	15-Aug-19	15-Aug-24	1827	1.5500%	1,000,000.00	997,650.00
FNMA	26-Nov-19	15-Oct-24	1785	1.6250%	250,000.00	249,402.50
FFCB	05-Oct-20	05-Oct-23	1095	1.6100%	300,000.00	300,000.00
FHLB	01-Oct-21	12-Jun-26	1715	0.8750%	100,000.00	99,638.00
FFCB	19-May-22	16-May-24	728	2.6250%	100,000.00	99,842.00
FHLB	20-May-22	24-Feb-27	1741	1.2000%	100,000.00	91,038.20
FHLB	26-May-22	12-Feb-26	1358	0.6900%	100,000.00	92,312.70
FHLB	26-May-22	4-Mar-26	1378	0.8000%	100,000.00	92,689.00
Total Government Agencies					\$ 3,110,000.00	\$ 3,081,520.70

**CITY OF MT. PLEASANT
INVESTMENT REPORT
SEPTEMBER 30, 2022**

FIXED INCOME PORTFOLIO - Balance September 30, 2022

Continued

US Treasuries:

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Discount Amount</u>
US Treasury	29-Aug-19	31-Aug-23	1463	1.4300%	\$ 530,000.00	\$ 528,902.73
US Treasury	23-Sep-21	31-Jul-25	1407	0.2500%	100,000.00	98,382.81
US Treasury	23-Sep-21	31-Aug-25	1438	0.2500%	100,000.00	98,269.53
US Treasury	29-Sep-21	30-Jun-26	1735	0.8750%	100,000.00	99,558.59
US Treasury	30-Sep-21	30-Sep-26	1826	0.8750%	100,000.00	99,339.84
US Treasury	12-Oct-21	30-Jun-25	1357	0.2500%	100,000.00	98,050.78
US Treasury	20-May-22	15-May-27	1821	2.3750%	100,000.00	97,765.63
US Treasury	20-May-22	30-Apr-27	1806	2.7500%	100,000.00	99,605.47
US Treasury	27-May-22	30-Apr-26	1434	2.3750%	100,000.00	98,855.47

Total US Treasuries

\$ 1,330,000.00 \$ 1,318,730.85

Total Fixed Income September 30, 2022

\$13,515,000.00 \$13,409,253.11

FIXED INCOME PORTFOLIO - Transactions During Quarter

PURCHASES:

<u>Company Name</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Discount/ Carrying Amount</u>
Natixis NY	22-Aug-22	19-May-23	270		\$ 1,000,000.00	\$ 972,025.00
Credit Agricole Corp	22-Aug-22	16-Nov-22	86		600,000.00	595,814.66
Mufg Bank LTD	23-Aug-22	22-Feb-23	183		600,000.00	589,203.00
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JP Morgan Securities	02-Sep-22	16-Nov-22	75		600,000.00	596,437.50
Collateralized Commere	02-Sep-22	27-Feb-23	178		600,000.00	593,143.33
Toyota Financial Service	12-Sep-22	27-Feb-23	168		800,000.00	785,712.22

Total Purchases

\$ 6,000,000.00 \$ 5,920,470.56

MATURITIES:

<u>Company Name</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u># of Days</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Discount/ Carrying Amount</u>
FNMA	29-Jan-20	06-Sep-22	951	1.3750%	\$ 250,000.00	\$ 249,400.00

Total Maturities

\$250,000.00 \$249,400.00

**CITY OF MT. PLEASANT
INVESTMENT REPORT
SEPTEMBER 30, 2022**

INVESTMENT EARNINGS

SUMMARY:

Interest Earned on Fixed Income Maturities:	\$ 600.00
Interest on Demand Deposits	49,799.24
Interest on Government Agency/Treasuries	23,052.50
Investment Fees	(2,380.56)
Interest/Discount Accrual June 30, 2022	(24,900.00)
Interest/Discount Accrual September 30, 2022	42,300.00
Total Interest Earned for Quarter	<u><u>\$ 88,471.18</u></u>

INTEREST EARNINGS BY FUND:

<u>Fund</u>	<u>Quarterly Interest</u>	<u>Year to Date Interest</u>	<u>Amended Budget</u>
General *	\$30,021	\$45,810	\$ 43,000
Major Street	8,249	13,457	19,200
Local Street	2,618	4,824	8,250
Cemetery Trust	728	1,173	2,000
Special Assessment *	1,071	1,728	-
Downtown Special Assessment	363	588	620
Capital Improvements *	8,284	12,423	-
Mission Street DDA	3,430	5,200	3,000
TIFA	911	1,484	300
LDFA	442	739	750
BRDA	156	188	50
Airport	1,547	2,556	2,140
Water Resource Recovery	14,319	22,641	30,170
Water	12,381	20,295	24,730
Solid Waste	3,687	5,955	9,370
Restricted Donations	264	427	-
	<u><u>\$88,471</u></u>	<u><u>\$139,486</u></u>	<u><u>\$143,580</u></u>

* - combined with General Fund in Amended Budget

Minutes of the regular meeting of the City Commission held Monday, October 10, 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.

Land Acknowledgement statement was recited.

Commissioners Present: Mayor Amy Perschbacher and Vice Mayor Mary Alsager; Commissioners Brian Assmann, Liz Busch, Bryan Chapman & Maureen Eke

Commissioners Absent: George Ronan

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

City Clerk Bouck administered the Oath of Office to newly appointed City Commissioner Bryan Chapman.

Proclamations and Presentations

Mayor Perschbacher read and presented a Proclamation recognizing Indigenous People's Day – October 10, 2022. The Onion Creek Drummers performed the Drum Ceremony.

Moved by Commissioner Eke and seconded by Vice Mayor Alsager to approve the Agenda as presented. Motion unanimously adopted.

Receipt of Petitions and Communications

Received the following petitions and communications:

3. Monthly report on police related citizen complaints received.
4. Traffic Control Committee September Meeting Minutes.

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 September 26, 2022.
6. Contract with Great Lakes Concrete Restoration Inc. of Troy/Prudenville, Michigan for the Apparatus Bay Floor Restoration Project in the amount of \$32,000.
7. Warrants dated October 5, 2022 and Payrolls dated September 30, 2022 all totaling 701,254.43.

Motion unanimously adopted.

A public hearing was held on proposed ordinance to add a Chapter 116 to Title XI: Business Regulations of the City of Mt. Pleasant Code of Ordinances entitled "Electric Scooters/Skateboards". There being no public comment or communications received, the Mayor closed the public hearing.

Moved by Commissioner Eke and seconded by Commissioner Assmann that Ordinance 1085, an Ordinance to add a Chapter 116 to Title XI: Business Regulations of the City of Mt. Pleasant Code of Ordinances entitled "Electric Scooters/Skateboards" having been introduced and read, now be passed, ordained and ordered published.

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

NAYS: None

ABSENT: Commissioner Ronan

Motion unanimously adopted.

Moved by Commissioner Assmann and seconded by Commissioner Eke to approve the following resolution for the expansion of the Development District and revised Off-Premise and On-Premise Liquor License Policy.

WHEREAS, the City Commission seeks to expand the existing Development District (DDA) License Development District, established in pursuant to Act 501 of Public Acts 2006 436.1521a(1)(b), and;

WHEREAS, the City of Mt. Pleasant Central Business District Tax Finance Authority (CBD TIFA), Principal Shopping District (PSD) and Mission/Pickard Street Downtown Development Authority (DDA) are eligible under MCL 436.1521a(1)(b) to provide on-premise development district (DDA) licenses, and;

WHEREAS, the CBD TIFA, PSD and DDA districts were established under appropriate statutory provision, and; WHEREAS, the City of Mt. Pleasant shall provide the Michigan Liquor Control Commission a map clearly outlining the boundaries of the expanded Development District (DDA) License Development District, and;

WHEREAS, the City of Mt. Pleasant shall provide to the Michigan Liquor Control Commission an affidavit from the City Assessor, as certified by the City Clerk, stating the total amount of public and private investment in real and personal property with the selected portion of CBD TIFA, PSD and DDA districts, which shall not be less than \$200,000 for each license requested, over the preceding time periods, and,

NOW BE IT THEREFORE RESOLVED, the City Commission hereby approves the designation of the entirety of the City of Mt. Pleasant CBD TIFA, PSD and DDA districts for the purposes of expanding the existing Development District as authorized by MCL 436.1521a(1)(b) for the Development District (DDA) License Development District.

Motion unanimously adopted.

Moved by Commissioner Eke and seconded by Commissioner Busch to adopt Resolutions #1 and #2 To Commence Proceedings For Special Assessment, Tentatively Determine The Necessity, And Set A Public Hearing For October 24, 2022, Regarding the Necessity of Special Assessment District #3-22 as follows:

SPECIAL ASSESSMENT DISTRICT 3-22
RESOLUTION NO. 1

WHEREAS, pursuant to provisions of the City Charter of the City of Mt. Pleasant and Chapter 33: TAXATION, Section 33.17 "Authority to Assess", of the Code of Ordinances, the City Commission of the City of Mt. Pleasant may commence proceedings for the making of local public improvements within the City and determine the tentative necessity thereof, and,

WHEREAS, the City Commission has received a petition from property owners and tentatively deems it to be in the public interest, health and welfare to pave the alley in the block between Fancher on the west, Kinney on the east, Chippewa on the south and Lincoln on the north in the City Special Assessment District No. 3-22;

NOW, THEREFORE, BE IT RESOLVED, THAT:

- The City Manager is directed to cause to be prepared a report which shall include all analysis and information required by Section 33.20 "Survey and Report", of the Code of Ordinances,
- When the aforesaid report is completed, the City Manager shall file the same with the City Clerk for presentation to the Commission.
- All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

SPECIAL ASSESSMENT DISTRICT 3-22
RESOLUTION NO. 2

WHEREAS, the City Manager has prepared a report concerning certain public improvements in Special Assessment District No. 3-22, which includes all of the information to be included by Section 33.20 "Survey and Report" of the City's Code of Ordinances; and,

WHEREAS, the City Commission has reviewed said report; and, WHEREAS, the City Commission of the City of Mt. Pleasant determines that it is tentatively necessary to acquire and construct the public improvements in the City of Mt. Pleasant more particularly hereinafter described in this resolution;

NOW, THEREFORE, BE IT RESOLVED, THAT:

- The City Commission hereby tentatively determines that the public improvements described more particularly hereinafter provided for are necessary.
- The total cost of said improvements is estimated to be \$79,497.59. The amount of \$55,648.32 shall be spread over the special assessment district as hereinafter described as a result of benefits to be received by the affected properties in the special assessment district. \$23,849.28 shall be paid by the City-at-large.
- Said special assessment district shall consist of all the lots and parcels of land as follows: pave the alley in the block between Fancher on the west, Kinney on the east, Chippewa on the south and Lincoln on the north in the City Special Assessment District No. 3-22;
- Said estimated life of such public improvements is not less than fifteen (15) years.

- The affected properties in the special assessment district shall be assessed in accordance with the relative portion of the sum to be levied in the district, as the benefit to the parcel of land bears to the total benefit to all parcels.
- The aforesaid report shall be placed on file in the office of the City Clerk where the same shall be available for public examination.
- The City Commission shall meet on October 24, 2022 at 7 p.m., in the City Commission Room, City Hall, 320 W. Broadway St., for the purpose of hearing public input on the making of said public improvements.
- The City Clerk is hereby directed to cause notice of said hearing to be published and mailed in accordance with applicable statutory and ordinance provisions.
- All resolutions and parts of resolutions conflicting with the provisions of this resolution are hereby rescinded.

Motion unanimously adopted.

Announcements on City-Related Issues And New Business

Mayor Perschbacher appointed Commissioner Liz Busch to the Principal Shopping District Board to replace Commissioner Ronan.

Commissioner Busch announced Isabella Parks and Recreation launch landing ribbon cutting scheduled for Wednesday, October 13th.

Vice Mayor Alsager announced Women Who Care are meeting Wednesday, October 13th at 7:00 p.m. at the Commission on Aging.

Commissioner Eke thanked the City and City Commission for recognition of Indigenous Peoples' Day.

Commissioner Busch announced the Rotary Auction is next week.

Mayor Perschbacher announced Broadway Theater will be performing "Grease" the next two weekends and then the Rocky Horror Picture Show the last weekend in October.

The Commission recessed at 7:35 p.m. and returned to a work session 7:45 p.m.

