



City Council Meeting

November 19, 2018

6:00 p.m.

Cadillac Municipal Complex

Council Chambers

200 N. Lake St.

Cadillac, MI 49601



November 19, 2018 City Council Meeting Agenda
6 p.m. at City Hall – 200 N. Lake St. – Cadillac, MI 49601

We are continuous learners

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

I. APPROVAL OF AGENDA

II. PUBLIC COMMENTS

It is requested that comment time be limited to three (3) minutes.

III. CONSENT AGENDA

All items listed on the consent agenda are considered routine and will be enacted by one motion with roll call vote. There will be no separate discussion of these items unless a Council Member so requests it, in which event the items will be removed from the consent agenda and discussed separately.

A. Minutes from the regular meeting held on October 15, 2018.

Support Document III-A

B. Minutes from the closed session held on October 15, 2018.

IV. APPOINTMENTS

A. Recommendation regarding reappointment to the Zoning Board of Appeals.

Support Document IV-A

B. Recommendation regarding appointment to the Zoning Board of Appeals.

Support Document IV-B

C. Recommendation regarding reappointment to the Planning Commission.

Support Document IV-C

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- D. Recommendation regarding appointment to the Downtown Development Authority.
Support Document IV-D

V. CITY MANAGER'S REPORT

- A. Bids and recommendation regarding purchase of Self-Contained Breathing Apparatus for the Cadillac Fire Department.
Support Document V-A
- B. Recommendation regarding Professional Engineering Consulting Services.
Support Document V-B
- C. Emergency Purchase – Disposal of Contaminated Soils.
Support Document V-C
- D. Amendments to the Non-Union Employees Benefits Schedule.
Support Document V-D
- E. Update regarding Marihuana.

VI. INTRODUCTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt resolution to introduce Ordinance Amending Ordinance Approving a Lease Agreement with Wexford Genealogy Organization and set a public hearing for December 17, 2018.
Support Document VI-A
- B. Adopt resolution to introduce Ordinance Amending Ordinance Approving a Lease Agreement with Up North Arts, Inc. and set a public hearing for December 17, 2018.
Support Document VI-B

VII. ADOPTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution to Support Environmental Clean-Up Activities and Create a Renewable Energy Resource for the City of Cadillac at the Property Commonly Known as the Mitchell-Bentley Property.
Support Document VII-A
- B. Adopt Resolution Approving Cadillac Lofts Final Site Plan With Conditions.
Support Document VII-B
- C. Adopt resolution regarding contract with MDOT for the installation of eleven (11) flag poles along Highway M-115.
Support Document VII-C

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- D. Adopt Resolution Amending General Appropriations Act for Fiscal Year 2019.
Support Document VII-D

VIII. MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

- A. Zoning Board of Appeals
Support Document VIII-A
- B. Planning Commission
Support Document VIII-B
- C. Downtown Development Authority
Support Document VIII-C
- D. Local Development Finance Authority
Support Document VIII-D

IX. PUBLIC COMMENTS

It is requested that comment time be limited to three (3) minutes.

X. GOOD OF THE ORDER

XI. ADJOURNMENT

Core Values (R.I.T.E.)

Respect
Integrity
Trust
Excellence

Guiding Behaviors

We support each other in serving our community
We communicate openly, honestly, respectfully, and directly
We are fully present
We are all accountable
We trust and assume goodness in intentions
We are continuous learners

CITY COUNCIL MEETING MINUTES

6:00 PM – October 15, 2018
Cadillac City Hall – 200 N. Lake St. - Cadillac, Michigan 49601

CALL TO ORDER

Mayor Filkins called the City Council meeting to order at approximately 6:00 pm.

PLEDGE OF ALLEGIANCE

ROLL CALL

Council Present: Schippers, Engels, King, Mayor Filkins
Council Absent: Spoelman
Staff Present: Peccia, Dietlin, Ottjepka, Eller, Homier, Wasson

APPROVAL OF AGENDA

Mayor Filkins requested a motion to approve the agenda as amended to add an appointment to the Cadillac/Wexford Airport Authority as Item V-C under Appointments and to add a discussion regarding a confidential written legal opinion with the City Attorney to the Closed Session.

2018-196 Approve agenda as amended.

Motion was made by King and supported by Engels to approve the agenda as amended.

Motion unanimously approved.

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

2018-197 Approve consent agenda as presented.

Motion was made by Schippers and supported by King to approve the consent agenda as presented.

Motion unanimously approved.

COMMUNICATIONS

A. Friends of the Library

2018-198 Approve banner and book sale signs for Friends of the Library.

Motion was made by Schippers and supported by Engels to approve the display of a banner from October 22, 2018 to October 29, 2018 and the placement of book sale signs at the four (4) locations listed from October 18, 2018 to October 20, 2018 during the hours of the sale for the Friends of the Library.

Motion unanimously approved.

B. Cadillac Area Symphony Orchestra

2018-199 Approve banner for Cadillac Area Symphony Orchestra.

Motion was made by Schippers and supported by King to approve the display of a banner from November 12, 2018 to November 19, 2018 for the Cadillac Area Symphony Orchestra.

Motion unanimously approved.

C. Downtown Cadillac Association

2018-200 Approve display of lighted drape sponsored by Downtown Cadillac Association.

Motion was made by King and supported by Engels to approve the display of a Christmas garland lighted drape from November 26, 2018 to December 31, 2018 sponsored by the Downtown Cadillac Association.

Motion unanimously approved.

D. Cadillac Garden Club

2018-201 Approve banner for Holiday Home Tour sponsored by Cadillac Garden Club.

Motion was made by Engels and supported by King to approve the display of a banner from November 19, 2018 to November 26, 2018 for the Holiday Home Tour sponsored by the Cadillac Garden Club.

Motion unanimously approved.

E. First Church of the Nazarene

2018-202 Approve signs for First Church of the Nazarene Craft Show.

Motion was made by King and supported by Engels to approve the placement of one sign at the intersection listed for the 2-days of the craft show during the hours of operation and the placement of additional signs in the right-of-way in front of the First Church of the Nazarene from October 27, 2018 to November 3, 2018.

Motion unanimously approved.

APPOINTMENTS

A. Recommendation regarding reappointment to the Zoning Board of Appeals.

2018-203 Approve reappointment to the Zoning Board of Appeals.

Motion was made by Engels and supported by Schippers to approve the reappointment of Renee Walkley to the Zoning Board of Appeals for a 3-year term to expire on October 6, 2021.

Motion unanimously approved.

B. Recommendation regarding reappointment to the Downtown Development Authority.

2018-204 Approve reappointment to the Downtown Development Authority.

Motion was made by Schippers and supported by Engels to approve the reappointment of Chris Crawley to the Downtown Development Authority for a 4-year term to expire on October 5, 2022.

Motion unanimously approved.

C. Recommendation regarding appointment to the Cadillac/Wexford Airport Authority.

2018-205 Approve appointment to the Cadillac/Wexford Airport Authority.

Motion was made by King and supported by Schippers to approve the appointment of Joseph Barron to the Cadillac/Wexford Airport Authority for a 2-year term to expire on October 15, 2020.

Motion unanimously approved.

Mayor Filkins thanked Joseph Barron for his willingness to serve.

MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

A. Zoning Board of Appeals

B. Downtown Development Authority

C. Historic Districts Commission

PUBLIC COMMENTS

There were no public comments.

GOOD OF THE ORDER

Peccia noted at 8:00 pm nightly there is a color light show at the Splash Pad that runs every fifteen (15) minutes. He stated, depending on the weather, the light show will be functioning through Halloween. He stated the fireplace will still be operational and the synthetic ice rink will be in place in time for the tree lighting ceremony.

Peccia noted two (2) City staff members, Officer Jeff Rork and Fire Marshal Anthony Wolff, participated in the Dancing with the Y Stars event.

Schippers noted there were a number of people in the Downtown Area over the weekend due to the Color Train. She stated it was also the Grand Opening of the Raven.

CLOSED SESSION

Adjourn to closed session to consult with the City Attorney regarding trial or settlement strategy in connection with Wexford County Circuit Court Consolidated Case Nos. 13-24803-CH and 17-27610-CZ, *TeriDee LLC et al. v Clam Lake Township and Haring Charter Township v City of Cadillac and HOP Family, LLC and City of Cadillac v Haring Charter Township and Clam Lake*

Township; also Heidi Hodek, as Next Friend of John Doe, a minor v City of Cadillac and Thomas Wade, Wexford County Circuit Court Case No. 18-28116-NO; to consider the purchase or lease of real property; and to discuss a confidential written legal opinion with the City Attorney.

2018-206 Adjourn to closed session.

Motion was made by Engels and supported by Schippers to adjourn to closed session to consult with the City Attorney regarding trial or settlement strategy in connection with Wexford County Circuit Court Consolidated Case Nos. 13-24803-CH and 17-27610-CZ, *TeriDee LLC et al. v Clam Lake Township and Haring Charter Township v City of Cadillac and HOP Family, LLC and City of Cadillac v Haring Charter Township and Clam Lake Township*; also *Heidi Hodek, as Next Friend of John Doe, a minor v City of Cadillac and Thomas Wade, Wexford County Circuit Court Case No. 18-28116-NO*; to consider the purchase or lease of real property; and to discuss a confidential written legal opinion with the City Attorney; invite Jeff Dietlin, Director of Utilities, Adam Ottjepka, Director of Public Safety, and Captain Eric Eller, accordingly.

2018-207 Return to open session.

Motion was made by King and supported by Engels to return to open session.

Motion unanimously approved.

ADJOURNMENT

Respectfully submitted,

Carla J. Filkins, Mayor

Sandra L. Wasson, City Clerk

November 19, 2018

COUNCIL COMMUNICATION

Re: Reappointment to Zoning Board of Appeals – Troy Knight

Troy Knight has indicated his interest in being reappointed to serve on the Zoning Board of Appeals. Troy Knight has served on the Zoning Board of Appeals since 2004.

Requested Council Action:

Reappoint Troy Knight to the Zoning Board of Appeals for another 3 year term, expiring on 10/06/2021.

Date: November 19, 2018

Council Communication

Re: *Zoning Board of Appeals vacancy*

Introduction

The Zoning Board of Appeals (ZBA) recently had member Cliff Allen unexpectedly pass away. Cliff served ten years on the Zoning board of Appeals. This leaves one opening for a regular member on the board and the term ends April 21, 2020. Cadillac resident Carl Genzink currently is the first alternate to the ZBA and Zoning Administrator Mike Coy has asked Carl if he would fill the position as a regular member of the board for the remainder of the term.

Requested Council Action

To appoint Carl Genzink to the Zoning Board of Appeals as a regular member filling the position ending April 21, 2020.

November 19, 2018

COUNCIL COMMUNICATION

Re: Reappointment of John Smith to a Three-Year Term on the Planning Commission

John Smith has expressed his interest in continuing his service to the Planning Commission for another three year term. He was originally appointed in 2008.

Requested Council Action:

Reappoint John Smith to a three-year term on the Planning Commission, which will expire on 10/02/2021.

November 19, 2018

COUNCIL COMMUNICATION

Re: Appointment of Lisa Swanson to a Four Year Term on the Downtown Development Authority,

Lisa Swanson has expressed her interest in serving on the Downtown Development Authority for a four year term.

Requested Council Action:

Motion to appoint Lisa Swanson to a four-year term on the Downtown Development Authority, which will end on 11/19/2022.



Application for Appointment to Standing and Special Committees, Boards & Commissions

The information provided on this form is for the use of the Cadillac City Council in its deliberation to fill vacancies on standing and special committees, boards and commissions. Applications may be submitted at any time and will be kept on file for a period of one (1) year. In most cases, you must be a resident of the City of Cadillac to serve on its committees, boards and commissions. Exceptions include the DDA, CBOA, LDFA, Clam River Greenway Committee and Brownfield Redevelopment Authority. Applicants may be required to interview with the City Manager for appointment consideration.

To which committee, board or commission are you seeking appointment? Please check all that apply.

- | | |
|--|--|
| ☐ Airport Authority | ☒ Downtown Development Authority |
| ☐ Board of Review | ☐ Economic Development Corporation |
| ☐ Brownfield Redevelopment Authority | ☐ Elected Officials Compensation Commission |
| ☐ Cadillac Area Council for the Arts | ☐ Election Commission |
| ☐ Cadillac-Wexford Transit Authority | ☐ Housing Commission |
| ☐ Cadillac West Corridor Improvement Authority | ☐ Local Development Finance Authority |
| ☐ Cemetery Board | ☐ Planning Commission |
| ☐ Civil Service Commission | ☐ Retirement Board to Administer Act 345 |
| ☐ Clam River Greenway Committee | ☐ Zoning Board of Appeals |
| ☐ Historic Districts Commission | ☐ Construction Board of Appeals |
| ☐ Diggins Hill Tennis Court Fundraising Committee | ☐ Other _____ |

Please print or type:

Name Lisa Swanson Address [REDACTED]

Telephone: Home [REDACTED] Business/cell [REDACTED]

E-mail [REDACTED] Date available for appointment 11/1/18

Please complete the following. You may use additional sheets as needed.

Community Service

List boards, commissions, committees or community service organizations that you are currently serving or have served upon, offices held, and in what municipality or county.

The After 26 Project - Treasurer, February 2018- Present
Rotary Club of Cadillac - October 2014 - Present
 • Fellowship Committee Chair
 • Scholarship Committee Member
 • Charitable Giving Committee Member
Downtown Cadillac Association - Treasurer February 2012-April 2018
Cadillac Leadership Board, 2000-2006
Cadillac Leadership Class, 1999-2000
Lakeland Athletic Boosters, Lifetime Member, President 2006-2007

Employment and Education

List any employment experience or education that, in your opinion, best qualifies you for this appointment. List job titles, duties (current and past), level of education and any certificates or degrees you have obtained.

Mercantile Bank, AVP/Branch Manager August 2007- Present
Bachelor of Science Degree: Office Administration and Management
Bachelor of Business Administration: Human Resource Management

Have you ever worked for the City of Cadillac? ☐ Yes ☒ No
If yes, please list dates and names of departments.

Why do you have interest in serving on this board/commission/committee?

I love the area where I live and work and want to do what I can to help the Cadillac area continue to grow and thrive. The best way to do that is to get involved. It is easy to sit back and express opinions about decisions that impact our community but it is the people who are willing to get involved that really make a difference.

Personal

Rules of law and ethics prohibit appointees from participating in and voting on matters in which they may have a direct or indirect financial interest. Are you aware of any potential conflicts of interest? ☐ Yes ☒ No

If yes, please indicate potential conflicts.

Are you aware of the time commitment necessary to serve on the committee, board and/or commission to which you seek appointment, and will you have such time? ☒ Yes ☐ No

Please provide information about specific training, education, experience or interests you possess that qualify you as an appointee to the position you seek.

I have lived and worked in the Cadillac area for over 20 years and have grown to love our community. I have enjoyed being a part of things that benefit our community and the people who live and work here. I want to be a part of the vision for our community in the future.

I hereby certify that the preceding information is correct to the best of my knowledge.

Signature

[Handwritten Signature]

Date

10/22/18

You are invited to attach additional pages, enclose a copy of your résumé or submit supplemental information that you feel may assist in the evaluation of your application.

Mail or return your completed application to:

Marcus Peccia, City Manager
City of Cadillac
200 N. Lake St.
Cadillac MI 49601

Thank you for giving us the opportunity to consider you for appointment.

Lisa A. Swanson

Experience

Assistant Vice President/Branch Manager, Mercantile Bank of Michigan August 2007 - Present

- Originate loans in compliance with policy and regulations
- Hire, train, evaluate and discipline customer service team
- Responsible for daily operations of the office including safety, cash and regulatory audits
- Promote bank products and services to individuals and businesses
- Represent the bank through community involvement

Mortgage Processor, Flagstar Bank

October 2006 – August 2007

- Support loan officers by gathering documentation from application to closing for real estate mortgages
- Coordinate information flow from lender to underwriting specialists, customers and realtors
- Proofread documentation for accuracy and completeness

Closing Agent, Cadillac Title

May 2004 – October 2006

- Prepare title commitments and establish requirements to close real estate transactions
- Coordinate real estate closings with customers, lenders and realtors
- Prepare all documentation required for real estate closings and clear any title defect

Education

Bachelor of Business Administration, Human Resource Management

December, 2002

Baker College, Cadillac, Michigan

Bachelor of Science, Office Administration & Management

May, 1986

Northern Michigan University, Marquette, Michigan

Community Involvement

- The After 26 Project Board of Directors, Treasurer – February 2018-Present
- Rotary Club of Cadillac, October 2016-Present
 - Fellowship Committee Chair
 - Scholarship Committee Member
 - Charitable Giving Committee Member
- Downtown Cadillac Association, Treasurer – February 2012-April 2018
- Cadillac Craft Beer Festival, Treasurer, 2012-2017
- Cadillac Leadership Board, 2000-2006
- Cadillac Leadership Class, 1999-2000
- Lake City Athletic Boosters, Lifetime Member, President 2006-2007

November 19, 2018

Council Communication

Re: Fire Department Self-Contained Breathing Apparatus (SCBA) Purchase

The City requested bids for the purchase of sixteen (16) self-contained breathing apparatus (SCBA) for firefighting use. Bids included 32 air cylinders, 26 face pieces, and personnel training. The City received three bids:

Vendor:

Douglass Safety Systems (Avon SCBA)	\$92,349.12	
Dinges Fire (Drager SCBA).....	\$95,770.97	(Including voice amp.)
Premier Safety (Scott SCBA)	\$104,846.00	

The fire department currently maintains an aged and increasingly problematic set of SCBA and has experienced regular out-of-service periods and increasingly costly repairs. The department has applied twice for an Assistance to Firefighters Grant to fund replacement of the SCBA and was deemed to have a very high need for funding due to the current SCBA having fallen behind multiple National Fire Protection Association design editions. However, grant funding was not approved in either of the last two cycles and for safety reasons the department cannot delay the purchase of replacement equipment any longer.

Initially, Dinges Fire (Drager SCBA) appeared to have a lower bid than Douglass Safety Systems (Avon SCBA), and Premier Safety (Scott SCBA). However, the Drager SCBA does not include automatic voice amplification equipment. Voice amplification is a critical feature to ensure safe and understandable communications for firefighting personnel while wearing masks. Adding voice amplification to the Drager SCBA would cost an additional \$10,556.00 and causes the bid from Dinges Fire to exceed the bid from Douglass Safety Systems.

Requested Action

It is requested that Council award the purchase of self-contained breathing apparatus to Douglass Safety Systems in the amount of \$92,349.12. Funds are available in the General Fund.

Y = Complies with Bid Specification
N = Does Not Comply with Bid Specification
NA = Does Not Offer Preferred Option

SCBA BID COMPLIANCE ANALYSIS

Vendor	Douglass Safety Systems	Premier Safety	Dinges Fire
SCBA Manufacturer	Avon	Scott	Drager
General Specifications			
a	Y	Y	Y
b	Y	Y	Y
c	Y	Y	Y
d	Y	N	Y
e	Y	N	Y
f	Y	Y	Y
SCBA Back-Frame/Harness Assembly			
a	Y	Y	Y
b	Y	Y	Y
c1	Y	Y	Y
SCBA Cylinder			
a	Y	Y	Y
b	Y	Y	Y
c	Y	Y	Y
SCBA Mask			
a	Y	Y	Y
b	Y	Y	Y
c	Y	Y	Y

COST ANALYSIS

	AVON	SCOTT	DRAGER
SCBA Back-Frame	\$56,497.92	\$83,712.00	\$54,595.41
Standard SCBA Cylinder	\$22,809.60	\$15,024.00	\$20,920.00
SCBA Mask	\$13,041.60	\$6,110.00	\$9,699.56
Additional Equipment needed (See Notes)	\$0.00	\$0.00	\$10,556.00
Total Costs			
Standard Bottle	\$92,349.12	\$104,846.00	\$95,770.97

BID NOTES

1. Premier Safety / Scott did not provide information as required by General Specifications Items d and e
2. Premier Safety / Scott do not comply with the requirements set forth in the bid due to Note 1
- 3.. Avon includes voice amplification as a standard feature
4. Drager does not include voice amplification as a standard feature
5. To add voice amplification to the Drager, an optional unit is required in the mask. The cost is \$406/mask
6. Adding voice amplification to the Drager increases the overall Drager cost to \$95,770.97

November 19, 2018

Council Communication

Re: Professional Engineering Consulting Services

The City recently released a Request for Qualifications (RFQ) for an engineering firm to provide professional engineering consulting services to the City. This process was designed to result in the City retaining an engineering firm to provide regular, day-to-day, and project-specific engineering services to the City of Cadillac for a period of five (5) years, with an option for the contract to automatically renew for a second five (5) year period.

The City received seven (7) proposals, as follows:

Firm/Location of Office proposed to service Cadillac	Total Points Received
Prein & Newhof - Cadillac, MI	484
Rowe Professional Services – Mt. Pleasant, MI	407
WadeTrim – Traverse City, MI	423
Fleis and Vandenbrink – Traverse City, MI	435
Hubbell, Roth & Clark – Grand Rapids, MI	361
C2AE – Gaylord, MI	401
Williams & Works – Grand Rapids, MI	358

Evaluation Process

Proposals were independently evaluated based on a set of criteria detailed in the RFQ, and were scored by an internal staff team including the City Manager, Director of Finance, Director of Utilities, Community Development Director, Assistant to the Director of Utilities, and Street Operations Manager. The firms were scored on the following categories:

Item	Points
Relevant Experience	30
Demonstrated Ability	20
Proximity to City	25
Familiarity with Related Agencies	10
References	15

The top two firms in the evaluation process were Prein & Newhof of Cadillac and Fleis and Vandenbrink of Traverse City. Because the City has prior working relationships with both firms, the discussion for determining a final recommendation focused particularly on these two firms.

Some discussion points were:

- Both firms are highly qualified to perform the work;
- The City has strong prior working relationships with certain members of each firm as well as positive experience related to the quality of work performed;
- Prein & Newhof has a local Cadillac presence;
- Hourly rates for various professionals assigned to City projects were compared. It was difficult to exactly match various titles from different firms, but it was essentially determined that the hourly rates of both firms were in an acceptable range when compared with one another, but in general Prein & Newhof had more favorable hourly rates.

Results of Evaluation Process

As a result of both the independent scoring of the firms by the evaluation team, and the subsequent discussions regarding the project, the recommended firm is Prein & Newhof, Cadillac, Michigan.

Recommended Action

It is recommended that a contract for Professional Engineering Consulting Services be awarded to Prein & Newhof, Cadillac, Michigan beginning immediately and ending December 31, 2023, with the opportunity for the contract to automatically renew for an additional five (5) years through December 31, 2028. A draft copy of this Agreement is included with this communication. Funds will be available across the organization to cover the costs of these professional services.

PROFESSIONAL ENGINEERING CONSULTING SERVICES AGREEMENT

THIS AGREEMENT entered into by and between the **City of Cadillac**, a Michigan municipal corporation, with principal office located at 200 N. Lake Street, Cadillac, Michigan 49601, acting by its duly authorized officials, hereinafter referred to as the City, and being the party of the first part of this Contract, and **Prein & Newhof**, a Michigan corporation, with its office located at 100 E. Chapin Street, Suite A, Cadillac, Michigan 49601, acting through its duly authorized officer, hereinafter referred to as Engineer, and being the party of the second part of this contract;

WITNESSETH:

WHEREAS, the City from time to time will require various engineering, planning, Geographic Information Systems (GIS) and electronic control services and surveying services for City projects; and

WHEREAS, the person with authority to authorize Engineering work for the City is the City Council through the City Manager or his/her designee,

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1. Engineering Services Provided

It is expected that the Consultant will meet with and advise the City as necessary in all phases of required engineering services, including providing written monthly status reports as requested. The successful consultant will be required to provide engineering services which will generally include the following phases:

- 1.1. Preliminary Engineering Phase: Design survey, preliminary studies, layout, preliminary cost estimates and design reports, preparation of drawings, specifications, and final cost estimates and assistance during relevant bid processes.

Work with the City to develop a vision for the project; site inspection; interact with necessary approving and regulatory agencies and affected utility companies. Prepare design surveys, preliminary engineering studies, designs and estimates for review and approval by the City and other required agencies, along with consultant's specific project recommendations. Obtain the necessary field information, including soil borings and pavement cores required for design. Gather engineering data to apply for regulatory permits required by state, local, or federal agencies and authorities. Meet with the City for final review and approval of plans. Prepare final plans, specifications, and engineering estimates in digital and paper copy formats. Support purchasing department during the bid process by coordinating bid schedules, pre-qualifying vendors and contractors, conducting pre-bid meetings, responding to vendor and contractor inquiries, issuing required addenda, tabulating and evaluating bid results, and preparing recommendations of award for construction contracts.

- 1.2. Contract Administration Phase: Function as the Owner's representative during construction. Management of construction and ensuring contractual obligations are met. Contract administration shall include the performance of all general field services required on construction projects, such as staking, continuous project monitoring, testing services or the coordination and supervision of testing services, approval and correction of shop drawings, conducting progress meetings and pavement pre-production meetings, final inspection and measurements, periodic reporting of progress, preparation of documentation for progress payments, review and recommendation of claims, and preparation of change orders.
- 1.3. Construction Inspection Phase: Technical observation and direction of construction project. Performing or coordinating survey stakeout and/or material testing during construction phase. Sub-consultants for specialty items of work may be assigned on a task-by-task basis.

