



City Council Meeting

June 3, 2019

6:00 p.m.

Cadillac Municipal Complex

Council Chambers

200 N. Lake St.

Cadillac, MI 49601



June 3, 2019 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 May 20, 2019.

Support Document III-A

B. Minutes from the closed session held on May 20, 2019.

C. Minutes from the special meeting held on May 29, 2019.

Support Document III-C

D. Minutes from the closed session held on May 29, 2019.

IV. PUBLIC HEARINGS

A. Public hearing to consider adoption of Resolution to Approve Application for a Commercial Facilities Exemption Certificate Under PA 255 of 1987, as Amended – Cass/Mitchell Commercial Redevelopment District No. 1.

Support Document IV-A

Cadillac City Council Agenda

June 3, 2019

Page 2

- B. Public hearing to consider adoption of Ordinance Amending the City Code Regarding Fireworks.

Support Document IV-B

V. CITY MANAGER’S REPORT

- A. Introduction of Police Officers.

- B. Recommendation regarding IT Managed Services.

Support Document V-B

VI. ADOPTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution Approving an Application for a Neighborhood Enterprise Zone (New/Rehabilitated) Certificate for Cadillac Lofts, LLC.

Support Document VI-A

- B. Adopt Resolution to Approve Cadillac Brownfield Redevelopment Authority Development and Reimbursement Agreement.

Support Document VI-B

- C. Adopt Resolution Amending General Appropriations Act for Fiscal Year 2019.

Support Document VI-C

VII. MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

- A. Zoning Board of Appeals

Support Document VII-A

VIII. PUBLIC COMMENTS

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

IX. GOOD OF THE ORDER

X. ADJOURNMENT

Cadillac City Council Agenda

June 3, 2019

Page 3

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 – May 20, 2019
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, Spoelman, Engels, Mayor Filkins
Council Absent: King
Staff Present: Peccia, Roberts, Dietlin, Ottjepka, Wallace, Wolff, Homier, Wasson

APPROVAL OF AGENDA

2019-100 Approve agenda as presented.

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

Motion unanimously approved.

PUBLIC COMMENTS

Randy Lindell expressed gratitude to the veterans and commented on an article regarding PBB contamination.

CONSENT AGENDA

2019-101 Approve consent agenda as presented.

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

Motion unanimously approved.

PUBLIC HEARINGS

- A. Close-out public hearing for Community Development Block Grant Funding for Cadillac Lofts Demolition & Site Preparation.

Peccia noted Cadillac Lofts is the new mixed-use residential and commercial project occurring in downtown Cadillac.

Sara Christensen, CDBG Certified Grant Administrator with Venture North Funding and Development, shared details of the completed project in the amount of \$749,652 for the demolition and site preparation project that took place at 207 and 215 South Mitchell Street. She noted the grant funds were used for pre-demolition services, engineering, demolition,

lead and asbestos abatement, and grant administration. She added that private funds in the amount of \$5,285 were used for the clock tower removal.

Christensen stated this project qualified for CDBG funds under the national objective of spot blight removal. She noted that no local funds were used by the City of Cadillac and no people were displaced as a result of this project.

Peccia noted the grant came in lower than had been anticipated because they didn't need to utilize all of the funding. He stated the grant was amended accordingly.

Mayor Filkins opened the public hearing.

There were no public comments.

Mayor Filkins closed the public hearing.

Spoelman asked if all of the work intended for this project has been completed.

Peccia stated there are additional legislative items that need to be addressed before the project can progress any further.

Dean DeKryger, DK Design Group, stated all of the work, except for relocating the power line by Consumers Energy, is completed. He noted the grade is set at foundation level for the building. He stated construction is expected to begin on June 11, 2019.

B. Public hearing to consider adoption of Ordinance Amending the City Zoning Map.

John Wallace, Community Development Director, stated a large section of the block in front of the hospital was rezoned for the McAuley Children's Center and Preschool. He noted during that process it came to their attention there were two (2) lots that were inadvertently omitted from the rezoning application. He stated Munson Healthcare Cadillac Hospital desires to have the two (2) lots included in the same zoning district as the McAuley Center. He stated the hospital owns most of the block with the exception of one (1) lot immediately to the east of that block so they also want to move that rezoning forward at the same time. He stated the OS-2 zoning district provides the most flexibility to move forward with a range of medical support services and accessory uses.

Mayor Filkins opened the public hearing.

There were no public comments.

Mayor Filkins closed the public hearing.

2019-102 Adopt Ordinance 2019-05.

Motion was made by Schippers and supported by Spoelman to approve the resolution to adopt Ordinance Amending the City Zoning Map.

Motion unanimously approved.

C. Public hearing to consider adoption of Ordinance Amending Zoning Ordinance Regarding Accessory Uses.

Peccia noted this item is essentially a Text Amendment to the Zoning Ordinance which allows for an accessory use to occur if it is located on a parcel contiguous to where the primary use is located. He stated this will allow a playground to be constructed on a parcel contiguous to the McAuley Children's Center and Preschool.

Mayor Filkins opened the public hearing.

There were no public comments.

Mayor Filkins closed the public hearing.

2019-103 Adopt Ordinance 2019-06.

Motion was made by Schippers and supported by Spoelman to approve the resolution to adopt Ordinance Amending Zoning Ordinance Regarding Accessory Uses.

Motion unanimously approved.

D. Public hearing to consider adoption of Ordinance Amending the City Zoning Map.

Wallace noted the rezoning request is regarding New Hope Shelter. He stated New Hope Shelter has decided to centralize their homeless operation to reduce cost and improve management services. He stated New Hope Shelter is requesting the rezoning of a site on Lincoln Street just east of the Wexford County Jail from R-1 One Family Residential to a RM-2 Multiple Family Residential.

Mayor Filkins opened the public hearing.

The following individuals spoke in support of New Hope Shelter:

- Mark Mogan
- Art Breithaupt
- Dennis Anderson
- Kelvin Ruhl
- Glenn Verbrugge
- Will Markham

Mayor Filkins closed the public hearing.

Schippers noted the concept for a shelter occurred when three (3) people witnessed someone living in a cardboard box behind a store. She stated her husband was one of the first people who staffed the shelter. She noted that even though it saddens her that the need continues she is so proud of this community and those who have worked on this project.

Spoelman stated this is one of those projects that has endured in this community. She thanked everyone for putting in the many hours and years of service into this project. She

noted it is a win-win project and believes it is a good location for the facility.

Mayor Filkins stated that discussions regarding homeless shelters haven't always been positive. She noted this is one of the most emotional topics the Council has addressed since she has been on the Council. She stated she is happy the community has never lost faith in the work being done on behalf of homeless people. She thanked everyone involved.

2019-104 Adopt Ordinance 2019-07.

Motion was made by Schippers and supported by Spoelman to approve the resolution to adopt the Ordinance Amending the City Zoning Map for the New Hope Shelter.

Motion unanimously approved.

- E. Public hearing to consider adoption of Ordinance to Amend Sections 42-201 and 42-202(3) of Chapter 42 of the Cadillac City Code to Increase Water Rates in the City of Cadillac 10%.

Owen Roberts, Director of Finance, stated there is a need to balance the two sometimes competing principles of conservatism with the aggressive need to continue to invest in the City's infrastructure. He presented information regarding the proposed water and sewer rate adjustments. (see attached)

Mayor Filkins opened the public hearing.

Randy Lindell commented on the proposed rate increases, water/sewer infrastructure for commercial developments, local industries, and the Utilities Department.

Mayor Filkins closed the public hearing.

Peccia stated the City of Cadillac did not pay for the extension of utility infrastructure to any of developments that were referenced. The infrastructure was done at the cost of the developer and then conveyed to the City.

Engels noted a separate rate schedule was provided that showed two years of a 7.5% increase and then a 3.5% increase for the next few years. He proposed that Council consider the alternative rate schedule for the sake of customer service.

Spoelman referenced the information presented by Owen Roberts. She noted the average monthly bill will increase approximately \$1.90 - \$2.08. She stated the information showed the combined water and sewer increase will be 4.72%. She acknowledged the proposal made by Council Member Engels. She stated she has come to the realization that the increases being proposed in the ordinance are appropriate. She noted the City has excellent water and sewer systems.

2019-105 Adopt Ordinance 2019-02.

Motion was made by Schippers and supported by Spoelman to approve the resolution to adopt Ordinance to Amend Sections 42-201 and 42-202(3) of Chapter 42 of the Cadillac City Code to Increase Water Rates in the City of Cadillac 10%.

Motion unanimously approved.

- F. Public hearing to consider adoption of Ordinance to Amend Section 42-374 of Chapter 42 of the Cadillac City Code to Increase Sewer Rates in the City of Cadillac 1.5%.

Mayor Filkins opened the public hearing.

Randy Lindell noted he is unclear about the rate increases for industrial facilities.

Mayor Filkins stated industrial facilities will have the same rate increases as residential customers.

Randy Lindell commented on the proposed rate increases and on materials being discharged by the industrial facilities.

Mayor Filkins closed the public hearing.

Mayor Filkins noted the industries are a huge economic engine for the City and the surrounding communities. She stated industries share the same rate increases as residential customers.

2019-106 Adopt Ordinance 2019-03.

Motion was made by Engels and supported by Spoelman to approve the resolution to adopt Ordinance to Amend Section 42-374 of Chapter 42 of the Cadillac City Code to Increase Sewer Rates in the City of Cadillac 1.5%.

Motion unanimously approved.

- G. Public hearing to consider adoption of Ordinance Establishing General Appropriations Act for Fiscal Year 2020.

Roberts presented information regarding the 2007 v. 2019 Revenue Comparison – General Fund. (see attachment)

Roberts briefly discussed the revenue challenges and noted the City has taken various steps to provide the same level of service with a reduced number of employees.

Peccia stated that between 2007 and 2019 there has been a \$26,000 increase in revenue. He noted the City has been able to accomplish a number of different projects during that time frame.

Mayor Filkins opened the public hearing.

There were no public comments.

Mayor Filkins closed the public hearing.

Spoelman stated it's amazing when you consider everything that has been accomplished in the past (ten) 10 or more years with very little additional revenue. She added she believes it is

due to great leadership.

2019-107 Adopt Ordinance 2019-04.

Motion was made by Schippers and supported by Engels to approve the resolution to adopt Ordinance Establishing General Appropriations Act for Fiscal Year 2020.

Motion unanimously approved.

INTRODUCTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt resolution to introduce Ordinance Amending the City Code Regarding Fireworks and set a public hearing for June 3, 2019.

Peccia noted the State of Michigan has revised the statute governing the use of fireworks. He stated amending the Code accordingly will keep the City in compliance with the State. He noted it changes how consumers can use aerial fireworks only from the perspective of time of year.

Spoelman stated it appears it is providing more time for fireworks during certain holidays. She noted the week of the Fourth of July is filled with opportunity and when you reside near the lake you hear fireworks all the time. She stated it seems like the City could adopt an ordinance that would be right for the community.

Peccia stated he is not certain the City could adopt an ordinance that is more restrictive than the State legislation. He noted the prior version of this Code prevented the City from establishing cut-off times due to the population of the City's corporate boundary.

Mayor Filkins asked for further information on what the City can and cannot include in its ordinance prior to the public hearing.

Engels asked about the policy regarding fireworks landing in the lake or on another person's property.

Anthony Wolff, Fire Marshal, stated there is a penalty provision. He noted that when someone is igniting fireworks they have to be on their own property, not public lands. He added fallout has to be confined to their own property.

2019-108 Set public hearing for Ordinance 2019-08.

Motion was made by Schippers and supported by Engels to adopt the resolution to introduce Ordinance Amending the City Code Regarding Fireworks and set a public hearing for June 3, 2019.

Motion unanimously approved.

- B. Adopt resolution to introduce Ordinance Vacating a Portion of 10th Street and Reserving a Public Utility Easement in Favor of the City of Cadillac and set a public hearing for June 17, 2019.

Peccia noted this ordinance is designed to clarify the existing documents dating back to 1928. He stated further information will be provided at the public hearing.

2019-109 Set public hearing for Ordinance 2019-09.

Motion was made by Schippers and supported by Spoelman to adopt the resolution to introduce Ordinance Vacating a Portion of 10th Street and Reserving a Public Utility Easement in Favor of the City of Cadillac and set a public hearing for June 17, 2019.

Motion unanimously approved.

ADOPTION OF ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution Designating a Neighborhood Enterprise Zone – Cass/Mitchell Neighborhood Enterprise Zone No. 1.

Peccia noted a public hearing was held on April 15, 2019 regarding the establishment of a Neighborhood Enterprise Zone for the Cadillac Lofts project. He stated the next step is to adopt a Resolution Designating a Neighborhood Enterprise Zone – Cass/Mitchell Neighborhood Enterprise Zone No. 1. He noted at a subsequent meeting in June, Council will be asked to consider approval of the application for a Neighborhood Enterprise Zone Certificate.

2019-110 Adopt Resolution Designating a Neighborhood Enterprise Zone.

Motion was made by Spoelman and supported by Engels to adopt the Resolution Designating a Neighborhood Enterprise Zone – Cass/Mitchell Neighborhood Enterprise Zone No. 1.

Motion unanimously approved.

- B. Adopt Resolution Regarding Application for Commercial Facilities Exemption Certificate – Cass/Mitchell Commercial Redevelopment District No. 1 and set public a hearing for June 3, 2019.

2019-111 Set public hearing regarding Application for Commercial Facilities Exemption Certificate.

Motion was made by Spoelman and supported by Engels to adopt the Resolution Regarding Application for Commercial Facilities Exemption Certificate – Cass/Mitchell Commercial Redevelopment District No. 1 and set a public hearing for June 3, 2019.

Motion unanimously approved.

- C. Adopt City of Cadillac Fair Housing Resolution and Policy.

Peccia stated that as part of the Community Development Block Grant process, the City is required to have a Fair Housing Resolution and Policy.

2019-112 Adopt City of Cadillac Fair Housing Resolution and Policy.

Motion was made by Spoelman and supported by Schippers to adopt the City of Cadillac Fair Housing Resolution and Policy.

Motion unanimously approved.

MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

A. Historic Districts Commission

PUBLIC COMMENTS

Jim Kunisch expressed concerns regarding the development of Cadillac Junction.

GOOD OF THE ORDER

Peccia noted the ribbon cutting event for The Market will be held at 4:30 pm on May 29, 2019.

Spoelman stated she appreciates the transparency of the City's financial data.

CLOSED SESSION

Adjourn to closed session pursuant to MCL 15.268(a) to consider a periodic personnel evaluation of the City Manager, a public officer and employee, at his written request and 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; and 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; and City of Cadillac v Lake Mitchell Sewer Authority, State of Michigan 28th Judicial Circuit Court, Case #2018-28350-CZ.

2019-113 Adjourn to closed session.