Work Session – 2023 Operating Budget.

City Manager Desentz and Assistant Finance Director/IT Director Chris Saladine gave a presentation on the 2023 Operating Budget.

Moved by Vice Mayor Alsager and seconded by Commissioner Eke to adjourn the meeting at 8:05 p.m.

Memorandum



TO: Aaron Desentz, City Manager

FROM: Mary Ann Kornexl, Finance Director

DATE: October 13, 2022

SUBJECT: Electric Scooters/Skateboard Fees

Following the City Commission's adoption of Ordinance 1085, which added chapter 116 of the Mt Pleasant Code of Ordinances to allow for the operation of Electric Scooters and Skateboards in the City's public right of way, the following resolution to set the fees needs to be considered by the City Commission.

The Ordinance permits a calendar license fee to operate an Electric Scooter and Skateboard Company in the City. Further the Ordinance provides for 10% of the fleet to be inspected annually by the City Police department and a retrieval fee for scooters and skateboards that are impounded.

Requested Action

The City Commission approve the following resolution at the October 24, 2022 meeting

WHEREAS, Title 11, Chapter 116 of the Code of Ordinances of the City of Mt Pleasant requires that the City Commission set by resolution the annual fees for businesses, activities or things requiring licenses under the Chapter,

NOW, THEREFORE BE IT RESOLVED, that the annual fee for Electronic Scooter and Skateboard business licenses under Section 116.02(B) and 116.04(D) of the Code of Ordinances of the City of Mt Pleasant be set as follows:

Calendar Year License	\$1,000
ICHAT Fee*	\$ 10
Scooter/Skateboard Inspection Fee	\$ 15 (per scooter/skateboard)
Scooter/Skateboard Retrieval Fee	\$ 100 (per scooter/skateboard 8-4:30 M-F)
	\$ 120 (per scooter/skateboard hours other than 8-4:30 M-F)

*-All business licenses require ICHAT Look-up Fee

Memorandum



TO: Aaron Desentz, City Manager

FROM: Michelle Sponseller, Downtown Development Director

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

DATE: October 7, 2022

SUBJECT: Central Business District Tax Increment Finance Authority (CBD TIFA) Façade Improvement Program

Background:

At the November 2021 Central Business District Tax Increment Finance Authority (CBD TIFA) members reviewed the effectiveness of the existing no-interest façade improvement program, having a balance of \$71,222 as of 2021 year-end, as it had not been utilized since 2017. Staff was asked to modify the program from zero-interest to a matching grant. Additionally, the CBD TIFA allocated \$10,000 from the current facade improvement funds be allocated specifically for the continuation of the blade signage matching grant program. These changes were approved at the March 2, 2022 CBD TIFA meeting.

The City attorney has suggested, since the City Commission previously appropriated these funds to the CBD TIFA as a loan program, they should consider changing this to a matching grant program. The CBD TIFA recommends a grant program to generate more interest in the funds. Improvements to the facades will improve the aesthetics of downtown.

Requested Action:

The City Commission is requested to approve the \$71,222 available for facades be changed to a matching grant program for distribution by the CBD TIFA in conjunction with its development plan.

Attachments:

- Façade Improvement Program Guidelines

Downtown Façade Improvement Grant Program



PROGRAM OVERVIEW

The City's Downtown Façade Improvement Matching Grant Program promotes façade improvements within the Central Business District-Tax Increment Finance Authority (CBD-TIFA) District by providing design services and matching grants for qualifying projects.

This document has been prepared by the City of Mt. Pleasant's Downtown Development office to provide a clear understanding of the Downtown Façade Improvement Matching Grant Program.

The Downtown Façade Improvement Matching Grant Program is made up of two separate yet interconnected pieces, intended to encourage preservation, rehabilitation, and restoration of the historic resources within the CBD-TIFA District. The two offerings are:

Façade Rendering Services Façade Easement Purchase and Matching Grant

This program assists in creating high-impact, visual improvements to attract local residents and visitors that reflects Mt. Pleasant's uniqueness and the dynamic nature of its cultural resources and distinctive legacy.

PURPOSES OF THE PROGRAM

1. To directly stimulate physical improvements to central business district buildings and businesses.
2. To stimulate building improvements sensitive to the unique context of the central business district's historic commercial architectural character.
3. To stimulate physical improvements to businesses to make them attractive to Mt. Pleasant's consumer market.
4. To strengthen existing businesses and encourage new businesses to bring employment opportunities to the central business district.
6. To work closely with the lending institutions to provide an attractive incentive package to central business district commercial owners.

I. FAÇADE RENDERING SERVICES

Program applicants work with the City's architectural firm to develop a façade design and installation procedures based on the Secretary of Interior Guidelines (see bullet # 7 under *Requirements for Applicants* below). Designs will involve transformative changes to buildings such as removal of metal slipcovers, uncovering/replacing windows, and the addition of ornamental components (dentil molding, cornices, etc.).

The City covers the cost of a single façade rendering. Applicants may purchase additional renderings in accordance with the following pricing schedule:

- Front Elevations \$1,000 per elevation
- Rear Elevations \$750 per elevation
- Side Elevations \$600 per elevation

Downtown Facade Improvement Grant Program



Additional services available:

- Construction Drawings
- Construction Observation
- Sub Consultants and other related services

To qualify for the program, applicants must demonstrate a bona fide commitment to implement building improvements and must certify that construction will commence within 18 months of funding approval, and that the project will be completed within 120 days thereafter. Applicant will be in default if rehabilitation is not undertaken within the specified time period, with 100% of paid costs and expenses to be reimbursed to the CBD-TIFA.

II. FINANCIAL ASSISTANCE – FAÇADE EASEMENT PURCHASE Matching Grant

The revitalization of a commercial district often begins with improvements to a single building or storefront. Even simple changes such as the removal of non-historic materials, repairs, or a new paint job that calls attention to the building's original architectural details signal positive change and often stimulate similar improvements in neighboring buildings.

While this process sometimes begins spontaneously through the work of individual property or business owners, the CBD-TIFA intends to accelerate the process by providing matching grant up to \$5,000. Specifically, the CBD-TIFA will purchase façade easements in the façade to be improved and allow the property owner a matching grant of up to \$5,000.

REQUIREMENTS FOR APPLICANTS

1. Applicant projects must be located within the boundaries of the downtown historic district (see attached map).
2. Applications will not be considered for single-family detached housing or to refinance existing debt.
3. All proposed improvements must be approved by the CBD-TIFA Board prior to the commencement of any work.
4. Construction must commence within 60 days of approval and the project must be completed within 120 days thereafter. Requests for time extensions must be submitted in writing and will only be approved upon the expressed written consent of the CBD-TIFA Board.
5. All building and property improvements must meet state and local building codes and zoning requirements.
6. All required necessary permits must be obtained prior to construction.
7. Improvements to those buildings and businesses must meet the minimum Standards for Rehabilitation of the National Trust for Historic Preservation. Standards for Rehabilitation are:
 - i. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
 - ii. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
 - iii. Each property will be recognized as a physical record of its time, place, and use.

Downtown Facade Improvement Grant Program

Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

- iv. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
 - v. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
 - vi. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
 - vii. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
 - viii. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
 - ix. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
 - x. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
8. The purchase price for the façade easement may be up to 50% of the overall project cost. Private investment of at least \$2,000 is required.
 9. All applicants must be current on taxes and other obligations owed to the City.
 10. While architectural services by a licensed architect are encouraged, they are not required to participate in the program.
 11. Eligible improvements include, but are not limited to, the following:
 - Signs and awnings - please see *City of Mt. Pleasant Zoning Ordinance* for specifications.
 - Replacement of missing decorative features.
 - Exterior painting.
 - Restoration of windows and/or doors.
 - Removal of non-historic materials or additions. (Ex. shed awnings, aluminum siding)
 - Exterior lighting.
 - Design and engineering fees related to the proposed improvements (not to exceed 10% of the total project costs).
 - Historic preservation related maintenance requiring specialized care or expertise, such as tuckpointing or cleaning.
 12. Changes to the façade of the buildings may not remove, alter, damage or cover up significant

Downtown Facade Improvement Grant Program



architectural features of the building that are original, and may not reflect a major alteration to the building.

13. Changes to the façade of buildings will either; 1) partially or fully restore the historic appearance of the building based on actual evidence, including photographs, written documentation, data on the building or site or other data, or 2) represent a modern treatment which blends into and is compatible with the building and adjoining buildings.
14. In general, the CBD-TIFA encourages repair and preservation of existing features, unless alterations to these facades have resulted in an incoherent, unattractive or inharmonious appearance.
15. For facades that have previously been substantially altered, treatment will conform to the features, materials, rhythms, color and general appearance of the building and those adjoining, particularly if the building is one in a row of buildings with identical or similar design features.
16. Paint colors will either be based on original colors obtained from paint samples on the buildings or colors shown in historic photographs, or will be compatible with adjoining buildings and colors in downtown Mt. Pleasant. Trim colors, which highlight building details, are encouraged.
17. Ineligible improvements include, but are not limited to, the following:
 - Interior work, fixtures and furnishings, roof repair or replacement.
 - Landscaping.
 - Building improvements not visible from the public realm.
 - Removal of architecturally significant features.
 - Building additions or new construction.
 - Improvements completed or in-progress at the time of application.
 - Building acquisition.
 - General building maintenance, including paint and repairs to match existing conditions.
 - Any activity completed prior to receiving final approval of funds.
18. Any changes in work after approval must be reapproved by the CBD-TIFA Board.
19. Requests for funding will be reviewed on a first-come, first-served basis until funding is exhausted.
20. Program boundaries include a substantial number of buildings and it is recognized that improvements to one structure may not have as great an impact on the central business district as improvements to another. Accordingly, the CBD-TIFA reserves the right to prioritize applications based on their potential impact.

Downtown Facade Improvement Grant Program



PAYMENT OF MATCHING FUNDS

Upon completion of the work and final inspections, the property owner shall submit copies of all invoices, contractor statements, proof of payments to the Downtown Development Director, as evidence that the owner or tenant has paid the contractors. Payment will be authorized upon completion of all work items as originally approved and receipt of all required documents.

APPLICATION PROCESS

Interested parties must schedule a pre-application meeting with staff at (989) 779-5348 prior to preparing any materials for submittal.

Application for the program is available through the Downtown Development office, 320 W. Broadway, Mt. Pleasant, Michigan 48858.

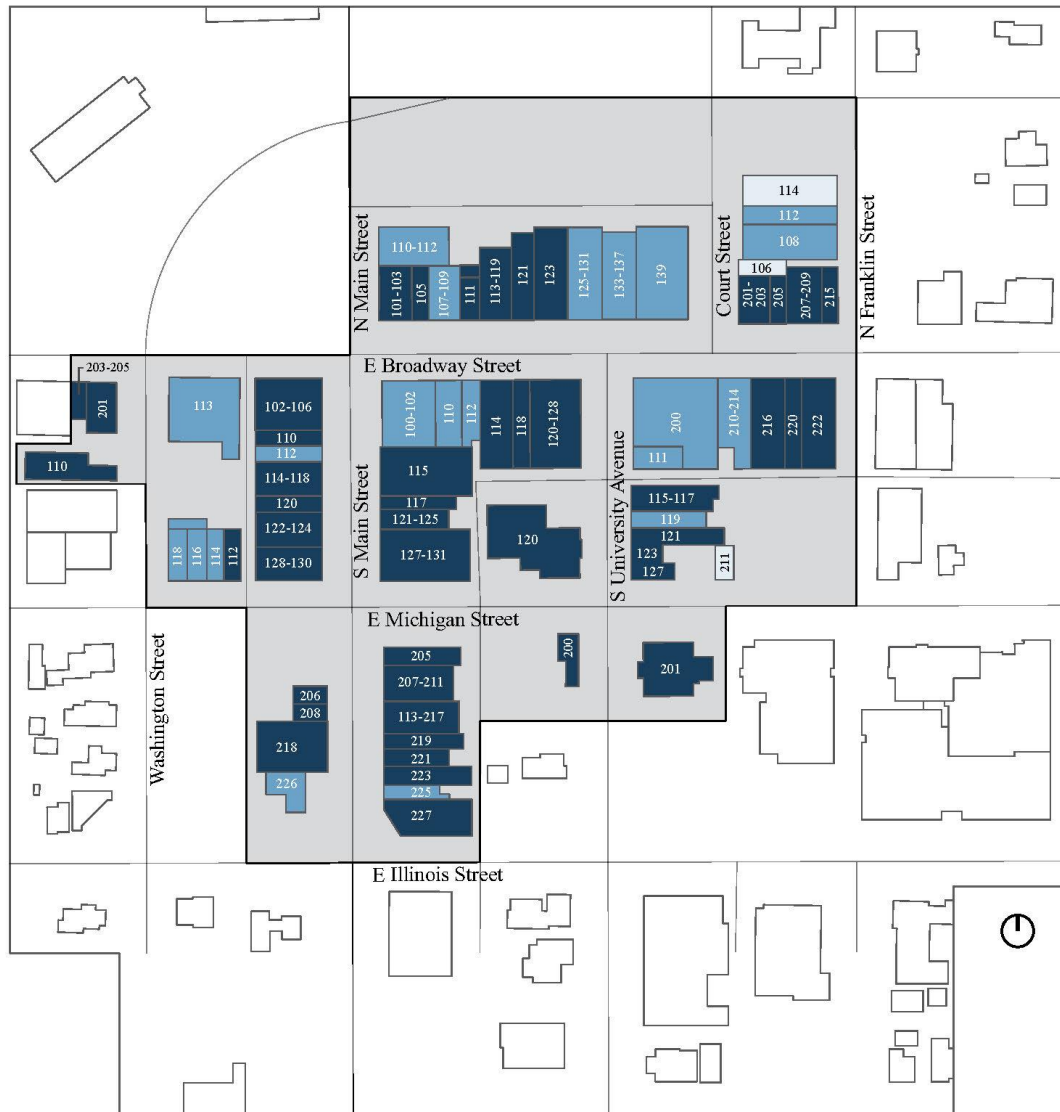
- Copies of cost estimates or bids that support improvements;
- Photos or drawings of the existing façade;
- Drawings and description of the proposed changes;
- Proposed timeline for the project;