Engineering supervision and full-time inspection services shall be provided on all construction work on which this task is assigned to the consulting engineer. **The consultant is to function as the City's representative and in the City's best interests on all projects.** Sufficient personnel, as agreed upon by the City, shall be assigned to the construction project to assure that each element of the project is constructed in keeping with the plans and specifications approved by the City.

- 1.4. As-Built Construction Plans: As-built construction plans reflecting actual field measurements and defined attributes, shall be furnished to the City on paper and GIS formats on all infrastructure projects assigned to the consultant. As-built plans shall be prepared and submitted to the City within sixty (60) days of completion of the project.
- 1.5. Other Professional Engineering Services: Preparation of traffic or drainage studies, Geographical Information Systems (GIS) mapping and updating, and other miscellaneous services. Assistance with compliance to various codes, like driveway approaches, curb cuts, etc.

A variety of items of work shall be assigned to the consultant at the discretion of the City. Examples of such services are: review of private development site plans, non-motorized path design, traffic studies, signal warrants, drainage studies, GIS assistance, easement and rights-of-way acquisition, water system loss studies, road system problems and corrections, local surface and subsurface drainage problems, preparation of grant applications, periodic street rating updates, and other miscellaneous services. The scope of the work, personnel requirements, required reporting, and meeting attendance requirements shall be as required by the City.

Section 2: GENERAL ENGINEERING COMPENSATION

Day-to-Day and Routing Engineering Service Work

The City engages the Engineer as Consulting Engineer to handle routine day-to-day engineering services. The Engineer will bill the City in accordance with the attached hourly rate schedule. Attached rates shall be good through December 31, 2019 and may then be adjusted by not more than 2% annually.

Project Specific Engineering

For specific projects that will be undertaken by the City, the Engineer shall provide the City with an Engineer Project Report (EPR) for all projects. The Engineer shall use the City EPR form, which may be revised from time to time. In estimating the engineering costs for each project, the Engineer will at a minimum comply with guidelines set forth by the American Society of Civil Engineers to estimate costs as a percentage of final construction costs. All project percentage fees shall be established at a not-to-exceed 0.75% below the latest version of the ASCE chart.

Section 3: TERM

The term of this Agreement shall commence upon approval by the City Council and continue through December 31, 2023. Unless notice is provided by either party wishing to terminate this agreement, the agreement shall automatically extend for an additional five (5) years through December 31, 2028. Agreement shall be terminable by either party at any time and for any reason during the term of the contract upon thirty (30) days written notice.

Section 4: STANDARD OF PERFORMANCE

Contractor shall perform all services or provide all goods or commodities in the manner set forth in the Request for Proposals and Contractor's Proposal. Contractor shall also act with the reasonable care and diligence customarily provided by professionals performing the same or similar services or providing the same or similar goods or commodities under the same or similar circumstances or conditions.

Section 5: INDEPENDENT CONTRACTOR RELATIONSHIP

The parties intend that an independent contractor/client relationship will be created by this Agreement. The conduct and control of the work to be performed will lie solely with Contractor. Contractor is not to be considered an employee of City for any purpose, and neither Contractor nor the employees or agents of Contractor, if any, are entitled to any of the benefits that City may provide for City's employees.

Section 6: NON-EXCLUSIVE AGREEMENT

This is a non-exclusive agreement and the City has the right to contract with other engineering firms for any work that the City deems to be in the best interest of the City.

Section 7: INDEMNIFICATION

Contractor agrees to defend, indemnify and hold harmless City and its officers, employees, agents, successors and assignees from and against all actions, suits, damages, judgments, costs, charges, expenses, attorney fees and consequences of liability of any kind or nature to the extent they arise from acts and/or omissions of Contractor or Contractor's employees, agents, independent contractors, officers, successors, or assigns.

Section 8: INSURANCE

Contractor shall procure and maintain insurance coverage as set forth in Contractor's Proposal. If Contractor's Proposal does not include insurance coverage specifications, Contractor shall procure and maintain insurance coverage as follows:

- a. **COMPREHENSIVE GENERAL LIABILITY.** Contractor shall provide certificates of insurance to the City, which prove Contractor has not less than \$1,000,000 coverage for Comprehensive General Liability and Property Damage. The Comprehensive General Liability and Property Damage certificate shall name City and its officers, employees, agents and representatives as additionally insured, without exceptions, and shall contain a provision that the policy cannot be terminated, canceled, or substantially altered without thirty (30) days prior written notice to City.
- b. **AUTOMOBILE LIABILITY.** Contractor shall obtain and provide the City with proof of Automobile Liability Insurance which includes:
 1. coverage that complies with the requirements of the Michigan No-Fault Law;
 2. coverage for Owned, Hired and Non-owned vehicles; and
 3. residual liability coverage with a combined single limit of at least \$1,000,000 for both Bodily Injury and Property Damage.
- c. **ERRORS AND OMISSIONS INSURANCE.** Contractor shall also provide proof of Errors and Omissions Insurance, which shall insure against acts that are in the nature of services performed by Contractor. Contractor shall maintain such Errors and Omissions Insurance during this Agreement. Errors and Omissions Coverage shall be provided in an amount not less than \$1,000,000 per occurrence.
- d. **WORKERS' COMPENSATION.** Contractor shall carry and provide City with proof of Workers' Compensation Insurance in compliance with Michigan law.
- e. **GENERAL.** Proof of the above insurance coverage shall be provided to City on the date of this Agreement and prior to performing any services under this Agreement. If any insurance policies are cancelled, terminated, lapsed, or otherwise substantially altered, City may terminate this Agreement or, at City's election, procure such insurance and adjust the contract price downward by the amount of the premiums paid or to be paid for such insurance.

Section 9: NON-DISCRIMINATION

Contractor shall not discriminate against an employee or applicant for employment with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position.

Section 10: ASSIGNMENT

Contractor may not assign, in whole or part, its obligations or any contract rights or rights to payment under this Agreement. Contractor may use subcontractors to the extent set forth in Contractor's Proposal or otherwise with the prior written approval of the City.

Section 11: NO WAIVER.

City's failure to exercise, or delay in exercising, any power or right under this Agreement shall not operate as a waiver, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of remedies otherwise available in equity or at law.

Section 12: NOTICE

Any notice required to be provided by either party to the other party shall be in writing and shall be effective upon the earlier of (a) personal delivery or refusal of personal delivery, or (b) on the first business day after delivery to a courier service that guarantees next-business day delivery, or (c) on the first business day after mailing, by either first-class U.S. mail or by certified U.S. mail, return receipt requested, postage pre-paid, to the addresses appearing on page 1 of this Agreement.

Section 13: GOVERNING LAW AND VENUE

This Agreement shall be governed by and enforced in accordance with the laws of the State of Michigan. Venue shall be Wexford County, Michigan.

Section 14: CONSTRUCTION

This Agreement may be executed in one or more counterparts, all of which together shall be deemed to be one full and complete document. The captions and headings in this Agreement are for reference only and do not affect, limit, or modify the terms and provisions of this Agreement. In the event that any portion of this Agreement is deemed void or unenforceable, the remaining provisions of this Agreement shall nevertheless be binding to the fullest extent permitted by law. This Agreement contains the entire understanding and agreement between the parties and cannot be amended or modified except by subsequent written agreement signed by both parties.

CITY OF CADILLAC

CONTRACTOR

By: _____
Carla J. Filkins, Mayor

By: _____
Name:

By: _____
Sandra Wasson, City Clerk

Its: _____

Date: _____

Date: _____

November 19, 2018

Council Communication

Re: Emergency Purchase – Disposal of Contaminated Soils

The City-owned property located at 117 W. Cass Street, current home to The Market at Cadillac Commons, but formerly home to the building commonly known as the Forbes Building, unfortunately contained a large, previously unknown underground storage tank and contaminated soils that needed to be disposed of as part of the site preparation and construction of the new Market. In general, the contaminants consisted of various metals and chemicals such as tetrachloroethylene (PCE).

Due to timing variables outside of our control, such as the time for the environmental analysis and guidance from the Michigan Department of Environmental Quality to be complete, once information was available, the City utilized our contractor that was already mobilized on-site, Dunbar Excavating, to haul the required soils and storage tank away without delay. The City hauled the waste to Republic's Landfill at a special negotiated rate of \$5.00 per ton, which was more economical than other disposal facility options.

The cost for this unforeseen, required environmental clean-up was \$94,077.93 including landfill fees, hauling fees, and environmental consulting and testing costs. Funds received from the State of Michigan for Personal Property Tax Reimbursement, which came in significantly higher than budgeted, are being utilized for this expense.

November 19, 2018

Council Communication

Re: Amendments to the Non-Union Employees Benefits Schedule

The 2019 rates for the City's medical insurance plans through Blue Care Network & Blue Cross/Blue Shield of Michigan have risen due to a number of significant claims our group unfortunately experienced over the last year. Due to this recent claim history, for the first time since January of 2014, the employee/retiree monthly out-of-pocket contributions must be increased to remain compliant with PA 152. Additionally, further changes made in an effort to control rising costs include a reduction in the amount the Health Reimbursement Account (HRA) will be utilized to pay towards office visit co-pays (please refer to table below), a discontinuation of prescription reimbursements, and further increases to monthly employee contributions for those hired on or after January 1, 2019.

Item Description	2018 HRA Cost Per Visit	2018 Employee Cost Per Visit	2019 HRA Cost Per Visit	2019 Employee Cost Per Visit
Physician Office	\$10	\$10	\$0	\$20
Specialist Office	\$30	\$10	\$20	\$20
Chiropractor	\$30	\$10	\$20	\$20
Urgent Care	\$40	\$10	\$20	\$30
ER	\$100	\$50	\$0	\$150
Prescription Pays	\$250 annually	Varies	\$0	Varies

Initially the City was presented with an increase of 15.99% which was rejected and sent back for a "re-rating". Blue Care Network sharpened their pencils and came back to the table with over a 5% reduction that brought our increase down to 10.78%. Priority Health with an HRA component was also quoted and showed a savings of approximately \$12,000/yr for the base plan, but they limit the application of an HRA to only the subscriber's deductible, thereby potentially costing employees thousands each year out of pocket for co-insurance and/or office visits.

The recommended action by City Council is a motion to accept the changes in Section 3.0 of the Non-Union Employees Benefits Schedule as herein presented.

Section 3.0 Health Insurance.

- (a) Effective July 1, 2016, the Preferred Provider Plan (PPO) through Blue Cross/Blue Shield of Michigan (BCBSM) will be closed to new enrollees and transfers. Employees and retirees who are, as of the July 1, 2016 effective date, enrolled in the PPO may continue in the plan until December 31, 2016, at which time they will be required to transfer to the Blue Care Network (BCN) Health Maintenance Organization (HMO) plan, or choose to opt out.

The City shall provide all regular employees and their dependents with a comprehensive medical/hospitalization insurance plan. The monthly ~~premium~~ contribution required of all eligible active and retired employees who elect the HMO plan is ~~\$15.00 for single person coverage, \$25.00 for two (2) person coverage, and \$35.00 for full family coverage effective January 1, 2014. Prescription co-pays through the HMO plan for a 30 day supply are \$6.00 for Tier 1A value generics, \$40.00 for Tier 1B generics, \$60.00 for Tier 2 preferred brand drugs, \$80.00 for Tier 3 non-preferred drugs, \$20% co-insurance (maximum copay of \$200.00) for Tier 4 preferred specialty drugs and 20% co-insurance for Tier 5 non-preferred specialty drugs (maximum co-pay of \$300.00). Three (3) co-pays minus \$10.00 will be charged for a 90 day supply of Tier 1A, 1B, 2, and 3 drugs. Employees and retirees who elect the HMO plan are eligible to be reimbursed for prescriptions over \$20.00 in Tiers 1B through Tier 5 up to a maximum of \$250.00 annually per contract (family): determined annually, unless otherwise necessary, and shall at a minimum comply with the hard cap provisions of Public Act 152. Employees hired on or after January 1, 2019, will be charged a higher monthly premium contribution than employees hired previous to that date.~~

In addition, the City shall provide dental and optical coverage for employees and dependents. Such coverage shall be determined by the City and fully described in a summary plan description, provided to all new employees upon hire and available upon request from Human Resources.

- (b) Insurance coverage shall begin on the first day of the month after hire.
- (c) Employees hired before January 1, 2007 who retire under the City's retirement plan excluding disability retirement, and their lawful dependents, shall be provided coverage at the level provided to active employees at the time of retirement. Employees hired on or after January 1, 2007 are not eligible for such coverage. For employees hired before January 1, 2007, such coverage shall continue until the retiree reaches age sixty-five (65) or upon receipt of Medicare. In the event the retiree dies prior to age sixty-five (65), his/her spouse may continue in the medical program until age sixty-five (65) by paying to the City the necessary ~~monthly~~ premium ~~contribution~~ in advance.
- (d) Effective July 1, 2005, the City established a Health Care Savings Program (HCSP) for all full-time employees through the Michigan Employees Retirement System (MERS). Effective July 1, 2016, the City increased the contribution to an amount equal to 1.0% (previously 0.75%) of the employee's base salary to a HCSP account established in the employee's name. The employee will be required to contribute a minimum of 25% of his accrued vacation and sick leave to his HCSP account upon separation of employment. These funds will be available for the employee's use to assist with payment of post-employment healthcare expenses.

November 19, 2018

Council Communication

Re: Amendment to Lease with Wexford Genealogy Organization

The Cadillac City Council approved a lease with Wexford Genealogy Organization (“WGO”) on January 18, 2012 for space in the Cadillac Community Center. At this time, the WGO was able to move from the upstairs part of the building, to a much more accessible main floor office in the facility. The City offered reduced rent as an “incubator” type incentive to phase in the additional rent that was required in the new space. Due to the age and condition of the facility and the fact that WGO only utilizes the space approximately four hours per week, the City is proposing to reduce the base rent to \$250.00 per month retroactively, hold the lease flat through the end of 2019, then apply the contractual Consumer Price Index increases beginning January 1, 2020. The attached amendment would institute these amendments.

WGO continues to be a good tenant, and the organization has made several improvements to their portion of the facility.

Recommended Action

It is recommended that the amendment to the lease between the City of Cadillac and the Wexford Genealogy Organization be approved as presented.

**NAVAL RESERVE BUILDING
AMENDMENT TO LEASE AGREEMENT
LEASE COVER PAGE**

City of Cadillac
200 North Lake Street
Cadillac, MI 49601 ("Landlord") and
Wexford Genealogy Organization
P.O. Box 226
Cadillac, MI 49601 ("Tenant")

FOR GOOD AND VALUABLE CONSIDERATION, Landlord and Tenant agree to amend the following sections of the lease approved by the Cadillac City Council on January 18, 2012 as follows:

3. **Base Rent.** The Base Rent for the term of this Lease is based upon a "Business Incubator"-type incentive. Base rent will be set for the next five years, gradually increasing over the time period until ~~full~~ market value rent is achieved in year 5. Base rent for the next five (5) years is as follows:

January 1, 2012 – December 31, 2012	\$53.96/month (\$647.52/year)
January 1, 2013 – December 31, 2013	\$53.96/month (\$647.52/year)
January 1, 2014 – December 31, 2014	\$53.96/month (\$647.52/year)
January 1, 2015 – December 31, 2015	\$161.68/month (\$1,940.10/year)
January 1, 2016 – December 31, 2016	\$339.30 <u>\$250.00</u> /month

(~~\$4,071.60~~\$3,000.00/year)

Rent shall be payable in advance at the first day of each month. Tenant shall pay the first month's Base Rent on execution hereof.

7. **Renewals.** This Lease shall automatically renew for additional one (1) year terms, unless either party gives notice by November 30 of any year that the Lease is terminated. Base rent will increase on January 1, 2015 and 2016 in accordance with the schedule in Section 3. Base rent will remain at \$250.00/month (\$3,000.00/year) through December 31, 2019. Beginning January 1, 2017~~20~~, the renewal Base Rent shall increase by the Consumer Price Index each year, as set forth in Section 16.11 of the Standard Lease Conditions.

LANDLORD/AGENT:

CITY OF CADILLAC

By: _____
Carla J. Filkins, Mayor

Sandra Wasson, Clerk

DATE: _____

TENANT:

WEXFORD GENEALOGY ORGANIZATION

By: _____
Its: _____

DATE: _____

**NAVAL RESERVE BUILDING
LEASE AGREEMENT
LEASE COVER PAGE**

City of Cadillac
200 North Lake Street
Cadillac, MI 49601 ("Landlord") and
Wexford Genealogy Organization
P.O. Box 226
Cadillac, MI 49601 ("Tenant")

FOR GOOD AND VALUABLE CONSIDERATION, Landlord and Tenant agree as follows:

1. **Premises.** Landlord hereby leases to Tenant certain Premises located in the Naval Reserve Building (the "Building") near the northwest corner of the Building and consisting of 580 square feet of office space (Marked as "SPACE" in Attachment A). Lessee shall share access areas and available rest room facilities without Additional Rent. The address for the Naval Reserve Building is 601 Chestnut Street, Cadillac, MI 49601.

2. **Term.** The term of this Lease will be for five (5) years commencing on January 1, 2012 (the "Commencement Date") and terminating December 31, 2016.

3. **Base Rent.** The Base Rent for the term of this Lease is based upon a "Business Incubator"-type incentive. Base rent will be set for the next five years, gradually increasing over the time period until full market value rent is achieved in year 5. Base rent for the next five (5) years is as follows:

January 1, 2012 – December 31, 2012	\$53.96/month (\$647.52/year)
January 1, 2013 – December 31, 2013	\$53.96/month (\$647.52/year)
January 1, 2014 – December 31, 2014	\$53.96/month (\$647.52/year)
January 1, 2015 – December 31, 2015	\$161.68/month (\$1,940.10/year)
January 1, 2016 – December 31, 2016	\$339.30/month (\$4,071.60/year)

Rent shall be payable in advance at the first day of each month. Tenant shall pay the first month's Base Rent on execution hereof.

4. **Additional Rent.** Tenant will pay to Landlord, as Additional Rent, and all charges set forth in this Lease in accordance with the Standard Lease Conditions. At Landlord's option, the Additional Rent shall be paid monthly (on the first day of each month) based upon Landlord's estimate of annual Operating Expenses; Landlord's estimate will be reconciled with the actual Operating Expense at the end of each calendar year in accordance with the Standard Lease Conditions.

6. **Use of Premises.** The premises shall be used for Tenant's legal business as of the date of this lease and for no other purposes.

7. **Renewals.** This Lease shall automatically renew for additional one (1) year terms, unless either party gives notice by November 30 of any year that the Lease is terminated. Base rent will increase on January 1, 2015 and 2016 in accordance with the schedule in Section 3. Beginning January 1, 2017, the renewal Base Rent shall increase by the Consumer Price Index each year, as set forth in Section 16.11 of the Standard Lease Conditions.

8. **Lease Agreement.** This Lease Agreement consists of this Lease Cover Page, the Standard Lease Conditions attached hereto (consisting of Sections 1 through 16), and the Riders designated below executed by Landlord and Tenant.

Riders:

LANDLORD/AGENT:

CITY OF CADILLAC

By: _____
William S. Barnett
Its: Mayor

DATE: _____

TENANT:

WEXFORD GENEALOGY ORGANIZATION

By: _____
Its: _____

DATE: _____

NAVAL RESERVE BUILDING

STANDARD LEASE CONDITIONS

1. Premises.

1.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises described on the Lease Cover Page. Tenant has investigated the Premises and, except as expressly provided herein, agrees to accept the Premises in its present "as is" condition.

2. Term.

2.1 Possession of the Premises will be delivered to Tenant approximately on the Commencement Date stated on the Lease Cover Page. The term of this Lease will be for the term stated on the Lease Cover Page commencing on the date Tenant's obligation to pay rent specified in Section 3.1 begins.

2.2 In the event Tenant continues to occupy all or any part of the Premises after the expiration of the term of this Lease, such holding over will be deemed to constitute a tenancy from month to month terminable on thirty (30) days' notice given at any time by either party, upon the same conditions and terms as provided in this Lease except that the monthly rent each month of the holdover period will be equal to one and one-half times the monthly rent for the last month of the stated term of this Lease. This paragraph does not give Tenant any right to holdover and Tenant will be in default as a result of any holding over beyond the stated term.

3. Rent.

3.1 Tenant agrees to pay to Landlord the Base Rent as stated on the Lease Cover Page. Tenant will be liable for Base Rent upon the date on which possession of the Premises is delivered to Tenant.

3.2 All monies payable by Tenant to Landlord under this Lease will be considered rent. The monthly rent will be paid to Landlord in advance on the first day of each calendar month during the entire term of this Lease, without deduction or set-off. Should the obligation to pay rent commence on a day other than the first day of a month or terminate on a day other than the last day of a month, all rent will be prorated based on the days in the calendar month involved. If Tenant fails to pay any rent or other sums when due, such unpaid amounts will bear interest at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum.

3.3 Tenant hereby grants to Landlord a continuing security interest in all assets (the "Collateral") now owned and hereafter acquired by Tenant and located, at any time, on the Premises or derived from the Premises, including all now owned and hereafter acquired inventory, equipment, furniture, fixtures, accounts, contract rights, general tangibles, and all proceeds, products, replacements and substitutions thereof. Tenant authorizes Landlord to file a Financing Statement(s). Upon the occurrence of an event of default, Landlord may exercise any and all rights and remedies provided under the Uniform Commercial Code, including taking possession of the Collateral (whether through changing the locks on the Premises or otherwise). Tenant agrees that reasonable notice of any sale of the Collateral shall be sufficient if made by

mail, by posting, personal delivery or in any other manner in Landlord's sole discretion at least seven (7) days before any such sale.

4. Use of Premises.

4.1 Tenant will not use the Premises or any part thereof for any purpose other than the use described on the Lease Cover Page without the prior written consent of Landlord nor in any event for any unlawful purposes or in any unlawful manner. Tenant will not permit the Premises to be used in any manner which, in the reasonable business judgment of Landlord, will in any way impair the appearance or reputation of the Building or of Landlord; impair or interfere with the proper and economic heating, cleaning, air conditioning or other servicing of the Building or of the Premises; or impair or interfere with the use of any of the areas of the Building by any of the other tenants and occupants of the Building.

4.2 If any governmental license or permit will be required for the proper and lawful conduct of the Tenant's business, the Tenant will procure and thereafter maintain such license or permit and submit the same to inspection by Landlord. The Tenant will, at all times, comply with the terms and conditions of each such license or permit.

4.3 Tenant will not do or permit to be done any act or thing upon the Premises that will increase the cost to Landlord of insurance on the Building.

4.4 The rights of Tenant in the entrances, halls, public restrooms, walks, drives, parking areas and other common areas of the Building ("Common Areas") are limited to ingress to and egress from the Premises. Tenant will not interfere with the use and enjoyment of the Common Areas by other tenants or occupants of the Building. Landlord will have the right to control and operate the public portions of the Building and the Common Areas by publishing rules and regulations as Landlord deems best for the benefit of all tenants, owners and occupants generally and Tenant agrees to comply with all such rules and regulations after written notice from Landlord.

4.5 No lettering, sign, advertisement, notice or object will be displayed in or on the windows or doors of the Premises, or on the outside of the Premises, or in the Common Areas, or in the parking lot of the Building, or at any point inside the Premises which is visible from outside of the Premises, without the prior written approval of Landlord, such approval shall not be unreasonably withheld or delayed.

4.6 No awnings or other projections over or around the windows or window draperies or blinds will be installed by Tenant except as approved or supplied by Landlord, such approval not to be unreasonably withheld or delayed and Landlord will have no obligation to provide any such draperies or blinds.

4.7 Landlord will have the right to prescribe the weight and position of objects of excessive or concentrated weight, and no object whose weight exceeds the lawful or permitted load for the area upon which it would stand will be brought into or kept upon the Premises.

4.8 Landlord will at all times have a master key or other access device to open the door to the Premises. No additional locks or bolts of any kind will be placed upon any of the doors in the Premises and no lock on any door will be changed or altered in any respect without the Landlord's prior written consent, which will not be unreasonably withheld or delayed. Duplicate keys and other access device for the Premises will be procured only from Landlord,

which may make a reasonable charge therefor. Upon the termination of the Lease, all keys of the Premises will be delivered to the Landlord.

4.9 Landlord will have no responsibility to provide security to or for Tenant or Tenant's employees, agents or invites, or to provide for the protection of Tenant against the removal of property from the Premises.

4.10 The Building, including the Premises and the Common Areas, is a smoke-free/no smoking building. Tenant will not permit smoking of any product or substance within the Premises and the Building and will prohibit its employees and customers from smoking in the Building or immediately outside of the Building.

4.11 The Premises shall be used only by Tenant and its employees, customers and business invitees. Tenant shall not permit the number of people occupying the Premises to exceed the number set forth in Paragraph 6 of the Lease Cover Page, if any number is set forth therein. Tenant shall comply with all laws, ordinances and regulations regarding occupancy. Landlord may prescribe reasonable rules and regulations regarding the number of occupants of the Premises.