Motion was made by Engels and supported by Schippers to adjourn to closed session pursuant to MCL 15.268(a) to consider a periodic personnel evaluation of the City Manager, a public officer and employee, at his written request; also 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; and 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; and City of Cadillac v Lake Mitchell Sewer Authority, State of Michigan 28th Judicial Circuit Court, Case #2018-28350-CZ. Invite Todd Keway, Human Resources Generalist, Jeff Dietlin, Director of Utilities, Adam Ottjepka, Director of Public Safety, and TeriDee representatives and their legal counsel, accordingly.

Motion unanimously approved.

2019-114 Return to open session.

Motion was made by Schippers and supported by Spoelman to return to open session.

Motion unanimously approved.

Mayor Filkins noted one of the items addressed in the closed session was to discuss the recent performance evaluation of City Manager Peccia. She noted a summary report was provided containing the performance feedback received from the Council Members. She stated the City Manager received a

rating of Exceeds or Outstanding in every area of his performance. She noted the City Manager has been able to manage the many projects and his other duties effectively and professionally.

Mayor Filkins stated that she and Mayor Pro-Tem Spoelman, worked in conjunction with Todd Keway, Human Resources Generalist, to gather information from cities similar to Cadillac. She noted they obtained base salary and other compensation information for various City Managers.

Mayor Filkins noted that over the course of several years Council had made the decision to not increase the salary of the City Manager. She stated in 2018 the City Manager did receive an increase in his salary. She noted in order to be competitive with other cities she believes an increase in base salary and other compensation is necessary.

Mayor Filkins stated the she and Mayor Pro-Tem Spoelman are recommending that the City Manager's base salary be increased by 5% and to also provide a \$50 per month increase in his vehicle allowance. She noted this increase will place the City Manager inline with his peer group. She added it will also allow for a more standard 2% - 3% increase in future years.

Mayor Filkins stated it has been a privilege working with the City Manager and she would like to see him stay in the City of Cadillac.

Spoelman stated she believes Council is in agreement and it is evident by the overall scores in each of the categories including:

- Budgeting/Fiscal Management
- Supervision & Leadership
- Community Relations
- City Council Relations
- Intergovernmental Relations
- Professional Development

Spoelman stated the City Manager received an Exceeds or Outstanding rating in each of these categories. She noted they learned there is a high turnover rate with City Managers which is another reason they want to keep his salary competitive. She stated, as mentioned by Mayor Filkins, they want to keep the City Manager in the community. She noted he has done an excellent job of leading a number of economic development projects. She stated the City Manager did receive a nice increase in 2018 but before that they hadn't been moving the City Manager along at the rate that he should have been moved along.

Engels stated there has been a significant amount of progress over the past year including: clean-up of the Mitchell-Bentley site, the Veterans Memorial Walkway, Cadillac Lofts, Cadillac Castle, Ace Hardware, and the McAuley Children's Center.

Schippers stated she believes the City Manager does a wonderful job. She noted she firmly agrees that they need to do whatever they can to provide the financial incentive and the climate for him to want to remain in Cadillac.

Mayor Filkins noted that although the salaries are comparable, the previous City Manager had an Assistant City Manager which the current City Manager does not have.

2019-115 Approve compensation increase for City Manager.

Motion was made by Spoelman and supported by Engels to increase the base salary of City Manager Peccia by 5% and to add an additional \$50 to the monthly vehicle allowance. This will move the monthly vehicle allowance from \$350 to \$400 per month and will move his annual base salary to \$105,306.

Motion unanimously approved.

Peccia thanked the Mayor and Council Members for their consideration and for their continued support. He noted it would not be possible to move the initiatives, goals, and objectives forward without having the support from the Council, the community, and his staff. He stated he is only as good as the people and the community that surrounds him. He noted he has been in Cadillac since 2009.

ADJOURNMENT

Respectfully submitted,

Carla J. Filkins, Mayor

Sandra L. Wasson, City Clerk



Water and Sewer User Rates

Public Hearing

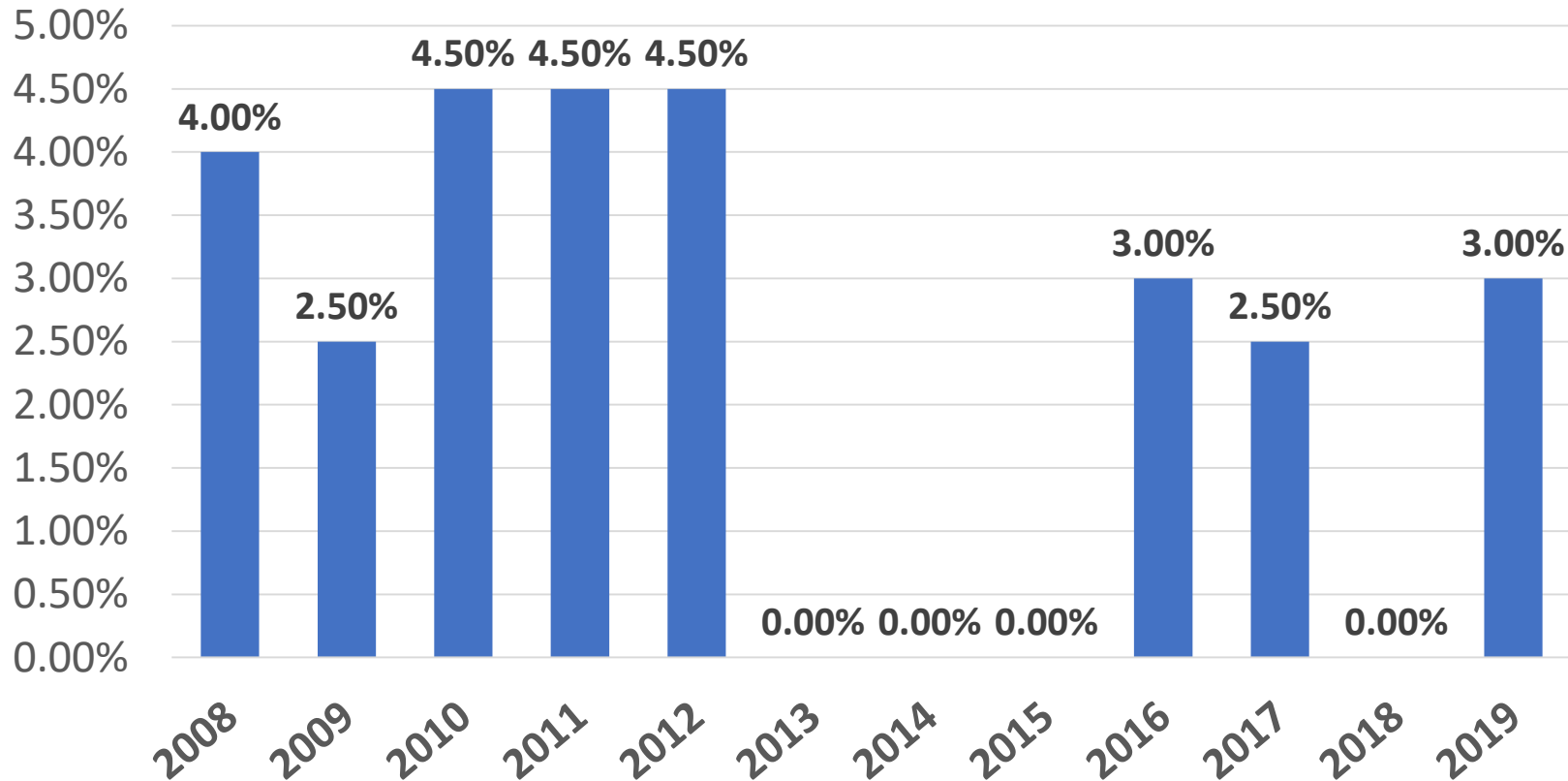
May 20, 2019

Proposed Rate Adjustment – + 4.72% (blended)



- Water and Sewer User Charges
 - Average Monthly Bill ↑ ~\$1.90-\$2.08 (↑4.72%)
 - Sewer: ↑ \$0.44/month (1.5%)
 - Water: ↑ \$1.64/month (10%)
 - *Based on average residential customer*
- Justification:
 - Well Field (\$8 million)
 - Ongoing capital investment

Water and Sewer User Rate Adjustments Last Twelve Years



Note: Well Field Phase I was built in 2011/2012.
Approximately \$3 million.

Ongoing Capital Investment

Since 2010 (Cash Only – Does not include bond-financed Well Field Phase I Project)

	Water	Sewer	Total
Infrastructure	\$2,054,957	\$822,771	\$2,877,728
Equipment, Building, etc.	822,589	\$1,144,039	\$1,966,646
Total	\$2,877,564	\$1,966,810	\$4,844,374

Baker Tilly Rate Analysis

- Need to maintain adequate reserves
- Fund \$367,500 additional annual debt service for new well field
- Continue to fund ongoing capital investment with cash on hand
- Identified need for user charge adjustments (Water):

FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
10%	5%	3%	3%	3%	3%

Rate Survey Results

Survey of Eastern UP and Northern LP Municipal Water and Sewer Systems

Water Rates: Cadillac **10th lowest** of 68 responding systems;

Typical Monthly water bill: \$28.66 (Cadillac \$16.36)

** Still 10th lowest if last two years' increases factored in*

Sewer Rates: Cadillac **11th lowest** of 62 responding systems

Typical Monthly sewer bill: \$40.38 (Cadillac \$25.77)

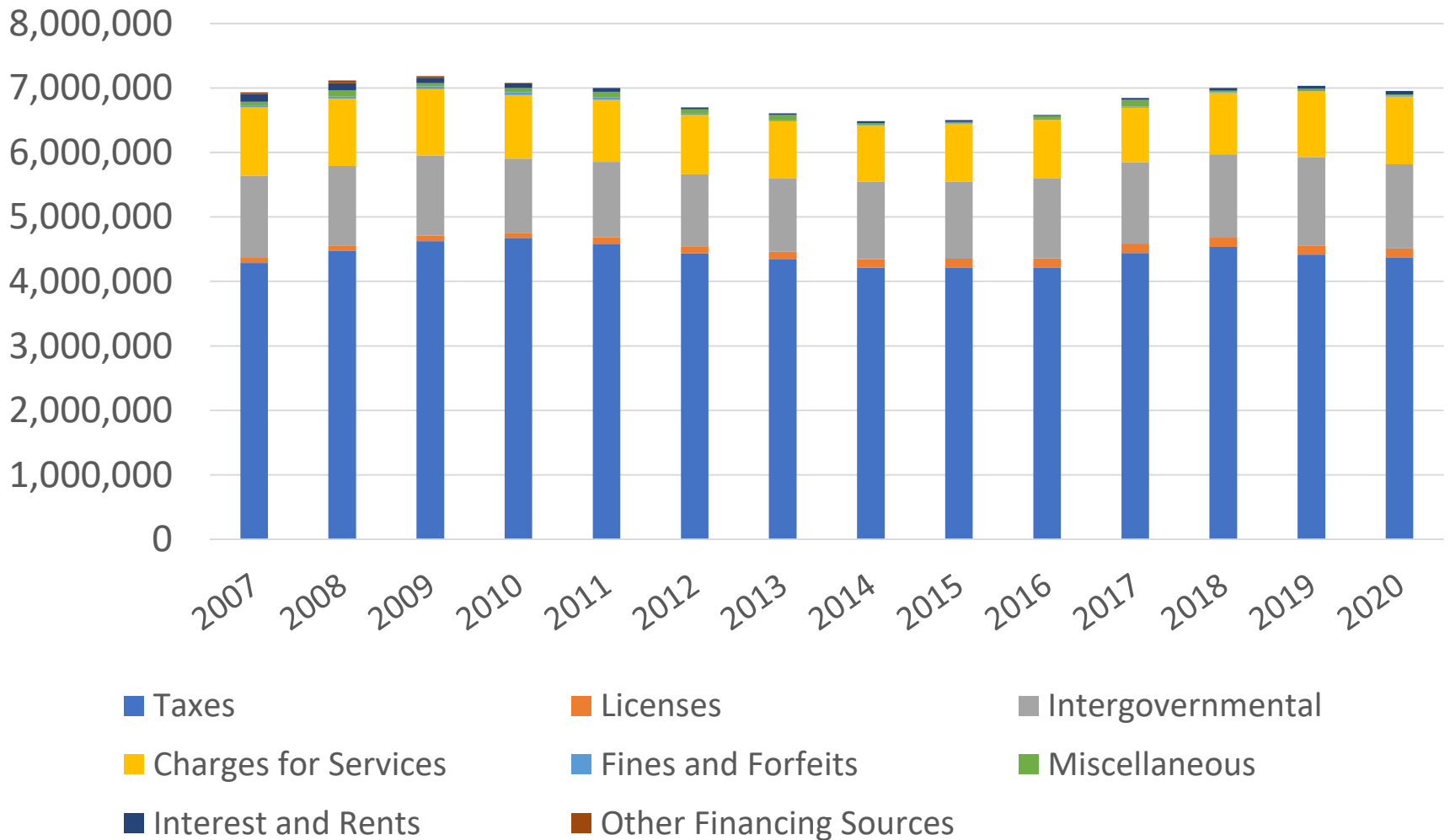
** 12th lowest if last two years' increases factored into rates*

Source: Gosling Czubak Engineering Services, Inc.; '2017 Water & Sewer Rate Study'.

Revenue Comparison - General Fund

2007-current

*(Note: Excludes certain one-time sources;
2007-2018 Actual; 2019 Projected; 2020 Proposed Budget)*



Revenue Comparison – 2019 v. 2007

General Fund Only



Source	FY2020	FY2007	Change
Taxes/PPT Reimb./Cable	4,512,000	4,362,900	↑ \$149,100
Intergovernmental Revenue	1,305,000	1,276,700	↑ \$28,300
Charges for Services	1,046,100	1,057,100	↓ \$11,000
Miscellaneous	43,000	117,100	↓ \$74,100
Interest Income	55,000	120,700	↓ \$65,700
Total	\$6,961,100	\$6,934,500	↑ \$26,600

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 J. Engels
Stephen King

RESOLUTION NO. _____

**RESOLUTION TO APPROVE AN APPLICATION FOR A COMMERCIAL FACILITIES
EXEMPTION CERTIFICATE UNDER PA 255 OF 1987, AS AMENDED**

CASS / MITCHELL COMMERCIAL REDEVELOPMENT DISTRICT NO. 1

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held at the City Hall, 200 North Lake Street, Cadillac, Michigan 49601, on the 3rd day of June, 2019, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and supported by _____.