Once the application and cost estimates have been submitted and all necessary documentation has been received, the CBD-TIFA will meet to discuss the request.

Upon approval, CBD-TIFA will reimburse applicants for according to section *Payment of Matching Funds*.

Downtown Facade Improvement Grant Program

Downtown Mount Pleasant Historic District Boundary



- District Boundary
- Contributing
- Non-Contributing within Period of Significance
- Non-Contributing

GRAPIDS 57654-1 395906v3

Memorandum



MEMO TO: Aaron Desentz, City Manager

FROM: Chris Saladine, Information Technology Director/Assistant Finance Director

DATE: October 24, 2022

SUBJECT: Agreement With Central Michigan University For Copier Leases

Reason:

Since 2001, we have contracted with Central Michigan University through their competitive bidding process for the lease of high-volume copy machines. Our fourth five-year lease expires in October 2022. CMU re-bids the leases to include their needs, the needs of the Mt. Pleasant Public Schools and our needs. Because we are able to "tag on" to their very high volumes, we can obtain better pricing than we would on our own.

Due to price increases in new equipment, CMU and the City have discussed extending the lease on our current equipment for the same cost as our current contract on a year to year basis. This provides five leased machines throughout City offices at a total cost of \$1,069 per month or \$12,828 per year. The lease agreement includes all toners and maintenance on the machines; we are responsible for purchasing copier staples and paper. We did some checking on current costs and prices for comparable machines approaches \$18,000 per machine for purchase, plus additional annual costs for regular maintenance and toner.

Therefore, entering into a one-year contract with CMU for five copy machines seems to be the most cost-effective approach for meeting our volume copy/printing needs.

Recommendation:

It is recommended the City Commission authorize the Mayor and Clerk to sign a one year contract with CMU at the rate of \$1,069 per month. Adequate funds exist in the departmental budgets to cover this contract.

CHECK REGISTER FOR CITY OF MT PLEASANT

CHECK DATE FROM 10/07/2022-10/20/2022

Check Date	Vendor Name	Description	Amount
Bank COMM COMMON CASH			
10/11/2022	KRAPOHL FORD LINCOLN MERC	CAPITAL AQUISITION	\$34,916.00
10/17/2022	CITY TREASURER - UTILITIES	WATER/SEWER	8,514.45
10/19/2022	21ST CENTURY MEDIA - MICHIGAN	CONTRACT SVCS	625.00
10/19/2022	21ST CENTURY MEDIA - MICHIGAN	CONTRACT SVCS	1,019.53
10/20/2022	AARON DESENTZ	REIMBURSEMENT	403.76
10/19/2022	ABC FASTENER GROUP, INC	SUPPLIES	199.49
10/19/2022	ADIA KISTE	CONTRACT SVCS	30.00
10/19/2022	AIRGAS USA, LLC	CONTRACT SVCS	49.57
10/19/2022	ALMA TIRE SERVICE INC	SUPPLIES/VEHICLE MAINT	823.20
10/19/2022	ANDREW PATTERSON PLUMBING, INC	CONTRACT SVCS	450.00
10/19/2022	ATI GROUP	CONTRACT SVCS	10,059.40
10/19/2022	AUDRA SZELAG	CONTRACT SVCS	35.00
10/19/2022	BECKIE STEVENS	REFUND	28.00
10/19/2022	BEN DVORAK	CONTRACT SVCS	30.00
10/19/2022	BILL BRICKNER	REIMBURSEMENT	88.75
10/19/2022	BLAINE LONG	REFUND	28.00
10/19/2022	BLOCK ELECTRIC COMPANY	CONTRACT SVCS	709.82
10/19/2022	BOUND TREE MEDICAL, LLC	SUPPLIES	507.13
10/19/2022	BRANDON CRAWFORD	REIMBURSEMENT	127.00
10/19/2022	BRUCE JORCK	FARMERS MKT	544.70
10/19/2022	BUSINESS CONNECTIONS, INC.	CONTRACT SVCS	95.00
10/19/2022	C & C ENTERPRISES, INC	UNIFORMS	325.50
10/19/2022	C & O SPORTSWEAR	SUPPLIES	1,448.50
10/19/2022	CAIDEN ROBINSON	CONTRACT SVCS	30.00
10/19/2022	CDW GOVERNMENT, INC	SUPPLIES	2,071.80
10/19/2022	CENTRAL ASPHALT, INC	SUPPLIES	296.96
10/19/2022	CENTRAL MICH UNIV - MAILROOM	POSTAGE/HANDLING	3,431.75
10/19/2022	CENTRAL MICHIGAN UNIVERSITY	CONTRACT SVCS	774.50
10/19/2022	CENTURYLINK	COMMUNICATIONS	11.54
10/19/2022	CHARTER TOWNSHIP OF UNION	UTILITIES	337.82
10/19/2022	CHRISTOPHER SWIER	FARMERS MKT	108.85
10/19/2022	CINTAS CORP	SUPPLIES/CONTRACT SVCS	660.26
10/19/2022	CITY TREASURER-CONTR RETAINAGE	CONTRACT SVCS	4,231.60
10/19/2022	CITY TREASURER-CONTR RETAINAGE	CONTRACT SVCS	6,010.80
10/19/2022	CITY TREASURER-CONTR RETAINAGE	CONTRACT SVCS	22,812.34
10/19/2022	CITY TREASURER-CONTR RETAINAGE	CONTRACT SVCS	33,635.54
10/19/2022	CMP DISTRIBUTORS, INC.	SUPPLIES	166.75
10/19/2022	CONSUMERS ENERGY	UTILITIES	44,985.92
10/19/2022	COREY DION WALTHER	FARMERS MKT	517.60
10/19/2022	COYNE OIL CORPORATION	FUEL	6,418.26
10/19/2022	DAN SODINI	FARMERS MKT	34.70
10/19/2022	DARRIN BEEBE	REIMBURSEMENT	16.35
10/19/2022	DAVID GROTHAUSE	FARMERS MKT	56.55
10/19/2022	DAVID WHITEHEAD	FARMERS MKT	91.00
10/19/2022	DENALI CONSTRUCTION	CONTRACT SVCS	92,676.66
10/19/2022	DORNBOS SIGN & SAFETY, INC.	SUPPLIES	160.70
10/19/2022	DREW PEREIDA	CONTRACT SVCS	54.00

CHECK REGISTER FOR CITY OF MT PLEASANT

CHECK DATE FROM 10/07/2022-10/20/2022

Check Date	Vendor Name	Description	Amount
Bank COMM	COMMON CASH		
10/19/2022	ENDRESS+ HAUSER, INC	SUPPLIES	166.96
10/19/2022	FIDELITY SECURITY LIFE INSURANCE CO	OPTICAL INSURANCE	1,123.20
10/19/2022	FISHBECK - ENGINEERS/ARCHITECTS/	CONTRACT SVCS	64,034.60
10/19/2022	FISHER TRANSPORTATION CO, INC	CONTRACT SVCS	1,612.94
10/19/2022	FLEX ADMINISTRATORS	ADMINISTRATIVE FEE	252.00
10/19/2022	GALLS, LLC	UNIFORMS/SUPPLIES	199.18
10/19/2022	GARY BRANDT	FARMERS MKT	1,214.50
10/19/2022	GRANGER	CONTRACT SVCS	72.31
10/19/2022	GREEN SCENE LANDSCAPING, INC.	CONTRACT SVCS	5,273.71
10/19/2022	HACH COMPANY	SUPPLIES	748.91
10/19/2022	HANK MACDONALD	CONTRACT SVCS	36.00
10/19/2022	HCC LIFE INS. CO	ADMIN - STOP LOSS INS	19,934.59
10/19/2022	HIRERIGHT	CONTRACT SVCS	213.10
10/19/2022	HYDROCORP, INC.	INSPECTION/REPORTING SVCS	4,829.50
10/19/2022	ISABELLA CAT CLINIC	CONTRACT SVCS	2,044.90
10/19/2022	JOHN JOHNSON	FARMERS MKT	211.45
10/19/2022	JOHN MONAHAN	FARMERS MKT	123.50
10/19/2022	JUDY SMITH	SUBSIDY GRANT	300.00
10/19/2022	JWC ENVIRONMENTAL INC.	CONTRACT SVCS	29,451.85
10/19/2022	KAREN FENTON	FARMERS MKT	116.40
10/19/2022	KAYLYN KING	CONTRACT SVCS	15.00
10/19/2022	KRAPOHL FORD LINCOLN MERC	CONTRACT SVCS	1,393.92
10/19/2022	L THOMAS PROPERTIES - LES THOMAS	CONTRACT SVCS	2,500.00
10/19/2022	LINCOLN GOTT	CONTRACT SVCS	60.00
10/19/2022	LOUISE WYMER	FARMERS MKT	268.00
10/19/2022	LUCAS FINCH	CONTRACT SVCS	30.00
10/19/2022	MANNIK SMITH GROUP	CONTRACT SVCS	10,515.50
10/19/2022	MARK KARIMI	CONTRACT SVCS	36.00
10/19/2022	MARK KARIMI	CONTRACT SVCS	30.00
10/19/2022	MCGUIRK SAND & GRAVEL INC	CONTRACT SVCS	433,434.43
10/19/2022	MCKENNA	CONTRACT SVCS	11,590.00
10/19/2022	MCLAREN CORPORATE SERVICES	CONTRACT SVCS	2,730.00
10/19/2022	MEHGAN PRUSSNER	CONTRACT SVCS	40.00
10/19/2022	MELISSA WANINK	CONTRACT SVCS	30.00
10/19/2022	MHOK, PLLC	PROSECUTORIAL SVCS	7,633.31
10/19/2022	MI ASSN OF CHIEFS OF POLICE	MEMBERSHIP	100.00
10/19/2022	MI MUNI RISK MGMT AUTHORITY	POLICY	21,352.00
10/19/2022	MICAH SPRINGER	CONTRACT SVCS	35.00
10/19/2022	MICHIGAN PIPE & VALVE	SUPPLIES	5,800.00
10/19/2022	MICHIGAN SECTION-AWWA	TRAINING	640.00
10/19/2022	MID MICHIGAN AREA CABLE	2% FRANCHISE FEE	18,061.04
10/19/2022	MIDLAND DAILY NEWS	CONTRACT SVCS	384.40
10/19/2022	MID-MICHIGAN INDUSTRIES	CONTRACT SVCS	8,176.50
10/19/2022	MOREY'S LOGO	SUPPLIES	133.00
10/19/2022	MT PLEASANT ROTARY CLUB	DUES	156.00
10/19/2022	NATHAN BEUTLER	CONTRACT SVCS	60.00
10/19/2022	NCL OF WISCONSIN	SUPPLIES	1,010.93