4.12 Landlord shall have the right to designate parking spaces for tenants of the Building. Tenant shall not use an excessive number of parking spaces and will not permit any vehicles to remain in the parking lot for more than 48 consecutive hours.

4.13 No music systems for the Premises shall be installed without first obtaining in each such instance the Landlord's written consent. No aerial shall be erected on the roof or exterior walls of the Premises or on the grounds without, in each instance, the written consent of Landlord. Any aerial so installed without such written consent shall be subject to removal without notice at any time. Data and communications systems may only be installed in and through the Building's room identified by Landlord for such purpose, and Landlord shall have the right to approve all data and communications systems and installation contractors. All installation shall be performed in the presence of Landlord or its representative. In the event aerials, data or communications systems interfere with those provided by Landlord or used by other tenants, Landlord may revoke its consent and Tenant shall remove at its expenses such aerials, data systems or communications systems.

4.14 Tenant shall not operate or permit to be operated on the Premises any coin- or token-operated vending machines, or similar devices for the sale of goods, wares, merchandise, food, beverage, and/or service, including, without limitation, pay telephones, pay lockers, scales and amusement devices, without Landlord's written consent.

4.15 Tenant shall not perform any acts or carry on any practices which may injure the Building or be a nuisance or menace to other tenants in the Building. Tenant shall not make any excessive noise and will not permit cursing or swearing.

4.16 Tenant may enter the Building prior to or after Ordinary Business Hours (identified below) but Tenant must close and lock all doors at all times while in the Building, and upon exiting the Building prior to or after Ordinary Business Hours, must turn off all lights and otherwise properly close and secure the Building.

5. Utilities and Services.

5.1 Landlord may elect to provide weekly janitorial services for the Premises consisting of vacuuming and emptying waste baskets (including exterior window washing as may be requested) and bi-weekly janitorial services to the Common Areas, and will furnish water to the Building for use in the lavatories, drinking fountains and furnish such heated or cooled air to the Premises as may, in the reasonable judgment of Landlord, be reasonably required for the comfortable use and occupancy of the Premises (provided that Tenant complies with the recommendations of Landlord's engineer regarding occupancy and use of the Premises) during the hours from 8:00 a.m. to 6:00 p.m. on Monday through Friday and 8:00 a.m. to 2:00 p.m. on Saturday, excluding holidays ("Ordinary Business Hours"); and during Ordinary Business Hours to cause electric current to be supplied for lighting the public portions of the Building.

5.2 Landlord may, at its option, provide protective services as may be provided in similar buildings, during all hours other than Ordinary Business Hours. Landlord reserves the right to use an automatic security system. The cost of any entry cards or similar items used in connection with such system will be paid for by Tenant based on the number of cards or such other items that are issued to Tenant. Landlord does not warrant the security of the Premises and will not be liable for loss to Tenant. Tenant shall be liable for false alarms.

5.3 Landlord will not be obligated to supply any water, heating, air conditioning, electrical, janitorial, lighting, data or communication lines or access or other services during any period, when by reason of any happening beyond the control of Landlord, such services cannot be reasonably provided.

5.4 Tenant agrees that Landlord will not be liable for any interruption, failure, surge, or defect of any utility service, including, without limitation, water supply or electric current for injury to persons, including death, or damage to property including, without limitation, computers and electrical equipment from any cause whatsoever, including that which results from steam, gas, electricity, water, and rain, or snow which may flow or leak from any part of the Building or from any pipes, appliances, or plumbing works from the street or subsurface or from any other place, or for interference with light or other easements, however caused. Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises or any part of the Building of which the Premises are a part, or for any damage or loss of property within the Premises from any cause whatsoever, except for any damages caused by Landlord's failure to repair in accordance with its express obligations under this Lease where Landlord knows of the necessity of such repairs.

6. Alterations, Maintenance and Repair.

6.1 Landlord shall be responsible for maintenance, repairs and replacements of components of building systems (including heating, air conditioning, plumbing and electrical systems), and maintenance and repairs of the non-leasable areas of the Building, the Building foundation, exterior walls and roof, and repairs to the Premises which are structural in nature. Notwithstanding the foregoing, Tenant will, at its expense, make all repairs and replacements arising from or occasioned by the act or omission of Tenant, its agents, employees and invitees and, if Tenant fails to make such repairs or replacements promptly, then Landlord may do so at Tenant's expense, payable upon demand of Landlord.

6.2 Tenant, at Tenant's cost and expense, except for services furnished by Landlord pursuant to Paragraphs 5 and 6 hereof, will maintain the Premises in good order, clean condition and repair including the interior surfaces of the ceilings (if damaged or discolored due to the fault of Tenant), walls and floors, all doors, interior glass partitions or glass surfaces (not exterior windows); and to the extent within the Premises, toilets, sinks, plumbing pipes, electrical wiring, electrical panels, heating and air conditioning units and related equipment switches, fixtures, and other items. Tenant will also be responsible for nonstructural replacements, repairs and maintenance within the Premises, including without limitation, replacement of light bulbs and repair and replacement of toilets, sinks, plumbing pipes, electrical wiring, electrical panels, heating and air conditioning units and related equipment. If Tenant fails to maintain the Premises in good order, condition and repair, Landlord may give Tenant notice to do such acts as are reasonably required to maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord will have the right, but will not be required, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work and the amount so expended will be immediately due and payable from Tenant upon demand. Landlord will have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work. Landlord may perform an obligation of Tenant under this paragraph and the cost of performing such obligation shall be an Operating Expense.

6.3 Landlord, its agents and employees will have the right to enter the Premises to make inspections, alterations, and repairs to the Building or premises and for the purpose of showing the Premises to prospective tenants. In the event of an emergency, Landlord, its agents and employees will have the right of entry at any time and may perform any acts related to safety, protection, preservation or improvement of the Building or Premises without liability to Tenant.

6.4 Tenant, at its expense, may make changes, additions and improvements to the Premises provided any such change, addition or improvement will:

A. Be made only with the prior written consent of Landlord, such consent to be given or withheld by Landlord in its sole discretion, and

B. Equal or exceed the current construction standard for the Building and be made in full compliance with all government requirements, and

C. Be performed by a licensed contractor first approved by Landlord which contractor, at the request of Landlord, will agree to perform construction in accordance with reasonable regulations established by Landlord and will provide to Landlord evidence of insurance coverage in an amount and form satisfactory to Landlord, and

D. Be performed pursuant to appropriate governmental permits and in accordance with all applicable laws.

E. All work performed will be done in such a manner as to not disturb or disrupt the operation of the Building or of any tenant situated in the Building. Following completion of any changes, additions or improvements, Tenant will furnish Landlord with current "as built" drawings and specifications for the Premises reflecting such changes, additions or improvements made to premises. Tenant will not cause or permit liens of any kind to be filed or placed against the Premises or the Building. If any such liens are filed, with or without Tenant's knowledge, Tenant will immediately, at Tenant's sole cost and expense, take whatever action is

necessary to cause such lien to be satisfied and discharged. If Tenant does not immediately cause such lien to be satisfied and discharged, Landlord may, but is not required to, pay such lien or claim and any costs, and the amount so paid, together with reasonable attorney fees incurred in connection therewith, will be immediately due from Tenant to Landlord.

6.5 Landlord reserves the right to make such changes, alterations, additions or improvements in or to the Building or the Common Areas and the fixtures and equipment thereof as it may deem necessary or desirable; provided, however, that there is no unreasonable obstruction of the right of access to the Premises or unreasonable interference with the use of the Premises, but such work may be performed during Ordinary Business Hours.

7. Assignment and Subletting.

7.1 Tenant covenants and agrees that neither this Lease nor any interest in or under this Lease will be assigned, mortgaged, pledged, encumbered or otherwise transferred, nor will the Premises be sublet, or offered or advertised for subletting, without the prior written consent of the Landlord, which consent may be withheld by Landlord in Landlord's sole discretion. Notwithstanding any assignment or sublease, Tenant will remain fully liable on this Lease and will not be released from performing any of the terms, covenants and conditions of this Lease.

7.2 If Tenant is a corporation or limited liability company then (a) any transfer of this Lease from Tenant by merger, consolidation or liquidation, or (b) any change in the present effective voting control of Tenant will constitute an assignment for the purpose of this Lease and will require the prior written consent of Landlord, which consent can be withheld by Landlord in Landlord's sole discretion.

8. Insurance and Indemnity.

8.1 Landlord will maintain insurance insuring the Building for those perils and in amounts which would be considered prudent for similar property situated in Cadillac, Michigan.

8.2 Tenant will, at its sole expense, during the term hereof, obtain and keep insurance in effect insuring Tenant, Landlord and all lenders related to the Building, as their interests may appear, in accordance with the following:

A. Fire and extended coverage insurance on all property situated in the Premises for which Tenant is legally liable, including, without limitation, all furniture, fixtures, equipment and personal property, and all fixtures and improvements installed or constructed in Premises by or on behalf of Tenant all at an amount equal to the full replacement value of such property. Such insurance will be in such forms and amounts reasonably approved by Landlord.

B. Public liability and property damage insurance including all activities and operations conducted by Tenant and any other person in premises. Such insurance will be written covering Tenant and Landlord in the minimum amount of \$1,000,000 combined single limit public liability or such greater amount as is specified by Landlord and which is comparable for similarly situated buildings.

C. The policies referred to in Paragraphs A and B will provide that the interest of Landlord and its lenders related to the Building will not be invalidated because of any breach or violation of any warranties, representations, declarations or conditions contained in

the policies and each such policy will contain a provision waiving any right of contribution by Landlord or its mortgagees under any other insurance available to them.

D. Tenant will provide a certificate of such insurance coverage to Landlord before Tenant will occupy the Premises and throughout the term hereof will provide Landlord with current certificates of such insurance coverage, each of which will state that the coverage evidenced thereby will not expire except upon at least twenty (20) days prior written notice to Landlord. Such certificate or certificates will name Landlord as an Additional Insured.

E. Any insurance maintained by Tenant pursuant to this Paragraph 8.2 will contain a clause or endorsement under which the insurer waives all rights of subrogation against the Landlord, its agents or employees, with respect to losses payable under such policy or policies.

8.3 To the extent that a loss is covered by insurance in force and recovery is made from such loss, Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies (including extended coverage), provided that this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

8.4 Tenant hereby covenants and agrees to indemnify and hold Landlord harmless from all loss, damage, liability and expense, including attorney fees, resulting from any injury to person or any loss of or damage to any property caused by or resulting from any acts, omission, or negligence of Tenant or any officer, employee, agent, contractor, invitees or visitors of Tenant in or about the Premises or the Building, or from any failure of Tenant to comply with this Lease Agreement.

9. Damage by Fire and Other Casualty.

9.1 If, during the term, the Premises or the Building are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Landlord will restore the Premises or the Building to substantially the same condition as they were in immediately before destruction, if the restoration can be made under the existing laws and can be completed within six (6) months after the date of the destruction in Landlord's opinion. Such destruction will not terminate this Lease.

9.2 If the restoration cannot be made within six (6) months in Landlord's opinion, then within thirty (30) days after the Landlord notifies Tenant that the restoration cannot be made within six (6) months, Tenant may terminate this Lease immediately by giving notice to Landlord. If Tenant fails to so terminate this Lease and if restoration is permitted under the existing laws, Landlord, at its election, can either terminate this Lease or restore the Premises or the Building within a reasonable time and this Lease will continue in full force and effect. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof.

9.3 In case of destruction there will be an abatement or reduction of rent between the date of destruction and the date of completion of restoration, based on the area of the Premises made untenable by the destruction.

9.4 Notwithstanding any term or provision hereof to the contrary, Landlord will not be liable for any damages to Tenant for delays in commencing or completing repairs to the

Premises after fire or other casualty resulting from adjustment of insurance claims, governmental requirements, or any cause beyond Landlord's reasonable control.

10. Condemnation.

10.1 If all of the Premises is taken or condemned by any public or quasi-public authority, entity or corporation having the power of eminent domain, this Lease will terminate effective as of the date of taking. If a portion of the Building not including the Premises is taken or condemned and the remainder is, in Landlord's opinion, not economically usable, Landlord will notify Tenant of the termination of this Lease effective as of the date of taking.

10.2 If a portion of the Premises is taken or condemned, either Landlord or Tenant may terminate this Lease effective as of the date of taking by written notice to the other. If neither Landlord nor Tenant terminates and the remainder is economically usable by Tenant, this Lease will terminate as to the portion taken effective as of the date of taking and continue as to the remainder. Landlord will, to the extent reasonable, use the award from such condemnation proceedings, to repair and restore the remainder to its condition as of the date of taking if the Lease is not terminated. Tenant's monthly rent hereunder will be reduced by the ratio of the area taken to the area of the Premises prior to the taking.

10.3 A voluntary sale or transfer in lieu of, but under the threat of, condemnation will be considered a taking or condemnation.

11. Surrender at Termination.

11.1 Upon the expiration or other termination of this Lease, Tenant will immediately surrender possession of the Premises, including fixtures which are a part of the Premises, to Landlord, broom-clean, and in the condition as received or first installed, ordinary wear and tear excepted.

11.2 All fixtures, equipment, improvements and appurtenances attached to, or built into, the Premises at the commencement or during the term hereof, including floor to ceiling partitions, doors, hardware, window treatments and carpeting, will be and remain part of the Premises and upon their construction and installation will be deemed the property of Landlord and will not be removed by Tenant. All electric, ventilation, silencing, air conditioning, and cooling equipment will be deemed to be included in such fixtures, equipment, improvements, and appurtenances, whether or not attached to or built into the Premises.

11.3 Upon expiration or other termination of this Lease, Tenant, at its expense, will remove all office furnishings, equipment and improvements which are not fixtures and are not the property of Landlord. Tenant agrees that it will pay the cost of repairing any damage to the Premises or the Building arising from removal of any property which Tenant is permitted or obligated to remove from the Premises. Any property left on the Premises after the expiration or termination of this Lease will be deemed conclusively to have been abandoned and to be the property of Landlord to dispose of as Landlord deems most expedient, at Tenant's expense. Such disposal options may include, in Landlord's sole discretion, the following: Landlord may store such property at Tenant's expense until all indebtedness owed to Landlord is paid, retain such property in satisfaction of such indebtedness, sell such property and apply the net sale proceeds to such indebtedness, or discard such property. If Tenant caused the lighting layout or heating, ventilating or air conditioning systems to be altered from building standard layouts, then, unless Landlord will otherwise agree in writing, at the expiration or termination of this

Lease, Tenant will pay to Landlord an amount equal to the cost to replace such nonstandard layouts to building standard layouts.

11.4 Tenant will indemnify and hold Landlord harmless against any loss or liability resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made by any succeeding tenant.

12. Default.

12.1 If Tenant fails to make any payment of rent within seven (7) days after it becomes due and payable; or if any other default will be made or suffered by Tenant in any of the other covenants and conditions of this Lease required to be kept or performed by Tenant (other than payment of rent), and if Tenant fails to cure such default or defaults within thirty (30) days after written notice given in any manner (by mail, by posting on the door of the Premises, or otherwise, at Landlord's option) by Landlord to Tenant, specifying the default or defaults complained of; or if Tenant's leasehold interest is levied on execution; or if Tenant or any guarantor of this Lease becomes bankrupt or insolvent or makes an assignment for the benefit of creditors; or if Tenant abandons the Premises; then Landlord may, in addition to any other right or remedy provided by law, terminate this Lease by written notice or may re-enter into and repossess the Premises and may relet the Premises or any part thereof for any term, either shorter, longer, or the same, at a higher, lower, or the same rent, making such alterations as may be necessary. Tenant will pay, as Additional Rent, all of Landlord's expenses in connection with reletting resulting from Tenant's default, including, without limitation, all repossession costs, brokerage commissions, alteration costs and legal expenses including reasonable attorney fees. Upon any payment default or other default, Landlord may pursue any right or remedy provided by law or this Lease Agreement, and if Tenant moves to another state, Landlord may obtain a judgment against Tenant in Michigan or in such other state and may collect upon any assets of Tenant located in any state.

12.2 Landlord may, at any time after re-entry, elect to terminate this Lease for the default giving rise to such re-entry or may terminate this Lease at any time when there is an uncured Tenant default. This Lease will also be terminated by any reletting by Landlord after re-entry. No act by Landlord other than reletting the Premises or giving written notice of termination to Tenant will terminate this Lease.

12.3 Tenant will pay to Landlord all rent due under this Lease on the dates the rent is due until this Lease is terminated, whether or not Landlord has re-entered the Premises. Upon default, Landlord, at its option, may accelerate and declare due the entire balance of Rent payable under this Lease during the remaining balance of the term of this Lease. On termination of this Lease, Landlord has the right to recover from Tenant all then unpaid rent, including accelerated rent, and any other amount necessary to compensate Landlord for all damages proximately caused by Tenant's default.

12.4 If either Landlord or Tenant commences an action against the other as the result of a breach or alleged breach of this Lease, the prevailing party will be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

12.5 If Landlord shall default hereunder, Tenant shall give written notice of such default and Landlord shall have thirty (30) days thereafter in which to cure such default or such longer period as may be reasonably necessary to cure such default. In no event shall Landlord's liability to Tenant exceed the amount of the Base Rent owed during the term of this Lease. If Tenant obtains a judgment against Landlord, Tenant's sole remedy shall be to

proceed with execution against the Building, and Landlord shall have no personal liability for such judgment.

12.6 All rights and remedies of Landlord under this Lease Agreement are cumulative and nonexclusive.

13. Mortgages.

13.1 This Lease is and will be subject and subordinate to any mortgage or mortgages (hereinafter collectively referred to for convenience a "Underlying Mortgage") which will at any time be a lien upon the Premises or the Building. Tenant agrees that it will execute upon demand and deliver such instruments as will be required by the holder of any Underlying Mortgage to confirm or give effect to the subordination set forth above.

13.2 In the event of any sale of the Building or proceedings which are brought for the foreclosure or enforcement of an Underlying Mortgage, or in the event of the conveyance by deed in lieu of foreclosure or enforcement of an Underlying Mortgage, Tenant hereby covenants and agrees to attorn to any such mortgage foreclosure sale purchaser or grantee of a deed in lieu of foreclosure or enforcement and to execute any instrument in writing reasonably satisfactory to such purchaser or grantee whereby Tenant agrees to attorn to such successor in interest and recognizes such successor as Landlord under this Lease, provided, however, such purchaser or grantee will agree in writing to thereafter perform Landlord's obligations under this Lease.

13.3 Within ten (10) days of each request by Landlord, Tenant agrees to execute, acknowledge, and deliver to the Landlord a statement in writing certifying: (1) that this Lease is unmodified and in full force and effect (of if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (2) the dates to which the Base Rent, Additional Rent and such other charges have been paid in advance, if any, and (3) stating whether or not to the best knowledge of the signer of such certificate the Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge. Tenant understands and agrees that each such statement may be relied upon by any prospective assignee of any mortgage or by any new mortgagee of the Building.

14. Quiet Enjoyment.

14.1 The Landlord covenants that so long as the Tenant is not in default under this Lease, the Tenant will quietly enjoy the Premises, subject to the covenants, agreements, terms, provisions, and conditions of this Lease and to the Underlying Mortgage to which this Lease is subject and subordinate.

15. Security Deposit.

15.1 Tenant will deposit with Landlord the Security Deposit stated on the Lease Cover Page, which Landlord will retain as security for the faithful performance by Tenant of all of the covenants, terms, conditions, and agreements of this Lease. The Security Deposit, if not applied toward an arrearage in rent or other payments or toward the payment of damages suffered by Landlord by reason of Tenant's defaults, will be returned to Tenant at the end of the term of this Lease, but in no event will Landlord be obligated to return such deposit to Tenant until Tenant has vacated the Premises and delivered possession to Landlord and all of the covenants of this Lease which survive such expiration have been fully performed. In the event

Landlord repossessed itself of the Premises because of Tenant's default under the terms of this Lease, Landlord may, but will not be obligated to, apply the Security Deposit to all damages suffered to the date of such repossession. Landlord will not be obligated to keep the Security Deposit as a separate fund, and Tenant will not be entitled to any interest on the Security Deposit.

15.2 Tenant hereby releases and discharges Landlord of and from all responsibility for the return of the Security Deposit in the event of a bona fide sale of the Building, provided that the purchaser assumes in writing Landlord's obligation to return the Security Deposit to the Tenant as provided by this Lease.

16. Miscellaneous Provisions.

16.1 **Notices.** All notices and demands which may or are required to be given by either party to the other will be in writing and will be by United States first class or certified mail (return receipt requested) addressed to Tenant at the Premises and to Landlord at the address indicated on the Lease Cover Page, or to such other place as may be designated by the party. Notice to Tenant may alternatively be given by personal delivery to the Premises.

16.2 **Entire Agreement.** This Lease contains all of the covenants, agreements, terms, provisions and conditions relating to the leasing of the Premises under the Lease.

16.3 **Amendment.** This Lease may be amended only by written instrument executed by Landlord and Tenant and no discussions or other verbal understandings will be effective unless in writing executed by Landlord and Tenant.

16.4 **Waiver.** The failure of the Landlord to insist in any one or more instances upon the strict performance of any one of the terms of this Lease or to exercise any election herein contained will not be deemed to have been made unless expressed in writing and signed by the Landlord.

16.5 **Severability.** If any terms or provision of this Lease or the application thereof to any person or circumstances will, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby, and each other term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

16.6 **Parties Bound.** The covenants, agreements, terms, provisions and conditions of this Lease will bind and benefit the successors and permitted assigns of the parties.

16.7 **Joint and Several Liability.** If the Tenant is more than one party, the obligations imposed by this Lease upon Tenant will be joint and several obligations of all such parties. If there is a guarantor of Tenant's obligations, the obligations imposed on Tenant will be joint and several obligations of Tenant and guarantor. Landlord need not first proceed against the Tenant before proceeding against guarantor. The guarantor will not be released from its guaranty for any reason whatsoever including amendments to the Lease, waivers of default of Tenant, failure to give guarantor any notices to be given Tenant or release of any party liable for payment of Tenant's obligations under this Lease.

16.8 **Governing Law.** This Lease will be governed by the laws of the State of Michigan.

16.9 **Sale or Transfer.** Upon any sale or transfer, including transfer by operation of law, of the Building, Landlord shall be relieved from all subsequent obligations and liabilities under this Lease.

16.10 **Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed in accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease as provided.

16.11 **Consumer Price Index.** Any increase in the Base Rent determined by the Consumer Price Index shall be determined in accordance with any increase in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor, all items indexed for all Urban Consumers – U.S. City Average CPI-U all (1982-84=100), or if such index shall be discontinued, any successor or reasonable substitute index (the "Index"). The adjusted Base Rent for the twelve (12) months succeeding any such adjustment date shall be the product found by multiplying the Base Rent in effect immediately prior to adjustment times a fraction, the numerator of which shall be the Index number indicated in the column for "all items" in the month and year of the adjustment and the denominator of which shall be such Index number for the month and year of the last adjustment (or the commencement date in the case of the first adjustment) as the case may be. Following each adjustment of the Base Rent as hereinbefore provided, the term "Base Rent," as used in this Lease, shall be amended to mean Base Rent as adjusted.

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Robert Engels
Stephen King

RESOLUTION NO. 2018-_____

**RESOLUTION INTRODUCING AND SETTING PUBLIC HEARING FOR
ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT
WITH WEXFORD GENEALOGY ORGANIZATION**

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 19th day of November, 2018, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and
seconded by _____.

WHEREAS, the City wishes to consider an ordinance amending Ordinance No. 2012-01, Ordinance Approving a Lease Agreement with Wexford Genealogy Organization, to add additional language that states that the City Council may approve subsequent extensions of the lease agreement with Wexford Genealogy Organization without further amendment to the Ordinance provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Wexford Genealogy Organization is equal to or greater than that of the prior lease term; and

WHEREAS, Sections 5.2 and 5.6 of the City Charter require the City to adopt an ordinance for the lease of any real estate and to hold a public hearing prior to final

adoption of said ordinance and publish notice once at least twenty (20) days and again ten (10) days prior to the hearing.

NOW, THEREFORE, the City Council of the City of Cadillac, Wexford County, Michigan, resolves as follows:

1. Pursuant to Section 5.2 and of the City Charter, the City introduces Ordinance No. _____, Ordinance Amending Ordinance Approving a Lease Agreement with Wexford Genealogy Organization (the "Ordinance," attached as Exhibit A).

2. A public hearing regarding the Ordinance shall be held on the 17th day of December, 2018, at 6:00 p.m. in the Council Chambers, Cadillac Municipal Complex, 200 Lake Street, Cadillac, Michigan.

3. The City Clerk is directed to publish a summary of the Ordinance in a newspaper of general circulation in the City of Cadillac, together with a notice setting the time and place for a public hearing on the Ordinance, at least twenty (20) days and again ten (10) days prior to the public hearing. The summary and notice of the hearing shall be substantially in the form of Exhibit B.

4. A copy of the Ordinance shall be available for examination at the office of the City Clerk, and copies may be provided for a reasonable charge.