WHEREAS, the City Council of the City of Cadillac, Wexford County, Michigan established the Cass/Mitchell Commercial Redevelopment District No. 1 (the "CRD") on April 15, 2019 as required under PA 255 of 1987, as amended ("PA 255") after a public hearing held on April 15, 2019; and

WHEREAS, Cadillac Lofts, LLC owns real property in the CRD located at 201, 207 and 215 South Mitchell, Cadillac, Michigan (the "Property"), is not delinquent on any taxes related to such property, and has submitted an application for a Commercial Facility Exemption Certificate in the CRD; and

WHEREAS, the application is for commercial property as defined in Section 3(3) of

PA 255; and

WHEREAS, Cadillac Lofts, LLC has provided to the City answers to all required questions under Section 6(1) of PA 255; and

WHEREAS, the City requires that the construction, restoration or replacement of the facility on the Property shall be completed by December 1, 2020; and

WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur more than 45 days prior to the filing of the application for exemption; and

WHEREAS, the commencement of the construction, restoration or replacement of the facility did not occur prior to the establishment of the Commercial Redevelopment District; and

WHEREAS, the application relates to a construction, restoration or replacement program which, when completed, constitutes a new, replacement or restored facility within the meaning of PA 255 and that is situated within the CRD established under PA 255; and

WHEREAS, the state equalized valuation of the property proposed to be exempt considered with the aggregate state equalized valuation of property exempt under PA 198 of the Public Acts of 1974 (Plant Rehabilitation and Industrial Development Districts) does not exceed 5% of the state equalized valuation of property in the City and shall not have the effect of substantially impeding the operation of the City or impairing the financial soundness of any affected taxing unit; and

WHEREAS, completion of the facility on the Property is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to, increase commercial activity, create employment, retain employment or prevent loss of employment in the City;

and

WHEREAS, the City Council conducted on June 3, 2019 a public hearing regarding the application; and

WHEREAS, notice of the public hearing was posted at City Hall, was published in a newspaper of general circulation within the City prior to the public hearing, and notice of the public meeting was provided to the City Assessor, taxing jurisdictions pertaining to the CRD, and the owners of real property within the CRD.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the City Council of the City of Cadillac, Wexford County, Michigan:

1. Cadillac Lofts, LLC is hereby granted a Commercial Facilities Exemption for the real property, excluding land, located at 201, 207 and 215 South Mitchell, Cadillac, Michigan for a period of 12 years, beginning December 31, 2019, and ending December 30, 2031, pursuant to the provisions of PA 255.

2. The CRD shall include walkable non-motorized interconnections, including sidewalks and streetscapes, throughout the CRD.

3. The City shall implement an expedited local permitting and inspection process in the CRD.

4. All actions heretofore taken by City officials, employees and agents with respect to the CRD and proceedings under Act 147 are hereby ratified and confirmed.

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: _____

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, the undersigned, the duly qualified and acting City Clerk of the City of Cadillac, Wexford County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Council at a meeting held on the 3rd day of June, 2019, at 6:00 p.m.

Sandra Wasson, City Clerk

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Facilities Exemption Certificate

Issued under authority of Public Act 255 of 1978, as amended.

Read the instructions page before completing the application. **This application must be filed after a Commercial Redevelopment District is established.** The original application and required documents are filed with the clerk of the Local Governmental Unit (LGU).

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name Cadillac Lofts, LLC		NAICS or SIC Code SIC 5812; SIC 5999	
Facility's Street Address 201, 207 and 215 South Mitchell	City Cadillac	State MI	ZIP Code 49601
Name of City, Township or Village (taxing authority) City of Cadillac	County Wexford	School District Where Facility is Located Cadillac Area	
☒ City ☐ Township ☐ Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 06/01/2019	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 08/01/2020		
Estimated Cost of Rehabilitation 9,477,500	Number of Years Exemption Requested (1-12) 12		
Expected Project Outcomes (check all that apply)			
☒ Increase Commercial Activity ☐ Retain Employment ☒ Revitalize Urban Areas ☒ Create Employment ☐ Prevent Loss of Employment ☒ Increase Number of Residents in Facility's Community			
No. of perm. jobs to be created due to facility's rehab. 30	No. of perm. jobs to be retained due to facility's rehab. 0	Number of construction jobs to be created during rehabilitation 200	
Each year, the State Treasurer may approve 25 additional reductions of half the state education tax for a period not to exceed six years. ☒ Check this box if you wish to be considered for this exclusion.			
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
☒ General description of the facility (year built, original use, most recent use, number of stories, square footage)		☒ Descriptive list of the fixed building equipment that will be a part of the facility	
☒ General description of the facility's proposed use		☒ Time schedule for undertaking and completing the facility's restoration, replacement or construction	
☒ General description of the nature and extent of the restoration, replacement, or construction to be undertaken		☒ Statement of the economic advantages expected from receiving the exemption	
☒ Legal description of the facility			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Eric Hanna		Telephone Number 517-626-1861	
Fax Number n/a		E-mail Address Eric@miccap.org	
Mailing Address 507 S. Grand Ave		City Lansing	State MI ZIP Code 48933
I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 255 of 1978, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Facilities Exemption Certificate by the State Tax Commission.			
I further certify that this application relates to a program, when completed, will constitute a facility, as defined by Public Act 255 of 1978, as amended.			
Signature of Authorized Company Officer (no authorized agents) 		Title Manager	Date 4/18/19

PART 4: LGU ASSESSOR CERTIFICATION

Provide the Taxable Value and State Equalized Value of the Commercial Property.

	Taxable Value (excluding land)	State Equalized Value (SEV) (excluding land)	
Building			

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Facilities Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Facilities Exemption that would also put the same property on the Commercial Facilities specific tax roll.

☐ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Facilities Exemption specific tax roll and not on any other specific tax roll.

Name of Assessor (first and last name)	Telephone Number		
Fax Number	E-mail Address		
Mailing Address	City	State	ZIP Code

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature	Date
----------------------	------

PART 5: LGU ACTION / CERTIFICATION (LGU Clerk must complete Part 5)

Action Taken By LGU:

☐ Exemption approved for _____ years, ending December 30, _____ (not to exceed 12 years)

☐ Exemption Denied

Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
Name of Clerk (first and last name)	Telephone Number		
Fax Number	E-mail Address		
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate.

Clerk's Signature	Date
-------------------	------

If you have questions, need additional information or sample documents, call (517) 373-2408 or visit www.michigan.gov/propertytaxexemptions.

Instructions for Completing Form 4757

Application for Commercial Facilities Exemption Certificate

The Commercial Facilities Exemption Certificate was created by Public Act 255 of 1978, as amended. Applications for a certificate of exemption are filed, reviewed, and approved by the Local Governmental Unit (LGU). A copy of the certificate is filed with the State Tax Commission.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of the application. Restoration, replacement, or construction may commence **after** establishment of a district.
2. The following must be provided to the LGU as attachments to the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage).
 - b. General description of the proposed use of the facility.
 - c. General description of the nature and extent of the restoration, replacement, or construction to be undertaken.
 - d. Legal description of the facility.
 - e. Descriptive list of the fixed building equipment that will be a part of the facility.
 - f. Time schedule for undertaking and completing the restoration, replacement, or construction of the facility.
 - g. Statement of the economic advantages expected from the exemption.
3. After reviewing Parts 1, 2, and 3 for complete and accurate information, sign the application where indicated.

LGU Assessor Instructions

1. Complete Part 4 of the application.
2. After completing Part 4, sign where indicated to certify that if approved, the property will appear on the Commercial Facilities Exemption specific tax roll only.

LGU Clerk Instructions

1. After the LGU passes a resolution approving the application, complete Part 5 of the application. A resolution template with required statements can be found at www.michigan.gov/propertytaxexemptions.
2. After reviewing the application for complete and accurate information, sign the application to certify the application meets the requirements as outlined by Public Act 255 of 1978, as amended.
3. Issue a certificate to the applicant using the certificate templates found at www.michigan.gov/propertytaxexemptions.
4. If in Part 1 the applicant did **not** wish to be considered for the State Education Tax exclusion, submit only a copy of the Certificate to the State Tax Commission at the address given below.
5. If in Part 1 the applicant did wish to be considered for the State Education Tax exclusion, submit a copy of the certificate, application and attachments to the State Tax Commission at the address given below.

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

General description of the facility

The site current status of the facility is a vacant site. There was previously a two-story office building and a one story grocery store as well as removing underground storage tanks, basements and contaminated soil on the site.

General description of the facility's proposed use

The project will build a new 4-story (37,040 square feet) mixed-use building with 42 residential (rental) units on the 2nd-4th floors, and two commercial bays on the 1st floor. The second- fourth floor which is exclusively residential is not part of the PA 255 request. There will be two 3,000 square foot commercial suites on the first floor (total of 6,000 leasable square feet of commercial). The remaining 3,260 sq. ft on the first floor will be used for a leasing office, maintenance office, storage, mailroom, hallway, stairs and elevator.

General description of the nature and extent of the restoration, replacement, or construction to be undertaken

The exterior of the building will be mostly brick with large commercial aluminum and glass storefronts. The building will be a steel building type with a water fire suppression system throughout and an elevator. Current designs reflect the first floor commercial will be finished as follows: Drywall will be installed and primed but not painted. Plumbing and Electrical will be brought into the space and ready for a tenant to finish as required. Temporary power and permanent fire suppression will be installed. Storefronts, access doors and exterior will be finished completely. The space will be tempered to keep temperatures in an acceptable range for vacancy. The project is targeting retail and residential tenants, but no leases have been signed to date. If a tenant is identified before or during construction, the intention is to complete the tenant buildout and improvements within the construction timeframe.

Legal description of the facility**

201 South Mitchell Street

10-086-00-207-00

LOT 6, BLK 7 MITCHELLS REVISED PLAT OF THE VILLAGE OF CLAM LAKE, CITY OF CADILLAC
EASE REC IN L 371 PG 331 & AMENDED IN L 387 PG 839

207 South Mitchell Street

10-086-00-198-00

E 1/2 OF LOT 1 & S 1/2 OF LOT 5, BLOCK 7, MITCHELL'S REVISED PLAT OF THE VILLAGE OF
CLAM LAKE CITY OF CADILLAC

215 South Mitchell Street

10-086-00-196-00

W 1/2 OF LOT 1, LOTS 2, 3, 4 & N 1/2 LOT 5, LOTS 7 THRU 12 AND VACATED ALLEY IN
BLOCK 7 ALSO THAT PORTION OF VAC S SHELBY ST DESC AS COM AT THE SE COR OF LOT 10,
E ALG E CHAPIN ST 47 FT, N 175 FT, W 7 FT, N 125 FT, W 40 FT, S TO POB. MITCHELLS
REVISED PLAT OF THE VILLAGE OF CLAM LAKE CITY OF CADILLAC EASE REC IN L 371 PG 331.

** Survey is underway to update legal description to reflect the updated layout in
Attached Map.



Descriptive list of the fixed building equipment that will be a part of the facility

The project will be entirely new construction. This includes new foundations, floor systems, insulation, windows, façade, LED lighting, fire suppression, HVAC, plumbing, electrical wiring, elevator, etc.

Time schedule for undertaking and completing the facility's restoration, replacement or construction

Construction commencement- 06/01/2019

Construction completion- 08/01/2020

Statement of the economic advantages expected from receiving the exemption

The exemption will help to reduce the financial risk associated with developing a mixed-use building in a small downtown. The exemption will enable the project to move forward. The site will be redeveloped into a dense, mixed-use building where there were previously 1 and 2 story underutilized or vacant buildings. The project will encourage walkability through a high % of glazing on the first floor and targeting commercial users that activate the space, such as restaurant tenants. The building creates significant hardscape areas in front of the building to encourage future tenants to provide outdoor dining options. In addition, the site will be activated by commercial patrons and residents where there was currently not any residential and minimal commercial activity on the site.

The project is anticipated to create thirty new permanent jobs and 200 construction jobs.

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 J. Engels
Stephen King

RESOLUTION NO. 2019-_____

**RESOLUTION ADOPTING ORDINANCE AMENDING THE CITY CODE REGARDING
FIREWORKS**

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 3rd day of June, 2019, 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 to amend its Fireworks Ordinance to be consistent with new amendments to the Michigan Fireworks Safety Act, Act 256 of 2011, et seq; and

WHEREAS, on June 3, 2019, the City conducted a public hearing to consider an ordinance amending the City Code regarding fireworks accordingly; and

WHEREAS, following the public hearing, the City has determined it is in the best interests of the health, safety and welfare of City residents to adopt the proposed ordinance amendments.

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

1. Ordinance No. 2019-08, Ordinance Amending the City Code Regarding Fireworks (the "Ordinance," attached as Exhibit A) is hereby adopted.

2. The Ordinance shall be filed with the City Clerk.

3. The City Clerk is directed to publish a Notice of Adoption within seven (7) days after its adoption.

4. 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. 2019-____, duly adopted at a meeting of the City Council held on the 3rd day of June, 2019.

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. 2019-08

AN ORDINANCE AMENDING THE CITY CODE REGARDING FIREWORKS

THE CITY OF CADILLAC ORDAINS:

SECTION 1. AMENDMENT OF CHAPTER 18 ARTICLE III

Chapter 18, Article III of the City's Code shall be amended to read in its entirety, as follows:

ARTICLE III. - FIREWORKS SAFETY ACT

SECTION 11.41 – PURPOSE

The purpose and intent of this Ordinance is to regulate the discharge, ignition and use of certain fireworks within the city boundaries consistent with the Michigan Fireworks Safety Act, Act 256 of 2011, as amended.

SECTION 18-42 – DEFINITIONS

The following words, terms and phrases, when used in this Ordinance, shall have the meaning ascribed to them in this section:

Act means the Michigan Fireworks Safety Act, Public Act 256 of 2011, MCL 28.451 – 28.471, as amended.

Agricultural and wildlife fireworks means firework devices distributed to farmers, ranchers, and growers through a wildlife management program administered by the United States Department of Interior or the Michigan Department of Natural Resources.

APA means American Pyrotechnics Association.

Articles pyrotechnic means pyrotechnic devices for professional use that are similar to consumer fireworks in chemical composition and construction but not intended for consumer use, that meet the weight limits for consumer fireworks but are not labeled as such, and that are classified as UN0431 or UN0432 under 49 CFR 172.101.

Commercial fireworks includes display fireworks, articles pyrotechnic, special effects and agricultural and wildlife fireworks.

Consumer fireworks are as defined in Section 2(f) of the Michigan Fireworks Safety Act, Act 256 of 2011, as amended, (MCL 28.452(f)) and mean fireworks devices that are designed to produce visible or audible effects by combustion, that are required to comply with the construction, chemical composition, and labeling regulations promulgated by the United States Consumer Product Safety Commission under 16 CFR Parts 1500 and 1507, and that are listed in APA standard 87-1, 3.1.2, 3.1.3, or 3.5. Consumer fireworks do not include low-impact fireworks.

Display fireworks means large fireworks devices that are explosive materials intended for use in fireworks displays and designed to produce visible or audible effects by combustion, deflagration, or detonation, as provided in 27 CFR 555.11, 49 CFR 172, and APA standard 87-1, 4.1.

Firework or fireworks means any composition or device, except for a starting pistol, a flare gun, or a flare, designed for the purpose of producing a visible or audible effect by combustion, deflagration, or detonation. Fireworks consist of consumer fireworks, low-impact fireworks, articles pyrotechnic, display fireworks, and special effects.