CHECK REGISTER FOR CITY OF MT PLEASANT

CHECK DATE FROM 10/07/2022-10/20/2022

Check Date	Vendor Name	Description	Amount
Bank COMM COMMON CASH			
10/19/2022	NETSOURCE ONE INC	CONTRACT SVCS	195.00
10/19/2022	NYE UNIFORM COMPANY	UNIFORMS	48.50
10/19/2022	OHM ADVISORS	CONTRACT SVCS	1,592.50
10/19/2022	OLENA MANDEVILLE	REFUND	28.00
10/19/2022	PAPAS PUMPKIN PATCH	FARMERS MKT	1,014.55
10/19/2022	PEERLESS MIDWEST, INC.	CONTRACT SVCS	2,400.00
10/19/2022	PHOENIX SAFETY OUTFITTERS	UNIFORMS	903.46
10/19/2022	PIYUSH SARAIYA	CONTRACT SVCS	40.00
10/19/2022	PLEASANT GRAPHICS, INC	SUPPLIES	50.00
10/19/2022	PRO COMM, INC	SUPPLIES	200.00
10/19/2022	RACHEL CHESS	CONTRACT SVCS	35.00
10/19/2022	RAY BROWERS	FARMERS MKT	136.05
10/19/2022	RCL CONSTRUCTION CO. INC	CONTRACT SVCS	290,005.14
10/19/2022	RENT-RITE OF MT PLEASANT	EQUIP RENTAL	273.72
10/19/2022	ROMANOW BUILDING SERVICES	CONTRACT SVCS	5,812.63
10/19/2022	RYAN LONGORIA	REIMBURSEMENT	94.50
10/19/2022	SARAH PARROTT	REIMBURSEMENT	206.25
10/19/2022	STATE OF MICHIGAN	CONTRACT SVCS	670.49
10/19/2022	STATE OF MICHIGAN	CONTRACT SVCS	185.00
10/19/2022	STERICYCLE, INC.	CONTRACT SVCS	1,259.98
10/19/2022	STEVIE SWAREY	FARMERS MKT	13.95
10/19/2022	SUMMIT FIRE PROTECTION	CONTRACT SVCS	382.50
10/19/2022	SUNRISE ASSESSING SERVICES, LLC	CONTRACT SVCS	7,725.00
10/19/2022	THE ISABELLA CORPORATION	CONTRACT SVCS	1,200.00
10/19/2022	THEO CRAIN	CONTRACT SVCS	45.00
10/19/2022	TINA CAPUSON	FARMERS MKT	93.45
10/19/2022	TOM KIRCHOFER	REIMBURSEMENT	15.00
10/19/2022	TONI JOHNSON	REFUND	28.00
10/19/2022	TRACE ANALYTICAL LABORATORIES	CONTRACT SVCS	138.00
10/19/2022	TYLOR SHORT	FARMERS MKT	65.10
10/19/2022	UNIFIRST CORPORATION	CONTRACT SVCS	136.17
10/19/2022	VAN BRAKENBERRY	CONTRACT SVCS	75.00
10/19/2022	VERIZON CONNECT NWF, INC.	CONTRACT SVCS	210.47
10/19/2022	WALTER MACDONALD	CONTRACT SVCS	36.00
10/19/2022	YEO & YEO CONSULTING, LLC	CONTRACT SVCS	6,249.50
10/19/2022	ZACHARY GRIFFITH	REIMBURSEMENT	287.75

COMM TOTALS:

Total of 130 Checks:	\$1,260,676.34
Less 0 Void Checks:	0.00
Total of 130 Disbursements:	\$1,260,676.34

Memorandum



TO: Aaron Desentz, City Manager

FROM: Mary Ann Kornexl, Finance Director

DATE: September 22, 2022

SUBJECT: Alley Special Assessment 3-22

In July the Engineering Department notified property owners along the alley between Fancher & Kinney Street from Lincoln to Chippewa Street, the alley needs reconstruction. One of the property owners then circulated a petition to reconstruct the alley. The attached petition was signed by 100% of the property owners seeking to create a special assessment district to reconstruct the alley. In accordance with the City Commission Capital Project Special Assessment Policy (attached), the property owners are responsible for 70% of the reconstruction project and the City Capital Improvement millage will pay for the remainder. The Engineering estimate for the project is \$79,497.59. The attached proposed assessment roll shows the amount per property. If the special assessment is approved, this project will be bid in early 2023 with expected construction to be in the summer.

The special assessment process is spelled out in City Charter Article IX & Ordinance Section 33.15-33.37 and State Law. These require the City Commission to determine the necessity of the project and the special assessment roll. These also require notification of the affected property owners so they can participate in public hearings if they so choose to. It takes three City Commission meetings to approve a special assessment. There are five resolutions and two public hearings required for the district. The resolutions, roll and map are attached.

Requested Action

Please include the following on upcoming City Commission agenda for S/A 3-22

- October 10, 2022 – Resolution 1 & 2 – Determine necessity of the public improvements and set public hearing on same
- October 24, 2022 – Public Hearing & Resolutions 3 & 4 – Approve public improvements, direct Assessor to prepare roll and set public hearing on roll
- November 14, 2022 – Public Hearing & Resolution 5 – Approve assessment roll and set repayment terms.

[illegible]

We, the undersigned property owners do hereby petition your Honorable Body to create a Special Assessment District for

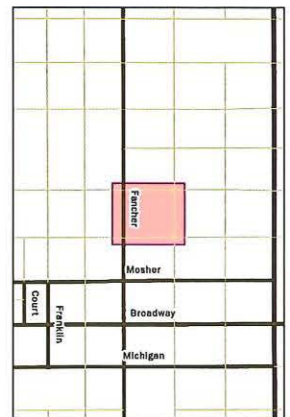
Circulator: JAN S. FOLENS

NAME	PROPERTY ADDRESS	OWNER'S ADDRESS	SIGNED	DATE	FEET FRONTAGE	PARCEL #
JAN S. FOKENS	318 N. FANCHER	318 N. FANCHER	<i>Jan S. Fokens</i>	8/29/22	66.0'	17-000-08543-00
Joe C. Collier	326 N FANCHER	326 N FANCHER	<i>Joe C. Collier</i>	8-30-22	74.6'	17-000-08544-00
James Gerhart	321 N. Kinney Ave	321 N Kinney Ave	<i>James Gerhart</i>	9-1-22	149.2'	17-000-08341-00
Nancy Vodicka	509 E. Chippewa	509 E. Chippewa	<i>Nancy Vodicka</i>	9-1-22	149.2	17-000-08546-00
Elizabeth Hilley	515 E. CHIPPEWA	515 E. CHIPPEWA	<i>Elizabeth Hilley</i>	9.1.22	149.2	17.000.08547.00

2023 Residential Alley Assessment Properties



Legend
 Alley Assessment Parcels



Special Assessment Project Spreadsheet
 Alley Reconstruction
 Fancher & Kinney
 between Lincoln & Chippewa

S.A. 3-22

S.A. prepared by Assessing Dept
 9/22/2022

Project Cost \$79,497.59
 Owner's Share \$55,648.31
 City's Share \$23,849.28

Parcel Number	Owner	Legal Description	Property Address	Front Foot	Frontage Factor	Equivalent Front Feet	Rate Per Front Foot	Total Cost Per Front foot
17-000-08541-00	James & Jordan Gerhart	KINNEY ADD, BLK 6, LOTS 1 & 4	321 N Kinney	149.16	1	149.16	\$93.27	\$13,912.08
17-000-08542-00	Jon C Colin	KINNEY ADD, LOT 2 BLK 6 & THE N 8.58 FT OF LOT 3 BLK 6.	326 N Fancher	83.16	1	83.16	\$93.27	\$7,756.29
17-000-08543-00	Jan S & Charlotte Fokens Trust	KINNEY ADD, THE S 66 FT OF LOT 3 BLK 6	318 N Fancher	66	1	66	\$93.27	\$6,155.79
17-000-08546-00	Nancy J Vodicka	KINNEY ADD E 1/2 LOT 6-7 BLOCK 6	503 E Chippewa	149.16	1	149.16	\$93.27	\$13,912.08
17-000-08547-00	Elizabeth & Michael Hilley	KINNEY ADD W 1/2 LOTS 5 & 8 ,BLOCK 6	515 E Chippewa	149.16	1	149.16	\$93.27	\$13,912.08
TOTALS:						596.64		\$55,648.32

SPECIAL ASSESSMENT DISTRICT 3-22
RESOLUTION NO. 3

WHEREAS, the City Commission, after due and legal notice, has met and heard all interested persons to be affected by the proposed public improvements hereinafter described;

AND, WHEREAS, the City Commission deems it advisable and necessary to proceed with Special Assessment No. 3-22;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Commission hereby determines to install public improvements as follows: pave the alley in the block between Fancher on the west, Kinney on the east, Chippewa on the south and Lincoln on the north in the City Special Assessment District No. 3-22;
2. The plans, profiles and specifications previously prepared by the City Manager are hereby approved.
3. The Commission hereby approves the detailed estimates of cost and determines a total estimated cost of \$79,497.59. The amount of \$55,648.32 shall be spread by special assessments upon the City Special Assessment District No. 3-22, and the amount of \$23,549.28 shall be the obligation of the city-at-large.
4. The City Assessor is directed to prepare a special assessment roll in accordance with the Commission's determination.
5. When the Assessor has completed the assessment roll he shall file the roll with the City Clerk for presentation to the Commission.
6. All resolutions and parts of resolutions conflicting with the provisions of this resolution be and the same hereby are rescinded.

SPECIAL ASSESSMENT DISTRICT 3-22
RESOLUTION NO. 4

WHEREAS, the Assessor has prepared the special assessment roll for Special Assessment District No. 3-22 to special assess that portion of the cost of the public improvements to the properties specially benefited by said public improvements, and the same has been presented to the City Commission by the City Clerk.

WHEREAS, the Special Assessment District No. 3-22 is described as: pave the alley in the block between Fancher on the west, Kinney on the east, Chippewa on the south and Lincoln on the north in the City Special Assessment District No. 3-22.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll is accepted and will be on file in the office of the City Clerk for public examination.
2. The City Commission shall meet at City Hall, 320 W. Broadway Street, Mt. Pleasant, Michigan, at 7 p.m., Daylight Saving Time, on November 14, 2022 to hear all persons interested in reviewing the special assessment roll, and shall be afforded an opportunity to be heard, and the City Clerk is directed to publish and mail, in accordance with applicable statutory and ordinance provisions, the notice of hearing.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Memorandum



TO: Aaron Desentz, City Manager

FROM: William R. Mrdeza
Community Services & Economic Development Director

DATE: October 13, 2022

SUBJECT: Draft Pilot Policy for City Commission Consideration

W.R.M.

Background:

The City Commission has identified issues around housing as one of their goals for 2023. Staff has been researching this topic for a number of years and summarized their findings in a memo to the City Manager and the City Commission in February, 2022. This was followed up with a work session with the City Commission in August of this year. As a result of those discussions, and feedback received from the City Commission, staff was requested to prepare a draft policy regarding the use of Payment in Lieu of Taxes (PILOT) as a tool available to encourage private investment for affordable housing projects.

In 2001 the City Commission adopted a policy prohibiting the use of new PILOT's as a tool to encourage the development of affordable housing projects. Based on the current market for such housing and continued interest by developers, the City Commission has agreed to revisit this policy. Attached to this memo is a copy of a draft PILOT policy for City Commission review and feedback, to be considered for adoption at a future meeting once the language in the policy has been finalized. Once adopted, staff recommends the City solicit affordable housing proposals from interested developers in the first quarter of 2023. The policy will be reviewed at the end of 2023 and any recommend changes will be presented to the City Commission for consideration at that time.

Requested Action:

The City Commission is requested to review the attached draft PILOT policy and submit any proposed edits to the City Manager ahead of staff finalizing the document and presenting it for adoption at the November City Commission meeting.



Memorandum

TO: Mount Pleasant City Commission

FROM: Paul Lippens, AICP, Vice President
Andrew Littman, Senior Planner

SUBJECT: Draft PILOT Policy

DATE: October 11, 2022

To incentivize the development of affordable housing in the City, we were asked to draft a Payment in Lieu of Taxes (PILOT) policy. In formulating a draft policy, we researched the PILOT programs in several other Michigan municipalities, including Muskegon, Kalamazoo, Traverse City and Ottawa County. A draft of our proposed PILOT policy for the City of Mt. Pleasant, which is similar to PILOT programs in other Michigan municipalities, is attached for your review.