5. Any and all resolutions that are in conflict with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. 2018-____, duly adopted at a meeting of the City Council held on the 19th day of November, 2018.

Sandra Wasson
Cadillac City Clerk

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

ORDINANCE NO. ____ - __

**ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT
WITH WEXFORD GENEALOGY ORGANIZATION**

THE CITY OF CADILLAC ORDAINS:

Section 1.

Section 2 of Ordinance No. 2012-01 Ordinance Approving a Lease Agreement With Wexford Genealogy Organization is hereby amended to read, in its entirety, as follows:

The Mayor and Clerk are authorized to make any changes to the Lease deemed necessary in consultation with Wexford Genealogy Organization and approved by the City Attorney, except that no changes may be made to the term of **the** Lease or the rent payable by Wexford Genealogy Organization unless first approved by the City Council. **Any such changes to the term of the Lease or the rent payable by Wexford Genealogy Organization may be made without further amendments to this Ordinance, provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Wexford Genealogy Organization is equal to or greater than that of the prior lease term.**

Section 2.

All other ordinances inconsistent with the provisions of this Ordinance are hereby repealed but only to the extent necessary to give this Ordinance full force and effect.

Section 3.

Any section or subsection not expressly amended by this Ordinance shall remain in full force and effect. Should any portion of this Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity of the remaining portions of this Ordinance.

Section 4.

This Ordinance shall take effect twenty (20) days after its adoption and publication.

Approved this ____ day of _____, 2018.

Sandra Wasson, Clerk

Carla J. Filkins, Mayor

I, Sandra Wasson, City Clerk of the City of Cadillac, Michigan, do hereby certify that Ordinance No. _____-____ was published in the Cadillac News on the ____ day of _____, 2018.

Sandra Wasson, City Clerk

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

NOTICE OF PROPOSED ORDINANCE AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing will be held in the Council Chambers, Cadillac Municipal Complex, 200 Lake Street, Cadillac, Michigan, on December 17, 2018, at 6:00 p.m., at a Meeting of the City Council, to consider the adoption of Ordinance No. ____-__, Ordinance Amending Ordinance Approving a Lease Agreement with Wexford Genealogy. The City of Cadillac complies with the "Americans with Disabilities Act." If auxiliary aids or services are required at a public meeting for individuals with disabilities, please contact Sandra Wasson, City Clerk, at least three (3) business days prior to any such meeting. Copies of the proposed ordinance are available for examination at the office of the City Clerk and copies may be provided at a reasonable charge. The following is a summary of the proposed ordinance.

ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT WITH WEXFORD GENEALOGY

Section 1 of the proposed ordinance amends Section 2 of Ordinance No. 2012-01, Ordinance Approving a Lease Agreement with Wexford Genealogy, to state that any changes to the term of the Lease or the rent payable by Wexford Genealogy may be made without further amendments to this Ordinance, provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Wexford Genealogy is equal to or greater than that of the prior lease term.

Section 2 provides that all other ordinances inconsistent with the provisions of the Ordinance are hereby repealed only to the extent necessary to give the Ordinance full force and effect.

Section 3 provides that any section or subsection not expressly amended by the Ordinance shall remain in full force and effect. Should any portion of the Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity of the remaining portions of the Ordinance.

Section 4 provides the effective date of the ordinance.

CITY COUNCIL OF THE
CITY OF CADILLAC, MICHIGAN

By: Sandra Wasson, City Clerk
Cadillac Municipal Complex
200 N. Lake Street
Cadillac, Michigan 49601
Telephone No: (231) 775-0181

November 19, 2018

Council Communication

Re: Amendment to Lease with Up North Arts, Inc.

The Cadillac City Council approved a lease with Up North Arts, Inc. (“UNA”) on June 27, 2017 for space in the Cadillac Community Center. The original lease offered reduced rent as an “incubator” type incentive to help UNA establish themselves in the space and to develop and enhance revenue sources to fund the longer-term costs of a facility. Over the last 15 months since they have occupied the space, UNA has invested thousands of dollars and hundreds of hours in improving the facility to make it useable. A schedule of these improvements and estimated costs is attached to this communication.

As part of their efforts, UNA has approached the City seeking additional help with lease costs. Because of the investment that the organization has made to improve the facility, the City is agreeable to do so. Also attached to this communication is an amendment to the lease. The amendment credits all rent costs from September 2017 to October 2018 as recognition of the improvements made to the facility. Base rent is then reset beginning November 1, 2018 and building to a market rate of rent based on the age and condition of the facility by the end of the original lease term in 2022.

Recommended Action

It is recommended that the amendment to the lease between the City of Cadillac and Up North Arts, Inc. be approved as presented.

**NAVAL RESERVE BUILDING
AMENDMENT TO LEASE AGREEMENT**

City of Cadillac
200 North Lake Street
Cadillac, MI 49601 ("Landlord") and

Up North Arts
P.O. Box 62
Cadillac, MI 49601 ("Tenant")

FOR GOOD AND VALUABLE CONSIDERATION, Landlord and Tenant agree TO AMEND THE LEASE DATED JUNE 27, 2017 as follows:

Paragraph 3 of the original lease is deleted in its entirety with the following text inserted in lieu thereof:

3. **Base Rent.** The Base Rent for the term of this Lease is based upon a "Business Incubator"-type incentive. In consideration of leasehold improvements made and funded by Up North Arts, Inc. and detailed in Attachment A to this amendment document, the following schedule of Base Rent will be utilized to determine lease payments due. Base rent will be set for the next five years, gradually increasing over the time period. Base rent for the next five (5) years is as follows:

September 1, 2017 – October 31, 2018	\$0.00/month (Credit applied for significant leasehold improvements)
November 1, 2018 – December 31, 2020	\$500.00/month (\$6,000.00/year)
January 1, 2021 – December 31, 2021	\$750.00/month (\$9,000.00/year)
January 1, 2022 – August 31, 2022	\$1,112.09/month (\$13,345.00/year)

Rent shall be payable in advance at the first day of each month. Tenant shall pay the first month's Base Rent on execution hereof.

LANDLORD/AGENT:

CITY OF CADILLAC

By: _____
Carla J. Filkins
Its: Mayor

DATE: _____

TENANT:

UP NORTH ARTS

By: _____
Its: _____

DATE: _____

**NAVAL RESERVE BUILDING
LEASE AGREEMENT
LEASE COVER PAGE**

City of Cadillac
200 North Lake Street
Cadillac, MI 49601 ("Landlord") and

Up North Arts
P.O. Box 62
Cadillac, MI 49601 ("Tenant")

FOR GOOD AND VALUABLE CONSIDERATION, Landlord and Tenant agree as follows:

1. **Premises.** Landlord hereby leases to Tenant certain Premises located in the Naval Reserve Building (the "Building") consisting of 2,291 square feet of office-type space (Marked as "SPACE" in Attachment A). Lessee shall share access areas and available rest room facilities without Additional Rent. The address for the Naval Reserve Building is 601 Chestnut Street, Cadillac, MI 49601.

2. **Term.** The initial term of this Lease will be for five (5) years commencing on September 1, 2017 (the "Commencement Date") and ending August 31, 2022.

3. **Base Rent.** The Base Rent for the term of this Lease is based upon a "Business Incubator"-type incentive. Base rent will be set for the next five years, gradually increasing over the time period until full market value rent is achieved in year 5. Base rent for the next five (5) years is as follows:

September 1, 2017 – August 31, 2018	\$668.21/month (\$8,018.50/year)
September 1, 2018 – August 31, 2019	\$859.13/month (\$10,309.50/year)
September 1, 2019 – August 31, 2020	\$1,050.04/month (\$12,600.50/year)
September 1, 2020 – August 31, 2021	\$1,240.96/month (\$14,891.50/year)
September 1, 2021 – August 31, 2022	\$1,527.33/month (\$18,328.00/year)

Rent shall be payable in advance at the first day of each month. Tenant shall pay the first month's Base Rent on execution hereof.

4. **Additional Rent.** Tenant will pay to Landlord, as Additional Rent, and all charges set forth in this Lease in accordance with the Standard Lease Conditions. At Landlord's option, the Additional Rent shall be paid monthly (on the first day of each month) based upon Landlord's estimate of annual Operating Expenses; Landlord's estimate will be reconciled with the actual Operating Expense at the end of each calendar year in accordance with the Standard Lease Conditions.

6. **Use of Premises.** The premises shall be used for Tenant's legal business as of the date of this lease and for no other purposes.

7. **Renewals.** This Lease is considered non-expiring, and after the initial five-year period in Section 3 ends on August 31, 2022, the lease shall automatically renew for additional one (1) year terms. Base rent will increase in accordance with the schedule in Section 3. Beginning September 1, 2022, the renewal Base Rent shall increase by the 12-month change in the Consumer Price Index each year as of July 31, as set forth in Section 16.11 of the Standard

Lease Conditions. Lease may be terminated without cause and/or penalty at any time, by either party, if a written notice is given at least ninety (90) days prior to termination.

8. **Lease Agreement.** This Lease Agreement consists of this Lease Cover Page, the Standard Lease Conditions attached hereto (consisting of Sections 1 through 16), and the Riders designated below executed by Landlord and Tenant.

Riders:

LANDLORD/AGENT:

CITY OF CADILLAC

By: _____

Carla J. Filkins
Carla J. Filkins
Its: Mayor

DATE: _____

7/12/17

TENANT:

UP NORTH ARTS

By: _____

Its: _____

DATE: _____

Chris Fisher
President
7/17/17

NAVAL RESERVE BUILDING

STANDARD LEASE CONDITIONS

1. Premises.

1.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises described on the Lease Cover Page. Tenant has investigated the Premises and, except as expressly provided herein, agrees to accept the Premises in its present "as is" condition.

2. Term.

2.1 Possession of the Premises will be delivered to Tenant approximately upon the date that the Cadillac City Council approves the lease in accordance with local legal requirements. The term of this Lease will be for the term stated on the Lease Cover Page commencing on the date Tenant's obligation to pay rent specified in Section 3.1 begins.

2.2 In the event Tenant continues to occupy all or any part of the Premises after the expiration of the term of this Lease, such holding over will be deemed to constitute a tenancy from month to month terminable on thirty (30) days' notice given at any time by either party, upon the same conditions and terms as provided in this Lease except that the monthly rent each month of the holdover period will be equal to one and one-half times the monthly rent for the last month of the stated term of this Lease. This paragraph does not give Tenant any right to holdover and Tenant will be in default as a result of any holding over beyond the stated term.

3. Rent.

3.1 Tenant agrees to pay to Landlord the Base Rent as stated on the Lease Cover Page. Tenant will be liable for Base Rent upon the date on which possession of the Premises is delivered to Tenant.

3.2 All monies payable by Tenant to Landlord under this Lease will be considered rent. The monthly rent will be paid to Landlord in advance on the first day of each calendar month during the entire term of this Lease, without deduction or set-off. Should the obligation to pay rent commence on a day other than the first day of a month or terminate on a day other than the last day of a month, all rent will be prorated based on the days in the calendar month involved. If Tenant fails to pay any rent or other sums when due, such unpaid amounts will bear interest at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum.

3.3 Tenant hereby grants to Landlord a continuing security interest in all assets (the "Collateral") now owned and hereafter acquired by Tenant and located, at any time, on the Premises or derived from the Premises, including all now owned and hereafter acquired inventory, equipment, furniture, fixtures, accounts, contract rights, general tangibles, and all proceeds, products, replacements and substitutions thereof. Tenant authorizes Landlord to file a Financing Statement(s). Upon the occurrence of an event of default, Landlord may exercise any and all rights and remedies provided under the Uniform Commercial Code, including taking possession of the Collateral (whether through changing the locks on the Premises or otherwise). Tenant agrees that reasonable notice of any sale of the Collateral shall be sufficient if made by mail, by posting, personal delivery or in any other manner in Landlord's sole discretion at least seven (7) days before any such sale.

4. Use of Premises.

4.1 Tenant will not use the Premises or any part thereof for any purpose other than the use described on the Lease Cover Page without the prior written consent of Landlord nor in any event for any unlawful purposes or in any unlawful manner. Tenant will not permit the Premises to be used in any manner which, in the reasonable business judgment of Landlord, will in any way impair the appearance or reputation of the Building or of Landlord; impair or interfere with the proper and economic heating, cleaning, air conditioning or other servicing of the Building or of the Premises; or impair or interfere with the use of any of the areas of the Building by any of the other tenants and occupants of the Building.

4.2 If any governmental license or permit will be required for the proper and lawful conduct of the Tenant's business, the Tenant will procure and thereafter maintain such license or permit and submit the same to inspection by Landlord. The Tenant will, at all times, comply with the terms and conditions of each such license or permit.

4.3 Tenant will not do or permit to be done any act or thing upon the Premises that will increase the cost to Landlord of insurance on the Building.

4.4 The rights of Tenant in the entrances, halls, public restrooms, walks, drives, parking areas and other common areas of the Building ("Common Areas") are limited to ingress to and egress from the Premises. Tenant will not interfere with the use and enjoyment of the Common Areas by other tenants or occupants of the Building. Landlord will have the right to control and operate the public portions of the Building and the Common Areas by publishing rules and regulations as Landlord deems best for the benefit of all tenants, owners and occupants generally and Tenant agrees to comply with all such rules and regulations after written notice from Landlord.

4.5 Any lettering or signage advertising Up North Arts, Inc. and events sponsored by Up North Arts, Inc. that may be painted or displayed in, on, or around the building will be allowed with prior review and permission of Landlord, and subject to any necessary permits and zoning review. Any such advertising or signage will be removed and the building exterior returned to previous condition when lease expires or is terminated by either party.

4.6 No awnings or other projections over or around the windows or window draperies or blinds will be installed by Tenant except as approved or supplied by Landlord, such approval not to be unreasonably withheld or delayed and Landlord will have no obligation to provide any such draperies or blinds.

4.7 Landlord will have the right to prescribe the weight and position of objects of excessive or concentrated weight, and no object whose weight exceeds the lawful or permitted load for the area upon which it would stand will be brought into or kept upon the Premises.

4.8 Landlord will at all times have a master key or other access device to open the door to the Premises. No additional locks or bolts of any kind will be placed upon any of the doors in the Premises and no lock on any door will be changed or altered in any respect without the Landlord's prior written consent, which will not be unreasonably withheld or delayed. Duplicate keys and other access device for the Premises will be procured only from Landlord, which may make a reasonable charge therefor. Upon the termination of the Lease, all keys of the Premises will be delivered to the Landlord.

4.9 Landlord will have no responsibility to provide security to or for Tenant or Tenant's employees, agents or invites, or to provide for the protection of Tenant against the removal of property from the Premises.

4.10 The Building, including the Premises and the Common Areas, is a smoke-free/no smoking building. Tenant will not permit smoking of any product or substance within the Premises and the Building and will prohibit its employees and customers from smoking in the Building or immediately outside of the Building.

4.11 The Premises shall be used only by Tenant and its employees, customers and business invitees. Tenant shall not permit the number of people occupying the Premises to exceed the number set forth in Paragraph 6 of the Lease Cover Page, if any number is set forth therein. Tenant shall comply with all laws, ordinances and regulations regarding occupancy. Landlord may prescribe reasonable rules and regulations regarding the number of occupants of the Premises.

4.12 Landlord shall have the right to designate parking spaces for tenants of the Building. Tenant shall not use an excessive number of parking spaces and will not permit any vehicles to remain in the parking lot for more than 48 consecutive hours.

4.13 No music systems for the Premises shall be installed without first obtaining in each such instance the Landlord's written consent. No aerial shall be erected on the roof or exterior walls of the Premises or on the grounds without, in each instance, the written consent of Landlord. Any aerial so installed without such written consent shall be subject to removal without notice at any time. Data and communications systems may only be installed in and through the Building's room identified by Landlord for such purpose, and Landlord shall have the right to approve all data and communications systems and installation contractors. All installation shall be performed in the presence of Landlord or its representative. In the event aerials, data or communications systems interfere with those provided by Landlord or used by other tenants, Landlord may revoke its consent and Tenant shall remove at its expenses such aerials, data systems or communications systems.

4.14 Tenant shall not operate or permit to be operated on the Premises any coin- or token-operated vending machines, or similar devices for the sale of goods, wares, merchandise, food, beverage, and/or service, including, without limitation, pay telephones, pay lockers, scales and amusement devices, without Landlord's written consent.

4.15 Tenant shall not perform any acts or carry on any practices which may injure the Building or be a nuisance or menace to other tenants in the Building. Tenant shall not make any excessive noise and will not permit cursing or swearing.

4.16 Tenant may enter the Building prior to or after Ordinary Business Hours (identified below) but Tenant must close and lock all doors at all times while in the Building, and upon exiting the Building prior to or after Ordinary Business Hours, must turn off all lights and otherwise properly close and secure the Building.

5. Utilities and Services.

5.1 Landlord may elect to provide weekly janitorial services for the Premises consisting of vacuuming and emptying waste baskets (including exterior window washing as may be requested) and bi-weekly janitorial services to the Common Areas, and will furnish water to the Building for use in the lavatories, drinking fountains and furnish such heated or cooled air to the Premises as may, in the reasonable judgment of Landlord, be reasonably required for the comfortable use and occupancy of the Premises (provided that Tenant complies with the recommendations of Landlord's engineer regarding occupancy and use of the Premises), and to cause electric current to be supplied for lighting the Building.

5.2 Landlord may, at its option, provide protective services as may be provided in similar buildings, during all hours other than Ordinary Business Hours. Landlord reserves the right to use an automatic security system. The cost of any entry cards or similar items used in connection with such system will be paid for by Tenant based on the number of cards or such other items that are issued to Tenant. Landlord does not warrant the security of the Premises and will not be liable for loss to Tenant. Tenant shall be liable for false alarms.

5.3 Landlord will not be obligated to supply any water, heating, air conditioning, electrical, janitorial, lighting, data or communication lines or access or other services during any period, when by reason of any happening beyond the control of Landlord, such services cannot be reasonably provided.

5.4 Tenant agrees that Landlord will not be liable for any interruption, failure, surge, or defect of any utility service, including, without limitation, water supply or electric current for injury to persons, including death, or damage to property including, without limitation, computers and electrical equipment from any cause whatsoever, including that which results from steam, gas, electricity, water, and rain, or snow which may flow or leak from any part of the Building or from any pipes, appliances, or plumbing works from the street or subsurface or from any other place, or for interference with light or other easements, however caused. Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises or any part of the Building of which the Premises are a part, or for any damage or loss of property within the Premises from any cause whatsoever, except for any damages caused by Landlord's failure to repair in accordance with its express obligations under this Lease where Landlord knows of the necessity of such repairs.

6. Alterations, Maintenance and Repair.

6.1 Landlord shall be responsible for maintenance, repairs and replacements of components of building systems (including heating, air conditioning, plumbing and electrical systems), and maintenance and repairs of the non-leasable areas of the Building, the Building foundation, exterior walls and roof, and repairs to the Premises which are structural in nature. Notwithstanding the foregoing, Tenant will, at its expense, make all repairs and replacements arising from or occasioned by the act or omission of Tenant, its agents, employees and invitees and, if Tenant fails to make such repairs or replacements promptly, then Landlord may do so at Tenant's expense, payable upon demand of Landlord.

6.2 Tenant, at Tenant's cost and expense, **except for services furnished by Landlord pursuant to Paragraphs 5 and 6 hereof**, will maintain the Premises in good order, clean condition and repair including the interior surfaces of the ceilings (if damaged or discolored due to the fault of Tenant), walls and floors, all doors, interior glass partitions or glass surfaces

(not exterior windows); and to the extent within the Premises, toilets, sinks, plumbing pipes, electrical wiring, electrical panels, heating and air conditioning units and related equipment switches, fixtures, and other items. Tenant will also be responsible for nonstructural replacements, repairs and maintenance within the Premises, including without limitation, replacement of light bulbs and repair and replacement of any and all damage caused by tenant or guest(s) of tenant. If Tenant fails to maintain the Premises in good order, condition and repair, Landlord may give Tenant notice to do such acts as are reasonably required to maintain the Premises. In the event Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord will have the right, but will not be required, to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work and the amount so expended will be immediately due and payable from Tenant upon demand. Landlord will have no liability to Tenant for any damage, inconvenience or interference with the use of the Premises by Tenant as a result of performing any such work. Landlord may perform an obligation of Tenant under this paragraph and the cost of performing such obligation shall be an Operating Expense.

6.3 Landlord, its agents and employees will have the right to enter the Premises to make inspections, alterations, and repairs to the Building or premises and for the purpose of showing the Premises to prospective tenants. In the event of an emergency, Landlord, its agents and employees will have the right of entry at any time and may perform any acts related to safety, protection, preservation or improvement of the Building or Premises without liability to Tenant.

6.4 Tenant, at its expense, may make changes, additions and improvements to the Premises provided any such change, addition or improvement will:

A. Be made only with the prior written consent of Landlord, such consent to be given or withheld by Landlord in its sole discretion, and

B. Equal or exceed the current construction standard for the Building and be made in full compliance with all government requirements, and

C. Be performed by a licensed contractor first approved by Landlord which contractor, at the request of Landlord, will agree to perform construction in accordance with reasonable regulations established by Landlord and will provide to Landlord evidence of insurance coverage in an amount and form satisfactory to Landlord, and

D. Be performed pursuant to appropriate governmental permits and in accordance with all applicable laws.

E. All work performed will be done in such a manner as to not disturb or disrupt the operation of the Building or of any tenant situated in the Building. Following completion of any changes, additions or improvements, Tenant will furnish Landlord with current "as built" drawings and specifications for the Premises reflecting such changes, additions or improvements made to premises. Tenant will not cause or permit liens of any kind to be filed or placed against the Premises or the Building. If any such liens are filed, with or without Tenant's knowledge, Tenant will immediately, at Tenant's sole cost and expense, take whatever action is necessary to cause such lien to be satisfied and discharged. If Tenant does not immediately cause such lien to be satisfied and discharged, Landlord may, but is not required to, pay such lien or claim and any costs, and the amount so paid, together with reasonable attorney fees incurred in connection therewith, will be immediately due from Tenant to Landlord.

6.5 Landlord reserves the right to make such changes, alterations, additions or improvements in or to the Building or the Common Areas and the fixtures and equipment thereof as it may deem necessary or desirable; provided, however, that there is no unreasonable obstruction of the right of access to the Premises or unreasonable interference with the use of the Premises, but such work may be performed during Ordinary Business Hours.

7. Assignment and Subletting.

7.1 Tenant covenants and agrees that neither this Lease nor any interest in or under this Lease will be assigned, mortgaged, pledged, encumbered or otherwise transferred, nor will the Premises be sublet, or offered or advertised for subletting, without the prior written consent of the Landlord, which consent may be withheld by Landlord in Landlord's sole discretion. Notwithstanding any assignment or sublease, Tenant will remain fully liable on this Lease and will not be released from performing any of the terms, covenants and conditions of this Lease.

7.2 If Tenant is a corporation or limited liability company then (a) any transfer of this Lease from Tenant by merger, consolidation or liquidation, or (b) any change in the present effective voting control of Tenant will constitute an assignment for the purpose of this Lease and will require the prior written consent of Landlord, which consent can be withheld by Landlord in Landlord's sole discretion.

8. Insurance and Indemnity.

8.1 Landlord will maintain insurance insuring the Building for those perils and in amounts which would be considered prudent for similar property situated in Cadillac, Michigan.

8.2 Tenant will, at its sole expense, during the term hereof, obtain and keep insurance in effect insuring Tenant, Landlord and all lenders related to the Building, as their interests may appear, in accordance with the following:

A. Fire and extended coverage insurance on all property situated in the Premises for which Tenant is legally liable, including, without limitation, all furniture, fixtures, equipment and personal property, and all fixtures and improvements installed or constructed in Premises by or on behalf of Tenant all at an amount equal to the full replacement value of such property. Such insurance will be in such forms and amounts reasonably approved by Landlord.

B. Public liability and property damage insurance including all activities and operations conducted by Tenant and any other person in premises. Such insurance will be written covering Tenant and Landlord in the minimum amount of \$1,000,000 combined single limit public liability or such greater amount as is specified by Landlord and which is comparable for similarly situated buildings.

C. The policies referred to in Paragraphs A and B will provide that the interest of Landlord and its lenders related to the Building will not be invalidated because of any breach or violation of any warranties, representations, declarations or conditions contained in the policies and each such policy will contain a provision waiving any right of contribution by Landlord or its mortgagees under any other insurance available to them.

D. Tenant will provide a certificate of such insurance coverage to Landlord before Tenant will occupy the Premises and throughout the term hereof will provide Landlord with current certificates of such insurance coverage, each of which will state that the

coverage evidenced thereby will not expire except upon at least twenty (20) days prior written notice to Landlord. Such certificate or certificates will name Landlord as an Additional Insured.

E. Any insurance maintained by Tenant pursuant to this Paragraph 8.2 will contain a clause or endorsement under which the insurer waives all rights of subrogation against the Landlord, its agents or employees, with respect to losses payable under such policy or policies.