Low-impact fireworks means ground and handheld sparkling devices as that phrase is defined under APA standard 87-1, 3.1, 3.1.1.1 to 3.1.1.8, and 3.5.

Minor means an individual who is less than 18 years of age.

NFPA means National Fire Protection Association.

Novelty fireworks means that term as defined under APA standard 87-1, 3.2, 3.2.1, 3.2.2, 3.2.3, 3.2.4, and 3.2.5 and all of the following:

- a. Toy plastic or paper caps for toy pistols in sheets, strips, rolls, or individual caps containing not more than .25 of a grain of explosive content per cap, in packages labeled to indicate the maximum explosive content per cap.
- b. Toy pistols, toy cannons, toy canes, toy trick noisemakers, and toy guns in which toy caps as described in subparagraph a. are used, that are constructed so that the hand cannot come in contact with the cap when in place for the explosion, and that are not designed to break apart or be separated so as to form a missile by the explosion.
- c. Flitter sparklers in paper tubes not exceeding 1/8 inch in diameter.
- d. Toy snakes not containing mercury, if packed in cardboard boxes with not more than 12 pieces per box for retail sale and if the manufacturer's name and the quantity contained in each box are printed on the box; and toy smoke devices.

Special effects means a combination of chemical elements or chemical compounds designed and intended to produce an audible, visual, mechanical, or thermal effect as an integral part of a motion picture, radio, television, theatrical or opera production or live entertainment.

State fire marshal means the Michigan state fire marshal appointed under section 1b of the Michigan Fire Prevention Code, 1941 PA 207, MCL 29.1b.

SECTION 18-43 – PROHIBITIONS

(1) Fireworks Generally.

- a. Fireworks shall not be ignited, discharged or used by: (a) a minor; (b) a person under the influence of alcohol or controlled substances; or (c) on public property, school property, church property, or property of another person, without that organization's or person's written authorization to do so.
- b. Any unmanned free-floating device (sky lanterns) which requires fire underneath to propel it and is not moored to the ground while aloft, have an uncontrolled and unpredictable flight path and descent are so as to pose a potential fire risk and are therefore prohibited.

(2) Consumer Fireworks.

It is unlawful for any person within the city to ignite, discharge, or use consumer fireworks within the city except:

- (a) After 11:00 a.m. on December 31 until 1:00 a.m. on January 1.**
- (b) After 11:00 a.m. on the Saturday and Sunday immediately preceding Memorial Day until 11:45 p.m. on each of those days.**
- (c) After 11:00 a.m. from June 29 through July 4 and the day that the City observes the Fourth of July until 11:45 p.m. on each of those days.**
- (d) After 11:00 a.m. on July 5, if that date is a Friday or Saturday, until 11:45 p.m.**
- (e) After 11:00 a.m. on the Saturday and Sunday immediately preceding Labor Day until 11:45 p.m. on each of those days.**
- (f) After 11:00 a.m. until 11:45 p.m. on any day that the City Council has approved the use of commercial fireworks within the City.**

(3) Commercial Fireworks.

Commercial Fireworks shall not be discharged in the City of Cadillac without a permit as required by this Ordinance.

(4) Low Impact or Novelty Fireworks.

The display of low impact or novelty fireworks are regulated by state law and are not regulated by this Ordinance.

SECTION 18-44 – PERMITS

A permit is required for the discharge of commercial fireworks.

(1) **Permit Application.** A person seeking a permit to discharge commercial fireworks shall complete an application for a permit, which shall be submitted to the Clerk's Office at least 45 days in advance of the proposed discharge date. The application shall include:

- a. Proof that the applicant is over 18 years in age;
- b. A license or permit to operate commercial fireworks from the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives;
- c. A scale drawing of the site, including but not limited to surrounding buildings, the display site as described by NFPA 1123, the spectator viewing area and the parking areas;
- d. Proof of insurance as set forth in this section;
- e. Information as to the competency and qualifications of the fireworks display operators as required by NFPA 1123;
- f. A completed Application for Fireworks Display Permit from the State of Michigan;
- g. A description of the display, including the type and number of fireworks to be discharged;
- h. Proof to the City Fire Marshal or his designee, that the applicant is knowledgeable of the recommended safety requirements outlined in NFPA 1123;
- i. A nonresident applicant shall appoint in writing a resident member of the bar of this state or a resident agent to be the legal representative upon whom all process in an action or proceeding against the person, firm, or corporation may be served; and
- j. Payment of a fee as set forth in Chapter 48 of the City Code.

(2) Permit Approval Process.

- a. The City Clerk or his designee shall review the application for completeness.
- b. The City Fire Marshal or his designee shall review the application and make a written recommendation to the City Council.
- c. The City Council shall review the application and issue a permit if it finds that the following standards have been satisfied:
 - i. The permit application is complete and conforms to the requirements of this Ordinance.

- ii. The proposed discharge of fireworks shall not have an adverse effect upon public safety.
- iii. The time, duration and location of the fireworks will not unreasonably disturb the peace of neighboring property owners.

(3) Requirements of Permit Holders.

- a. A permit holder shall be responsible for the discharge of fireworks which shall conform to the approved permit and this Ordinance.
- b. A permit holder shall be responsible for all shells being fired. In the event one or more shells do not explode, the permit holder shall take appropriate measures to locate and properly dispose of the unexploded shell(s).

(4) Transfers.

Permits cannot be transferred or assigned without prior review and approval of the City.

(5) Revocation.

Permits shall be revoked and inventory seized if at any time during the term of the permit the terms and conditions of this Ordinance are violated.

SECTION 18-45 – INSURANCE

To protect the public, the applicant shall provide proof of financial responsibility by insurance to satisfy claims for damages to property or personal injuries arising out of an act or omission on the part of the applicant. At a minimum, the applicant shall maintain (a) Worker's Compensation and Employers Liability coverage covering the statutory requirements of the State of Michigan and insuring the applicant with an Employer's Liability limit of at least \$500,000, if applicable, and (b) occurrence based Commercial General Liability coverage covering liability arising out of the operations of the applicant, with limits of at least \$3,000,000 per occurrence and (c) Automobile Liability with a limit of \$1,000,000 per occurrence CSL covering all owned, non-owned, and hired automobiles, and shall comply with all requirements of Michigan No-Fault law. The General Liability and Automobile liability policies shall be issued by an insurer licensed to do business in the State of Michigan with an A.M. Best rating of "A-" or better. If the applicant utilizes city owned property during the display, the City of Cadillac shall be named as additional insured on the General Liability and Automobile Liability policies, and coverage shall be considered primary over any other insurance held by the City.

SECTION 18-46 PENALTY

A violation of this Ordinance shall be deemed a municipal civil infraction, and the penalties described in Article 1, Section 1-14 of the Cadillac Code of Ordinances shall apply, except that **(1)** the fine for any violation of this Ordinance that occurs on public property shall be in the

amount of \$500.00 for each offense, plus costs, damages, expenses, and any other relief allowed by law and **(2) the fine for any violation of section 18-43(2) shall be in the amount of \$1,000, \$500 of which shall be remitted to the City of Cadillac Police Department or other local law enforcement agency enforcing this Ordinance.**

SECTION 2. SEVERABILITY

Should any portion of this Ordinance be found invalid for any reason, such holding shall not be construed as affecting the validity or enforceability of the remaining portions of this Ordinance.

SECTION 3. REPEALER

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

SECTION 4. EFFECTIVE DATE

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

Approved this _____ day of _____, 2019.

Sandra Wasson, Clerk

Carla J. Filkins, Mayor

June 3, 2019

Council Communication

Re: Information Technology (IT) Managed Services Contract

The City of Cadillac has utilized a contractual provider for IT-related services since 2009. The current contract with IT Right of Bath, MI expires on June 30, 2019. As such, the City recently released a Request for Proposals for a new 5-year agreement with an option to extend for one (1) additional 5-year term. The City received the following proposals:

Vendor	Year 1 Proposal
Allpro Technology LLC Lake City, MI	\$114,341
Global Solutions Group, Inc. Oak Park, MI	(*) \$24,660
Object Technology Solutions, Inc. Overland Park, KS	(**) \$354/hour
IT Right, Inc. Bath, MI	\$36,000
Creek Enterprise, Inc. Eagan, MN	\$208,080
Miracle Software Systems, Inc. Novi, MI	\$103,500
Netsmart Plus - Applied Imaging Grand Rapids, MI	\$110,399

* Bid on security component only; no other support services included.

** City specified an annual contractual amount, not an hourly bid.

IT Right has provided services to the City of Cadillac since 2012 and the City has been very pleased with their services.

Recommended Action

Because of the high quality of services received in the last seven (7) years and based on their proposal being the lowest cost proposal, it is recommended that the contract for Information Technology Managed Services be awarded to IT Right of Bath, MI in accordance with their proposal. Funds are available in the Information Technology Fund to cover the costs of the contract.

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 J. Engels
Stephen King

RESOLUTION NO. _____

**RESOLUTION APPROVING AN APPLICATION FOR A NEIGHBORHOOD ENTERPRISE
ZONE (NEW/REHABILITATED) CERTIFICATE FOR CADILLAC LOFTS, LLC**

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan,
held at the City Hall, 200 North Lake Street, Cadillac, Michigan 49601, on the 3rd day of
June, 2019, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and supported by
_____.

WHEREAS, the City Council of the City of Cadillac established the Cass/Mitchell
Neighborhood Enterprise Zone No. 1 (the "NEZ") on May 20, 2019 as required under PA
147 of 1992, as amended ("PA 147"), after a public hearing held on April 15, 2019; and

WHEREAS, Cadillac Lofts, LLC has submitted an application for a Neighborhood
Enterprise Zone (New/Rehabilitated) Certificate under PA 147 of 1992, as amended, for
property within the NEZ located at 201, 207 and 215 South Mitchell, Cadillac, Michigan;
and

WHEREAS, the applicant, Cadillac Lofts, LLC, is not delinquent on any taxes related
to the facility.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Cadillac Lofts, LLC is hereby granted a Neighborhood Enterprise Zone (New/Rehabilitated) Facility Exemption for property located at 201, 207 and 215 South Mitchell, Cadillac, Michigan for a period of fifteen (15) years, beginning no earlier than December 31, 2019, pursuant to the provisions of PA 147.

2. All actions heretofore taken by City officials, employees and agents with respect to the proposed NEZ and proceedings under Act 147 are hereby ratified and confirmed.

3. 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: _____

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
)
COUNTY OF WEXFORD)

I, the undersigned, the duly qualified and acting City Clerk of the City of Cadillac, Wexford County, Michigan, DO HEREBY CERTIFY that the foregoing is a true and complete copy of certain proceedings taken by the City Council at a meeting held on the 3rd day of June, 2019, at 6:00 p.m.

Sandra Wasson, City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction. Initially file one original application (with legal description) and two additional copies of this form with the clerk of the local governmental unit (three complete sets). The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/APPLICANT INFORMATION (Applicant must complete all fields)			
Applicant Name Cadillac Lofts, LLC		Type of Approval Requested ☒ New Facility ☐ Rehabilitation Facility ☐ Transfer (1 copy only)	
Facility's Street Address 201, 207 and 215 South Mitchell		Amount of years requested for exemption (6-15) 15	Is the facility owned or rented by occupants? ☐ Owned ☒ Rented
City Cadillac	State MI	ZIP Code 49601	
Name of City, Township or Village (taxing authority) City of Cadillac		Type of Property ☐ House ☐ Duplex ☐ Condo ☐ Loft ☒ Apartment - No. of Units 42	
☒ City ☐ Township ☐ Village			
County Wexford	School District Cadillac Area		
Name of LGU that established district Cadillac City Council		Name or Number of Neighborhood Enterprise Zone Cass / Mitchell Neighborhood Enterprise Zone	Date district was established 5/20/2019
Identify who the work was completed by ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$164,869	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. Include Breakdown of Investment Cost. Use attachments if necessary. See attached			
Timetable for undertaking and completing the rehabilitation or construction of the facility. Construction commencement- 06/01/2019 Construction completement- 08/01/2020			
PART 2: APPLICANT CERTIFICATION			
Contact Name Marilyn Crowley	Contact Telephone Number 517-803-0634		
Contact Fax Number n/a	Contact E-mail Address Marilyn@miccap.org		
Owner/Applicant Name Eric Hanna	Owner/Applicant Telephone Number 517-626-1861		
Owner/Applicant Mailing Address (Street No., City, State, ZIP Code) 507 S Grand Ave, Lansing, MI 48933		Owner/Applicant E-mail Address eric@miccap.org	
<i>I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.</i>			
<i>I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.</i>			
Owner/Applicant Signature 		Date 5/21/2019	

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.

☐ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.

Name of LGU

Name of Assessor (First and last name)

Telephone Number

Fax Number

E-mail Address

I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.

Assessor's Signature

Date

PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)

Action taken by LGU:

- ☐ Exemption Approved for _____ Years (6-15)
- ☐ Exemption Approved for _____ Years (11-17 historical credits)
- ☐ Exemption Denied (include Resolution Denying)

Date of resolution approving/denying this application

The State Tax Commission requires the following documents be filed for an administratively complete application:

- ☐ 1. Original Application
- ☐ 2. Legal description of the real property with parcel code #
- ☐ 3. Resolution approving/denying application (include # of years)
- ☐ 4. **REHABILITATION APPLICATIONS ONLY.**
Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

Clerk's Name (First and Last)

Telephone Number

Fax Number

E-mail Address

Mailing Address

City

State

ZIP Code

I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.

I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.

Clerk Signature

Date

The LGU should mail the original completed application and required documents to the following address:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

NEZ Attachments

The project will be a mixture of commercial and residential once completed. Each floor is 9,260 sq ft for a total building size of 37,040 sq ft. The first floor will have two 3,000 sq ft commercial suites. The remaining 3,260 sq ft on the first floor will be used for a leasing office, maintenance office, storage, mailroom, hallway, stairs and elevator. The first floor is not a part of the NEZ request. The second, third and fourth floor have identical floor plates. Each floor is 9,260 total sq ft. 6,236 sq ft on each floor will be leased for residential apartments. Each floor contains (2) 2 BR, (4) Studios, and (8) 1 BR apartments. The remaining 3,024 sq ft on each floor will be used for hallways, stairways, elevators, utility room, and storage room for tenants. The exterior of the building will be mostly brick with large commercial aluminum and glass storefronts. Residents will enter the building from the rear parking lot and access the stair or elevator via security fob. The apartments will be energy efficient and quiet, with high-quality, large fiberglass windows, R-21 insulation on exterior walls, sound insulation between units, solid core doors and LED lighting. The floors will be a durable and attractive luxury vinyl tile throughout. The kitchens will have stainless steel appliances, electric stoves and solid surface countertops with a tiled backsplash. All apartments will have washers and driers in the unit.