Respectfully submitted,

McKENNA

Paul Lippens, AICP
Vice President

Andrew Littman
Senior Planner

City of Mt. Pleasant Payment in Lieu of Taxes (PILOT) Policy

The City of Mt. Pleasant recognizes that providing affordable housing for people of low income is a public necessity. A PILOT (or Payment in Lieu of Taxes) is an effective incentive that helps remove barriers to the construction of housing for low-income households. Authorized under the Michigan State Housing Development Authority Act of 1966, a PILOT agreement is a negotiable legal document that allows the owner to pay a defined percentage of net shelter rent (or total owner revenue) instead of the local property tax rate.

This document outlines the objectives, timeline, and requirements for a residential housing development to be considered for a PILOT in the City of Mt. Pleasant.

The City of Mt. Pleasant's PILOT policy has the following objectives:

- Increasing affordable housing opportunities for our residents
- Stabilizing the tax base of the community
- Reducing functional obsolescence of existing facilities, buildings, etc.
- Encouraging expansion of our population
- Providing for improved housing amenities for the community
- Encouraging attractive, viable building sites, and
- Enhancing our economic development tools to attract and retain affordable housing development

ELIGIBILITY

1. The applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing association limited partnership, limited dividend housing association limited liability company, or limited dividend housing corporation, and must be financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA.
2. To be eligible to apply for a PILOT, an applicant must own the property or have an option or other right to purchase the property under consideration.
3. Eligible projects must consist of a minimum of 80 percent of the units for affordable housing.

PROCEDURE

1. **Submission of Application:** An application packet must be assembled and submitted based upon the requirements as set forth in the *Application Requirements* section below.
2. **City Staff Review:** City staff will review the submitted application packet for completeness and will utilize the attached scoring matrix to determine compatibility with the Mt. Pleasant Master Plan and the Objectives of the City's PILOT program. After receiving the application, the City will either:
 - a. Forward the application to the City Commission with a recommendation for their consideration, or
 - b. Send the application back to the applicant for additional information or clarification.
3. **City Commission Review:** For applications forwarded to the City Commission, staff will forward the completed application packet and recommendation and will schedule the request as an agenda item. Staff will prepare a proposed resolution regarding the request for a PILOT. In reviewing each request, the City Commission shall utilize the attached scoring matrix.
NOTE: The Mt. Pleasant City Commission may deem a proposed project eligible for a PILOT, but the State of Michigan actually issues the PILOT.

4. **Approval:** If the project and PILOT application is approved by the City Commission, the City Clerk will submit a certified copy of the resolution approving the PILOT to the applicant. Additionally, the Clerk's office will e-mail digital copies of the application packet and resolution approving the PILOT to the City Manager, City Assessor, City Engineer, and City Planner.

APPLICATION REQUIREMENTS

The applicant must supply all the following information in its PILOT proposal:

1. **Applicant and Guarantors:** Brief overview of applicant organization, including its corporate or partnership structure, and the name, address, email address and telephone number of the applying entity. The proposal shall also include the name of the applying entity's representatives, financial guarantors of the project, and name of principals of those entities, addresses, emails, and telephone numbers.
2. **Background Information:** Description of the applicant's development experience (if any) and a other relevant information the City may need to consider while reviewing the application.
3. **The Proposed Project:** Describe the proposed project, including the following:
 - a. The location of the proposed project by street address and legal description
 - b. Project scope, including rental units broken down by bedrooms and estimated rents
 - c. Architectural renderings
 - d. Timeline with projected milestones
 - e. Brief narrative describing how the project is consistent with the Mt. Pleasant Master Plan
 - f. Impact on City services, such as police, fire, emergency medical transport, and code enforcement
 - g. Any other information needed to fully explain the project
4. **Development Team:** Name all of the following that will be involved with the Project (with mailing addresses, email addresses, and phone numbers):
 - a. Applicant (primary point of contact)
 - b. Architects and engineers
 - c. Construction project manager
 - d. General contractor for project
 - e. Other professionals
5. **Pro Formas:** The applicant must provide a detailed development and operating pro forma. The development pro forma must outline the proposed hard, soft, and financing costs associated with the proposed development. It must also identify all sources of financing and terms, including the applicant's equity, construction and permanent financing and any government assistance. The detailed operating pro forma shall include all anticipated major revenues and expenses for the full term of the requested PILOT.
6. **MSHDA Application:** Include a copy of the completed MSHDA application for Low Income Housing Tax Credits within thirty (30) days of submittal to MSHDA.

PILOT RATE

In lieu of property taxes, the developer of a PILOT project shall be assessed a PILOT rate and municipal services fee. The PILOT rate is a defined percentage of net shelter rent (or total property owner revenue).

The municipal services fee covers any shortfall in funds to service the site with essential public services. Depending on the project, a PILOT rate shall be set between 4 and 6 percent and supplemented by a municipal services fee which will typically be around 3 percent but may vary based on the specific recommendations of local departments such as police and fire. The specific PILOT rate and municipal services fee shall be established on a case-by-case basis and negotiated between the City and the developer. The maximum service charge (consisting of the PILOT rate and municipal services fee) to be paid in lieu of property taxes shall never exceed the amount of property tax that would have been paid but for the project's PILOT eligibility.

PILOT TERM

The PILOT Term shall be between 25 and 40 years, as shall be negotiated between the City and developer.

EXTENSION TO EXISTING PILOT DEVELOPMENT

Extensions to existing PILOT agreements need to be considered on a case-by-case basis due to the limitations on the programs available for rehabilitation. As with all other tax incentive programs, the committee will consider the merits of each proposal following certain guidelines and make a recommendation to the City Commission. In these instances, a less stringent method will be used in the review process. However, an extension will only be granted where the annual income to the city is increased. The committee recommends setting the following objectives and developing a PILOT application that features them:

Objectives:

- Investment in building and units
- Investment in outdoor site amenities
- Term extension less than 20 years
- Upgrade to visitability ADA standards
- Increase to average AMI by minimum of 10 percent

TAX ABATEMENT APPLICATION FEE

The City Commission has authorized the implementation of a non-refundable application fee for Payment in Lieu of Taxes applications. The fee is published in the city's fee schedule.

Affordable Housing / PILOT Scoring Matrix

Point Scoring: N/A, 1, 2 or 3. N/A = either not applicable or no information supplied. 1 = poor, or below expectations. 2 = average or meets minimum standards. 3 = exceeds standards.

Building Type / Design		Possible Points	Points Scored
The City places a high value on land efficiency, a maximization of limited housing credits, and high quality construction.			
[1]	Maximize Land Utilization	3	
[2]	Green Infrastructure	3	
	Universal Accessibility (i.e., ADA, Aging in Place)	3	
[3]	Quality & Durability of Exterior Construction, Efficiency	3	
Location / Connectivity			
The City places a high value on integrating affordable housing throughout the community and locating housing near services and places of employment.			
	Access to Transportation Choices (Transit/Trail Orientated)	3	
	Walk Accessible Services (Grocery, Schools, Employment)	3	
	Serves Corridor Redevelopment	3	
[4]	Quality of Site Improvements, Place Making	3	
Context / Need			
The City places a high value on PILOT requests that appeal to a broad range of demographic groups.			
	Unit Diversity (i.e., studio, 1, 2 bedroom)	3	
	Fulfilling Needs of Housing Market	3	
	Demographic Groups Served	3	
Total Points: Possible / Received		33	

Interpretation	Total Score	Total Points
Poor	< 20	
Acceptable	21 - 25	
Excellent	26 - 33	

Notes

- [1] To encourage efficiencies in land use and cost of services, the City awards maximum points to projects that use space most efficiently within applicable zoning ordinances.
- [2] Green infrastructure is utilized to reduce impacts on stormwater infrastructure. Green infrastructure may include, but not be limited to: green roof technology, rain gardens, permeable pavements, maintaining existing or increasing tree canopy.
- [3] Quality Definitions: Exterior construction shall be of durable materials. ie wood, composite, brick, concrete or steel siding.
- [4] Place making promotes people's health, happiness, and well being. Points are awarded based on the quality of improvements made to the common space surrounding the proposed development. Those improvements may include, but not be limited to: improved sidewalk access, covered bike parking, increased tree sizes.

REFERENCE MATERIAL



PILOT POLICY

INFORMATION PACKET AND GUIDELINES

OVERVIEW:

A developer that is in the planning phase of a low income housing project financed with a federally-aided or authority-aided mortgage or grant through the State Housing Development Authority Act of 1966 may be eligible for a Payment In Lieu Of Taxes (PILOT). These exemptions from ad valorem property taxes are governed by Section 82 of the Muskegon City Code. The City of Muskegon strives to apply these fees with maximum return on investment for the developer and community. The process for requesting and receiving a Payment In Lieu Of Taxes for a new development or a rehabilitation and extension has been simplified in the following policy guidelines and forms.

The City of Muskegon maintains this policy with the objectives of:

- increasing affordable housing opportunities for our residents,
- stabilizing the tax base of the community,
- reducing functional obsolescence of existing facilities, buildings, etc.,
- encouraging expansion of our population,
- providing for improved housing amenities for the community,
- encouraging attractive, viable building sites and
- enhancing our economic development tools to attract and retain affordable housing development

POLICY ELIGIBILITY CRITERIA:

1. A Payment In Lieu Of Taxes shall only be granted to low income housing projects owned by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association financed with a federally-aided or authority-aided mortgage or grant through the State Housing Development Authority Act of 1966 and meet the requirements of the City of Muskegon Ordinance Chapter 82; and
2. A Payment In Lieu Of Taxes shall be issued at a percentage of rents based on the rating criteria in the City's scoring matrix; and
3. A Payment In Lieu Of Taxes shall not be issued unless an Applicant completes the attached application form and provides all necessary documents to ensure accurate scoring by the Tax Incentive Review Committee.

REVIEW AND APPROVAL PROCESS:

Once a developer has determined that it meets the minimum criteria for consideration of a Payment In Lieu Of Taxes, then a developer may begin the process of formally applying. The process is as follows:

1. Letter of Intent submitted on applicant's letterhead to the Economic Development Director.
2. Include details relating to the location of the development, length of term, income mix, proposed construction and/or amenities, and any restrictions on age limits for residents.

3. Tax Incentive Review Committee verifies completion and eligibility of Applicant's documents for submission and makes recommendation to the City Commission regarding approval and rate for Payment In Lieu of Taxes.
4. The city staff or attorney will draft the contract with details given by applicant.
5. City Commission votes on approval of the associated contract (City Commission may also vote to modify or reject any contract).
6. City staff provide signed documents to applicant.

PILOT RATE:

The City Commission has approved the use of the following guides to calculate the percent of rents paid. The criteria are tied to community goals endorsed by elected officials and staff, thereby rewarding developments which meet the city's goals with lower fees.

New PILOT Developments

The committee recommends setting the base PILOT rate at 7% of annual rents with potential to reduce the fee if certain goals are met and developing a PILOT application that features the following cognates:

Cognate	Reduction
Serving Families	1%
Minimum 15% of Units offered at Market Rate	1%
Located outside DDA Boundary	1%
Average AMI greater than 70%	1%
TOTAL POSSIBLE REDUCTION	4%

In addition to the PILOT rate, local governments are able to collect municipal service fees that fund essential services to the development such as police and fire. The committee recommends setting the municipal services fee at 3% for all developments.

Extension To Existing PILOT Development

Extensions to existing PILOT agreements need to be considered on a case by case basis due to the limitations on the programs available for rehabilitation. As with all other tax incentive programs, the committee will consider the merits of each proposal following certain guidelines and make a recommendation to the City Commission. In these instances, a less stringent method will be used in the review process. However, an extension will only be granted where the annual income to the city is increased. The committee recommends setting the following objectives and developing a PILOT application that features them:

Objectives

- Investment in Building and Units
- Investment in Outdoor Site Amenities
- Term Extension less than 20 Years
- Upgrade to Visitability ADA Standards
- Increase to Average AMI by minimum of 10%

In addition to the PILOT rate, local governments are able to collect municipal service fees that fund essential services to the development such as police and fire. The committee recommends setting the municipal services fee at 2% for any existing development that does not currently pay a municipal services fee and increasing the fee to 3% for all developments that currently pay less than 3%.