8.3 To the extent that a loss is covered by insurance in force and recovery is made from such loss, Landlord and Tenant hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies (including extended coverage), provided that this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

8.4 Tenant hereby covenants and agrees to indemnify and hold Landlord harmless from all loss, damage, liability and expense, including attorney fees, resulting from any injury to person or any loss of or damage to any property caused by or resulting from any acts, omission, or negligence of Tenant or any officer, employee, agent, contractor, invitees or visitors of Tenant in or about the Premises or the Building, or from any failure of Tenant to comply with this Lease Agreement.

9. Damage by Fire and Other Casualty.

9.1 If, during the term, the Premises or the Building are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Landlord will restore the Premises or the Building to substantially the same condition as they were in immediately before destruction, if the restoration can be made under the existing laws and can be completed within six (6) months after the date of the destruction in Landlord's opinion. Such destruction will not terminate this Lease.

9.2 If the restoration cannot be made within six (6) months in Landlord's opinion, then within thirty (30) days after the Landlord notifies Tenant that the restoration cannot be made within six (6) months, Tenant may terminate this Lease immediately by giving notice to Landlord. If Tenant fails to so terminate this Lease and if restoration is permitted under the existing laws, Landlord, at its election, can either terminate this Lease or restore the Premises or the Building within a reasonable time and this Lease will continue in full force and effect. Landlord will not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof.

9.3 In case of destruction there will be an abatement or reduction of rent between the date of destruction and the date of completion of restoration, based on the area of the Premises made untenable by the destruction.

9.4 Notwithstanding any term or provision hereof to the contrary, Landlord will not be liable for any damages to Tenant for delays in commencing or completing repairs to the Premises after fire or other casualty resulting from adjustment of insurance claims, governmental requirements, or any cause beyond Landlord's reasonable control.

10. Condemnation.

10.1 If all of the Premises is taken or condemned by any public or quasi-public authority, entity or corporation having the power of eminent domain, this Lease will terminate

effective as of the date of taking. If a portion of the Building not including the Premises is taken or condemned and the remainder is, in Landlord's opinion, not economically usable, Landlord will notify Tenant of the termination of this Lease effective as of the date of taking.

10.2 If a portion of the Premises is taken or condemned, either Landlord or Tenant may terminate this Lease effective as of the date of taking by written notice to the other. If neither Landlord nor Tenant terminates and the remainder is economically usable by Tenant, this Lease will terminate as to the portion taken effective as of the date of taking and continue as to the remainder. Landlord will, to the extent reasonable, use the award from such condemnation proceedings, to repair and restore the remainder to its condition as of the date of taking if the Lease is not terminated. Tenant's monthly rent hereunder will be reduced by the ratio of the area taken to the area of the Premises prior to the taking.

10.3 A voluntary sale or transfer in lieu of, but under the threat of, condemnation will be considered a taking or condemnation.

11. Surrender at Termination.

11.1 Upon the expiration or other termination of this Lease, Tenant will immediately surrender possession of the Premises, including fixtures which are a part of the Premises, to Landlord, broom-clean, and in the condition as received or first installed, ordinary wear and tear excepted.

11.2 All fixtures, equipment, improvements and appurtenances attached to, or built into, the Premises at the commencement or during the term hereof, including floor to ceiling partitions, doors, hardware, window treatments and carpeting, will be and remain part of the Premises and upon their construction and installation will be deemed the property of Landlord and will not be removed by Tenant. All electric, ventilation, silencing, air conditioning, and cooling equipment will be deemed to be included in such fixtures, equipment, improvements, and appurtenances, whether or not attached to or built into the Premises.

11.3 Upon expiration or other termination of this Lease, Tenant, at its expense, will remove all office furnishings, equipment and improvements which are not fixtures and are not the property of Landlord. Tenant agrees that it will pay the cost of repairing any damage to the Premises or the Building arising from removal of any property which Tenant is permitted or obligated to remove from the Premises. Any property left on the Premises after the expiration or termination of this Lease will be deemed conclusively to have been abandoned and to be the property of Landlord to dispose of as Landlord deems most expedient, at Tenant's expense. Such disposal options may include, in Landlord's sole discretion, the following: Landlord may store such property at Tenant's expense until all indebtedness owed to Landlord is paid, retain such property in satisfaction of such indebtedness, sell such property and apply the net sale proceeds to such indebtedness, or discard such property. If Tenant caused the lighting layout or heating, ventilating or air conditioning systems to be altered from building standard layouts, then, unless Landlord will otherwise agree in writing, at the expiration or termination of this Lease, Tenant will pay to Landlord an amount equal to the cost to replace such nonstandard layouts to building standard layouts.

11.4 Tenant will indemnify and hold Landlord harmless against any loss or liability resulting from delay by Tenant in surrendering the Premises, including, without limitation, any claims made by any succeeding tenant.

12. Default.

12.1 If Tenant fails to make any payment of rent within seven (7) days after it becomes due and payable; or if any other default will be made or suffered by Tenant in any of the other covenants and conditions of this Lease required to be kept or performed by Tenant (other than payment of rent), and if Tenant fails to cure such default or defaults within thirty (30) days after written notice given in any manner (by mail, by posting on the door of the Premises, or otherwise, at Landlord's option) by Landlord to Tenant, specifying the default or defaults complained of; or if Tenant's leasehold interest is levied on execution; or if Tenant or any guarantor of this Lease becomes bankrupt or insolvent or makes an assignment for the benefit of creditors; or if Tenant abandons the Premises; then Landlord may, in addition to any other right or remedy provided by law, terminate this Lease by written notice or may re-enter into and repossess the Premises and may relet the Premises or any part thereof for any term, either shorter, longer, or the same, at a higher, lower, or the same rent, making such alterations as may be necessary. Tenant will pay, as Additional Rent, all of Landlord's expenses in connection with reletting resulting from Tenant's default, including, without limitation, all repossession costs, brokerage commissions, alteration costs and legal expenses including reasonable attorney fees. Upon any payment default or other default, Landlord may pursue any right or remedy provided by law or this Lease Agreement, and if Tenant moves to another state, Landlord may obtain a judgment against Tenant in Michigan or in such other state and may collect upon any assets of Tenant located in any state.

12.2 Landlord may, at any time after re-entry, elect to terminate this Lease for the default giving rise to such re-entry or may terminate this Lease at any time when there is an uncured Tenant default. This Lease will also be terminated by any reletting by Landlord after re-entry. No act by Landlord other than reletting the Premises or giving written notice of termination to Tenant will terminate this Lease.

12.3 Tenant will pay to Landlord all rent due under this Lease on the dates the rent is due until this Lease is terminated, whether or not Landlord has re-entered the Premises. Upon default, Landlord, at its option, may accelerate and declare due the entire balance of Rent payable under this Lease during the remaining balance of the term of this Lease. On termination of this Lease, Landlord has the right to recover from Tenant all then unpaid rent, including accelerated rent, and any other amount necessary to compensate Landlord for all damages proximately caused by Tenant's default.

12.4 If either Landlord or Tenant commences an action against the other as the result of a breach or alleged breach of this Lease, the prevailing party will be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

12.5 If Landlord shall default hereunder, Tenant shall give written notice of such default and Landlord shall have thirty (30) days thereafter in which to cure such default or such longer period as may be reasonably necessary to cure such default. In no event shall Landlord's liability to Tenant exceed the amount of the Base Rent owed during the term of this Lease. If Tenant obtains a judgment against Landlord, Tenant's sole remedy shall be to proceed with execution against the Building, and Landlord shall have no personal liability for such judgment.

12.6 All rights and remedies of Landlord under this Lease Agreement are cumulative and nonexclusive.

13. Mortgages.

13.1 This Lease is and will be subject and subordinate to any mortgage or mortgages (hereinafter collectively referred to for convenience a "Underlying Mortgage") which will at any time be a lien upon the Premises or the Building. Tenant agrees that it will execute upon demand and deliver such instruments as will be required by the holder of any Underlying Mortgage to confirm or give effect to the subordination set forth above.

13.2 In the event of any sale of the Building or proceedings which are brought for the foreclosure or enforcement of an Underlying Mortgage, or in the event of the conveyance by deed in lieu of foreclosure or enforcement of an Underlying Mortgage, Tenant hereby covenants and agrees to attorn to any such mortgage foreclosure sale purchaser or grantee of a deed in lieu of foreclosure or enforcement and to execute any instrument in writing reasonably satisfactory to such purchaser or grantee whereby Tenant agrees to attorn to such successor in interest and recognizes such successor as Landlord under this Lease, provided, however, such purchaser or grantee will agree in writing to thereafter perform Landlord's obligations under this Lease.

13.3 Within ten (10) days of each request by Landlord, Tenant agrees to execute, acknowledge, and deliver to the Landlord a statement in writing certifying: (1) that this Lease is unmodified and in full force and effect (of if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (2) the dates to which the Base Rent, Additional Rent and such other charges have been paid in advance, if any, and (3) stating whether or not to the best knowledge of the signer of such certificate the Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge. Tenant understands and agrees that each such statement may be relied upon by any prospective assignee of any mortgage or by any new mortgagee of the Building.

14. Quiet Enjoyment.

14.1 The Landlord covenants that so long as the Tenant is not in default under this Lease, the Tenant will quietly enjoy the Premises, subject to the covenants, agreements, terms, provisions, and conditions of this Lease and to the Underlying Mortgage to which this Lease is subject and subordinate.

15. Security Deposit.

15.1 Tenant will deposit with Landlord the Security Deposit stated on the Lease Cover Page, which Landlord will retain as security for the faithful performance by Tenant of all of the covenants, terms, conditions, and agreements of this Lease. The Security Deposit, if not applied toward an arrearage in rent or other payments or toward the payment of damages suffered by Landlord by reason of Tenant's defaults, will be returned to Tenant at the end of the term of this Lease, but in no event will Landlord be obligated to return such deposit to Tenant until Tenant has vacated the Premises and delivered possession to Landlord and all of the covenants of this Lease which survive such expiration have been fully performed. In the event Landlord repossessed itself of the Premises because of Tenant's default under the terms of this Lease, Landlord may, but will not be obligated to, apply the Security Deposit to all damages suffered to the date of such repossession. Landlord will not be obligated to keep the Security Deposit as a separate fund, and Tenant will not be entitled to any interest on the Security Deposit.

15.2 Tenant hereby releases and discharges Landlord of and from all responsibility for the return of the Security Deposit in the event of a bona fide sale of the Building,

provided that the purchaser assumes in writing Landlord's obligation to return the Security Deposit to the Tenant as provided by this Lease.

16. Miscellaneous Provisions.

16.1 Notices. All notices and demands which may or are required to be given by either party to the other will be in writing and will be by United States first class or certified mail (return receipt requested) addressed to Tenant at the Premises and to Landlord at the address indicated on the Lease Cover Page, or to such other place as may be designated by the party. Notice to Tenant may alternatively be given by personal delivery to the Premises.

16.2 Entire Agreement. This Lease contains all of the covenants, agreements, terms, provisions and conditions relating to the leasing of the Premises under the Lease.

16.3 Amendment. This Lease may be amended only by written instrument executed by Landlord and Tenant and no discussions or other verbal understandings will be effective unless in writing executed by Landlord and Tenant.

16.4 Waiver. The failure of the Landlord to insist in any one or more instances upon the strict performance of any one of the terms of this Lease or to exercise any election herein contained will not be deemed to have been made unless expressed in writing and signed by the Landlord.

16.5 Severability. If any terms or provision of this Lease or the application thereof to any person or circumstances will, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected thereby, and each other term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

16.6 Parties Bound. The covenants, agreements, terms, provisions and conditions of this Lease will bind and benefit the successors and permitted assigns of the parties.

16.7 Joint and Several Liability. If the Tenant is more than one party, the obligations imposed by this Lease upon Tenant will be joint and several obligations of all such parties. If there is a guarantor of Tenant's obligations, the obligations imposed on Tenant will be joint and several obligations of Tenant and guarantor. Landlord need not first proceed against the Tenant before proceeding against guarantor. The guarantor will not be released from its guaranty for any reason whatsoever including amendments to the Lease, waivers of default of Tenant, failure to give guarantor any notices to be given Tenant or release of any party liable for payment of Tenant's obligations under this Lease.

16.8 Governing Law. This Lease will be governed by the laws of the State of Michigan.

16.9 Sale or Transfer. Upon any sale or transfer, including transfer by operation of law, of the Building, Landlord shall be relieved from all subsequent obligations and liabilities under this Lease.

16.10 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or

any letter accompanying any check or payment as rent be deemed in accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease as provided.

16.11 Consumer Price Index. Any increase in the Base Rent determined by the Consumer Price Index shall be determined in accordance with any increase in the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor, all items indexed for all Urban Consumers – U.S. City Average CPI-U all (1982-84=100), or if such index shall be discontinued, any successor or reasonable substitute index (the "Index"). The adjusted Base Rent for the twelve (12) months succeeding July 31 each year shall be the product found by multiplying the Base Rent in effect immediately prior to adjustment times a fraction, the numerator of which shall be the Index number indicated in the column for "all items" in the month and year of the adjustment and the denominator of which shall be such Index number for the month and year of the last adjustment (or the commencement date in the case of the first adjustment) as the case may be. Following each adjustment of the Base Rent as hereinbefore provided, the term "Base Rent," as used in this Lease, shall be amended to mean Base Rent as adjusted.

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Robert Engels
Stephen King

RESOLUTION NO. 2018-_____

**RESOLUTION INTRODUCING AND SETTING PUBLIC HEARING FOR
ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT
WITH UP NORTH ARTS, INC.**

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 19th day of November, 2018, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and
seconded by _____ .

WHEREAS, the City wishes to consider an ordinance amending Ordinance No. 2017-07, Ordinance Approving a Lease Agreement with Up North Arts, Inc., to add additional language that states that the City Council may approve subsequent extensions of the lease agreement with Up North Arts, Inc without further amendment to the Ordinance provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Up North Arts, Inc. is equal to or greater than that of the prior lease term; and

WHEREAS, Sections 5.2 and 5.6 of the City Charter require the City to adopt an ordinance for the lease of any real estate and to hold a public hearing prior to final

adoption of said ordinance and publish notice once at least twenty (20) days and again ten (10) days prior to the hearing.

NOW, THEREFORE, the City Council of the City of Cadillac, Wexford County, Michigan, resolves as follows:

1. Pursuant to Section 5.2 and of the City Charter, the City introduces Ordinance No. _____-__, Ordinance Amending Ordinance Approving a Lease Agreement with Up North Arts, Inc. (the "Ordinance," attached as Exhibit A).

2. A public hearing regarding the Ordinance shall be held on the 17th day of December, 2018, at 6:00 p.m. in the Council Chambers, Cadillac Municipal Complex, 200 Lake Street, Cadillac, Michigan.

3. The City Clerk is directed to publish a summary of the Ordinance in a newspaper of general circulation in the City of Cadillac, together with a notice setting the time and place for a public hearing on the Ordinance, at least twenty (20) days and again ten (10) days prior to the public hearing. The summary and notice of the hearing shall be substantially in the form of Exhibit B.

4. A copy of the Ordinance shall be available for examination at the office of the City Clerk, and copies may be provided for a reasonable charge.

5. Any and all resolutions that are in conflict with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. 2018-____, duly adopted at a meeting of the City Council held on the 19th day of November, 2018.

Sandra Wasson
Cadillac City Clerk

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

ORDINANCE NO. ____-__

**ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT
WITH UP NORTH ARTS, INC.**

THE CITY OF CADILLAC ORDAINS:

Section 1.

Section 2 of Ordinance No. 2017-07, Ordinance Approving a Lease Agreement With Up North Arts, Inc. is hereby amended to read, in its entirety, as follows:

The Mayor and Clerk are authorized to make any changes to the Lease deemed necessary in consultation with Up North Arts, Inc. and approved by the City Attorney, except that no changes may be made to the term of **the** Lease or the rent payable by Up North Arts, Inc. unless first approved by the City Council. **Any such changes to the term of the Lease or the rent payable by Up North Arts, Inc. may be made without further amendments to this Ordinance, provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Up North Arts, Inc. is equal to or greater than that of the prior lease term.**

Section 2.

All other ordinances inconsistent with the provisions of this Ordinance are hereby repealed but only to the extent necessary to give this Ordinance full force and effect.

Section 3.

Any section or subsection not expressly amended by this Ordinance shall remain in full force and effect. Should any portion of this Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity of the remaining portions of this Ordinance.

Section 4.

This Ordinance shall take effect twenty (20) days after its adoption and publication.

Approved this ____ day of _____, 2018.

Sandra Wasson, Clerk

Carla J. Filkins, Mayor

I, Sandra Wasson, City Clerk of the City of Cadillac, Michigan, do hereby certify that Ordinance No. _____-__ was published in the Cadillac News on the __ day of _____, 2018.

Sandra Wasson, City Clerk

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

NOTICE OF PROPOSED ORDINANCE AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing will be held in the Council Chambers, Cadillac Municipal Complex, 200 Lake Street, Cadillac, Michigan, on December 17, 2018, at 6:00 p.m., at a Meeting of the City Council, to consider the adoption of Ordinance No. ____-__, Ordinance Amending Ordinance Approving a Lease Agreement with Up North Arts, Inc. The City of Cadillac complies with the "Americans with Disabilities Act." If auxiliary aids or services are required at a public meeting for individuals with disabilities, please contact Sandra Wasson, City Clerk, at least three (3) business days prior to any such meeting. Copies of the proposed ordinance are available for examination at the office of the City Clerk and copies may be provided at a reasonable charge. The following is a summary of the proposed ordinance.

ORDINANCE AMENDING ORDINANCE APPROVING A LEASE AGREEMENT WITH UP NORTH ARTS, INC.

Section 1 of the proposed ordinance amends Section 2 of Ordinance No. 2017-07, Ordinance Approving a Lease Agreement with Up North Arts, Inc., to state that any changes to the term of the Lease or the rent payable by Up North Arts, Inc. may be made without further amendments to this Ordinance, provided that (1) the parties to the Lease are the same and (2) the amount of rent payable by Up North Arts Inc. is equal to or greater than that of the prior lease term.

Section 2 provides that all other ordinances inconsistent with the provisions of the Ordinance are hereby repealed only to the extent necessary to give the Ordinance full force and effect.

Section 3 provides that any section or subsection not expressly amended by the Ordinance shall remain in full force and effect. Should any portion of the Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity of the remaining portions of the Ordinance.

Section 4 provides the effective date of the ordinance.

CITY COUNCIL OF THE
CITY OF CADILLAC, MICHIGAN

By: Sandra Wasson, City Clerk
Cadillac Municipal Complex
200 N. Lake Street
Cadillac, Michigan 49601
Telephone No: (231) 775-0181

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Robert Engels
Stephen King

RESOLUTION NO. 2018-XXXX

RESOLUTION TO SUPPORT ENVIRONMENTAL CLEAN-UP ACTIVITIES AND CREATE A RENEWABLE ENERGY RESOURCE FOR THE CITY OF CADILLAC AT THE PROPERTY COMMONLY KNOWN AS THE MITCHELL-BENTLEY PROPERTY

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 19th day of November, 2018 at 6:00 p.m.

PRESENT: COUNCIL MEMBERS:

ABSENT:

Whereas the vacant Cadillac industrial property commonly known as the "Mitchell-Bentley Property", is an abandoned site with significant environmental contamination from past industrial users; and

Whereas it is in the best interest of the Cadillac community to clean up and redevelop the Mitchell-Bentley Property; and

Whereas the City of Cadillac has obtained the Mitchell-Bentley Property through the property tax delinquency process in an effort to take over the control of the site with the objective of revitalizing this property so that the environmental contamination can be mitigated and the rubble removed; and

Whereas the City of Cadillac, working in collaboration with the Cadillac Industrial Fund, has negotiated the removal of a State of Michigan environment lien of \$356,050.12 and has secured a grant from the Michigan Department of Environmental Quality (MDEQ) to complete an assessment of the environmental conditions of the Mitchell-Bentley Property; and

Whereas the results of the environmental assessment have confirmed a response activity cost associated with the Mitchell-Bentley Property of approximately \$1,000,000; and

Whereas it is recognized by the City of Cadillac that without outside funding from sources like the MDEQ Brownfield Grant Program that the Mitchell-Bentley Property will not be redeveloped; and

Whereas the City of Cadillac is working in collaboration with the Cadillac Industrial Fund to prepare an initial Brownfield grant proposal for submittal to the MDEQ; and

Whereas the Cadillac Industrial Fund has secured a commitment from Spartan Renewable Energy, a subsidiary of Wolverine Power Cooperative and active member of the Cadillac Industrial Fund, to develop a solar energy project at the Mitchell-Bentley Property; and

Whereas the City of Cadillac's Vision Statements reference "where and when applicable, environmentally 'green' practices will be utilized"; and

Whereas this investment in the solar energy project will provide an estimate of approximately 450,000 kilowatt hours of renewable energy to the City of Cadillac and qualifies the City of Cadillac to for Brownfield grant and loan funding; and

Whereas the MDEQ has provided an initial positive assessment of the City of Cadillac's preliminary Brownfield grant and loan proposal that would provide up to a \$500,000 grant plus up to a \$500,000 loan; and

Whereas the Cadillac Industrial Fund supports the concept of the City of Cadillac entering into a development agreement that would: clean-up the Mitchell-Bentley Property; utilize significant outside grant and loan funding; put the property back on the property tax roll and create a renewable energy source; the Cadillac Industrial Fund has committed up to \$50,000 in funding to fund the clean-up and future MDEQ Brownfield Grant and Loan match; and

Whereas The City of Cadillac recognizes the time, talent and monetary resource contribution the Cadillac Industrial Fund has given towards the objective of revitalizing the Mitchell-Bentley Property for the benefit of the entire Cadillac area community.

Now, therefore be it resolved that the City of Cadillac, Michigan, does hereby support the concept of entering into a development agreement to clean-up the Mitchell-Bentley site and obtain renewable energy under the following, but not by way of limitation, terms:

1. Upon invitation from the MDEQ, the City of Cadillac will prepare a final Brownfield Grant and Loan Application for the Mitchell-Bentley Property that may result in receiving a \$500,000 grant and \$500,000 loan.
2. In support of the grant application the City of Cadillac will consider and execute agreements that will be necessary, including but not limited to a potential:

- a. Property transfer agreement of the Mitchell-Bentley Property to the Cadillac Industrial Fund
 - b. DEQ required Development Agreement with Spartan Renewable Energy and/or other parties such as Consumers Energy that will require an estimated \$2,000 monthly renewable energy premium over a twenty-year timeframe
 - c. Property Lease Agreement with Spartan Renewable Energy and/or other parties
3. Contribute \$50,000 from the Cadillac Brownfield Tax Increment Financing Program and/or other City Funding source to match the Cadillac Industrial Fund's \$50,000 commitment to fund the clean-up and future MDEQ Brownfield Grant and Loan match
 4. Council support, if necessary, for special land use requests

Be it further resolved that the City of Cadillac recognizes that while the negotiated green energy rate is expected to be at a premium compared to standard Consumers Energy electricity rates, the value the purchase of the solar, renewable energy by:

1. securing an MDEQ Brownfield grant and loan that will facilitate the completion of response activities for the environmental benefit of the City of Cadillac;
2. revitalizing an abandoned, blighted City of Cadillac industrial property;
3. providing a portion of the City of Cadillac energy needs with a clean, renewable energy source;

far outweighs the additional premium cost of the renewable energy.

Resolved this 19th day of November, 2018 by the Cadillac City Council

YEAS: COUNCIL MEMBERS:

NAYS: COUNCIL MEMBERS:

November 19, 2018

Council Communication

Re: Final Site Plan Approval for Cadillac Lofts LLC.

On April 5, 2018 Dean DeKryger submitted a rezoning application on behalf of Eric Hanna (Michigan Community Capital) to rezone the block where the former Oleson's Grocery store is from a B-2 District into the Mixed Use Planned Unit Development (MPUD) District. This rezoning application included a sketch plan for the project. The Planning Commission on April 23, 2018 held a public hearing and approved the sketch plan and preliminary site plan for the Cadillac Lofts LLC Mixed Use Planned Unit Development and recommended its approval by the City Council. The City Council held a public hearing on May 21, 2018 and approved the sketch plan and preliminary site plan for Cadillac Lofts LLC and approved the site's rezoning into a Mixed Use Planned Unit Development District (MPUD). The sketch plan approval was valid for both Phases 1 and 2 of the project as long as Phase 2 was initiated within two years of Phase 1.

The developer has submitted a final site plan for Cadillac Lofts LLC (see attached site plan). The Planning Commission has approved this final site plan by a unanimous vote on October 22, 2018 and has made a recommendation to City Council for its approval.

Recommended Action

To approve the RESOLUTION APPROVING CADILLAC LOFTS FINAL SITE PLAN WITH CONDITIONS.

Staff Report
Cadillac Lofts LLC Final Site Plan
City Council Meeting: November 19, 2018

Background

On April 5, 2018 Dean DeKryger submitted a rezoning application on behalf of Eric Hanna (Michigan Community Capital) to rezone the block where the former Oleson's Grocery store is from a B-2 District into the Mixed Use Planned Unit Development (MPUD) District. This rezoning application included a sketch plan for the project. The Planning Commission on April 23, 2018 held a public hearing and approved the sketch plan and preliminary site plan for the Cadillac Lofts LLC Mixed Use Planned Unit Development and recommended its approval by the City Council. The City Council held a public hearing on May 21, 2018 and approved the sketch plan and preliminary site plan for Cadillac Lofts LLC and approved the site's rezoning into a Mixed Use Planned Unit Development District (MPUD). The sketch plan approval was valid for both Phases 1 and 2 of the project as long as Phase 2 was initiated within two years of Phase 1.