COST BREAKDOWN

MARCH 20, 2019 - 42 UNITS

ITEM NO.	DESCRIPTION OF WORK		Building Cost Totals
1021	Dunbars Excavating	Building Excavation	\$0
1031	Schepers Concrete	Building Concrete	\$154,384
1041	Schepers Masonry	Masonry	\$694,200
1051	VanDellen Steel	Steel & Erection	\$350,600
1052	Surfaces/City Glass	Metal Soffit/canopies	\$55,845
1052A	Surfaces	Metal Framing	\$146,506
1052B	Surfaces	Sheathing	\$73,160
1053	L&L Contracting	Exterior metal stud bearing and steel floor joists	\$519,000
1061	Orshal Construction	Finish carpentry	\$110,820
1062	Cabinets by Robert	Vanity and Kitchen Cabinetry, Solid tops, Window Stools	\$258,923
1063	Cabinets by Robert	Rolling Islands	\$0
1064	Home Depot	Specialties	\$38,000
1071	Hoitenga Insulation	Insulating	\$134,300
1072	G.Freeland Roofing	Roofing	\$103,500
1073	Great Lakes Caulking	Caulking	\$10,900
1081	Earls Building Supply	Doors, Frames, Hardware & Specialties	\$215,640
1081A	TBD	Unit and directional signage	\$3,000
1082	City Glass	Aluminum Entries/Storefront	\$118,050
1083	Andersen	Windows	\$75,925
1090	Surfaces	Drywall	\$302,518
1091	Surfaces	Acoustic Ceilings	\$16,020
1092	Countryside Painting	Painting	\$139,550
1093	Nixon Carpet and Lumber	Flooring and Ceramic	\$108,030
1150	D&W Mechanical	HVAC, plumbing and design for both	\$1,307,653
1151	Dependable Fire Protection	Fire Suppression	\$64,428
1152	Stovetop Firestop	Stove top extinguishers (2 per hood)	\$9,574
1160	Windemuller Electric	Electrical	\$767,699
1200	Schindler	Elevator	\$118,434
1201	VanDrie Home Furnishings	Appliances	\$133,383
1202	VanDrie Home Furnishings	Blinds (installed)	\$13,165

Building Sub-Total, Subcontractors/Suppliers	\$6,043,207
---	--------------------

1000	Dunbars Excavating	Parking Lot Demo	\$5,000
1001	Dunbars Excavating	Site Balance/Parking Aggregate Base/Fine Grading	\$70,900
1002	Dunbars Excavating	Water/Sanitary work	\$51,700
1003	Rieth-Riley	Asphalt Paving	\$96,392
1004	Dunbars Excavating	Topsoil at Green Areas	\$3,500
1005	Dunbars Excavating	Traffic Control	\$6,000
1006	TBD	Landscaping and Irrigation - BUDGET	\$25,000
1007	Schepers Concrete	Site Concrete	\$126,958
1008	TBD	Vapor Mitigation System	\$0
1009	Windemuller Electric	Site Electric	\$40,000
1010	Motion Industries	Parking Lot Gates w/ Exit Loop	\$6,000

Site Sub-Total, Subcontractors/Suppliers	\$431,450
---	------------------

SUBTOTAL	\$6,474,657
-----------------	--------------------

Contingency	\$200,000
-------------	-----------

General Conditions	\$249,860
--------------------	-----------

Permitting	\$14,500
Testing	\$7,500
Dumpsters	\$9,300
Portable toilets	\$3,060
Site Job Sign	\$500
Construction site fencing	\$0
Enclosures/temp. heat/temp. power	\$180,000
Cleaning	\$15,000
Site Equipment Rental	\$15,000
Misc.	\$5,000
Bonding (TBD)	\$0

SUBTOTAL	\$6,924,517
-----------------	--------------------

\$164,869 per unit

Design-Builder Fee (Fixed)	\$350,000
----------------------------	-----------

A/E Fees (Fixed)	\$225,000
------------------	-----------

TOTAL BUILDING 1 CONSTRUCTION COST	\$7,499,517
---	--------------------

Legal description

201 South Mitchell Street

10-086-00-207-00

LOT 6, BLK 7 MITCHELLS REVISED PLAT OF THE VILLAGE OF CLAM LAKE, CITY OF CADILLAC EASE REC IN L 371 PG 331 & AMENDED IN L 387 PG 839

207 South Mitchell Street

10-086-00-198-00

E 1/2 OF LOT 1 & S 1/2 OF LOT 5, BLOCK 7, MITCHELL'S REVISED PLAT OF THE VILLAGE OF CLAM LAKE CITY OF CADILLAC

215 South Mitchell Street

10-086-00-196-00

W 1/2 OF LOT 1, LOTS 2, 3, 4 & N 1/2 LOT 5, LOTS 7 THRU 12 AND VACATED ALLEY IN BLOCK 7 ALSO THAT PORTION OF VAC S SHELBY ST DESC AS COM AT THE SE COR OF LOT 10, E ALG E CHAPIN ST 47 FT, N 175 FT, W 7 FT, N 125 FT, W 40 FT, S TO POB. MITCHELLS REVISED PLAT OF THE VILLAGE OF CLAM LAKE CITY OF CADILLAC EASE REC IN L 371 PG 331.

** Survey is underway to update legal description to reflect the updated layout in Attached Map.

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
Robert J. Engels
Stephen King
Tiyi Schippers

RESOLUTION NO. 2019-____

**RESOLUTION TO APPROVE CADILLAC BROWNFIELD REDEVELOPMENT AUTHORITY
DEVELOPMENT AND REIMBURSEMENT AGREEMENT**

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 3rd day of June, 2019, at 6:00 p.m.

PRESENT: _____

ABSENT: _____

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

WHEREAS, Cadillac Lofts, LLC (the "Developer") has acquired the former Olesons Property (the "Eligible Property") at 201, 207 and 215 South Mitchell Street and 208 East Cass Street in the City of Cadillac and desires to redevelop the Eligible Property for commercial/retail/residential uses and improvements with an estimated investment of \$15,000,0000, (the "Developer Project") on the Eligible Property as described in a Brownfield Plan applicable to the Eligible Property; and

WHEREAS, the City anticipates public infrastructure improvements directly related to the Eligible Property, which have been included in the Brownfield Plan and Act 381 Work Plan and for which the City anticipates reimbursement from Brownfield Tax Increment Revenues; and

WHEREAS, the Michigan Department of Environment, Great Lakes, and Energy("EGLE") has awarded a \$499,000 grant (the "Grant") and \$267,140 loan (the "Loan") to the City to conduct environmental response activities, lead and asbestos abatement and demolition, and the EGLE and the Cadillac Brownfield Redevelopment Authority ("CBRA") have entered into a Brownfield Redevelopment Grant Contract and Brownfield Redevelopment Loan Contract; and

WHEREAS, the City has designated the CBRA to be the implementing agency for the Grant and Loan; and

WHEREAS, the Developer desires to conduct and be reimbursed for Eligible Activities under the approved Brownfield Plan and Act 381 Work Plan, as well as the Brownfield Grant and Loan ; and

WHEREAS, the CBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, to promote the revitalization of contaminated, blighted, functionally obsolete and historic properties; and

WHEREAS, the CBRA has determined in furtherance of its purposes and to accomplish its goals that it is in the best interest of the CBRA to reimburse the cost of certain Eligible Activities as defined by Sec. 2(n) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(n); and

WHEREAS, the City, the Developer and the CBRA have negotiated a Cadillac Brownfield Redevelopment Authority Development and Reimbursement Agreement (the "Agreement"), a copy of which is attached hereto, to implement the foregoing; and

WHEREAS, the Agreement is in the best interest of the public health, safety and welfare, and furthers the economic development of the City.

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

1. The Agreement is hereby approved.
2. The Mayor and/or the City Manager are authorized and directed to execute the Agreement, to add the exhibits to the Agreement and to make such non-material changes to the Agreement as they deem necessary or appropriate.
3. Any and all resolutions that are in conflict with this Resolution are hereby repealed, but only 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. 2019-____, duly adopted at a meeting of the City Council held on the 3rd day of June, 2019.

Sandra Wasson
City Clerk

CADILLAC BROWNFIELD REDEVELOPMENT AUTHORITY
DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement is made as of _____, 2019, and is between Cadillac Lofts, LLC (the "Developer"), the Cadillac Brownfield Redevelopment Authority (the "CBRA"), a Michigan public body corporate and the City of Cadillac (the "City").

PREMISES

- A. The Developer has acquired the former Olesons Property at 201, 207 and 215 South Mitchell Street and 208 East Cass Street in the City of Cadillac and desire to redevelop the property for commercial/retail/residential uses and improvements with an estimated investment of \$15,000,0000, (the "Developer Project") on the Eligible Property as described in the Brownfield Plan, attached hereto as Exhibit A.
- B. The City anticipates public infrastructure improvements directly related to the Eligible Property, which have been included in the Brownfield Plan and Act 381 Work and for which the City anticipates reimbursement from Brownfield Tax Increment Revenues.
- C. The Michigan Department of Environment, Great Lakes, and Energy("EGLE") has awarded a \$499,000 grant (the "Grant") and \$267,140 loan (the "Loan") to the City to conduct environmental response activities, lead and asbestos abatement, and demolition and the EGLE and CBRA have entered into a Brownfield Redevelopment Grant Contract and Brownfield Redevelopment Loan Contract, both attached hereto as Exhibit B.
- D. The City has designated the Cadillac Brownfield Redevelopment Authority to be the implementing agency for the Grant and Loan.
- E. The Developer desires to conduct and be reimbursed for Eligible Activities under the approved Brownfield Plan and Act 381 Work Plan, as well as the Brownfield Grant and Loan.
- F. The CBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, to promote the revitalization of contaminated, blighted, functionally obsolete, and historic properties.
- G. The CBRA has determined in furtherance of its purposes and to accomplish its goals that it is in the best interest of the CBRA to reimburse the cost of certain Eligible Activities as defined by Sec. 2(n) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(n) on Eligible Property and has approved a Brownfield Plan attached as Exhibit A and entered into EGLE the Grant and Loan Contracts attached as Exhibit B that include the Developer Project, the Eligible Property, and the Eligible Activities.
- H. Under the Brownfield Plan and Act 381 Work Plan, the CBRA will capture and retain 100% of the Brownfield Tax Increment Revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon Eligible Property consistent with Act 381, as amended, and the approved Brownfield Plan and Act 381 Work Plan. Upon

satisfaction of the conditions expressed in this Agreement, the CBRA will use the Brownfield Tax Increment Revenues as provided by law and as described in this Agreement.

In consideration of the premises and the mutual covenants contained in this Agreement, the Developer and the CBRA hereby enter into this Agreement and covenant and agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.0 Definitions. The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

- (a) "Act 381" means Act 381 of Michigan Public Acts of 1996, as amended.
- (b) "Act 381 Work Plan" means the work plan approved by the CBRA and State of Michigan, and attached as Exhibit C, as subsequently amended or supplemented.
- (c) "Agreement" means this Development and Reimbursement Agreement entered into between the CBRA and the Developer.
- (d) "Borrowing" means financing of Eligible Activities by the City or the CBRA through the issuance of bonds, interdepartmental transfers, or other source of financing.
- (e) "Bonds" means bond obligations that may be entered into by the City or the CBRA as necessary for Eligible Activities, including public improvements related to the project that may be outstanding from time to time.
- (f) "Brownfield Plan" means the Brownfield Plan, adopted by the CBRA and the City Council, and as may be amended pursuant to Act 381.
- (g) "Brownfield Tax Increment Revenues" means incremental increase for initial taxable value, as defined by Act 381 and set in the Brownfield Plan, from all taxable real and personal property located on the Eligible Property during the life of the Brownfield Plan.
- (h) "CBRA" means the Cadillac Brownfield Redevelopment Authority, established by the City Council.
- (i) "CBRA Consultant" means the environmental consultant contracted by the CBRA to assist the Developer in work plan development, contractor procurement, environmental compliance, reporting and meeting obligation of the Grant and Loan Contracts.
- (j) "City" means the City of Cadillac.
- (k) "City Council" mean the Cadillac City Council.

- (l) "Debt Obligation" means the cumulative Eligible Activity expense to be reimbursed from Brownfield Tax Increment Revenues as documented by the Developer and approved by the CBRA in accordance with Section 5.1(b).
- (m) "Developer" means Cadillac Lofts LLC, its successors and assigns.
- (n) "Developer Project" means the acquisition and construction of a (commercial/retail/residential) development and certain appurtenant properties and improvements as described in the Brownfield Plan.
- (o) "EGLE" means the Michigan Department of Environment, Great Lakes and Energy, formerly the Michigan Department of Environmental Quality (MDEQ).
- (p) "Eligible Activities" means those activities as defined by Sec. 2(n) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(n), or approved by EGLE or the Michigan Strategic Fund as part of the approved Act 381 Work Plan.
- (q) "Eligible Property" means the property as defined by Sec. 2(n) of Act 381, MCL 125.2652(n) upon which the Eligible Activities will be conducted.
- (r) "Event of Default" means the failure by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 30 days after notice thereof has been given by the other party or, if such failure cannot because of its nature be cured within such 30 day period, the defaulting party has commenced cure of such failure and is diligently pursuing cure.
- (s) "Grant and Loan Contracts" means the Brownfield Redevelopment Grant Contract and the Brownfield Redevelopment Loan Contract, copies of which are attached hereto as Exhibit B.
- (t) "Grant and Loan Work Plan" means a work plan which described the scope of work, cost estimates and schedule for Eligible Activities included in Schedule A to the Grant and Loan Contracts.
- (u) "Grant Funds" means \$499,000 to be provided pursuant to the Grant Contract.
- (v) "Indemnified Persons" means the City and the CBRA and their members, officers, agents and employees.
- (w) "Interest" means the amount of actual interest of up to 5 percent accrued on unreimbursed Eligible Activities, beginning with the date of approval of the occupancy permit. Interest is reimbursable with Brownfield Tax Increment Revenues. Interest is calculated annually, based on the unreimbursed Eligible Activities approved by the CBRA, and paid after all Eligible Activities are reimbursed, in accordance with Section 2.4, Section 2.5 and Section 5.1.
- (x) "Loan Funds" means \$267,140 to be provided pursuant to the Loan Contract.