TAX ABATEMENT APPLICATION FEE:

The City Commission has authorized the implementation of a non-refundable application fee for Payment In Lieu Of Taxes applications. The fee is published in the city's fee schedule.

REQUIREMENTS AFTER PAYMENT IN LIEU OF TAXES IS APPROVED:

Annual statements of contract rents must be filed with the City Treasurer per Section 82-55 of the Muskegon City Code. Exemptions will be revoked for violating the Muskegon City Code.

For assistance with your business attraction and retention needs or with the associated process and application, please contact the City Economic Development Office at 231-724-6870.

**City of Kalamazoo
Payment in Lieu of Taxes (PILOT)
Checklist**

Michigan Public Act 346 of the Public Acts of 1966, and Section 15a of MCL 125.1415a, created the Michigan State Housing Development Authority (MSHDA), and authorized tax exemptions and Payments in Lieu of Taxes (PILOT) for selected categories of housing projects.

Chapter 35, Section 35-4 of the City of Kalamazoo Code provides for the possibility of a residential housing development within the City to be considered for a PILOT. The consideration of such a request is contingent upon demonstrated financial support from MSHDA, the potential impact the proposed development will have upon the City, and the benefits it may provide to City residents. ***Additionally, the PILOT applicant must be designated as one of the following:***

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

Timeline for PILOT Proposal Review

Proposals must be received at least six weeks prior to the City Commission meeting where the PILOT resolution will be considered. If the property requires rezoning or a zoning variance, additional time is required- approximately four additional weeks for variances and ten weeks for rezoning requests. Both types of approvals require neighborhood outreach and public hearings. For questions about zoning approval, contact Planning and Zoning at (269) 337-8026.

PILOT requests are commonly submitted for projects that are also seeking Low Income Housing Tax Credits (LIHTC) through the Michigan State Housing Development Authority (MSHDA). To accommodate all information requested for LIHTC applications, the City has established a timeline for proposal review:

- Weeks 1-4: project undergoes site plan review – Site Plan review cannot occur until all required zoning approvals have been obtained.
- Weeks 2-3: CPED staff reviews project and issues a zoning compliance letter and a letter stating alignment with Master Plan and community priorities
- Weeks 3-4: CPED staff reviews project for PILOT, seeks comment from City Assessor, prepares report for City Commission, submits report and proposed resolution to City Clerk for upcoming agenda
- Weeks 5-6: Other departments review items for City Commission agenda

The City Commission generally meets on the first and third Monday of each month. The official meeting schedule is available at <https://www.kalamazoocity.org/citycommission>.

NOTE: The Kalamazoo City Commission may deem a proposed project as eligible for a PILOT, but the State of Michigan actually issues the PILOT. To ensure that the PILOT process is complete, please use the following checklist.

City of Kalamazoo PILOT Checklist

Page 2

The developer of the proposed project must send a written proposal to be considered for a PILOT. The proposal should be sent to planning@kalamazoo-city.org. Use "PILOT request" and the project address in the subject line.


The proposal must include the following information:

- Brief overview of applicant organization, including type of legal entity that will own the project;
- Project scope, including rehabilitations to be made for existing projects and rental units broken out by bedrooms, targeted incomes, and estimated rents; budget including sources and uses; and timeline with projected milestones;
- Description of how the project benefits low-to-moderate income households;
- Evidence of potential financial support from MSHDA;
- Estimate of annual shelter rents projected for the requested length of the PILOT; and
- Brief narrative describing how the project is consistent with the City of Kalamazoo Master Plan (<http://www.imaginekalamazoo.com/plans/#master-plan>), the 2014-2018 Consolidated Plan (<https://www.kalamazoo-city.org/communitydevelopmentdocs/214-consolidated-plan-2014-2018/file>), and other applicable planning documents.

- The proposal will be reviewed by CPED staff for completeness, feasibility, verification of resources, and for consistency with planning documents.
- The percentage of shelter rents allowed under the proposed PILOT will be determined by CPED staff following a fiscal impact analysis of the project, but can not be less than four percent of annual shelter rents.
- CPED staff will prepare an agenda report and resolution and forward the request to other city staff for review, according to the timeline provided on page 1.
- If accepted by CPED and other city staff, the PILOT request and resolution will be considered during a regularly-scheduled City Commission business meeting. Applicants may attend the meeting but are not required unless specifically requested by city staff.
- If approved by the City Commission, the City Clerk sends copies of an official PILOT Resolution to CPED, who will provide a copy to the developer.
- Using the City Commission Resolution as the basis for the request, the developer must seek approval from MSHDA for the PILOT.
- Once approved, the developer is responsible for ensuring that MSHDA notifies the Assessor's Office through a *Notification to Local Assessor of Exemption*.
- Notification must be filed by November 1 of the year before the PILOT is to take effect. The PILOT cannot take effect mid-year.
- The Clerk's Office notifies all taxing authorities that the PILOT has been granted by the State of Michigan.
- Based on the approved percentage of shelter rents permitted under the PILOT, the owner must submit annual payments to:

City Treasurer
City of Kalamazoo Management Services Department
Treasury Division
241 W. South Street
Kalamazoo, MI 49007

- The City Treasurer's Office verifies accuracy of payments and distributes accordingly among taxing jurisdictions.

	CITY OF TRAVERSE CITY	POLICY NO: CC-055
	POLICY TITLE: PAYMENT IN LIEU OF TAXES (PILOT)	SUBMITTED BY: PILOT Ad Hoc Committee.
		APPROVED BY:
Adopted Date: November 7, 2016 Effective Date: November 7, 2016 Supersedes No: N/A Procedure Reference No: CC-055 Page 1 of 3	HISTORY: Initial Adoption Date: November 7, 2016 Amended Date: Amended Date:	


I hereby certify that this Policy was adopted by the City Commission of the City of Traverse City at its Regular Meeting held on November 7, 2016, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City Michigan.


 Benjamin Marentette, MMC, City Clerk

I. Purpose:

The purpose of this policy is to administer the Traverse City Code of Ordinances Chapter 881, which establishes a class of housing developments pursuant to State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.) which are exempt from payment of property taxes, and as an in lieu thereof pay a service charge. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage development of such housing by providing for a service charge, in lieu of property taxes, in accordance with State Housing Development Act of 1966. City of Traverse City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes (PILOT) by any or all classes of housing exempt from taxation under this Act at any amount it chooses, but not to exceed taxes that would be paid by for if not for this Act.

It is further acknowledged that such housing for persons of low income is a public necessity, and as the City of Traverse City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose. Further, that the continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of this housing development, which will be constructed and financed in reliance on such tax exemption.

	CITY OF TRAVERSE CITY	POLICY NO: CC-055
	POLICY TITLE: PAYMENT IN LIEU OF TAXES (PILOT)	SUBMITTED BY: PILOT Ad Hoc Committee.
		APPROVED BY:
Adopted Date: November 7, 2016 Effective Date: November 7, 2016 Supersedes No: N/A Procedure Reference No: CC-055 Page 2 of 3		HISTORY: Initial Adoption Date: November 7, 2016 Amended Date: Amended Date:

It is the duty of the City Commission, with help from the City Planning Commission, that this community is developed in a manner consistent with the adopted Comprehensive (Master) Plan. Therefore, each application must be considered for its consistency with the overall goals and objectives of the future planning and development for the City of Traverse City. The existence of this policy and Chapters 880 and 881 of the Code of Ordinances for the City of Traverse City in no way infers a right to such tax exemption, and the City Commission's action on each application is within its discretion.

II. Additional Authority

- State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.)
- Traverse City Code of Ordinances Chapter 880 - Tax Exemptions
- Traverse City Code of Ordinances Chapter 881 - Low Income Housing Tax Exemption
- Traverse City Code of Ordinances Chapter 1376 – Affordable Housing Standards

III. Scope/Applies to


This policy applies to the City Commission for the City of Traverse City, and to all City Departments responsible for reviewing requests for a Payment in Lieu of Taxes arrangement and making recommendations to the City Commission for the City of Traverse City regarding same.

IV. Responsibility

The City Manager is responsible for the implementation of this policy and for the development of and administration of the accompanying procedure.

V. Definitions/Acronyms

Affordable Housing. Generally, housing that costs 30% or less of a household's annual income, with "costs" referring either to rent, or, for ownership units, mortgage interest and principal, taxes, and insurance.

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Guarantor: a person or entity that agrees to be responsible for another's debt or performance under a contract, if the other fails to pay or perform.

Low-income or moderate income persons: means families and persons who cannot afford to pay the amounts at which private enterprise, without federally-aided mortgages or loans from MSHDA, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in the State Housing Development Authority Act of 1966, as amended, or by MSHDA in its rules.

MSHDA: Michigan State Housing Development Authority


PILOT: Payment in Lieu of Tax; an annual service charge paid to the municipality for public services in lieu of all taxes

Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

VI. Policy Statement

The City of Traverse City places a high value on preserving the natural environment, affording a diversity of housing options, and providing opportunities for multi-modal transportation, which strengthens the City's long-term sustainability. It is the policy of the City of Traverse City that PILOT Agreements are granted to those entities who best demonstrate a shared value in these areas, through the development of a project that incorporates green building techniques, has a high percentage of affordable housing units, and is located near multi-modal transportation opportunities and close access to daily needs. It should be noted that PILOT Agreements are not entitlements, and will be evaluated on a case by case basis.

City employees responsible for reviewing requests for a PILOT arrangement and making recommendations to the City Commission for the City of Traverse City regarding same shall use Procedure No. CC-055 when considering requests for PILOT agreements.

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		APPROVED BY: City Manager Martin Colburn
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I. INITIAL APPLICATION; RENEWALS


Initial applications and applications for renewal of an existing PILOT shall follow the process outlined herein.

II. ELIGIBILITY

1. The applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation or mobile home park association, and must be financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA.
2. Any development project that is under construction at the time of application, excluding stabilization, site preparation, or utility work, is not eligible to apply for or to receive a PILOT.
3. To be eligible to apply for a PILOT, an applicant must own the property or have an option or other right to purchase the property under consideration.
4. To be eligible for a PILOT, residential or mixed-use projects must consist of a minimum of 20% of the units for affordable housing.

III. DEFINITIONS:

Affordable Housing. Generally, housing that costs 30% or less of a household's annual income, with "costs" referring either to rent, or, for ownership units, mortgage interest and principal, taxes, and insurance.

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Guarantor: a person or entity that agrees to be legally responsible for another's debt or performance under a contract, if the other fails to pay or perform.

Low-Income or moderate income persons: means families and persons who cannot afford to pay the amounts at which private enterprise, without federally-aided mortgages or loans from MSHDA, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in the State Housing Development Authority Act of 1966, as amended, or by MSHDA in its rules.


MSHDA: Michigan State Housing Development Authority

PILOT: Payment in Lieu of Tax; an annual service charge paid to the municipality for public services in lieu of all taxes.

Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants

IV. PROCEDURE

1. **Mandatory Pre-Submittal Conference:** A meeting with the City Manager, City Zoning Administrator, City Planner, City Engineer, City Treasurer and City Assessor must occur before submitting a PILOT application. This meeting is to acquaint all parties with the scope of the project and any related issues. This meeting also serves to familiarize the applicant with the PILOT process and policies.
2. **Submission of Application:** An application form must be completed and an application packet assembled based upon requirements as set forth below; and addressing any additional items discussed in the Pre-


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Submittal Conference. Application forms are available both on the City of Traverse City web site and at the City Clerk's Office. **A non-refundable application fee in an amount as set from time to time by the City Commission for the City of Traverse City, payable to the City of City of Traverse City, is due upon submission of the full application packet.**

Incomplete applications will not be presented to the City Commission for review.

One original, five (5) copies, and an electronic version of the full application packet must be submitted no later than seven (7) weeks prior to a Regular City Commission meeting, typically held on the first and third Monday of each month. The applications should be delivered to: City Manager, City of Traverse City, 400 Boardman Avenue, Traverse City, MI 49684.