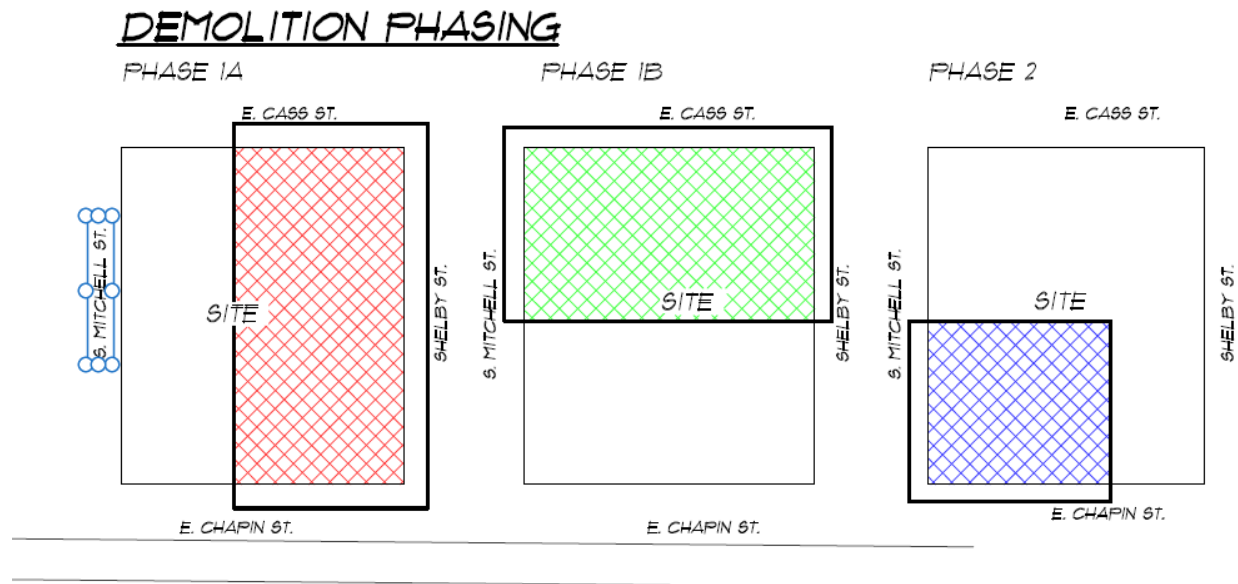
Existing Conditions

The project site is bounded by S. Mitchell Street to the west, E. Cass Street to the north, Shelby Street to east, and E. Chapin to the South. The site currently has three buildings on the site including the former Oleson's Grocery Store, former Emington Insurance Office, and the current G&D Pizza business. The site also contains the Clock tower Gazebo at the corner of S. Mitchell Street and E. Cass Street. Access to the site is provided by three driveways located on S. Mitchell, E. Cass Street, and vacated Shelby Street.



Demolition

Demolition for the site will be done in three phases as shown below.



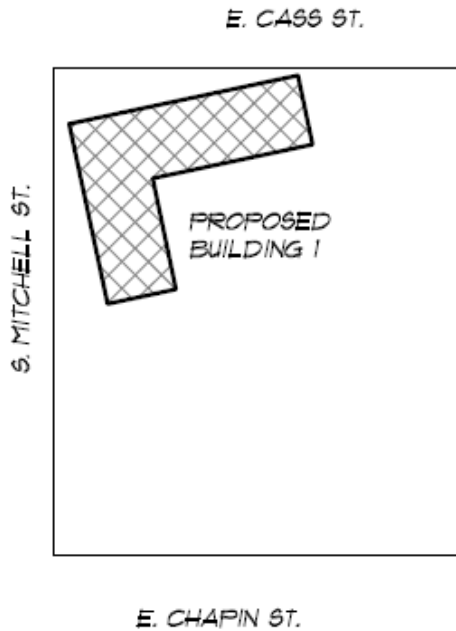
Phase 1A is proposed to begin in mid-November of 2018. The clock tower gazebo at the corner of S. Mitchell Street and E. Cass Street will be disassembled as part of Phase 1B and stored at a city facility until it can be reconstructed as part of the White Pine Trailhead project. The G&D Pizza building would be part of the Phase 2 demolition which is anticipated to be started within two years of the completion of Phase 1 of the MPUD.

Proposed Construction Schedule

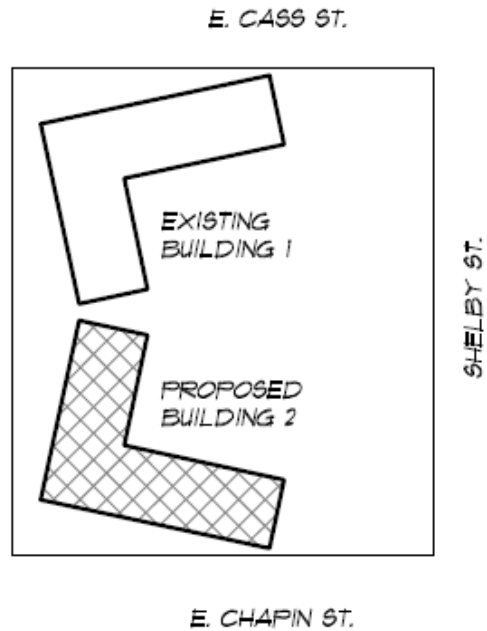
Phase 1A Demolition	Fall 2018
Phase 1B Demolition	Fall/Winter 2018-2019
Phase 1 Building Construction	Spring 2019
Phase 2 Demolition	Fall/Winter 2019-2020
Phase 2 Building 2 Construction	Spring 20120
Phase 1 Landscaping	Fall 2019 or Spring 2020
Phase 2 Landscaping	Fall 2020 or Spring 2021

CONSTRUCTION PHASING

PHASE 1



PHASE 2



Building Uses

Cadillac Lofts LLC. is a mixed use project. The project consists of two four-story L-shaped buildings each having 9,090 square feet per floor. The first floor for each building is planned for commercial uses (18,180 square feet). Three floors of each building is being planned for market rate apartments with each floor having 14 apartment units (2-two bedroom, 8-one bedroom, and 4-efficiency) There are a total of 84 apartments proposed comprised of 12 two-bedroom units, 48 one-bedroom units, and 24 efficiency units. (see site plan on next page)

Building Placement and Design Considerations

Due to the site not being flat the developer has had to propose a retaining wall along Mitchell Street. This design solution prevents an extended length of steps which would create a bad situation from a liability standpoint. Such a retaining wall can be an asset depending on whether outdoor eating areas are going to be created as part of the project. I have requested of the developer that they continue to work with the Community Development Director to create additional openings in the retaining wall along Mitchell Street as tenancy becomes known. These openings are important to encourage interaction between shoppers walking along Mitchell Street and potential retail shops to be located on the first story space of Cadillac Lofts.

Required Parking	
Commercial	55 spaces
Residential	84 spaces
Total:	139 spaces

Provided Parking	
On-site Parking	
Parcel 1	86 spaces
Parcel 2	46 spaces
Total:	132 spaces

Future Street Parking	
Cass Street	9 spaces
Mitchell Street	10 spaces
Chapin Street	21 spaces
Shelby Street	6 spaces
Total:	46 spaces

The grand total of parking spaces is 178 spaces which includes 6 on-site barrier free parking spaces.

Utilities and Drainage

The developer has met with the city's department heads and city consulting engineer at two meetings to discuss meeting all of the city's standards as it relates to water, sanitary sewer, and storm drainage. This final site plan as submitted has been review by the city's departments and city consulting engineer and been found to meet the city's ordinances and design standards. Review letters are included with this report. All utilities directly serving the Cadillac Lofts LLC project will be placed underground. Above ground utilities serving a broader area than this project will remain above ground.

Landscaping

A landscaping plan sheet is included in this final site plan. It defines planting areas, tree locations, and lawn areas for snow storage.

Conclusion

The Planning Commission on October 22, 2018 approved the Final Site Plan for Cadillac Lofts LLC by a unanimous vote with a recommendation to City Council for approval.

It is my recommendation that the City Council approve the final site plan for the Cadillac Lofts LLC as presented and subject to the conditions as recommended by the Planning Commission.

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

RESOLUTION NO. _____

RESOLUTION APPROVING CADILLAC LOFTS FINAL SITE PLAN WITH CONDITIONS

At a regular meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 19th day of November, 2018, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and
seconded by _____ .

WHEREAS, Cadillac Lofts, LLC ("Applicant") desires to develop real property in the City
identified in the Site Plan attached as **Exhibit A**; and

WHEREAS, the Applicant prepared and submitted a final site plan (the "Site Plan")
to the City Planning Commission for approval pursuant to Section 46-657(i) of the City
Code to construct a mixed planned unit commercial and retail development on the
property (Site Plan attached as Exhibit A); and

WHEREAS, on October 22, 2018, the City Planning Commission met to review the
Site Plan in accordance with the Michigan Zoning Enabling Act, Public Act 110 of 2006, MCL
125.3101 *et seq.* (the "Act") and Section 46-657; and

WHEREAS, after the meeting, the Planning Commission recommended approval of the Site Plan, with conditions, to the City Council; and

WHEREAS, at its meeting on November 19, 2018, City Council reviewed the Site Plan and the Planning Commission's recommendations pursuant to the standards set forth in Section 46-657(j) of the City Code; and

WHEREAS, City Council desires to approve the Site Plan and has determined that approving the Site Plan subject to the Planning Commission's proposed conditions is in the best interests of the health, safety and welfare of City residents.

NOW, THEREFORE, the City Council of the City of Cadillac resolves as follows:

1. City Council hereby approves the Site Plan with the following conditions:
 - a) Applicant shall continue working with city staff on creating additional openings in the Mitchell Street retaining wall based upon future tenancy; and
 - b) Applicant shall, not later than February 19, 2019, deed back to the City the proposed right-of-way needed for Shelby Street as proposed on the plans; and
 - c) Applicant shall, not later than February 19, 2019, revise the asphalt paving detail to require the use of 21AA aggregate base (not 21A); and
 - d) Applicant shall, not later than February 19, 2019, provide that detail for Fabric Drain be supplied and approved by the City's engineer; and
 - e) Applicant shall be required to have all connections to the City's water, sanitary sewer, or storm water system inspected and approved by the City's Utilities Department and as applicable by the City's engineer; and

- f) Applicant and the City shall enter into a development agreement as required by the Zoning Ordinance for projects in the Mixed Use Planned Unit Development District consistent with the Site Plan and planned uses for the property.
- 2. City Council approves the Site Plan with the above conditions for the following reasons:
 - a) The Site Plan provides for the protection of natural resources and the health, safety and welfare of the users of the MPUD and the residents of the surrounding area; and
 - b) The Site Plan contains the information set forth in items 1-14 of Section 46-657(i) of the City Code; and
 - c) The systems and project elements are in substantial conformance with the sketch plan and are properly arranged and adequate to meet the intended uses within the M-PUD; and
 - d) The systems and project elements are consistent with the design requirements of the City; and
 - e) The Site Plan complies with all regulations of the City Code and any other applicable federal, state, and local statutes, ordinances, codes, rules and regulations.
- 3. The approved Site Plan, including the conditions attached as part of the approval, shall become part of the record of approval and subsequent actions relating to the activity and uses authorized on the property shall be consistent with the approved Site

Plan and shall be binding on any assigns or successors in interest to Applicant. No other type of development will be permitted on the site without further approval thereof by the Planning Commission and City Council.

4. Failure to comply with any of the imposed conditions shall be a violation of the Site Plan and shall render the Site Plan approval null and void and shall entitle the City to withhold any other permits or approvals until the violation(s) are cured. The aforementioned remedy shall be in addition to any other remedy the City may have at law or in equity.

5. Any and all resolutions that are in conflict with this Resolution are hereby repealed but only to the extent to give this Resolution full force and effect.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. ____, duly adopted at a regular meeting of the City Council held on the 19th day of November, 2018.

Sandra Wasson
City Clerk

CITY OF CADILLAC
Cadillac, Michigan
RESOLUTION
MDOT CONTRACT #18-5445

Minutes of a regular meeting of the Cadillac City Council held in the Council Chambers, Cadillac Municipal Complex, 200 N. Lake Street, Cadillac, Michigan on Monday, November 19, 2018 at 6:00 p.m.

Council Members present:

Council Members absent:

The following resolution was offered by Council Member XXXXXX and supported by Council Member XXXXXX:

NOW, THEREFORE BE IT RESOLVED, that the Cadillac City Council authorizes the Mayor and the City Clerk to sign Contract #18-5445 between the Michigan Department of Transportation and the City of Cadillac for the installation of eleven (11) flag poles along Highway M-115 between Highway M-55 and Sunnyside Drive; together with necessary related work, located within the corporate limits of the City of Cadillac.

AYES:

NAYS: None

RESOLUTION DECLARED ADOPTED.

Sandra L. Wasson, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Cadillac, County of Wexford, Michigan, at a regular meeting held on the 19th day of November, 2018.

Sandra L. Wasson, City Clerk
200 N. Lake Street
Cadillac, MI 49601
(231) 775-0181

Date

PERMIT
SPECIAL TRUNKLINE
MAINTENANCE

DA
Control Section 83021
Permit Reference Number 57433
Contract 18-5445

THIS Contract is made and entered into this date of _____, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF CADILLAC, a Michigan municipal corporation, hereinafter referred to as the "AGENCY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the maintenance and operation flag poles installed by the AGENCY.

WITNESSETH:

WHEREAS, the AGENCY is proposing the installation of eleven flag poles within the trunkline roadway right-of-way; and

WHEREAS, the DEPARTMENT has determined it to be acceptable to have the AGENCY construct the proposed work which is hereinafter referred to as the "PROJECT" and are further described and located as follows:

Installation of eleven flag poles along Highway M-115 between Highway M-55 and Sunnyside Drive; together with necessary related work, located within the corporate limits of the AGENCY; and

WHEREAS, the AGENCY will be responsible for the entire cost of the PROJECT; and

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and the maintenance and operation of the facility to be constructed as the PROJECT and desire to set forth this understanding in the form of a written CONTRACT.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The AGENCY will construct the PROJECT at no cost to the DEPARTMENT.
2. The AGENCY shall cause to be performed all the PROJECT work as defined in the permit obtained from the DEPARTMENT. It is understood that portions or all of the PROJECT work will be placed under contract by the AGENCY. The performance of the PROJECT work will be subject to the conditions established in PERMIT REFERENCE NUMBER 57433.

3. Upon completion of construction, the AGENCY will, at its sole cost and expense, inspect, maintain and operate the facility constructed as the PROJECT. All future maintenance activities will require a permit from the DEPARTMENT. The AGENCY shall conform with all DEPARTMENT permit requirements for any work to be performed within the state trunkline right-of-way. As built plans will be provided to the Traverse City Transportation Service Center.

- A. The AGENCY agrees that the PROJECT location will be maintained so as to assure that any Trunkline facilities, structures and the area within the Trunkline right-of-way boundaries will be kept in good condition, both as to safety and appearance. All unauthorized drawings, graffiti and vandalism shall be removed by the AGENCY at no cost the DEPARTMENT. The maintenance of the facilities by the AGENCY will be accomplished in a manner so as not to cause interference with the reconstruction, maintenance or operation of the Trunkline facility and right-of-way.
- B. The DEPARTMENT reserves the right to enter the PROJECT location for the purpose of inspection, maintenance or reconstruction of the Trunkline facility when necessary. Additionally, the DEPARTMENT reserves the right to access the PROJECT location as deemed necessary for inspection relating to the DEPARTMENT'S interests. Such inspections are made for the DEPARTMENT'S own purposes and shall not relieve the AGENCY of its duties and obligations under the terms of this CONTRACT. Any deficiencies discovered will be corrected or repaired by the AGENCY at no cost to the DEPARTMENT.
- C. Prior to occupancy and/or use of the PROJECT location, the DEPARTMENT will inspect and approve the construction of the PROJECT.

4. The parties hereto agree to comply with all applicable requirements of the Natural Resources and Environmental Protection Act, 1994 P.A., 451, MCL 324.01 et. Seq. for all PROJECT work performed under this Contract and future maintenance work, and the AGENCY shall require its contractors and subcontractors to comply with the same.

5. The AGENCY will not store, allow the storage of or discharge of any radioactive, toxic, flammable, poisonous, explosive or other dangerous, hazardous materials, or waste on the said premises. In addition, the AGENCY will not permit objectionable smoke, fumes, vapors, or odors to rise above the grade line of the Trunkline. No signs, displays or devices may be erected on the right-of-way for the PROJECT unless specified herein or approved by the DEPARTMENT.

6. It is expressly understood and agreed that in case of non-performance of any of the covenants herein made by the AGENCY and after said AGENCY has been furnished written

notice of same by the DEPARTMENT and has been granted a reasonable period of time as determined by the DEPARTMENT for performance or correction thereof, this Contract shall be terminated and said AGENCY shall lose and be barred from all rights, remedies, and actions both at law and in equity upon or under this Contract.

7. It is expressly understood that use of the trunkline right-of-way is subject to the paramount right of the DEPARTMENT and that upon a determination by the DEPARTMENT that such right-of-way is required for the construction, operation, and/or maintenance of any present or proposed trunkline or trunkline use, this Contract may be terminated at the discretion of the DEPARTMENT and the facility constructed as the PROJECT may be removed without reimbursement to the AGENCY.

8. Upon termination of this Contract, the AGENCY will peacefully yield up said PROJECT in as good order and condition as when delivered to the AGENCY at no cost to the DEPARTMENT. In the event this Contract is terminated and if the DEPARTMENT deems it necessary to request the removal of any facility occupying the premises, such removal shall be accomplished by the AGENCY in a manner as prescribed by the DEPARTMENT, at no cost to the DEPARTMENT or the Federal Highway Administration.

9. Any removal or modification of the facilities of the AGENCY, when necessary for Trunkline purposes, shall be performed by the AGENCY at no cost to the DEPARTMENT. Upon failure to so perform, the DEPARTMENT at its discretion may perform such work at the cost of the AGENCY or terminate this Contract.

10. The AGENCY recognizes and acknowledges that private and/or public utility companies may require the modification of the AGENCY'S facilities and it shall cooperate with the utility when requested by the DEPARTMENT at no cost to the DEPARTMENT, or interference with the Trunkline right of way and Trunkline facility.

11. It is understood that if the AGENCY discontinues, abandons or changes the usage of the PROJECT right-of-way, then this Contract shall be terminated and the DEPARTMENT shall have the right to immediately remove the facility constructed as the PROJECT without reimbursement to the AGENCY.

12. Each party to this Contract will remain responsive for any and all claims arising out of its own acts and/or omissions during the performance of the Contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This Contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this Contract.

13. This Contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the AGENCY and for the DEPARTMENT and upon the adoption of a resolution approving said contract and authorizing the signatures thereto of the respective officials of the AGENCY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed the day and year first above written.

CITY OF CADILLAC

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:



RDB
9/25/18

APPROVED BY:



Administrator
Real Estate

10/9/2018

Date

City Council

200 North Lake Street
Cadillac, Michigan 49601
Phone (231) 775-0181
Fax (231) 775-8755



Mayor
Carla J. Filkins

Mayor Pro-Tem
Shari Spoelman

Councilmembers
Tiyi Schippers
Stephen King
Robert J. Engels

RESOLUTION NO. 2018-____

**RESOLUTION AMENDING GENERAL APPROPRIATIONS ACT
FOR FISCAL YEAR 2019**

At a regular meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held in the Council Chambers, Cadillac Municipal Complex, 200 North Lake Street, Cadillac, Michigan, on the 19th day of November, 2018, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and seconded by _____.

WHEREAS, the City adopted Ordinance No. 2018-06, Ordinance Adopting General Appropriations Act for Fiscal Year 2019 ("General Appropriations Ordinance") on May 21, 2018, which approved a general appropriations act for the 2019 fiscal year; and

WHEREAS, Section 10.5 of the City Charter provides that the City Council may make additional appropriations during the fiscal year for unanticipated expenditures required of the City; and

WHEREAS, Section 9 of the General Appropriations Ordinance authorizes the City Council to make such additional appropriations by resolution; and

WHEREAS, the City Council has determined that additional appropriations are required due to unanticipated expenditures;

NOW, THEREFORE, the City Council of the City of Cadillac, Wexford County, Michigan, resolves as follows:

1. The general appropriations act for the 2019 fiscal year is hereby amended in the manner set forth in the attached Exhibit A, which is incorporated by reference.

2. Any and all resolutions that are in conflict with this Resolution are hereby repealed to the extent necessary to give this Resolution full force and effect.

YEAS: _____

NAYS: _____

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, Sandra Wasson, City Clerk of the City of Cadillac, hereby certify this to be a true and complete copy of Resolution No. _____, duly adopted at a regular meeting of the City Council held on the 19th day of November, 2018.

Sandra Wasson
Cadillac City Clerk

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #1
November 19, 2018

Current Budget	Amended Budget	Increase (Decrease)
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GENERAL FUND

Department: Revenue	\$7,234,000	\$7,012,200	(\$221,800)
Amended Line Items Detail			
Local Community Stabilization Authority	390,000	600,000	210,000
Federal Grants	526,800	0	(526,800)
State of Michigan	0	80,000	80,000
Interest Income	30,000	45,000	15,000

Purpose: To increase budgeted revenues to account for additional personal property tax loss reimbursements from the Local Community Stabilization Authority; to remove the budget for Assistance to Firefighters Grants (AFG) for a fire truck and Self Contained Breathing Apparatus (SCBA) that were not awarded; to budget for revenues from the State of Michigan Department of Natural Resources for the Kenwood Bathroom project (funds were originally expected in FY2018 but will be received in FY2019); and to increase budgeted revenues for Interest Income due to rising interest rates on investment of reserve funds.

Department: Fire Department	\$1,937,400	\$1,517,400	(\$420,000)
Amended Line Items Detail			
Capital Outlay	554,500	134,500	(420,000)

Purpose: To remove appropriation for fire truck replacement. AFG grants were not received. Appropriation for SCBA remains.

Department: Parks	\$387,000	\$490,000	\$103,000
Amended Line Items Detail			
Capital Outlay	42,500	145,500	103,000

Purpose: To remove appropriation for Wheelchair Accessible Swing (\$20,000) that was completed prior to the beginning of the fiscal year, and to re-appropriate funds for the completion of the Kenwood Bathroom. Final costs for this project were appropriated in FY2018 but the project was not completed until FY2019.

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #1
November 19, 2018

	Current Budget	Amended Budget	Increase (Decrease)
Department: Transfer to Other Funds	\$190,000	\$290,000	\$100,000
Amended Line Items Detail			
Transfer Out - The Market Capital Project Fund	0	100,000	100,000

Purpose: To appropriate funds to cover unexpected costs of contaminated soils at site of The Market at Cadillac Commons. Contaminated soil issues arose when a tank was uncovered during site preparation.

General Fund Summary

Revenues	7,234,000	7,012,200
Expenditures	7,230,700	7,013,700
Revenues Over (Under) Expenditures	\$3,300	(\$1,500)

MAJOR STREET FUND

Department: Construction	\$70,000	\$470,000	\$400,000
Amended Line Items Detail			
Construction	70,000	470,000	400,000

Purpose: To appropriate the use of reserve funds on hand for a portion of the costs for the reconstruction of Cass Street and Leeson Avenue. Reserves in this fund may only be used on the major street system. Major Street Fund had just over \$800,00 on hand as of 6/30/18, and these funds can only be used for maintenance activities within the Major Street system.

SPECIAL ASSESSMENT CAPITAL PROJECTS FUND

Department: Construction	\$0	\$475,000	\$475,000
Amended Line Items Detail			
Construction	0	475,000	475,000

Purpose: To appropriate the use of remaining bond proceeds on hand to fund street rehabilitation projects. Final proceeds of bonds will be used to fund Leeson Street improvements and a portion of Cass Street improvements. Funds were appropriated in FY2018 but the projects were completed in FY2019.

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #1
November 19, 2018

Current Budget	Amended Budget	Increase (Decrease)
-------------------	-------------------	------------------------

THE MARKET CAPITAL PROJECTS FUND

Department: Revenue	\$0	\$150,000	\$150,000
Amended Line Items Detail			
Federal Grants	0	50,000	50,000
Transfer In	0	100,000	100,000

Purpose: To recognize additional project funds transferred in from General Fund to cover contaminated soil removal and expected grant funds from the United States Department of Agriculture for site amenities.

Department: Construction	\$0	\$817,000	\$817,000
Amended Line Items Detail			
Construction	0	817,000	817,000

Purpose: To appropriate anticipated end of project expenditures, including unexpected contaminated soil removal costs. Most of these funds were appropriated in prior years. Reserves on hand at 6/30/18 were \$667,000. Total project costs were initially appropriated at \$1,250,000 but are expected to come in at \$1,300,000 or just over when final costs are accounted for.