- (y) "Maximum Eligible Activity Cost" means the CBRA's maximum obligation to pay for the Eligible Activities from Brownfield Tax Increment Revenues from the Project, as provided in the Brownfield Plan not to exceed \$1,025,270.
- (z) "MDEQ" means the Michigan Department of Environmental Quality, now the Michigan Department of Environment, Great Lakes and Energy (EGLE).
- (aa) "MSF" means the Michigan Strategic Fund.
- (bb) "Public Improvements" means the City's site work, road construction, utilities and equipment directly benefitting the Eligible Property for which reimbursement is anticipated from Brownfield Tax Increment Revenues, as described in the Brownfield Plan.
- (cc) "Transaction Costs" means CBRA's costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the CBRA's obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application, approvals of the Brownfield Plan, Act 381 Work Plan and this Agreement, and any subsequent amendments, printing costs, costs of reproducing documents, filing and recording fees, counsel fees, financial expenses, insurance fees and expenses, administration and accounting for the loan proceeds and tax increments revenues, oversight and review, and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Brownfield Plan, the Act 381 Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

Section 1.2 Number and Gender. The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun should include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2

COVENANTS OF THE DEVELOPER AND THE CITY

Section 2.1 Authorization of Borrowing. The parties recognize that neither the CBRA nor the City has the power to mandate cooperation by the City electors in the approval of the Borrowing, if necessary. The City Commission will pledge Full Faith and Credit to secure the Borrowing, if necessary. Based on the recommendation of the City's financial advisor, either the City or the CBRA may issue the Bonds.

Section 2.2 Public Improvement Borrowing

- (a) The Public Improvement Borrowing may finance the certain Public Infrastructure Eligible Activities included in the Brownfield Plan and Act 381 Work Plan.
- (b) The parties recognize that neither the City nor the CBRA has the power to mandate an acceptable interest rate for the sale of the Bonds. The City Commission or CBRA may decide in its sole discretion not to sell the Bonds. The Borrowing will be made if the City

Commission and the CBRA in good faith determine that the Developer intends to complete the Project, that the Project is scheduled to be under construction, and that the Tax Increment Revenue and other needed revenue are assured from actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or CBRA included in the Brownfield Plan and Act 381 Work Plan. Subject to the conditions specified in Article 3 and in this Article, the City and/or the CBRA shall use their best efforts to issue the Bonds.

- (c) The City Commission and/or CBRA retains sole authority over all aspects of their respective Borrowing and the Bonds, including but not limited to, determination on issuance, the total amount, payment schedule, type and acceptable interest.

Section 2.3 Construction of Development. The Developer shall construct the Developer Project and the City shall construct the Public Improvements in accordance with proper construction standards and the Agreement. They shall proceed with due care and diligence and commence and complete Eligible Activities and the Development in accordance with the Agreement, and in accordance with any applicable law, regulation, code and ordinance.

Section 2.4 Covenant to Pay Financial Obligations. The Developer will have access to the Grant Funds and the Loan Funds for environmental response activities, lead and asbestos abatement, and demolition through the CBRA in accordance with the EGLE Grant and Loan Contracts. The Developer agrees to comply with the terms and conditions of the Grant and Loan Contracts.

For other Eligible Activities or Eligible Activity costs which exceed the amount of the Grant and the Loan, the City and the Developer will utilize their own funds, including debt proceeds financed by the City and/or Developer. The City and the Developer will receive reimbursement from the CBRA for the Eligible Activity costs that are not funded through the Grant and Loan up to the Maximum Eligible Activity Cost approved by the CBRA under Section 5.1 (also referred to "debt obligation") to the extent of available Brownfield Tax Increment Revenues in accordance with the terms of this Agreement, the Brownfield Plan, the Act 381 Work Plan and Act 381. Brownfield Tax Increment Revenues will reimburse Eligible Activities in the following priority:

- (a) First, to the City or CBRA for the annual obligation of the Borrowing for the Public Improvements pursuant to the Brownfield Plan;
- (b) Second, to repay the annual obligation for the EGLE Brownfield Loan in Years 6 – 15, in accordance with the amortization table provided in the EGLE Brownfield Loan Agreement;
- (c) Third, to reimburse the CBRA for costs for Brownfield Plan Development, Approval and Implementation;
- (d) Fourth, local tax capture revenues will be applied to the Administrative and Transaction Costs of the CBRA, not to exceed 5% of the amount of distributable Brownfield Tax Increment Revenues in any given year;

- (e) Fifth, to the Developer for Eligible Activities expenses pursuant to the Brownfield Plan and approved by the CBRA in accordance with Section 5.1;
- (f) Sixth, if provided in the Brownfield Plan, Tax Increment Revenues will be deposited into the Local Brownfield Revolving Fund (LBRF);

It is anticipated that there will be sufficient Brownfield Tax Increment Revenues to meet the obligations under this Agreement. However, if the Developer Project does not result in sufficient revenues to repay such obligations, the Developer agrees and understands that it will have no such claim or further recourse of any kind or nature against the CBRA except from available captured tax revenues and if for any reason the Brownfield Tax Increment Revenues are insufficient or there are none, then Developer assumes full responsibility for any such loss or cost.

Section 2.5 Covenant to Secure EGLE Brownfield Grant and Loan.

The Developer shall comply with all terms and conditions of the Grant and Loan Contracts.

If there are not sufficient Brownfield Tax Increment Revenues to repay the Loan annual payment, the Developer agrees to pay for the difference. Such payment may be reimbursed from future Brownfield Tax Increment Revenues, if available. The Developer agrees to jointly and severally guarantee any obligations under the Grant and the Loan not met by Brownfield Tax Increment Revenues.

If construction does not proceed and an occupancy permit cannot be secured within five years of the date of this Agreement, the Developer shall be obligated to repay the full amount of Grant Funds and Loan Funds expended for Eligible Activities.

Section 2.6 Brownfield Tax Increment Revenue Reimbursement Conditions: It is expressly understood and agreed that the reimbursement (debt obligation) of the CBRA is subject to the following conditions:

- (a) Approval by the EGLE and/or MSF, and CBRA of (1) the Act 381 Work Plan, as amended or supplemented, or (2) of the Eligible Activity as qualifying for school tax capture; however, to the extent an Eligible Activity falls outside (1) or (2) of this subparagraph, then the Eligible Activity must be identified in the Work Plan, as amended, and approved by the CBRA for local tax recapture to the extent authorized by Act 381;
- (b) The Developer shall provide proof of ownership of the Eligible Property if applicable and have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement or other agreement with the CBRA, and all preconditions to the performance of the Developer have been satisfied;
- (c) Developer shall provide written proof of waivers of liens by any Contractor conducting Eligible Activities as described in this Agreement for which reimbursement is requested.
- (d) There are adequate Brownfield Tax Increment Revenues;

- (e) The Developer shall pay the real and personal property taxes levied on any portion of the Development on or before the date the same are payable without interest or penalty.

Section 2.7 Grant and Loan Reimbursement Conditions: Upon the Developer's satisfactory completion of the Eligible Activities described in Exhibit B, as amended or supplemented, pursuant to this Agreement and the Grant and Loan Agreements, and approved by EGLE, the CBRA shall reimburse the Developer subject to and in accordance with the terms set forth in this Agreement. The CBRA will contract with a qualified environmental consultant to assist the CBRA and Developer in contractor procurement, environmental compliance, reporting and meeting Grant and Loan Contract obligations. The Developer shall have sole responsibility to pay the Developer's Contractors for completion of such Eligible Activities and provide proof of payment. If the Developer incurs any expenses or costs for any activities other than the Eligible Activities or if the costs exceed the maximum cost of Grant and Loan Eligible Activities as set forth in the Grant and Loan Agreements, or approval of the EGLE or the CBRA, the Developer shall bear such excess costs without any obligation on the part of CBRA. If the costs of Eligible Activities set forth in Exhibit B, as amended or supplemented, are less than such maximum cost, then the Developer shall have no further right of reimbursement beyond its actual costs.

The following is the process by which the CBRA will reimburse Grant and Loan Eligible Activity expenses to the Developer:

- (a) The CBRA Consultant shall work with the Developer to prepare and submit a Grant and Loan Work Plan.
- (b) The EGLE will review the Grant and Loan Work Plan and approve the Grant and Loan Work Plan or request revisions, which will be made by the CBRA Consultant and resubmitted to the EGLE for approval.
- (c) Following EGLE approval of the Grant and Loan Work Plan, the Developer will proceed with the Eligible Activities. For contracts over \$20,000, except for professional services, the CBRA Consultant will assist the Developer in contractor procurement to comply with the requirements of the Grant and Loan Contracts for bid solicitation.
- (d) The Developer will submit documentation to the CBRA Consultant of Grant and Loan Eligible Activity expenses, including approved invoices or contractor schedules of value and documentation of payment, including cancelled checks or electronic funds transfer (EFT) statements.
- (e) Immediately upon receipt of the same by the CBRA Consultant, the CBRA Consultant shall forward the documentation to the EGLE Grant Coordinator for review and preliminary approval.
- (f) The EGLE will review and provide preliminary approval or request additional information as may be required under the terms of the Grant and Loan Contracts, which will be provided by the Developer, as necessary.
- (g) Upon EGLE preliminary approval, the CBRA Consultant, the Developer and the EGLE will cooperate in the preparation of any additional documentation as may be required

under the terms of the Grant and Loan Contracts for EGLE final approval of Grant and Loan payment.

- (h) Upon EGLE final approval, Grant Funds and Loan Funds will be transferred by EFT to the CBRA.
- (i) Within 5 days of receipt of Grant Funds and the Loan Funds by the CBRA from the EGLE, the CBRA will provide the Grant Funds and the Loan Funds to the Developer either by check or EFT transfer, as agreed to by the Developer and the CBRA.
- (j) Upon completion of Grant and Loan Eligible Activities, but no later than 60 days after the end date of the Grant and Loan Contracts, the CBRA Consultant shall provide a final report in the format prescribed in the Grant and Loan Contracts.

It is anticipated that there will be sufficient Grant Funds and the Loan Funds to meet the obligations under this Agreement. However, if for any reason the Grant and the Loan do not provide sufficient funds to satisfy such obligations, the Developer agrees and understands that it will have no claim or further recourse of any kind or nature against the CBRA or City except from available Grant Funds and Loan Funds, and if for any reason the Grant Funds and the Loan Funds are insufficient or there are none, then Developer assumes full responsibility for any such loss or cost. The parties acknowledge and agree that nothing in the preceding shall limit or restrict the Developer's ability to request an amendment to the Grant and Loan Contracts, subject to CBRA's review process and full discretion to approve, modify or deny any proposed amendment.

Section 2.8 Indemnification of Indemnified Persons.

- (a) The Developer shall be considered an independent contractor and not an agent or employee of either the CBRA or the City. Nor shall an agent or employees of the Developer be considered an agent or employees of the CBRA or the City. The Developer shall remain responsible for any claims arising out its own acts or omissions during the performance of this Agreement, as provided by law. Additionally, the Developer, the City, and the CBRA shall not be considered engaged in a joint venture or partnership.
- (b) The Developer shall indemnify and hold the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership or operation, use or maintenance of the Developer Project from and after the date hereof. If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person promptly shall give notice to the Developer and the Developer shall defend such Indemnified Person with counsel selected by the Developer, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Developer and the Developer shall have the right to settle, compromise, pay or defend against any such claim on behalf of such

Indemnified Person, except that the Developer may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Developer shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

- (c) The Developer shall not be obligated to indemnify any Indemnified Person under subsection (a) if the liability arises out of the Indemnified Person's negligence, willful misconduct or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any indemnified Person.
- (d) The Developer also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in enforcing any obligation of the Developer under this Agreement or any related agreement.
- (e) The indemnity provisions shall survive the term of this Agreement.

Section 2.9 Site Access.

The Developer shall grant to CBRA or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. The CBRA shall give the Developer notice of at least 24 hours of its intent to access the site whenever possible. If notice cannot be given due to an emergency or any other unforeseen circumstance, the CBRA shall give notice as is reasonable and practicable under the circumstances.

ARTICLE 3

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE DEVELOPER AND THE CITY

Section 3.1 Conditions Precedent to Developer's Obligations to Construct the Developer Project. The obligations of Developer to construct the Developer Project, as contemplated herein, are subject to the following conditions precedent which must be satisfied by the CBRA, as required herein, or waived by the Developer, except as specifically provided herein:

- (a) No condition, event, action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Developer, the City or the CBRA is a party, or threatened against the Developer, the City or the CBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or Act 381 Work Plan or which could result in an adverse decision which would have one (1) or more of the following effects:
 - (1) A material adverse effect upon the ability of the CBRA to collect and use Tax Increments to repay its obligations under this Agreement,
 - (2) A material adverse effect on the Developer's, or the CBRA's ability to comply with the obligations and terms of this Agreement, the Brownfield Plan, or the Act 381 Work Plan.

- (b) There shall have been no Event of Default by the CBRA and no action or inaction by the CBRA eventually which with the passage of time could become an Event of Default.
- (c) The Developer, the City and the CBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.
- (d) Brownfield Tax Increment Revenue and other needed revenue are assured, in the CBRA's sole reasonable judgment, from actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the obligations for Eligible Activities of the Developer, City, and/or CBRA included in the Brownfield Plan and Act 381 Work Plan.
- (e) Approval of the Act 381 Work Plan by EGLE for Environmental Activities and/or MSF for Non-Environmental Eligible Activities.
- (f) The Developer has received the consent of any affected utility for relocation, burial or other activity necessary to construct their respective portions of the Project and/or Public Improvements.
- (g) There has been no change in statutes or other law that would negatively impact either party's ability to meet (a)-(f) above.

Section 3.2 Conditions Precedent to City's and/or CBRA Obligations to Construct the Public Improvements. The obligations of City and/or CBRA to construct specified components of the Public Improvements, borrow or pursue the Borrowing for such specified components, as contemplated herein, are subject to the following conditions precedent which must be satisfied as required herein, except as specifically provided herein or otherwise waived by the City and/or the CBRA:

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Developer, City, or CBRA is a party contesting the validity or binding effect of the Agreement or the validity of the Plan or which could result in an adverse decision which would have one (1) or more of the following effects:
 - (1) A material adverse effect upon the ability of the CBRA to collect and use Tax Increments to repay its obligations under the Agreement.
 - (2) A material adverse effect on the ability of the City or the CBRA to issue Bonds.
 - (3) A material adverse effect on the Developer's, the City's or CBRA's ability to comply with the obligations and terms of the Agreement, the Brownfield Plan, or the Bonds.
- (b) There shall have been no Event of Default by the Developer and no action or inaction by the Developer eventually which with the passage of time could become an Event of Default.
- (c) The Developer, the City and the CBRA shall have performed all of the terms and conditions to be performed by it pursuant to the Agreement.