3. **City Staff Review:** City staff will review the submitted application for completeness, and will utilize the attached matrix to determine compatibility with City of Traverse City values. Matrix scores will serve as the basis for negotiating any PILOT agreement with the City. ***During the staff review process, the City Manager shall make a determination with respect to whether a Municipal Services Agreement (for reimbursement to the city for emergency services) and/or Development Agreement should be included as part of the project.*** Within twenty-eight(28) days of receipt of the application, the City will either:
 - a. Forward the application to the City Commission with a recommendation for their consideration, or
 - b. send the application back to the requestor for additional information or clarification, or to improve their score

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4. **City Commission Review:** For those applications forwarded to the City Commission, the City Clerk's office will forward the completed application packet along with the recommendation, and will schedule the request as an agenda item no earlier than twenty-eight (28) days after receipt of the completed application packet, so as to give the City Commission ample time for review of the application. The City Clerk's office will prepare a proposed resolution regarding the request for PILOT and will notify applicant of the regular meeting at which the application will be considered. For the application to be considered by the City Commission, the applicant or the applicant's appointed representative must be present at the meeting.
5. **Approval:** If the project and PILOT application is approved by resolution of the City Commission, the City Clerk will submit a certified copy of the resolution approving the PILOT and a certified copy of the minutes from the City Commission meeting when the PILOT was approved to the applicant. Additionally, the Clerk's Office will e-mail digital copies of the application packet and the resolution approving the PILOT to:
 - a. City Manager
 - b. City Attorney
 - c. City Assessor
 - d. City Treasurer
 - e. City Engineer
 - f. City Planner

V. APPLICATION REQUIREMENTS

Applicants must supply the following information and indicate if any items are not applicable to their project.


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1. Applicant and Guarantors: Name, address, e-mail address and telephone number of the applying entity, and the legal entity that will own the project, if different from the applying entity. Name of applying entity's representatives, financial guarantors of the project, and name of principals of those entities, addresses, emails, and telephone numbers.
2. Background information about the applicant and guarantors, including development experience, if any, and all other relevant information the City may need to consider while reviewing the application. Describe the corporate or partnership structure. Include names and addresses of a minimum of three references who can confirm that the applicant has experience with mixed or multiple sources of funding, and development experience.
3. Describe the proposed Project. Include in this section the following:
 - a. Intended usage/target market
 - b. Economic impact
 - c. Environmental impact, including any measures taken to mitigate negative impact or improve the natural environment
 - d. Impact on City infrastructure, including transportation and utilities
 - e. Impact on City services, such as police, fire, emergency medical transport, code enforcement
 - f. Square footage of the building and land area to be renovated
 - g. Architectural renderings, including number and types of units
 - h. Any other information needed to fully explain the project
4. Describe the marketing plan for the project, identifying the intended market. List the types of lessees anticipated. If the project is


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speculative, how long is full occupancy expected to take and who will manage the project?

5. Briefly describe the ownership and tax information for this Project. Include in this section the following:
 - a. State the location of the proposed project by street address and legal description
 - b. Name the property owner at the time of application submittal
 - c. If the Applicant does not presently own the property, attach a valid option to purchase the property
 - d. Describe any and all existing financing, options, and liens on the property
 - e. State the tax parcel number for all property involved with the Project and the current assessed value of the Property
 - f. Are any assessments presently under appeal? If so, describe the status of the appeal(s)
 - g. Will the Project result in the subdivision of any present tax parcel?
6. Provide a detailed development pro forma outlining proposed hard, soft, and financing costs associated with proposed development. Pro forma must also identify all sources of financing and terms, including Applicant equity, construction and permanent financing and any government assistance. Proposals will contain detailed costs breakdowns.
7. Provide a detailed operating pro forma that will include all anticipated Major Revenues and Expenses for the full term of the requested PILOT.
8. Are changes proposed to the public space around the Project (Example; sidewalks, lighting, and planting)? If yes, describe.

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9. State proposed time schedule for the Project including anticipated dates for the following:
 - a. Closing of the loan or contributing financing availability
 - b. First expenditure of funds with regard to the project
 - c. Anticipated date construction will begin
 - d. Anticipated completion date
10. Financial Background:
 - a. Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements
 - b. State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any
 - c. Give three credit references for the applicant.
11. Development Team: Name any of the following that will be involved with the Project (with addresses, e-mail addresses and phone numbers):
 - a. Applicant Primary Point of Contact
 - b. Architects and engineers.
 - c. Construction Project Manager
 - d. General Contractor for project
 - e. Other professionals
12. Please describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Commission members.
13. Describe the following as to any applicant, guarantor, or other person involved with this project:


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- a. Any pending civil litigation involving this property or other business holdings
 - b. Any pending criminal proceeding involving this property or other business holdings
 - c. Any conviction, or other pending criminal matter, that is for any felony offense or any theft-related misdemeanor, involving this property or other business holdings
14. Include a copy of the completed MSHDA application for Low Income Housing Tax Credits within thirty (30) days of submittal to MSHDA.
 15. Applicant or applicant's representatives must execute the following statement and provide it as part of the application.

SIGNED STATEMENT

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made to induce the City of Traverse City to grant financial incentives to the applicant. Applicant declares that all statements contained herein are true and correct. All information materially significant to the City of Traverse City in its consideration of the application is included. Applicant authorizes the City of Traverse City to investigation of its credit in connection with this application. Applicant acknowledges that it has reviewed descriptions of the City of Traverse City PILOT program for which it is applying and agrees to comply with those policies. Applicant specifically will pay all reasonable costs, fees, and expenses incurred by City of Traverse City whether or not the incentive is granted or project completed.

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16. FOIA PROTECTIONS OF CONFIDENTIAL MATERIAL

An applicant seeking Tax Exemption must file this application consistent with these PILOT policies and procedures approved by the City Commission. The City Commission acknowledges that information received in connection with the application may be subject to the Freedom of Information Act.

17. PILOT TERM AND PERCENTAGE CALCULATION

The maximum term of any tax exemption shall not exceed Federal guidelines. The maximum service charge to be paid in lieu of taxes shall not exceed the taxes which would be paid but for the project's eligibility for exemption by virtue of MCL 124.1401, et.seq.

Affordable Housing / PILOT Scoring Matrix

Point Scoring: N/A, 1, 2 or 3. N/A = either not applicable or no information supplied. 1 = poor, or below expectations. 2 = average or meets minimum standards. 3 = exceeds standards.

Building Type / Design		Possible Points	Points Scored
The City places a high value on land efficiency, a maximization of limited housing credits, and high quality construction.			
[1]	Maximize Land Utilization	3	
[2]	Green Infrastructure	3	
	Universal Accessibility (i.e., ADA, Aging in Place)	3	
[3]	Quality & Durability of Exterior Construction, Efficiency	3	
Location / Connectivity			
The City places a high value on intergating affordable housing throughout the community and locating housing near services and places of employment.			
	Access to Transportation Choices (Transit/Trail Orientated)	3	
	Walk Accessible Services (Grocery, Schools, Employment)	3	
	Serves Corridor Redevelopment	3	
[4]	Quality of Site Improvements, Place Making	3	
Context / Need			
The City places a high value on PILOT requests that are part of a mixed income and demographic development			
	Unit Diversity (i.e., studio, 1, 2 bedroom)	3	
	Mixed Income (low-income, market rate)	3	
	Fullfilling Needs of Housing Market	3	
	Demographic Groups Served	3	
Total Points: Possible / Received		36	

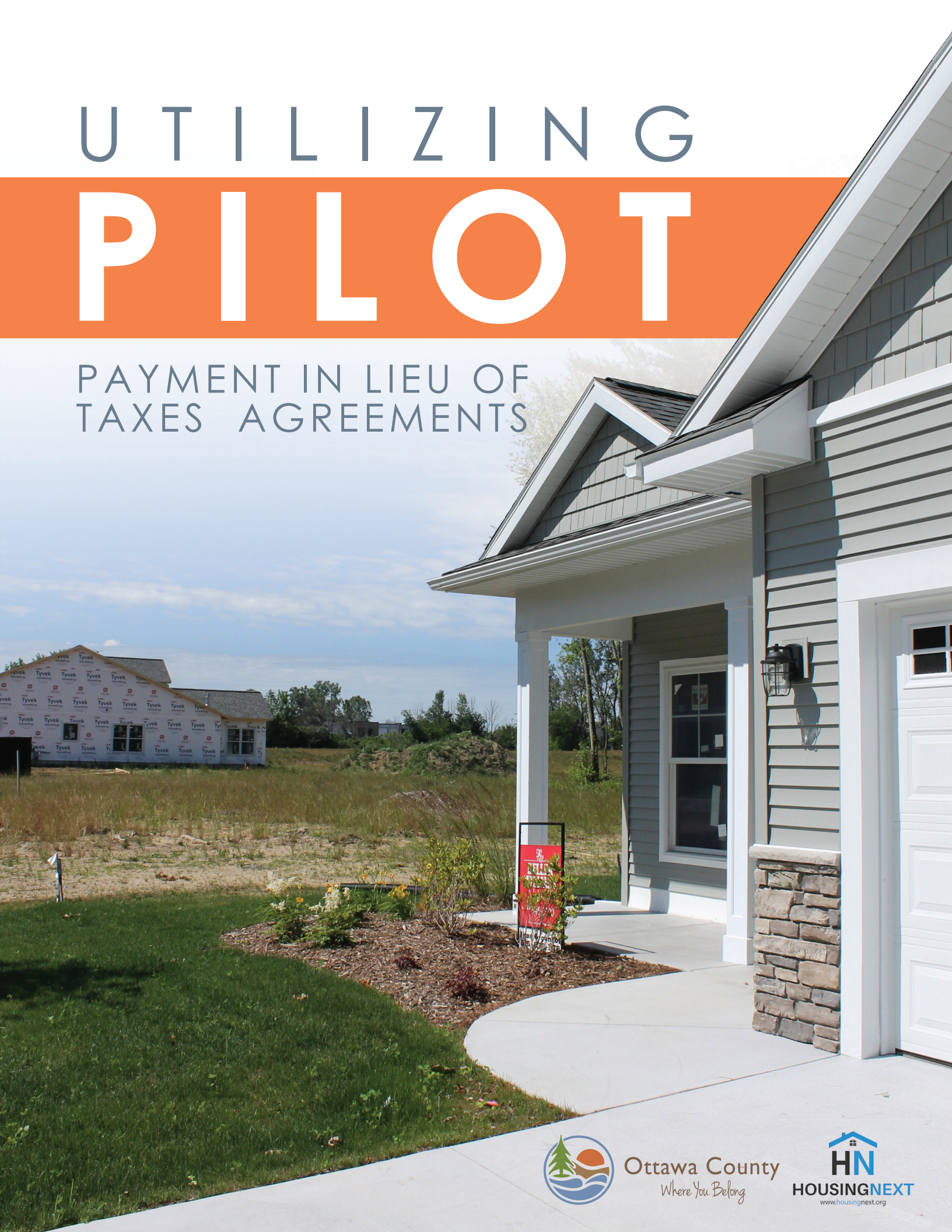
Interpretation	Total Score	Total Points
Poor	< 23	
Acceptible	24 - 28	
Excellent	29 - 36	

Notes

- [1] To encourage efficiencies in land use and cost of services, the City awards maximum points to projects that use space most efficiently within applicable zoning ordinances.
- [2] Green infrastructure is utilized to reduce impacts on stormwater infrastucture. Green infrastructure may include, but not be limited to: green roof technology, rain gardens, permeable pavements, maintaining existing or increasing tree canopy.
- [3] Quality Definitions: Exterior construction shall be of durable materials. ie wood, , composite, brick, concrete or steel siding. Energy efficiecies that meet Energy Star standards.
- [4] Place making promotes people's health, happiness, and well being. Points are awarded based on the quality of improvements made to the common space surrounding the proposed development. Those improvements may include, but not be limited to: improved sidewalk access, covered bike parking, increased tree sizes.

UTILIZING PILOT

PAYMENT IN LIEU OF
TAXES AGREEMENTS

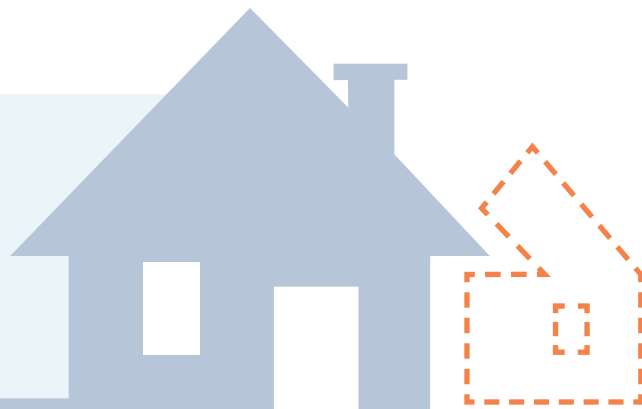


Ottawa County
Where You Belong

HN
HOUSINGNEXT
www.housingnext.org

PILOT

AN AFFORDABLE HOUSING SOLUTION



Ottawa County is facing a critical shortage of housing. In 2018, the United Way of Greater Ottawa County and Housing Next conducted a Housing Needs Assessment and found a shortage of more than 7,800 homes, condos and apartments at all price points.