INDUSTRIAL PARK FUND

Department: Administration	\$0	\$50,000	\$50,000
Amended Line Items Detail			
Contractual Services	40,000	90,000	50,000

Purpose: To appropriate the use of funds on hand from the sale of industrial lots to provide matching dollars for grants/loans to be used to clean up Mitchell Bentley site. Industrial Park Fund currently has just over \$700,000 in reserves on hand.



MEETING MINUTES
Cadillac Zoning Board of Appeals
5:30 P.M.
September 13, 2018

CONVENE MEETING

Chairperson Nichols called to order a meeting of the Cadillac Zoning Board of Appeals at 5:30 p.m. on September 13, 2018.

ROLL CALL

MEMBERS PRESENT: Allen, Nichols, Paveglio, Genzink, Bontrager, Ault, and Walkley
MEMBER ABSENT: Knight
STAFF PRESENT: Coy, Wallace

APPROVAL OF MEETING AGENDA

Motion by Walkley to approve the September 13, 2018 agenda. Supported by Ault. The motion was unanimously approved on a roll call vote.

APPROVE THE AUGUST 16, 2018 MEETING MINUTES

Motion by Paveglio to approve the August 16, 2018 meeting minutes as presented. Support by Bontrager. The motion was unanimously approved on a roll call vote.

Nichols turned the meeting over to Coy.

PUBLIC HEARINGS

A Variance Application from PS Equities, Inc. 1302 S. Mission Rd., Mt. Pleasant, MI 48858 for the properties located between 820 S. Mitchell and 902 S. Mitchell Street and the properties directly west which abut Aspen Street. There are a total of seven separate lots which the applicant plans to combine into one site for the construction of senior independent living apartments. The applicant is asking for a total of three variances. One is to construct the apartment building up to a height of 55 feet to accommodate four stories. This would require a variance of an additional 15 feet from the allowed 40 feet in the B-3 zoned business district. Secondly a five foot setback variance from the standard on the north, west and south property lines to accommodate carports. Third the applicant is asking for a variance to cover up to 37.5 percent of the combined properties square footage with covered buildings. This would require an increase of 12.5 percent to the allowed 25 percent in a B-3 district. The apartment building footprint would use 21.6 percent of the property square footage and the remaining covered structures would be carports and a small accessory structure for maintenance equipment.

APPLICANT

Phillip Seybert, President of PS Equities attended this meeting and was available to answer questions and explain the project.

SITE AND ZONING

The property site is described as;

Parcel 1: N 44 FT OF LOT 6, BLK E COBBS & MITCHELLS 2ND ADD CITY OF CADILLAC, Tax ID:10-051-00-013-00

Parcel 2: N 1/2 OF S 88 FT OF LOT 6, BLK E COBBS & MITCHELLS 2ND ADD CITY OF CADILLAC, Tax ID:10-051-00-014-00

Parcel 3: S 1/2 OF S 88 FT OF LOT 6, BLK E COBBS & MITCHELLS 2ND ADD & LOT 32 OF POLLARDS SUB-DIV OF PARTS OF BLKS E & F COBBS & MITCHELLS 2ND ADDN., CITY OF CADILLAC, Tax ID:10-051-00-015-00

Parcel 4: LOT 29 POLLARDS SUB-DIV. OF PARTS OF BLOCKS E & F OF COBBS & MITCHELLS 2ND ADD CITY OF CADILLAC, Tax ID: 10-087-00-008-00

Parcel 5: LOT 30 POLLARDS SUB-DIV. OF PARTS OF BLOCKS E & F OF COBBS & MITCHELLS 2ND ADD CITY OF CADILLAC, Tax ID: 10-087-00-009-00

Parcel 6: LOT 31 POLLARDS SUB-DIV. OF PARTS OF BLOCKS E & F OF COBBS & MITCHELLS 2ND ADD, CITY OF CADILLAC, Tax ID: 10-087-00-010-00

Parcel 7: LOT 24 POLLARDS SUB-DIV. OF PARTS OF BLK. E & F, COBBS & MITCHELLS 2ND ADD CITY OF CADILLAC, Tax ID: 10-087-00-003-00

Nichols turned the meeting over to Coy.

Coy started by apologizing for a recent discovery (Wednesday September 12th) that the required Public Notices to residents and landowners within 300 feet of the site had not received their public notices in the mail. As a result the city is asking for a Special Meeting of the Zoning Board of Appeals (ZBA) for Friday September 28, 2018. Public notices were mailed on September 13, 2018 to property owners having out of the immediate area addresses. Public notices were hand delivered to commercial businesses within the 300 feet area and put in the mailboxes of all residential property owners within this area. Coy said the ZBA is not being asked to make decision at this time. We are asking them to review the application and ask Mr. Seybert any questions they have for him about the development and the variance application.

The site is calculated at 59,207 square feet (1.40 acres) by the applicant's surveyor. The property is zoned B-3 General Business.

Using a power point he showed pictures of PS Equities senior apartment complex in Clare which is named Clare Castle. Coy said the apartments here will be called Cadillac Castle. The proposed apartments are for independent living seniors over 55 years old. This is not an assisted living senior housing project.

He next talked about the three variances being asked for in the letter from Mr. Seybert which was included with the Variance Application. Coy discussed first the proposed height of Cadillac Castle at 55 feet. He showed pictures of the six story Harborview Apartments, the seven story Kirkland Terrace Apartments, the three story Marina Shores Condominiums, 301 N. Lake St. condominiums, and the three story Sunset Shores Condominiums. All of these mentioned apartment buildings and condominiums are in zoned districts that require a variance to be

constructed over 40 feet. Coy added that our Downtown Central Business District (B-2) does allow for buildings of up to 90 feet.

He next spoke about the five foot setback variance request by PS Equities, Inc. for carports and showed pictures of the setbacks used at Marina Shores, Kirkland Terrace, and the condominiums at 301 N. Lake Street for their carports and detached garages. The garages at Marina Shores and 301 N. Lake Street clearly do not meet the required setback for their zoned districts nor do the carports at Kirkland Terrace. Coy mentioned the Cadillac Castle site will be a through lot from Mitchell Street to Aspen.

Coy talked about the lot coverage variance request of up to 37.5 percent for the carports to be a part of the development. He mentioned that the properties located immediately to the west of the site across Aspen Street are zoned RM-2 Multi-Family Residential. The RM-2 zoned districts allow for up to 35 percent of a site to be covered with structures before a variance would be needed. He also added that the Marina Shore structure coverage is over 33 percent and the 301 N. Lake Street condominiums and garages exceed 44 percent of the site's square footage.

He added that the developer could go through the Residential Planned Unit Development process with the Planning Commission and City Council as other developers have done but it's a much lengthier process taking upwards of three months. With an October 1, 2018 application deadline with the State of Michigan they chose to use this route through the ZBA and a Special Land Use application with the Planning Commission.

Coy also spoke about a November 2014 housing study sponsored by Networks Northwest and the MSHDA that concluded Wexford County would need 1,015 new apartments in the following five year period to meet the demand for housing needs of people with a variety of income levels. He added that there has not been any new apartments complexes built within Cadillac in the four years after the study was released.

Coy read the standard in Section 46.69(2) from the City Code of Ordinances that reads "To authorize, upon an appeal, a variance from the strict application of the provisions of this chapter where by reason of exceptional narrowness, shallowness, shape or area of a specific piece of property at the time of enactment of this chapter or by reason of exceptional conditions of such property, the strict application of the regulations enacted would result in peculiar or exceptional practical difficulties to, or exceptional undue hardship upon the owner of such property, provided such relief may be granted without substantial detriment to the public good and without substantially impairing the intent and purpose of this chapter."

Finding -

Next Coy went over the standards in Section 46-69(4) of the Cadillac City Code. He added that the findings are in the opinion of staff. The standards state that in consideration of a variance, the Zoning Board of Appeals shall first determine that the proposed variance will not result in conditions which:

Standard – *The variance will not impair an adequate supply of light and air to adjacent property.*

Finding – “The requested variance is not anticipated to impair an adequate supply of light and air to adjacent properties.”

Standard – *The requested variance will not unreasonably increase congestion in public streets.*

Finding – “The variance request will have a slight impact on traffic volumes. The most recent MDOT traffic study of South Mitchell Street recorded 14,851 vehicles in a 24 hour period. It is anticipated that residents wishing to travel north on Mitchell Street will use the Aspen Street access and travel up to South Street, then able to use the traffic light onto Mitchell Street.”

Standard – *The requested variance will not increase the danger of fire or endanger the public safety.*

Finding – “The requested variance is not anticipated to increase the danger of fire or endanger the public safety. Coy made reference to the letter from the Fire Marshal that was included with the staff report the ZBA received.”

Standard – *The requested variance will not unreasonably diminish or impair established property values within the surrounding area.*

Finding – “Staff feels the requested variance will increase surrounding property values.”

Standard – *The requested variance will not impair the public health, safety, comfort, morals, or welfare of the inhabitants of the city.*

Finding – “The requested variance is not anticipated to impair the public health, safety, comfort, morals, or welfare of the inhabitants of the city.”

Coy said that notification of the public hearing on this application was **not** given via first-class mail to all property owners and residents within 300 feet of the subject site 15 days prior to this meeting. A notice of the hearing was placed in the Cadillac News in time. It was also posted on the City Website, and on the doors to City Hall. He added that there were no public comments until Wednesday afternoon September 12th when a neighbor contacted Coy to say he did not receive a public notice.

Coy concluded his presentation with the Zoning Board of Appeals is not being asked to make a decision at this meeting and that Mr. Seybert is here to give an explanation of the project and answer questions. Nichols turned the floor over to Seybert.

Seybert spoke about his history in affordable housing development and the proposed Cadillac Castle senior independent living apartments for persons over 55 years in age. He’s worked in affordable housing development going back to 1986 in 36 different projects. The Clare Castle with 24 apartment units opened in 2010. It was full of occupants within 30 days. Coy had a

picture of Cadillac Castle on the screens. Seybert added that the new development they did in St. Johns has 30 units and filled quickly. His son Garrett works with the firm and lives in Grand Rapids. Garret will need to attend the September 28th meeting as Phil will be unable to attend.

His application to the Michigan State Housing Development Authority (MSHDA) is due October 1, 2018 and that is the reason for special meetings as there's a timing issue. The next application date is April 1, 2018 and waiting until then would significantly delay construction. The MSHDA is the state allocating agency who oversees this tax credit program for the federal government.

Seybert next discussed the DRAFT site plan and what the apartments will be like. He said the Clare Castle exterior appearance and interior apartment layout is what they intend to copy here in Cadillac. It worked well in Clare. He said that fire department access is very important to our fire department and that combining the seven lots being able to create a through lot the fire department likes. The current DRAFT site plan meets all of the side and front yard setbacks. He's asking for the setback variance in case the final plan does not fit the site as well as the DRAFT site plan.

He continued with the carports will have lighting for night time safety. There will be a manager on site. All the apartments will be two bedrooms as they've found from their other developments that seniors want two bedrooms for when company such as kids and grandkids visit. He added that the height of this four story apartment building "is what it is" for it to have the look and be functional. He said that "walkability" is important in the MSHDA application scoring. Having grocery stores, pharmacies, medical offices, and a hospital near is important. The lakefront and other amenities our community has within walking distance is also important to the development's success. Seybert also discussed the sliding scale for what rent will cost based on an occupants income. He added that 20 percent or nine units will be market rate for people with higher incomes that do not qualify for any rent assistance.

He added that other commercial uses for this site may have a negative impact. Curb appeal is important and he feels this design has curb appeal. Additionally the state does annual inspections to make sure they are following the criteria for the program by providing affordable housing for seniors on fixed incomes. Questions and answers followed.

Genzink asked, how many apartment units. Seybert answered 46. Allen asked if all the apartments would be two bedrooms, Seybert answered yes as that's what they've found from the other projects seniors want just as they want carports so they're not scrapping off snow and ice in the winter. Allen asked about the Clare Castle and Seybert answered that it has 24 apartment units and they included a Senior Community Center on the ground level that is not just for the residents. Coy asked about laundry facilities. Seybert answered that all units will have their own washer and dryers.

Paveglio spoke and said he likes the project as presented but "does not see a practical difficulty that would require a variance as the site is a rectangular parcel?" Seybert said he will need to combine seven smaller separate lots to make the site its' proposed size. The lots are not through lots and this is important for safety. Wallace added that there are environmental issues with the

north side of the site particularly with the low swale in the northwest corner of the site. Paveglio added that he still does not see a practical difficulty to warrant a variance.

Wallace responded that the developer could build a less attractive building to meet the standard. He added that in the context of other tall apartment buildings near the downtown area this is not a bad use for the site. Wallace continued that the developer could go through the RPUD process as others have but this he feels is the most practical way to proceed. The RPUD process has its own host of issues to go through. Wallace also feels this project will help spur other current development projects in their early stage.

Paveglio asked “how will we (ZBA) deal with the next applicant with a similar project?” Bontrager mentioned how recently he and his wife had a difficult time finding the type of housing they desired when they wished to down size. They purchased a condo at Marina Shores that became available. It was asked when construction would begin? Seybert answered in the spring if the application with the MSHDA is accepted. There are a number of criteria that are considered in the allocation process.

Genzink asked if housing studies have been done and Coy referred to the November 2014 Wexford County housing study sponsored by Networks Northwest and the MSHDA. The study concluded that Wexford County needed 1,015 new apartment units in the following five years to meet the demand for multi-unit housing of a wide range of income levels.

Coy brought up the four page letter presented to the ZBA at the start of this meeting from resident and landlord Konrad Isch who lives on Aspen Street. Coy received it this morning and said the individual was the person who called Coy late Wednesday afternoon saying he had not received a public notice. This occurred after Mr. Seybert called the resident offering to discuss the project with him at today’s meeting. The resident did not know about the meeting and then called Coy. Coy said he printed a copy of the complete staff report for the resident and delivered to him after work at his home.

Nichols opened the meeting for public comments.

Randy Lindell spoke and said he’s opposed to the project. He recently wrote a letter to the Cadillac News in Speak Out. He said the city tweaks the ordinances to fit these developers wishes and this development is only for people with low income who qualify for rent assistance. He (Mr. Lindell) would not be able to rent here. Seybert respond with yes Mr. Lindell would be able to rent one of the nine market rate apartments. Seybert added that applicants better apply early as their newer apartments have waiting lists.

Walkey asked if a person making \$75,000 a year could rent an apartment. Seybert answered yes. Seybert added that included in the contract with MSHDA is a deed restriction for a minimum of 30 years that this development is locked in to remaining a rent assisted development.

Kathy Lawie who owns the property immediately to the south of the site on S. Mitchell Street asked how long construction would take. Seybert answered about a year after they break ground.

With no further comment Nichols asked for a motion to recess until the September 28, 2018 meeting to allow for further public comment on the variance application.

A motion was made by Ault to recess until September 28, 2018 to give time for additional public comment. Support by Bontrager. On a roll call vote the motion passed unanimously.

PUBLIC COMMENTS

BOARD MEMBER COMMENTS –

ADJOURN

Chairperson Nichols adjourned the meeting at 6:38.



**MEETING MINUTES
Cadillac Zoning Board of Appeals
5:30 P.M.
September 28, 2018**

CONVENE MEETING

Chairperson Nichols called to order a meeting of the Cadillac Zoning Board of Appeals (ZBA) at 5:32 p.m. on September 28, 2018.

ROLL CALL

MEMBERS PRESENT: Allen, Nichols, Pavaglio, and Genzink,
MEMBER ABSENT: Knight, Bontrager, Ault, Walkley
STAFF PRESENT: Coy, City Attorney Leslie Dickenson

APPROVAL OF MEETING AGENDA

Motion by Pavaglio to approve the September 28, 2018 agenda. Supported by Genzink. The motion was unanimously approved on a roll call vote.

MINUTES TO APPROVE -NONE

Nichols turned the meeting over to Coy.

PUBLIC HEARINGS

Coy explained this is a continuance of the Zoning Board of Appeals meeting and public hearing held on September 13, 2018 to give additional time for public notice and comments. The Variance Application from PS Equities, 1302 S. Mission Road, Mt. Pleasant, MI was amended since that meeting with the applicant now asking for one variance to reduce the height of the apartment building from 55 feet to 47 feet, six inches. They are able to do this by reducing the pitch of the roof line from a 10/12 gable to a 5/12 hip roof.

Additionally the applicant has withdrawn two variance requests that were in their original application. One was for a lot coverage variance and the second variance request was for setbacks from the property lines.

Coy added that at the September 24, 2018 Planning Commission (PC) meeting the PC approved a Special Land Use for the site allowing for apartments with the condition that ZBA approval would be needed.

Phil Seybert, representative for PS Equities was in attendance.

Coy continued using a power point presentation. He described the site as being approximately 1.4 acres and is zoned B-3 General Business. Surrounding properties to the south, east, and north are also zoned B-3. The properties to the west across Aspen Street are zoned RM-2 Multi-family residential. Coy described blight in the immediate area which includes an unsightly large billboard sign directly across South Mitchell Street, the vacant former Kentucky Fried Chicken restaurant that has water damage inside plus pigeons roosting in the building. Also there are residential rental properties in the neighborhood that have inadequate paved parking causing tenants to park in lawn areas.

Coy next went over the standard in Section 46.69(b)(2) from the City Code of Ordinances that reads “To authorize, upon an appeal, a variance from the strict application of the provisions of this chapter where by reason of exceptional narrowness, shallowness, shape or area of a specific piece of property at the time of enactment of this chapter or by reason of exceptional conditions of such property, the strict application of the regulations enacted would result in peculiar or exceptional practical difficulties to, or exceptional undue hardship upon the owner of such property, provided such relief may be granted without substantial detriment to the public good and without substantially impairing the intent and purpose of this chapter.”

Coy brought up what he feels may be practical difficulties to consider. If this 46 unit senior independent-living were on three levels instead of the proposed four the footprint of the building would expand to the point where a lot coverage variance may be needed. Also expanding the footprint might create the need for a parking variance.

Coy also spoke about a recent housing study produced by Community Research Services, LLC that some Chamber of Commerce members paid for. It identified an immediate demand for about 60 units for independent-living seniors targeting affordable and/or moderate/upper income individuals over the age of 55 here in Cadillac.

Next Coy went over the standards in Section 46-69(b)(4) of the Cadillac City Code. The standards state that in consideration of a variance, the Zoning Board of Appeals shall first determine that the proposed variance will not result in conditions which:

Standard – *The variance will not impair an adequate supply of light and air to adjacent property.*

Finding – The requested variance is not anticipated to impair an adequate supply of light and air to adjacent properties.

Standard - *The requested variance will not unreasonably increase congestion in public streets.*

Finding – The variance request is not anticipated to impact traffic congestion. Coy talked about a website John Wallace, Community Development Director used to calculate the traffic patterns of people within senior living facilities. There are variables you enter into the calculation using information such as number of dwelling units, the average age of tenants, tenant’s affluence, and is there available bus service. Using this site Wallace calculated that this 46 unit complex would generate 115 total trips per day. If the Aspen Street and Mitchell Street drives were used equally

from the hours of 8:00 am to 10:00 pm we could expect up to four vehicles per hour would use the ingress/egress drives. Coy added that there will be less impact from traffic with this project than other possible commercial uses for the site.

Coy also talked about the South Mitchell Street sidewalk abutting the site with runs south to Mackinaw Trail and north through our downtown. Residents of the Cadillac Castle apartments have in place sidewalks which can be used to walk to nearby grocery stores, pharmacies, restaurants, and entertainment which also will reduce vehicular traffic at the site.

Standard – *The requested variance will not increase the danger of fire or endanger the public safety.*

Finding – The requested variance is not anticipated to increase the danger of fire or endanger the public safety. Coy mentioned a letter included in the September 13, 2018 ZBA packet from our Fire Marshall. He added that the fire department was included in early discussions with the developer and the fire department wants access from both S. Mitchell Street and Aspen Street.

Standard – *The requested variance will not unreasonably diminish or impair established property values within the surrounding area.*

Finding – The requested variance will increase surrounding property values. Coy mentioned that two nearby commercial property owners who received public notices spoke in favor of this project at the Planning Commission meeting September 24th.

Standard – *The requested variance will not impair the public health, safety, comfort, morals, or welfare of the inhabitants of the city.*

Finding – The requested variance is not anticipated to impair the public health, safety, comfort, morals, or welfare of the inhabitants of the city. . City police and fire department personnel believe a development such as Cadillac Castle will improve safety in the neighborhood said Coy. Coy described the term “Eyes on the street” in that the 46 residents at Cadillac Castle will look out for each other and report suspicious activity to police.

Coy said that notification of the public hearing on this application was given via first-class mail to property owners not living in the neighborhood and hand delivered to homes and businesses within 300 feet of the subject site. A notice of the hearing was also placed in the Cadillac News. These notices were provided not less than 15 days prior to the hearing date. He added that there were two written public comments on the application included in the ZBA packets and two additional letters from neighboring property owners were presented to the board prior to the meeting. The two additional letters were received after the ZBA meeting packets were delivered.

Coy concluded his presentation with “based on a finding of compliance or non-compliance with the standards of the ordinance, the Board shall approve, approve with conditions, or deny the variance application.” Reasonable conditions may be attached to an approval in order to achieve compliance with the standards of the ordinance.

Nichols opened the meeting for questions and comments.

Phil Seybert representing RS Equities spoke and asked that the board approve the amended variance application. He added that the concerns brought up at the September 13th meeting were reasons they modified the original application. They've dropped both the lot coverage and setback variance requests. They've also proposed a different roof design to reduce the height variance requested by 50%. He believes this project will be one the community can be proud of. He spoke about the reason for 46 units and that the housing study which calls for an immediate need for 60 units in Cadillac as one of the reasons. He talked about the high fixed costs in maintaining their housing complexes and rising interest rates as other reasons which make the need for more units than are at the Clare Castle apartments in order to make the project feasible. Rents are based on the median income for this area.

Seybert also spoke about the application they need to submit Monday, October 1st to the Michigan State Housing Development Authority who is the allocating agency for the federal tax credit program in Michigan on this affordable housing program. He added it's a very competitive program to get into and every single point in the scoring is important.

Allen asked Seybert about the snow load with the roof pitch change. Seybert answered that the roof construction will meet the required building code. He also added that with the carports being taken out of the plan there will be more light poles in the parking areas and the landscaping will be fully sprinkled.

Paveglio asked about where the mechanicals will be located? Seybert said each unit will have through wall HVAC. The water heating system is centralized with two boilers because they've learned that having water heaters in each unit can prove to be an expensive repair because leakage can reach lower units if residents are gone when a problem occurs. He also said the common areas such as hallways have their own mechanical rooms at the end of each floor for better control.

Genzink asked what the size of the units will be. Seybert answered between 850 and 900 square feet. He also added there will be patios on the ground level and balconies above. Also the dumpster will be enclosed.

Darrell Isch who lives on Aspen Street and owns rental homes on Aspen Street provided written comments and spoke against the project and variance request.

Felicia Clark who is one of the managers at Willow Market & Meats provided written comments and spoke in favor of the project saying she has lived in Cadillac for many years and this project appears first class and could bring other new businesses to the south end.

Randy Lindell who lives nearby spoke against the project. He feels the variance is an attempt to tweak the City Ordinance. He also spoke about air quality in the neighborhood and questioned where snow will be put on site.

Steve King a local attorney with his office nearby on Paluster Street spoke in favor of the project. He feels it's exciting to see our south end beginning to be revitalized.

With no other questions or public comments, Nichols closed the public comment portion of the meeting.

Nichols spoke and said he likes the appearance of the proposed hip roof versus a flat roof apartment building. He added that the hip roof will help with water and snow drainage off of the roof. Genzink added that he too feels a hip roof has a better look than a flat roof.

Genzink made a motion to approve the amended variance request for the building height of 7 feet, six inches as presented. Support by Allen. The motion was unanimously approved on a roll call vote.

PUBLIC COMMENTS - NONE

BOARD MEMBER COMMENTS –

ADJOURN

Chairperson Nichols adjourned the meeting at 6:22.



**MEETING MINUTES
CADILLAC PLANNING COMMISSION
August 27, 2018 6:00 P.M.**

CALL TO ORDER

Chairman Putvin called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

MEMBERS PRESENT: Bunce, Fent, Baumann, Gregg, Peterson, Putvin, and Smith
MEMBERS ABSENT: Filkins
STAFF PRESENT: Wallace & Coy

APPROVAL OF AGENDA

Motion by Baumann, supported by Smith to approve the August 27, 2018 meeting agenda. Motion unanimously was approved.

APPROVAL OF PLANNING COMMISSION MINUTES from April 23, 2018

Motion by Smith, supported by Bunce to approve the April 23, 2018 meeting minutes. Motion unanimously was approved.

PUBLIC HEARINGS

Public Hearing on the request from Cindy Kanitz and Peter Buehler for a Special Land Use at 520 Whaley Street to construct two duplex rental homes. Putvin turned the meeting over to Wallace and he, using a power point, talked about the site and neighboring properties.