- (d) Brownfield Tax Increment Revenue and other needed revenue are assured, in the CBRA's sole reasonable judgment, from actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or CBRA included in the Brownfield Plan and Act 381 Work Plan.
- (e) Approval of the Act 381 Work Plan by EGLE for Environmental Activities and/or MSF for Non-Environmental Eligible Activities.
- (f) The City has approved the Borrowing in accordance with law, without referendum or following a referendum which sustains the bonds. Provided that the decision to pursue a referendum vote, if requested, shall be within the discretion of the City Council.
- (g) No condition or event or action, suit, proceeding, investigation is occurring or threatened to occur that would affect the validity or binding effect of the Agreement or the Brownfield Plan, which could result in one (1) or more of the following effects:
 - (1) A material adverse effect upon the ability of the CBRA to collect and use Brownfield Tax Increment Revenues or other relied-upon revenue to pay the Borrowing or for the Public Improvements;
 - (2) A material adverse effect on the ability of the City to acquire or construct the Public Improvements;
 - (3) A material adverse effect on the ability of the City or CBRA to borrow or issue or sell bonds;
 - (4) A material adverse effect on the Developer's, CBRA's, or City's ability to comply with the obligations of the Agreement, the Brownfield Plan, or the Borrowing.
- (h) There has been no change in statutes or other law that would have one or more of the following effects: prevent the actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the debt or other financing obligations for Eligible Activities of the City and/or CBRA included in the Brownfield Plan and Act 381 Work Plan.
- (i) There has been no Event of Default by the Developer.
- (j) The City and/or Developer have received the consent of any affected utility for relocation, burial or other activity necessary to construct the Public Improvements.
- (k) Documentation of financial commitment to construct the Developer Project is provided in a form acceptable to all parties to the Agreement.

ARTICLE 4

COVENANTS OF THE CBRA

Section 4.1 Adoption of Plan. The CBRA and City Council will have prepared and approved the Brownfield Plan. The CBRA will have approved the Act 381 Work Plan. Together, these documents provide for the payment of CBRA Administrative and Transaction Costs and the preparation and approval of the Brownfield Plan and Act 381 Work Plan, payments to the EGLE Brownfield Loan, and reimbursement to the Developer Eligible Activities expenses that have been conducted, completed and approved in accordance with the scope and terms of this Agreement, the Brownfield Plan, and Act 381 Work Plan.

Section 4.2 Completion of Eligible Activities. Upon the satisfactory completion of the Eligible Activities by the Developer and the City as described in Exhibit A, as amended or supplemented, pursuant to this Agreement, and approved by EGLE and/or MSF and where applicable approved by the CBRA, the CBRA shall reimburse the Developer and the City in accordance with the terms set forth in this Agreement. If the Developer or the City incurs any expenses or costs for any activities other than the Eligible Activities or the costs exceed the Maximum Eligible Activity Costs as set forth in Exhibit A, as amended or supplemented, the Developer or the City shall bear such costs without any obligation on the part of the CBRA. If the costs of Eligible Activities set forth in the Brownfield Plan and Act 381 Work Plan, as amended or supplemented, are less than such maximum cost, then the Developer or the City shall have no further right of reimbursement beyond its actual costs.

Section 4.3 CBRA or Contract Manager Oversight. The CBRA may retain the services of a qualified contract manager for the purposes of assuring that the activities, invoices, and accounting by the Developer are fair, reasonable, and constitute Eligible Activities within the meaning and scope of this Agreement, the Brownfield Plan, the Act 381 Work Plan, and Act 381. The Developer shall provide to the Director and its Contract Manager access to data, reports, sampling results, invoices, and related documents reasonably necessary to fulfill the exercise of such oversight. It is expressly understood that the CBRA has no right to control or to exercise any control over the actual services or performance by the Developer of the Eligible Activities, except as to assurance that the Developer has met the conditions and requirements of this Agreement.

ARTICLE 5

CONDITIONS PRECEDENT TO CBRA OBLIGATIONS

Section 5.1 Conditions Precedent to CBRA's Obligation to Carry Out Its Obligations Under Agreement. The obligations of the CBRA to make reimbursements of costs to the Developer and City for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent, which must be satisfied by both the Developer and the City as required herein, except as expressly provided in this Agreement or otherwise waived in writing by the CBRA. It is expressly agreed that the CBRA makes or gives no assurance of payment to the Developer or the City by the mere fact that an Eligible Activity or a dollar amount for such activity is identified the Brownfield Plan and/or Act 381 Work Plan, or as hereafter supplemented or amended, and that it shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by a consultant, contractor, or subcontractor under this Agreement. However, so long as an Eligible Activity by the Developer or the City has been approved and is authorized by

Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, the Developer and the City shall be entitled to reimbursement for its eligible activities expenses. The approval of the Brownfield Plan, Act 381 Work Plan, or the project budget described below is not a guarantee that there will be sufficient Brownfield Tax Increment Revenues to reimburse the Eligible Activities, and if for any reason, the revenues are insufficient or there are none, the Developer or the City assumes full responsibility for any such loss or cost.

- (a) Before commencing work on each stage of Eligible Activities and pursuant to the policies and procedures adopted by the CBRA, the Developer and the City will present a project budget for each stage to the CBRA at least two weeks prior to the commencing of work. The project budget will be submitted at each stage of the Eligible Activities line items as provided in Exhibit A and will provide detailed cost estimates or contractor quotes or bids.
- (b) The Developer and the City shall submit invoices of its Eligible Activities expenses and a written statement demonstrating a factual basis that it has completed the Eligible Activities to the CBRA for preliminary review and approval within 180 days of completion of the Eligible Activity in a form as required by the CBRA. Documentation of the costs incurred shall be provided including proof of payment, lien waivers, and detailed invoices for the costs incurred in sufficient detail to determine whether the costs incurred were for Eligible Activities. The CBRA shall not be required to reimburse any request that is not submitted within 180 days after the expense is incurred.
- (c) Within 60 days after receipt, the CBRA Director or contract manager shall review and approve or reject the reasonableness of the invoice and activity as ineligible and, if recommended, shall present the invoice to the CBRA for approval. In the event of an objection, the CBRA Director or Contract Manager will notify the Developer or the City within the 60 day time period, and the Developer or the City shall meet to resolve or cure the objection. If the objection is not resolved or cured within 45 days, there is no obligation to pay the portion of the invoice objected to until the parties have mutually agreed in writing through an alternative dispute mediation or there is a final judgment or order of a court of competent jurisdiction directing payment. It is expressly agreed that the CBRA makes or gives no assurance of payment to the Developer or the City by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Brownfield Plan or Act 381 Work Plan and that the CBRA shall have the right to review and approve or deny reimbursement for any invoices for eligible activities based on the reasonableness of services performed by any consultant or contractor under this Agreement.
- (d) Payment for approved invoices from Brownfield Tax Increment Revenues from the Development will be made within 30 days of receipt by the CBRA of captured winter and summer taxes.
- (e) No condition, event, action, suit, proceeding or investigation is occurring or threatened to occur, or shall be pending before any court, public board or body to which the Developer, City, or CBRA is a party, or threatened against the Developer, City, or CBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or which could result in an adverse decision which would have one (1) or more of the following effects:

- (1) A material adverse effect upon the ability of the CBRA to collect and use Brownfield Tax Increment Revenues to repay its obligations under this Agreement.
 - (2) A material adverse effect on the ability of the Developer, City or CBRA to comply with the obligations and terms of this Agreement, the Brownfield Plan, or the Act 381 Work Plan.
 - (3) There shall have been no Event of Default by the CBRA or City and no action or inaction by the CBRA or City which eventually with the passage of time could become an Event of Default.
- (f) The Developer, City, and CBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.
 - (g) Brownfield Tax Increment Revenue and other needed revenue are assured, in the CBRA's sole reasonable judgment for actual development, imminent development, contractual obligations to pay the equivalent taxes, and other designated sources other than general tax revenues to meet the obligations for Eligible Activities of the City and/or CBRA included in the Brownfield Plan and Act 381 Work Plan.
 - (h) Approval of the Act 381 Work Plan by EGLE for Environmental Eligible Activities and MSF for Non-Environmental Eligible Activities.
 - (i) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land use and the Project have been secured.
 - (j) There has been no change in statutes or other law that would have one or more of the effects described in (e) above.
 - (k) The Developer has received the consent of any affected utility for relocation, burial or other activity necessary to construct the Project.
 - (l) The Developer shall have performed all of the terms and conditions to be performed by them.
 - (m) During the term reimbursement, the Developer shall provide to the CBRA an annual report of investment made, number of residential units, the amount, by square foot of new or rehabilitated residential, retail, commercial, or industrial space, and the number of new jobs created. Report shall be delivered to the CBRA Director no later than July 15 of each year.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of CBRA. CBRA represents and warrants to the Developer that:

- (a) CBRA is a public body corporate, established pursuant to Act 381, with all necessary corporate powers pursuant to that Act to enter into and perform this Agreement.
- (b) The execution and delivery of this Agreement has been duly authorized by all requisite action on the part of the CBRA, and this Agreement constitutes a valid and binding agreement of the CBRA enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (c) Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby is in violation of any provision of any existing law or regulation, order or decree of any court or governmental entity, or any agreement to which the CBRA is a party or by which the CBRA is bound.

Section 6.2 Representations and Warranties of the Developer. The Developer represents and warrants to the CBRA that:

- (a) The Developer (i) is duly organized and validly existing as a limited liability corporation in good standing under the laws of the State of Michigan, with power under the laws of such state to carry on its business as now being conducted; (ii) is duly qualified to do business in the State of Michigan, and (iii) has the power and authority to consummate the transactions contemplated under this Agreement by the Developer.
- (b) There is no violation or default by the Developer of any provision of its Articles of Organization or Operating Agreement, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject, and compliance with the terms, conditions and provisions of this Agreement does not conflict with and will not result in or constitute a breach of or default under any of the foregoing, wherein default, breach or violation would materially and adversely affect any of the transactions contemplated by or the validity of this Agreement.
- (c) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Developer and this Agreement constitutes a valid and binding agreement of the Developer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (d) Except as a part of the performance and completion of eligible activities under the terms of this Agreement, the Developer, its contractors or subcontractors shall not use the Eligible Property for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Eligible Property, and shall obtain all necessary permits in connection therewith.

- (e) The Developer warrants that it will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of this Agreement.

ARTICLE 7

INSURANCE

Section 7.1 Insurance. The Developer and any contractor(s) or subcontractor(s) shall purchase and maintain insurance not less than the limits set forth below. The Developer and contractor(s) and subcontractor(s) shall maintain such other insurances as it deems appropriate for its own protection.

- (a) Worker's Disability Compensation Insurance including Employers Liability Coverage in accordance with all applicable statutes of the State of Michigan.
- (b) Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and \$2,000,000 aggregate combined single limit. Coverage shall include the following: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Endorsement or Equivalent.
- (c) Motor Vehicle Liability Insurance, including Michigan No-Fault Coverage, with limits of liability of not less than \$1,000,000 per occurrence for Bodily Injury and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles.
- (d) Contractor's Pollution Liability Insurance provided by Contractors, sub-contractors and site work contractors engaging in environmental response activities, covering any sudden and non-sudden pollution or environmental impairment, including clean up costs and defense, with limits of liability of not less than \$1,000,000 per occurrence (with first party and third party coverage).

Section 7.2 Cancellation Notice. It is understood and agreed that thirty (30) days advanced written notice of cancellation, non-renewal, reduction and/or material change shall be sent to the CBRA.

Section 7.3 Additional Insured. - The Commercial General Liability Insurance, Motor Vehicle Liability Insurance and Contractor's Pollution Liability Insurance, as described above, held by the Developer and their Contractors and subcontractors, shall have an endorsement including The City and the Cadillac Brownfield Redevelopment Authority as additional insureds.

Section 7.4. Proof of Insurance. The Developer shall make available copies of certificates of insurance for each of the policies mentioned above to the CBRA upon request. If so requested, certified copies of all policies will be furnished.

ARTICLE 8

REMEDIES AND TERMINATION

Section 8.1 Alternative Dispute Mediation. If a dispute arises between the parties to this Agreement, the parties shall seek an alternative means of resolving the dispute as a condition precedent to litigation. Therefore, the parties agree to the following terms and conditions:

- (a) The party bringing in a claim shall give notice to the other party and, in writing, propose a meeting in which to discuss and attempt to resolve the claim within seven (7) days after the claim arises.
- (b) In the event the meeting between the parties to resolve the claim does not resolve the dispute or does not take place within said seven (7) day period, the parties shall designate, by mutual agreement, an independent mediator who shall convene a meeting of the parties within a period of twenty-one (21) days after the initial meeting between the parties. The mediator shall render his/her decision within ten (10) days of meeting with the parties. In the event that the mediator does not render a decision within said time-period, the party bringing the claim shall have the right to proceed with litigation.
- (c) The purpose of the mediator is to attempt to resolve the dispute between the parties. The mediator shall not be empowered with the authority to render a binding opinion or award.
- (d) During the pendency of this alternative dispute resolution process, the parties agree that any statute of limitations applicable to all claims that are the subject of this mediation process shall be tolled.

Section 8.2 Remedies upon Event of Default. Upon the occurrence of an Event of Default, a non-defaulting party shall have the right to terminate this Agreement with the defaulting party or, at the election of such non-defaulting party, may obtain any form of relief permitted under the applicable laws and court rules of the State of Michigan, including the right to seek and obtain a decree of specific performance by a court of competent jurisdiction.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Term. The term of this Agreement shall commence on the date first written above and shall expire upon payment in full of the CBRA's obligations under the debt obligation.

Section 9.2 Sale or Transfer of Eligible Property within the Plan: The Developer waives the right to reimbursement for their outstanding Eligible Activity expense obligations, or any other reimbursement obligation of the CBRA, to be paid through Brownfield Tax Incremental Revenues captured from the portion of the eligible property that is sold, conveyed, transferred, or assigned unless the Developer complies with the following:

- (a) The Developer provides the prospective transferee with written notice of the Brownfield Plan and Act 381 Work Plan, the nature and extent of Eligible Activities performed by the Developer pursuant to the Brownfield Plan and Act 381 Work Plan, and the extent of any outstanding obligation for reimbursement for Eligible Activity expenses from taxes to be captured from the property.

- (b) The Developer and the transferee enter into an allocation agreement covering how the Brownfield Tax Increment Revenues collected on the property shall be distributed between the Developer and the prospective purchaser or transferee for any outstanding obligations or future obligations for Eligible Activities on the property.
- (c) The Developer provides the CBRA with copies of the written notice and the allocation agreement between the Developer and the transferee of the property prior to transfer of the property, and the CBRA approves the agreement, which shall not be unreasonably denied.

Section 9.3 Assignment of this Agreement. No party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of all other parties hereto, which consent will not be unreasonably withheld. Notwithstanding the foregoing, the Developer shall have the right to assign its right to receive reimbursement payments under this Agreement to a lender which provides construction financing to Developer for any portion of the Eligible Activities ("Developer's Lender"). The City and the CBRA will promptly execute and deliver to Developer's Lender such consent, acknowledgment, estoppel certificate or other documentation that is reasonably requested by Developer's Lender.

Section 9.4 Notices. All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to CBRA:

Marcus Peccia, City Manager
City of Cadillac
200 North Lake Street
Cadillac, Michigan 49601

If to the Developer:

Eric Hanna, Managing Member
Cadillac Lofts LLC
507 S. Grand Avenue
Lansing, Michigan 48933

or to such other address as such party may specify by appropriate notice.