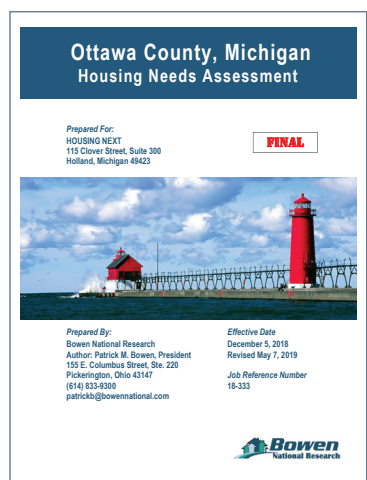
The most significant needs identified in the County were for apartments priced below \$1,250 per month and for-sale homes priced below \$250,000.

Prior to the Great Recession, these moderately priced homes and apartments were easy to build within the local market and did not need any state or local support to get built at a modest profit.

Those opportunities, unfortunately, have diminished over time, due largely to:

- The loss of local construction labor
- An increase in material prices

There is a partnership of organizations working to address wages and labor supply, but the need for more housing is immediate and growing. This demand ultimately prompted the reinvigoration of the Ottawa County Housing Commission.



Municipalities play a role

Local cities, villages and townships can play a role in ensuring more housing at the right price points can be built for our regional workforce.

Reevaluating some zoning standards to ensure that minimum lot size and frontage requirements are still allowing for middle-class housing to be built is one way our communities can help. Another way to assist is by offering support for multi-family projects that are funded using state tax incentives.

When compared to all other multi-family developments in a region, multi-family tax credit projects can be some of the highest quality developments, with superb property maintenance and management. This is because the Michigan State Housing Development Authority (MSHDA) prioritizes a healthy reserve balance to fund property maintenance. The state also requires that tax credit units are comparable in quality and finish to any other market-rate project in the region.



PILOT agreements

In Michigan, any housing project that requests to utilize a housing tax credit must enter into a Payment in-lieu of Tax (PILOT) Agreement with the local municipality.

This agreement is a negotiable legal document that allows the housing developer to pay a defined percentage of net shelter rent (total property owner revenue) instead of the local tax rate.

The Michigan legislature permits the local municipality broad authority to negotiate the terms of a PILOT Agreement, and funds collected can range from 0% of projected net shelter rent up to 10%.

The PILOT program is designed to require the project developer to establish rent levels that are affordable to the local workforce. This is defined as a percentage of the county-wide area median income (AMI).

Local municipalities have the ability to negotiate a PILOT agreement that best fits both the project and the community.

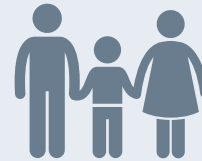
When combined with a municipal services agreement (MSA), the local community can often earn the same amount of local revenue from the project that they would earn under the normal ad valorem (according to the value) tax model. Calculating the PILOT and MSA require a close working relationship with the development team and a clear understanding of how comparable market-rate developments will be taxed in the years after construction is completed.

CALCULATING AMI FOR PILOT

Ottawa County Area Mean Income (AMI) is ...



\$58,600
for a
single
adult



\$75,300
for a
family of
three



AVERAGE RENT in a development must be affordable to residents who earn **60% of AMI or less**

60% AMI = \$35,000-\$45,000 per year, or the average income for ...



**Public
safety
workers**



**Young
teachers**



**Skilled
nurses**

Breaking it down

The average rent in a PILOT development must be affordable to residents who earn 60% of the AMI or less.

Some units will be priced for residents earning 80-100% of the median income, while others may be priced for residents earning 40-50% of the median income.

In Ottawa County, the AMI for the year 2020 is \$58,600 for a single adult, or \$75,300 for a family of three.

So, a typical resident who earns 60% of the AMI would have an income between \$35,000 and \$45,000 per year.

According to the most recent Michigan Works data, this income range would include most young teachers, public safety officers and skilled nurses.



A PILOT scenario

The average rent for a one-bedroom apartment in a tax credit-supported project will be roughly \$900 per month. In order to estimate the annual payment in lieu of taxes, the municipality can multiply the average rent by 12, and multiply again by the number of units proposed. This will provide the estimated annual net shelter rent revenue for the project. If we assume 100 apartment units, that equation would be as follows:

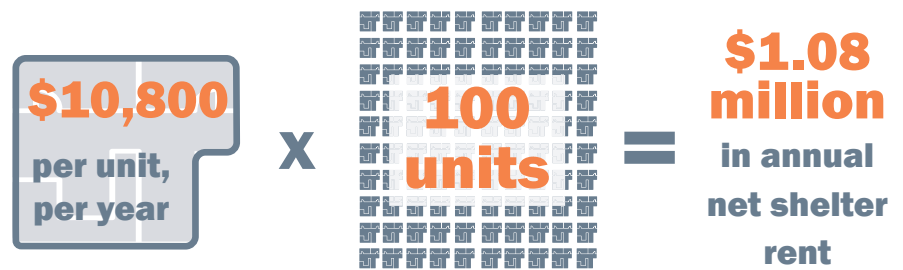
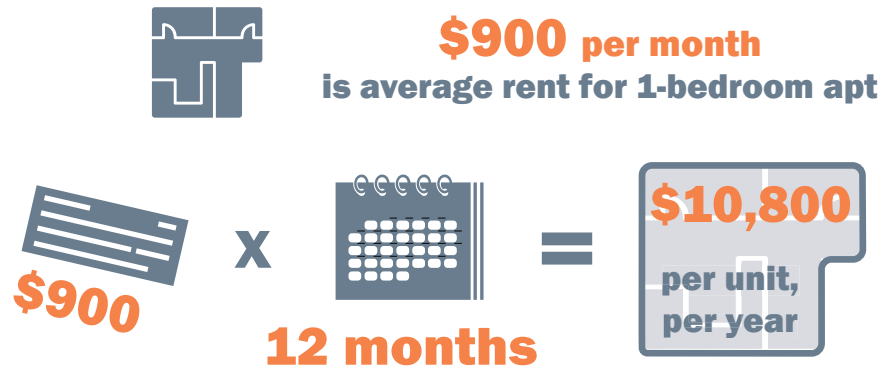
$\$900/\text{month} \times 12 \text{ months} =$
 $\$10,800 \text{ per unit}$

$\$10,800 \times 100 \text{ units} = \$1,080,000$
(\$1.08 million) annual net shelter rent

The municipality may then negotiate a payment of between 0% and 10% of annual net shelter rent revenues. The typical PILOT fee in most municipalities is set at 4% of net shelter rent revenues. In this example, that would amount to \$43,200 in annual local tax revenue. These funds are then distributed proportionately to each local taxing jurisdiction just as a typical tax payment would be. Local schools, libraries and similar jurisdictions would collect their pro-rata share of the PILOT fee.

It is important to keep in mind the PILOT fee is based on annual net shelter rents. The project owner must still pay for on-site management, maintenance, utilities, repairs and mortgage payments. With nearly all tax credit funded projects, the development will have a sizable mortgage used to finance the project. The MSHDA financed mortgage, combined with property maintenance requirements

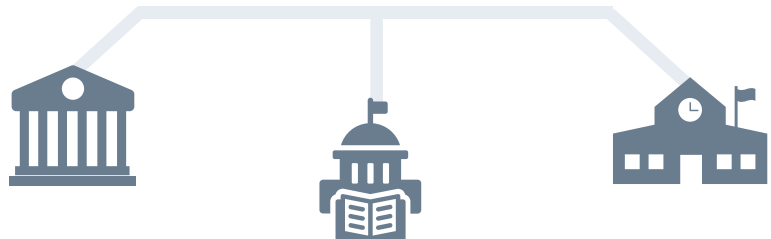
CALCULATING ANNUAL PILOT PAYMENTS TO MUNICIPALITIES



If a typical municipality **PILOT** fee is **4%** of net revenue, this amounts to

\$43,200

in annual PILOT revenue, which is distributed proportionally to the local taxing jurisdiction, schools, libraries, etc.



and restricted rent amounts for middle-income residents, leaves limited room to offer a significant payment in lieu of tax for many projects.

Most developments can handle a 4-6% PILOT, but the larger the payment the less likely it is that the project will ultimately make financial sense.



Municipal Service Fees: Offsetting public service costs

In addition to a PILOT fee, which is distributed proportionately to all local taxing jurisdictions, the local municipality may also impose a Municipal Services Agreement (MSA) fee.

This fee can be implemented where it is estimated that the amount of the PILOT fee being directed to the local unit will not be enough to properly service the site with essential public services.

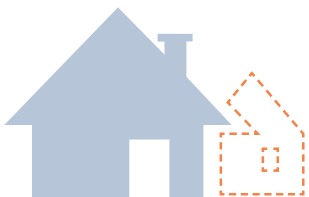
Where a strong rationale can be made to impose the additional service fee, this can be an important tool to make up for any potential revenue shortfalls stemming from a tax credit-funded project.

In communities where MSA fees are commonly imposed, the average fee ranges from \$10,000 per year to \$20,000 per year, depending upon the size of the project and its proximity to local services.

Resource support

In an effort to support local communities in Ottawa County with as much information and resources as possible, the Ottawa County Housing Commission has offered a series of template documents, including:

- **Development Agreement (PILOT)**
- **Municipal Services Agreement**
- **Resolution (Approving MSA and PILOT between city/developer)**



The Ottawa County Housing Commission is here to serve as a community informational resource as local decision makers consider supporting critical housing needs across our County.

For more information, visit

➤ miottawa.org/Departments/Planning/housing_commission.htm

☎ 616.738.4852 ✉ plan@miottawa.org



Ottawa County
Where You Belong

1. Items for further discussion identified in budget (page III)

a. Housing Goals –

- i. PILOT & NEZ – no current budget implications
- ii. Owner Occupied Housing Incentives- depending on how structured, General Fund Economic Initiatives or ARPA funds maybe available as funding sources. This goal will likely not be addressed until after the 2023 budget is adopted so funding will need to be considered at time of goal adoption.
 1. Any additional thoughts since worksession on housing goals and potential funding?

b. Storm Sewer -

1. Do you support allocating .5 mills previously levied for Borden Building Debt for Storm Sewer, along with contributions from Major & Local Street Funds, for potentially the next 20 years?

c. Parking –

- i. A worksession on downtown parking will be held in November. Depending on how we proceed, will determine the personnel and equipment cost to enforcement. Parking enforcement is not expected to be a revenue generator. This will be a stand-alone amendment with the recommendation.

d. ARPA Funding –

- i. The city was allocated \$2.6m. During the capital budget process \$500K was earmarked for match for GKB trail & \$750K is included in this budget for Parking Lot 3 reconstruction. This leaves \$1.35m. We have designated all \$2.6m as revenue replacement, therefore we are free to use the funds on any expense that qualifies as governmental service. Funds must be allocated by 12/31/2024 and spent by 12/31/2026.
- ii. The proposed budget has parking lot 3 reconstruction. Community Service staff is asking for one more grant cycle to obtain funding for the town center proposed in the master plan. Therefore, we will be removing parking lot reconstruction from the 2023 budget and will be asking for consideration of town center in 2023 if funding is received. If no funding is received the reconstruction of parking lot will be in the 2024 budget.
 1. Do you have any thoughts of projects for remaining \$1.35m? There is time to wait to see what comes up in 2023 & 2024.
 2. Do you support waiting for potential grant funding for Town Center rather than reconstruction of lot 3?

e. Recreation Fund –

- i. Administration Costs – We would like to wait for the recreation needs assessment before we address should the recreation user fees cover administration costs or general fund taxes.
- ii. PEAK Fees – A workgroup has been established to prepare a plan for the use of the \$2m PEAK grant funds. No changes will be considered until at least the Summer PEAK program.

2. City Commission Questions

- a. We will provide a list of questions and answers prior to the work session.