Wallace said Ms. Kanitz has a purchase agreement for the property with Mr. Buehler pending the Planning Commission's approval of a Special Land Use for the construction of two duplexes on the site. The site is approximately 3.9 acres and the applicant wishes to split the site into three large lots. He talked about the City Ordinance which allows for a width to depth ratio on new lots not exceeding 1 to 3. This went before the Zoning Board of Appeals who approved a ratio for this site of up to a 1 to 4 width to depth, which is in line with the Michigan Land Division Act 288 recommendations. He also showed concepts of what the three lots may look like and a concept of what the duplexes Ms. Kanitz would like to build would look like.

Included were pictures of the duplexes located immediately southeast of the site which already exist. Ms. Kanitz or Mr. Buehler are not the owners of the neighboring duplexes. Wallace then went through each of the individual standards for approval of a Special Land Use.

Putvin opened the Public Hearing. He asked if there was any Public Comment or anyone who wished to speak and there were none.

Putvin closed the Public Hearing.

Putvin asked Board members if they had any comments or concerns. Baumann asked if the neighboring duplexes had a Special Land Use. Coy answered yes. Peterson feels the applicants plan would be an improvement to the neighborhood. Fent asked if there was any intent to clear cut the property and Ms. Kanitz answered no. She added that she intends to live in the single family home she wishes to build on one of the three lots. Fent said the concept of the duplex looks good. Bunce commented that the duplexes located to the southeast are set back in the trees and would the new ones also be set back.

There was discussion about the vegetation on the site and should there be a condition with regard to how much of the property could be cleared. There also was discussion about the possibility of a future detached accessory structure such as a garage or pole barn type structure. Ms. Kanitz added that she may wish in the future to add a 24 foot by 24 foot detached garage to store lawn equipment, park a vehicle, etc. With no further discussion Putvin closed discussion and asked for a motion.

Motion by Baumann to grant a Special Land Use with the following conditions;

- Each duplex is located on its own parcel.
- Each duplex can have an accessory structure up to 576 square feet for storage purposes.
- Allow for up to a 4 to 1 depth to width ratio on the splitting of the site into three lots.
- Any major changes to the elevation of the buildings or to size of the buildings must be reviewed by the Zoning Administrator.
- 70% of the trees outside the buildable space be retained.

Motion seconded by Smith. The motion unanimously was approved.

NEW BUSINESS

There was an informal presentation by Phil Seybert the developer for the future Cadillac Castle site proposed on South Mitchell Street. Some of the points he discussed were as follows.

The apartments are for persons 55 and older. A spouse may be under the age of 55 but needs to be over the age of 50. The apartments are for independent living. These are not assisted living apartments. He talked about the financial incomes of residents and needing to be at or below 60% of the median income for the Cadillac area. He has similar apartment developments in Clare and St. Johns, Michigan. The Clare development has 24 units and the St. Johns development has 30 units.

The Cadillac Castle project will have 46 living units. There will be 10 units on the first floor with a community room and an open space for gathering. The second, third, and fourth floors will have 12 living units. The current building concept has a footprint of 12, 847 square feet.

The apartments will all be two bedrooms with washer and dryers. The size of the apartment units will be between 750 and 850 square feet.

KMG Prestige is the management company he's hired to manage his properties. He in KMG first years in business was a partner in the ownership. KMG handles all the regulatory reporting for the state and federal tax credits.

He has an application deadline of October 1, 2018 with the State Housing Authority for the competitive Housing Authority tax credit program. He will be back in front of the Planning Commission in September for their formal support of his senior independent living development.

OLD BUSINESS – None.

BOARD MEMBER COMMENTS - Smith asked about the road construction on West Cass Street and also about the Farmer's Market construction and when they'll be completed. Wallace said the first coat of asphalt was scheduled to begin today but the rain delayed it. The plan is for West Cass Street and Lake Streets to be open to through traffic this week. The Market Place construction will continue through September.

COMMUNICATIONS – None.

PUBLIC COMMENTS – None.

OTHER BUSINESS - None.

ADJOURN – There being no additional business, Putvin adjourned the meeting at 7:13 p.m.



**MEETING MINUTES
CADILLAC PLANNING COMMISSION
September 24, 2018 6:00 P.M.**

CALL TO ORDER

Chairman Putvin called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ROLL CALL

MEMBERS PRESENT: Filkins, Peterson, Bunce, Gregg, Baumann, Fent, Putvin

MEMBERS ABSENT: Smith

STAFF PRESENT: Wallace & Coy

APPROVAL OF AGENDA

Motion by Filkins, supported by Fent to approve the September 24, 2018 meeting agenda. Motion unanimously was approved.

APPROVAL OF PLANNING COMMISSION MINUTES FROM AUGUST 27, 2018

Motion by Baumann, supported by Bunce to approve the August 27, 2018 meeting minutes. Motion unanimously was approved.

PUBLIC HEARING

Public Hearing on the request from PS Equities, Inc./Phillip Seybert for a Special Land Use to allow construction of Cadillac Castle, a proposed senior living apartment building consisting of 46 apartment units on South Mitchell Street.

Wallace gave an overview of his staff report. The property is located on the west side of Mitchell Street between Cottage Street and Granite Street. The site is entirely zoned B-3, General Business District. The B-3 district was written to be the broadest commercial district and by virtue of it being specifically written into the Special Use section, it was also anticipated that it may be used for multiple family development. The applicant is also filing an application in October to receive low income housing tax credits for the project. The proposed use is for 46 senior apartments. The age limitation is 55. The project will be comprised of some low income units and 20% market rate units. The site is currently vacant with the exception of one single family home, which would be razed, with the resultant space added into the development property. Wallace reviewed the surrounding commercial properties and housing in the area.

Wallace stated that an e-mail has been received from Kathy Lawie from Assist-To-Sell, which is located in the former Hagstrom's Flowers building on South Mitchell Street.

Wallace reviewed the site plan. The building would be positioned on the southeast corner of the property. The majority of the parking including some carports and access aisle would be on the north side of the property. Fire Department has reviewed the access plan and has approved it. We have not yet received a final design on the utilities. A height variance of 15' would be needed. The developer is also seeking a 5' setback variance for the carports.

Wallace reported that Cadillac's Master Plan specifically addresses the issue of this type of project in this type of location. It recommends medium to high density apartments within or near the central business district. Recent studies have identified a county-wide need for apartment units and that senior apartment rentals were the strongest demand within the City limits.

Wallace reviewed the standards contained in our zoning ordinance for approving a Special Land Use.

Putvin opened the Public Hearing.

Phillip Seybert addressed the Board. He stated a location near the downtown corridor is desired. This project is consistent with Cadillac's zoning ordinance, it coincides with the Master Plan, and two market studies document the need for this type of development. He stated that it currently meets the setback lines as shown on the site plan, but when soil borings and final analysis and positioning of the building is done, they may need room to maneuver the building and push the parking spots and carports one direction or another. If they find they do not need the variance, they will not use it. Concerning height, they could go with a hip roof, which would save 5 to 6 feet. He asked if there were any questions and there were none at this time.

Konrad Isch, 828 Aspen Street, addressed the Board. He asked for clarification on how notices are sent out. He had submitted a letter along with a property map and read from this letter. His concerns included traffic volume, the water and sewer junctions being planned, and location of sidewalks along Aspen Street. He already experiences problems with water and sewer lines in all of his properties in this area. He would favor the utilities going out to Mitchell Street which contains recently replaced water and sewer lines as opposed to using the older, compromised system serving his properties.

From the current site plan and variance request it appears that the carports will be facing his property with a 4-story structure looming directly behind them. He feels it would be more aesthetically desirable to have a tree line of decent height separating the new construction from the older residential houses.

He is concerned about property values, but maintaining a small-town feel for his tenants is more important to him and his ability to make a living than how much his property is worth on the market. He feels that the standard regarding public health, safety, comfort, morals or welfare of the inhabitants of the City is an issue for him. He requests that the Commission deny the Special Land Use and keep the dialogue open for more conforming uses of residential housing.

Mr. Isch stated he found something on-line from a 14-year-old young woman who had written to the Planning Commission at the time of the Cadillac Junction project and presented that to the Commission.

Randy Lindell addressed the Board. He is opposed to the project and feels the proposed building is too tall; it would restrict air flow. We should adhere to the City Ordinance that mandates building heights and not allow add-ons.

Deborah Isch addressed the Board. She asked the Commission members if they would want this 4-story building in their front yard.

Jason Hoffmann addressed the Board. He owns Auto Brokers, which is across the street from the proposed project. While he is in support of the project, he asked the Commission to take into account Mr. Isch's concerns as a landlord and as someone who has improved the area over time.

Putvin closed the Public Hearing.

Putvin said that the water and sewer issue is a huge concern. Wallace stated that the Utility Department has not come forward with service or capacity issues. Filkins believes that the Utility Department would not let this project go forward with ill-advised infrastructure. Wallace said a condition could be placed on the approval that staff secures the necessary assurances from the Utility Department on the soundness of the sanitary system and make this part of the storm drain review and approval.

Air quality was addressed. Wallace said this project would have little effect on air quality. Building up this property for any of the approved uses would equal or exceed what is being proposed as part of this apartment project.

Traffic volume was discussed. There will be a primary access onto Mitchell Street. Based on the trip-end figures provided by staff, it was felt that traffic would not excessively increase. Fent did suggest that thought be given to see what could be done with respect to a turn lane on Mitchell Street in that area.

Building height was discussed. There are currently two taller buildings than the proposed Cadillac Castle project that are in zoning districts that are intended to be lower in density (Harbor View and Kirtland Terrace).

Gregg asked if the Commission could make it a condition to buffer the area with trees. Wallace said this could be evaluated. He said there is more and more concern about being able to see into a site, so the more open styles are desired because people feel more secure with them.

Putvin read into the public record the e-mail received from Kathy Lawie who is in favor of the project. He also acknowledged Mr. Isch's hand-out (map) that was in addition to the letter he had read from earlier.

Motion by Fent to approve the Special Land Use permit based on the application meeting all of the standards contained in our zoning ordinance for approving a Special Land Use and also subject to the following conditions:

- A. Final storm drainage, sanitary and water line design to be reviewed and approved by the City's Utility Department and the city's consulting engineer.
- B. Any required permits by any state or federal agency relating to floodplain issues be secured.
- C. That the variance requests that are under consideration by the City's Zoning Board of Appeals be obtained.
- D. That the developer obtain a curb cut permit from MDOT for their South Mitchell Street access driveway.

Motion seconded by Filkins. Motion unanimously was approved.

Filkins thanked Mr. Isch for taking the time to put the information together and for everything that he has done contributing to the noticeable improvements in that neighborhood

NEW BUSINESS – None.

OLD BUSINESS – None.

BOARD MEMBER COMMENTS - Progress is being made on the Farmer's Market. Filkins commented on the fact that housing is very much needed in our community, which will be helped with the Cadillac Lofts and Cadillac Castle projects. Clock Tower relocation to the far north end of the trailhead is being addressed. The plantings will be used to replace some dying material in the pocket park via a volunteer group who will then take over management of the pocket park. Putvin asked about the demolition project at 412 S. Mitchell Street. Wallace said that there was a slight delay due to a 10-day waiting period mandated by the State related to the asbestos abatement. Filkins asked that an update on this be communicated through social media. Putvin asked staff to look into Mr. Isch's concerns about mailing of notices.

COMMUNICATIONS – None.

PUBLIC COMMENTS – None.

OTHER BUSINESS - None.

ADJOURN – There being no additional business, Putvin adjourned the meeting at 7:43 p.m.

Minutes
Downtown Development Authority (DDA)
Business Improvement District (BID) Board
Regular Meeting
September 26, 2018

A regular meeting of the Cadillac Downtown Development Authority (DDA) and Business Improvement District (BID) Board was held on Wednesday, September 26, 2018 in the Municipal Complex Conference Room, 200 N. Lake St., Cadillac, Michigan.

MEMBERS PRESENT: Barnes, Bosscher, Cinco, Coffey, Kelsey, LeVand
STAFF PRESENT: Wallace, Coy, Cornell

CALL TO ORDER Meeting was called to order by Chairman LeVand at 7:30 a.m.

Welcome to new board member Brian Kelsey, representing Chemical Bank. LeVand invited Mr. Kelsey to consider also serving on DDA subcommittee(s).

MINUTES/REPORTS

Motion by Cinco, seconded by Coffey to approve the minutes of the August 15, 2018 special meeting. Motion passed unanimously.

LeVand asked if anyone had questions on the Treasurer's Report. There being none, motion by Coffey, seconded by Cinco to approve the Treasurer's report. Motion passed unanimously.

COMMITTEE UPDATES/OLD BUSINESS

PARKING LOT SEALING UPDATE: Parking lot subcommittee met on 9/19/2018. Sealing and parking lot restriping quotes were reviewed for all of the downtown parking lots. The subcommittee recommends that based on the strategy of putting the parking lots in a 4-5 year cycle, Lots E-1 and W-3 be given highest priority and should be done yet this fall. Secondly, as money permits, the worst areas of Lot W-2 should be done. The quotes for these three lots were submitted to Owen Roberts, Finance Director. Motion by Barnes, supported by Coffey to approve the subcommittee's recommendation to undertake Lots E-1, W-3 and the worst portions of W-2, as funds permit.

DDA BOUNDARY EXPANSION: Administrative subcommittee met on 9/19/2018 to review past discussion regarding expansion of the DDA boundaries. Subcommittee recommends that we expand the boundaries to include the lakeshore area immediately adjacent to the DDA district, as well as include all of the Save-A-Lot shopping center property at 802 N. Mitchell Street and the CAPS building at 421 South Mitchell Street. Also discussed at committee level was the institution of a second phase to move to expand the district boundary to the south to Granite or to the City limits, which will need further discussion.

Board members discussed the subcommittee's recommendations. Motion by Barnes and seconded by Coffey to expand the DDA boundaries as per the administrative subcommittee's recommendation with the addition of expanding down Shelby Street to Howard Street to Mitchell Street, which would then include the Shell gas station, Bendle-Lang, First Baptist Church, CAPS and Richard Melstrom's office. Motion passed unanimously.

Prior to this recommendation going before City Council, Wallace will contact Mr. Melstrom regarding this proposed boundary expansion. LeVand offered to meet with John to talk about approaching the affected property owners.

FAÇADE PROGRAM RULE CHANGE: It was the consensus at the DDA special meeting on 8/15/18 to amend the rules to allow participation of a bank that is not part of the façade program in the event that 100% of the local banks decline to participate. Motion by Bosscher, seconded by Coffey to amend the rules as noted, that this would be on a case-by-case basis, and applicants would have to show that local banks do not want to be involved, with a timeframe of 30 days allowed. Motion passed unanimously.

OTHER ITEMS

There was discussion on how to get people to downtown businesses from the Commons. We need to make the downtown a walkable, pedestrian friendly environment and have Mitchell Street be the destination. How can we give the downtown businesses a reason to want to stay open later.

Bosscher said we need to take formal action to begin serious discussions of what it would look like for the City to take Mitchell Street back, starting with some hard numbers with respect to revenue and expenses. Wallace said part of the decision about cost means we have to decide what the future use of the right-of-way is going to be. Motion by Bosscher and seconded by Barnes for the streetscape subcommittee to pursue the gathering of financial information. Motion passed unanimously.

A meeting of the Streetscape Subcommittee will be scheduled.

A letter will go out to Nicole Schultz accepting her resignation.

Wallace reported that Cadillac Castle special land use permit was approved by the Planning Commission. A height variance from the ZBA is still needed, and the developer needs to get his low income housing tax credit application approved by MSHDA. The project may be underway by next year.

Meeting adjourned at 8:54 a.m.



Cadillac Downtown Development Authority (DDA)

2017 Annual Report

City of Cadillac
Downtown Development Authority
200 N. Lake Street
Cadillac, MI 49601

Report Prepared: September 19, 2018

I. Introduction

This 2017 tax increment financing (TIF) report has been prepared in accordance with Michigan Public Act 197 of 1975, as amended (the DDA Act). It is designed to provide specific information on the status of the Cadillac DDA tax increment financing account, for the 2016-2017 fiscal year (July 1, 2016 through June 30, 2017).

II. TIF Account Specific Information

A. The amount and source of revenue in the account:

Current Property Taxes Captured	\$ 60,210.30
State of Michigan Grants	4,945.00
Local Community Stabilization Authority	26,293.00
Loan Proceeds	1,000,000.00
Contribution from Private Sources	85,327.04
Total	\$ 1,176,775.34

B. The amount in any bond reserve account: \$0

C. The amount and purpose of expenditures from the account:

Contractual Services (1)	\$ 173,348.71
Audit (2)	500.00
Construction (3)	980,262.66
Total	\$ 1,154,111.37

¹ Costs were incurred in conjunction with design, planning, and engineering for the Cadillac Commons plaza project in the district, and for beautification of the DDA district corridor.

² Annual independent audit costs were shared with the City of Cadillac.

³ Significant construction activities were undertaken as part of the City's downtown Cadillac Commons Plaza project. The expenditures for this year included parking lot construction and beautification activities related to the construction of a plaza within the parking lot that includes a splash pad, fire place, and gathering space within the Plaza.

D. The amount of principal and interest on any outstanding bonded indebtedness of the Authority:

Principal	\$0
Interest	\$0

E. Initial Assessed Value of the property: **\$11,654,550**

F. Captured Assessed Value retained by the authority: **\$2,095,119**

G. Tax increment revenues received:

City of Cadillac	\$	31,387.60
City of Cadillac (Police/Fire Retirement)		5,851.08
Wexford County		15,256.59
Cadillac-Wexford Transit Authority		1,228.23
Council on Aging		2,047.26
Cadillac-Wexford Library		1,534.75
Wexford County Animal Control		409.24
Wexford County Road Patrol		1,944.26
MSU-Extension		346.81
Wexford County Veterans Services		204.48
Total	\$	60,210.30

H. The number of jobs created as a result of the implementation of the tax increment financing plan: **Unknown**



Cadillac Downtown Development Authority (DDA)

2018 Annual Report

City of Cadillac
Downtown Development Authority
200 N. Lake Street
Cadillac, MI 49601

Report Prepared: September 19, 2018

I. Introduction

This 2018 tax increment financing (TIF) report has been prepared in accordance with Michigan Public Act 197 of 1975, as amended (the DDA Act). It is designed to provide specific information on the status of the Cadillac DDA tax increment financing account, for the 2017-2018 fiscal year (July 1, 2017 through June 30, 2018).

II. TIF Account Specific Information

A. The amount and source of revenue in the account:

Current Property Taxes Captured	\$	51,703.95
Local Community Stabilization Authority		18,524.13
Contribution from Private Sources		1.70
Total	\$	70,229.78

B. The amount in any bond reserve account: \$0

C. The amount and purpose of expenditures from the account:

Contractual Services (1)	\$	30,619.20
Audit (2)		500.00
Construction (3)		13,034.98
Debt Service (4)		81,100.00
Total	\$	125,254.18

¹ Final costs were incurred in conjunction with design, planning, and engineering for the Cadillac Commons plaza project in the district.

² Annual independent audit costs were shared with the City of Cadillac.

³ Final construction activities were undertaken as part of the City's downtown Cadillac Commons Plaza project. The expenditures for this year were primarily costs for beautification of the district corridor, including updates to gateway baskets and purchase of banners for the corridor entry areas.

⁴ The DDA is responsible for 1/3 of debt service costs on Capital Improvement Bonds issued in 2016.

D. The amount of principal and interest on any outstanding bonded indebtedness of the Authority:

Principal	\$60,000
Interest	\$21,100

E. Initial Assessed Value of the property: **\$11,654,550**

F. Captured Assessed Value retained by the authority: **\$1,948,335**

G. Tax increment revenues received:

City of Cadillac	\$ 26,818.27
City of Cadillac (Police/Fire Retirement)	4,921.31
Wexford County	12,832.19
Cadillac-Wexford Transit Authority	1,135.48
Council on Aging	1,892.68
Cadillac-Wexford Library	1,418.82
Wexford County Animal Control	378.28
Wexford County Road Patrol	1,797.44
MSU-Extension	320.52
Wexford County Veterans Services	188.96
Total	\$ 51,703.95

H. The number of jobs created as a result of the implementation of the tax increment financing plan: **Unknown**



Cadillac Local Development Finance Authority (LDFA)

2017 Annual Report

City of Cadillac
Local Development Finance Authority
200 N. Lake Street
Cadillac, MI 49601

Report Prepared: September 19, 2018

I. Introduction

This 2017 tax increment financing (TIF) report has been prepared in accordance with Michigan Public Act 281 of 1986, as amended (the Local Development Financing Act). It is designed to provide specific information on the status of the Cadillac Local Development Finance Authority (LDFA) tax increment financing account, for the 2016-2017 fiscal year (July 1, 2016 through June 30, 2017).

II. TIF Account Specific Information

A. The amount and source of tax increment revenues received:

	Ad Valorem	IFT	Total
City of Cadillac	\$41,109.44	\$15,276.41	\$56,385.85
City of Cadillac (Police/Fire Retirement)	7,663.45	2,847.80	\$10,511.25
Lake Treatment			\$0.00
Wexford County	19,983.00	7,425.68	\$27,408.68
Cadillac-Wexford Transit Authority	1,768.48	657.18	\$2,425.66
Council on Aging	2,947.47	1,095.30	\$4,042.77
Cadillac-Wexford Library	2,210.58	821.44	\$3,032.02
Wexford County Recreation			\$0.00
Wexford County Animal Control	589.47	219.06	\$808.53
Wexford County Road Patrol	2,800.07	1,040.50	\$3,840.57
Michigan State University-Extension	501.00	186.14	\$687.14
Wexford County Veterans Services	294.72	109.50	\$404.22
Total	\$79,867.68	\$29,679.01	\$109,546.69

B. The amount in any bond reserve account: **\$0**

C. The amount and purpose of expenditures from the account:

Audit (1)	\$500.00
Construction (2)	48,972.12
Total	\$49,472.12

(1) Annual independent audit costs were shared with the City of Cadillac.

(2) Costs were incurred related to closure of the system's Soil Vapor Extraction (SVE) site.

D. The amount of principal and interest on any outstanding bonded indebtedness of the Authority:

Principal	\$0
Interest	\$0

E. Initial Assessed Value of the property:

Ad Valorem	\$551,400
PA198 IFT	0
Total	\$551,400

F. Captured Assessed Value retained by the authority:

Ad Valorem	\$2,947,491
PA198 IFT	2,190,616
Total	\$5,138,107

G. The number of jobs created as a result of the implementation of the tax increment financing plan: **100+**

The industrial park has incurred numerous benefits from the groundwater treatment facility project, including significant job creation since the inception of the TIF plan. We attribute much of this employment growth to the reassurance provided to area industries that the groundwater contamination is being addressed and that the future viability of their respective properties will not be negatively impacted by these environmental concerns.



Cadillac Local Development Finance Authority (LDFA)

2018 Annual Report

City of Cadillac
Local Development Finance Authority
200 N. Lake Street
Cadillac, MI 49601

Report Prepared: September 19, 2018

I. Introduction

This 2018 tax increment financing (TIF) report has been prepared in accordance with Michigan Public Act 281 of 1986, as amended (the Local Development Financing Act). It is designed to provide specific information on the status of the Cadillac Local Development Finance Authority (LDFA) tax increment financing account, for the 2017-2018 fiscal year (July 1, 2017 through June 30, 2018).

II. TIF Account Specific Information

A. The amount and source of tax increment revenues received:

	Ad Valorem	IFT	Total
City of Cadillac	\$40,986.99	\$17,630.65	\$58,617.64
City of Cadillac (Police/Fire Retirement)	7,640.57	3,286.65	\$10,927.22
Wexford County	19,923.50	8,570.05	\$28,493.55
Cadillac-Wexford Transit Authority	1,763.15	758.44	\$2,521.59
Council on Aging	2,938.65	1,264.08	\$4,202.73
Cadillac-Wexford Library	2,203.95	948.02	\$3,151.97
Wexford County Animal Control	587.66	252.80	\$840.46
Wexford County Public Safety	2,791.70	1,200.85	\$3,992.55
Michigan State University-Extension	499.48	214.84	\$714.32
Wexford County Veterans Services	293.81	126.36	\$420.17
Total	\$79,629.46	\$34,252.74	\$113,882.20

B. The amount in any bond reserve account: **\$0**

C. The amount and purpose of expenditures from the account:

Audit (1)	\$500.00
Contractual Services (2)	4,074.75
Total	\$4,574.75

(1) Annual independent audit costs were shared with the City of Cadillac.

(2) Costs were incurred related to a study of the current status of the groundwater cleanup.

D. The amount of principal and interest on any outstanding bonded indebtedness of the Authority:

Principal	\$0
Interest	\$0

E. Initial Assessed Value of the property:

Ad Valorem	\$551,400
PA198 IFT	0
Total	\$551,400

F. Captured Assessed Value retained by the authority:

Ad Valorem	\$2,938,712
PA198 IFT	2,528,209
Total	\$5,466,921

G. The number of jobs created as a result of the implementation of the tax increment financing plan: **100+**

The industrial park has incurred numerous benefits from the groundwater treatment facility project, including significant job creation since the inception of the TIF plan. We attribute much of this employment growth to the reassurance provided to area industries that the groundwater contamination is being addressed and that the future viability of their respective properties will not be negatively impacted by these environmental concerns.