Section 9.5 Amendment and Waiver. No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 9.6 Entire Agreement. This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral,

written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

Section 9.7 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 9.8 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 9.9 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 9.10 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement and with any individual entity or governmental agency involved in or with jurisdiction over the engineering, design, construction or operation of the Improvements or the Project, or any other improvements which are undertaken in connection with the foregoing, in the granting and obtaining of all easements, rights of way, permits, licenses, approvals and any other permissions necessary for the construction or operation thereof. Each party to this Agreement shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement including, but not limited to, such documents or agreements as may be required by the Developer's lenders with respect to the Project to secure the Developer financing from such lenders. Each party to this Agreement also shall use its best efforts to assist the other parties to this Agreement in the discharge of their respective obligations hereunder and to assure that all conditions precedent to the collection of tax increment financing revenue and the completion of the Project are timely satisfied.

Section 9.11 Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns.

Section 9.12 Brokerage Fees. The CBRA, the City, and the Developer each represent and warrant to the other that no broker or finder has been engaged in connection with this Agreement. The City and CBRA, on the one hand, and the Developer on the other hand, shall indemnify the others and hold the other harmless to the extent provided by law from and of any and all liability (including reasonable attorneys' fees and costs) for brokerage commissions or finders' fees in connection with this Agreement to the extent such liability or claim is based on any arrangement or agreement made or claimed to have been made by or on behalf of the indemnifying party.

IN WITNESS WHEREOF, the CBRA, the City and the Developer have caused this Agreement to be duly executed and delivered as of the date first written above.

CADILLAC LOFTS LLC

By: Eric Hanna
Its: Managing Member

CADILLAC BROWNFIELD REDEVELOPMENT
AUTHORITY

By: Marcus Peccia
Its: Chair

CITY OF CADILLAC

By: _____
Its: _____

EXHIBITS

EXHIBIT A: BROWNFIELD PLAN

EXHIBIT B: EGLE BROWNFIELD GRANT AND LOAN AGREEMENTS

EXHIBIT C: ACT 381 WORK PLAN

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. 2019-____

**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 3rd day of June, 2019, 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 3rd day of June, 2019.

Sandra Wasson
Cadillac City Clerk

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #2
June 3, 2019

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

GENERAL FUND

Department: Revenue	\$7,012,200	\$7,424,200	\$412,000
Amended Line Items Detail			
Local Community Stabilization Authority	600,000	977,000	377,000
CAPS School Resource Officer	25,000	50,000	25,000
Interest Income	45,000	55,000	10,000

Purpose: To increase budgeted revenues to account for additional personal property tax loss reimbursements from the Local Community Stabilization Authority; to recognize the additional commitment from CAPS for the School Resource Officer after COPS grant period lapsed; and to increase budgeted revenues for Interest Income due to rising interest rates on investment of reserve funds.

Department: City Council	\$43,900	\$50,900	\$7,000
Amended Line Items Detail			
Travel and Education	6,000	7,500	1,500
Ordinances and Proceedings	5,000	10,500	5,500

Purpose: To appropriate additional funds for travel and education costs for City Council and to fund the additional costs of publication for ordinances and other required public notices.

Department: City Manager	\$291,900	\$296,400	\$4,500
Amended Line Items Detail			
Travel and Education	7,000	11,500	4,500

Purpose: To appropriate additional funds for travel and education costs for the City Manager and related staff.

Department: Engineering Services	\$85,500	\$100,500	\$15,000
Amended Line Items Detail			
Contractual Services	25,000	40,000	15,000

Purpose: To appropriate funds for engineering fees.

Department: Fire Department	\$1,517,400	\$1,554,900	\$37,500
Amended Line Items Detail			
Salaries and Wages	560,000	597,500	37,500

Purpose: To appropriate funds for final benefit payout for retiring Fire Captain; funds reserved for sick and vacation payouts will be utilized.

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #2
June 3, 2019

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

Department: Public Works	\$151,700	\$276,700	\$125,000
Amended Line Items Detail			
Equipment Rental	0	125,000	125,000

Purpose: To utilize additional PPT reimbursement funds to contribute to Stores and Garage to cover 50% of cost of new street sweeper.

Department: Planning and Zoning	\$138,900	\$142,400	\$3,500
Amended Line Items Detail			
Publisher's Costs	1,500	5,000	3,500

Purpose: To appropriate additional costs for publication requirements.

Department: Community Promotions	\$42,000	\$49,500	\$7,500
Amended Line Items Detail			
Salaries and Wages	10,000	16,000	6,000
Employee Benefits	6,000	7,500	1,500

Purpose: To appropriate additional costs for community promotion activities.

General Fund Summary

Revenues	7,012,200	7,424,200
Expenditures	7,013,700	7,213,700
Revenues Over (Under) Expenditures	(\$1,500)	\$210,500

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #2
June 3, 2019

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

OLESON PROPERTY DEMOLITION CDBG GRANT FUND

Department: Revenue	\$0	\$775,000	\$775,000
Amended Line Items Detail			
Federal Grants	0	775,000	775,000

Purpose: To recognize grant revenue from a CDBG Grant to cover costs of demolition of the Oleson Property and related environmental work.

Department: Administration	\$0	\$775,000	\$775,000
Amended Line Items Detail			
Contractual Services	0	10,000	10,000
Construction	0	765,000	765,000

Purpose: To appropriate funds to cover approved costs related to the CDBG Grant received for demolition of the Oleson Property.

WATER AND SEWER FUND

Department: Revenue	\$4,324,000	\$4,639,000	\$315,000
Amended Line Items Detail			
Leachate	150,000	450,000	300,000
Interest Income	30,000	45,000	15,000

Purpose: To recognize additional revenue from leachate treatment and additional returns on investment of reserve funds.

Department: Administration	\$1,103,000	\$1,173,000	\$70,000
Amended Line Items Detail			
Legal Fees	40,000	95,000	55,000
Interest Income	30,000	45,000	15,000

Purpose: To recognize additional revenue from leachate treatment and additional returns on investment of reserve funds.

City of Cadillac

EXHIBIT A

Financial Services Department
FY2019 Budget Amendment #2
June 3, 2019

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

INFORMATION TECHNOLOGY FUND

Department: Administration	\$180,200	\$210,200	\$30,000
Amended Line Items Detail			
Hardware and Accessories	20,000	35,000	15,000
Software and Consulting	50,000	65,000	15,000

Purpose: To appropriate funds for additional hardware purchased during the year in large to prepare for the elimination of support for Windows 7; and to appropriate additional funds for software primarily related to the transition to Office 365.

INDUSTRIAL PARK FUND

Department: Administration	\$131,500	\$231,500	\$100,000
Amended Line Items Detail			
Contractual Services	90,000	190,000	100,000

Purpose: To appropriate the use of funds on hand from the sale of industrial lots to provide a contribution for a portion of the cost of a plow truck. Two larger plow trucks have been purchased, one of which has the industrial park completely within its normal plowing route. Industrial Park Fund currently has just over \$700,000 in reserves on hand.



**MEETING MINUTES
Cadillac Zoning Board of Appeals
5:30 P.M.
March 21, 2019**

CONVENE MEETING

Chairperson Nichols called to order a meeting of the Cadillac Zoning Board of Appeals at 5:30 p.m. on March 21, 2019.

ROLL CALL

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

APPROVAL OF MEETING AGENDA

Motion by Knight to approve the March 21, 2019 agenda. Supported by Ault. The motion was unanimously approved on a roll call vote.

APPROVE THE NOVEMBER 15, 2018 MEETING MINUTES

Motion by Genzink to approve the November 15, 2018 meeting minutes as presented. Support by Walkley. The motion was unanimously approved on a roll call vote.

Nichols turned the meeting over to Coy. Using a power-point presentation Coy went through the staff report prepared for this public hearing.

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. There are 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 variance to cover up to 30 percent of the site with covered structures including the apartment building, carports, and a small storage shed.

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

Using a power point he showed pictures of PS Equities senior apartment complex in Clare which is named Clare Castle. The proposed apartments are for independent living seniors over 55 years old.

The site is calculated at 59,207 square feet (1.36 acres) by the applicant's surveyor. The property is zoned B-3 General Business which allows for up to 25 percent of coverage with

structures and not need a variance. The new concept for the site is a smaller apartment building than presented in September of 2018. The downsized apartment building is 10,138 square feet which will take up 17.1 percent of the total site. He added that with this smaller apartment building the developer would be able to include 22 carports without needing a variance.

Coy explained that the property site is abutted to the south and north by properties zoned B-3 General Business. The properties across Mitchell Street to the east are also zoned B-3. The properties to the west across Aspen Street are zoned RM-2 Multi-family residential. He added that in the RM-2 district structures can cover up to 35 percent of the underlying site and not need a variance. The Cadillac Castle site will be a through lot from Mitchell Street to Aspen providing vehicle access from both streets.

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 MDOT traffic study of South Mitchell Street recorded 14,851 vehicles in a 24 hour period. The site will be a through lot west from Mitchell Street to Aspen Street. 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.” Coy added that the traffic volumes into the apartments will be less than that of current neighboring businesses.

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 referenced the letter from the Fire Marshal that was included with the staff

report the ZBA received.” He added that the access to Cadillac Castle from both Aspen and S. Mitchell Streets is something our Fire Marshal strongly supports.

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.” Two neighboring businesses who submitted letters of support for the project have mentioned increasing property values as a benefit to the South Mitchell Street business district.

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 spoke about other multiple-family developments which also take up more than 30 percent of the site with structures. He showed a picture of Marina Shores Condominiums which are a couple blocks from the proposed Cadillac Castle site. Marina Shores including their garages cover greater than 33 percent of the site’s square footage. He added that the apartments and condominiums at 301 N. Lake Street with their garages cover approximately 43 percent of the site with structures.

Coy brought up that the low profile of the carports will have less of a visual impact including lighting than the canopies covering fuel pumps at the Shell, Admiral, and PBS convenience stores.

Coy lastly added that this ZBA approved up to a 42 percent lot coverage in 2018 for the redevelopment of the new Ace Hardware site which is in a B-3 District.

PUBLIC NOTICES

Coy said that notification of the public hearing on this application was given via first-class mail to all property owners and residents within 300 feet of the subject site 15 days prior to this meeting as was a notice placed in the Cadillac News. It was also posted on the City Website.

Coy mentioned the two letters of support from surrounding business property owners that were included in the ZBA packets. He also said that they’ve received inquiries from people asking questions about the senior apartments. The inquiries relate to items such as when will they be built, the cost to rent, and the age requirements for this senior housing development. Coy spoke with the contact person Mr. Seybert gave the city last fall who is taking calls from interested seniors. She told Coy they have a list of 32 names to contact when more information is available about the project.

Coy added that (Darrell Isch) who lives across Aspen Street from the site contacted him this afternoon. Darrell is also a landlord with rental homes on Aspen Street. He opposes the project.

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.

PUBLIC COMMENTS RELATED TO THIS APPLICATION

Nichols asked Mr Seybert if he wished to speak. 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. Coy had a picture of Clare Castle on the over-head screens. Seybert said the Cadillac Castle project will have a similar look to the picture shown. In the new design he has shrunk the footprint. There are no setback issues with the new design and with the smaller footprint there are 51 parking spaces which is ample for residents and guests.

Seybert mentioned his first application to the Michigan State Housing Development Authority (MSHDA) submitted October 1, 2018. He added that the market study done for the MSHDA recommended fewer than the 46 apartment units his plan had in it. He disagrees with their study and mentioned that the person who did the study lives in Atlanta, Georgia and has never visited Cadillac. He also said that the MSHDA report did recommend carports for the senior apartments.

His new application to the MSHDA is due April 1, 2019 and there are no guarantees he will be successful in qualifying for the program this time either. He mentioned that in the September of 2018 ZBA Variance Application he withdrew the carports to avoid the need for a coverage variance. With the small footprint of the new concept he now wishes to include a carport for each of the 37 units. He added that the typical age of the tenants at his other apartments average in age from 68 to 75 years. These seniors do not wish to scrape ice off their windshields in the winter.

Ault asked if all the parking spaces will be covered. Seybert answered no and the parking spaces in the front of the building are not covered. He likes to keep the front of his buildings open to view. These parking spots included handicap parking spaces.

Knight asked about lighting and will they be recessed? Seybert said the carports will have a recessed light fixture for each of the carports for night time safety along with the planned light poles. He still believes that with the walkability and having shopping nearby is important and will make the application to the MSHDA attractive other.

Seybert added that other commercial uses for this site may have a negative impact on traffic and the neighbors. He specifically mentioned that a fast food, drive-thru restaurant is an allowed use in a B-3 District.

Sandy Cole who lives on Aspen Street spoke and asked Mr. Siebert a question about the income requirements for low-income seniors that may be interested in renting and what the rents may be? She also asked if there will be something in the leases addressing residents having “parties”? Seybert answered that the tenants in his senior apartments are usually “quiet by 7:00 pm”. (Note; This got a laugh from everyone in the room.)

Seybert talked about the sliding scale for what rent will cost based on an occupant’s income based on the Wexford County median income. He said six units will be for persons with a median income of 30 percent. The estimated monthly cost for a one bedroom is \$254 and \$304 for a two-bedroom

apartment plus utilities. There will be seven units for persons with a median income of 60 percent. The estimated monthly cost for a one bedroom is \$585 and \$701 for a two-bedroom apartment. For persons with a median income under 80 percent would pay an estimated monthly rent of \$735 for a one bedroom and \$745 for a two-bedroom.

Genzink asked about apartments for persons who make above the median income. Seybert said market rate apartments have been taken out of the plan being submitted to the MSHDA.

Knight asked about landscaping shrubs or trees to help block the view of the metal carports for vehicles traveling south on Mitchell Street? Seybert said there will be landscaping and yes, he can add something on that side. Ms. Cole asked where the carports will be located and Seybert showed her on the site plan. Coy spoke and showed a couple pictures of the Clare Castle site which gave only a limited view of its landscaping. He added that a landscaping plan will need to be included for a final site plan approval by the Community Development Director.

Genzink asked about storage for tenants. Seybert said no storage areas above what will be inside the apartments is planned for tenants. The small storage building earlier referred to is for items like a snowblower and leaf blower as gasoline cannot be stored in the apartment building. He added that there will be bike racks and at one of his complexes so many seniors have bicycles that this winter they enclosed two carports to store everyone's bike during the winter.

There being no other public comments or questions from this Board of Appeals, Nichols asked for a motion.

Knight made a motion to approve the request from the applicant for a zoning variance to use up to 30 percent of the site for covered structures. Support by Genzink. The motion passed with a unanimous vote.

BOARD COMMENTS

Coy for a couple minutes spoke about the success of the Ace Hardware site that one year ago was a blighted property on North Mitchell Street. This Zoning Board of Appeals, the Planning Commission, City Council, and staff all helped the developer put the necessary pieces in-order for the revitalization of this site to happen. Coy on the overhead screens showed pictures from one year ago and a current photo.

ELECTION OF OFFICERS

Genzink made a motion to elect Louis Nichols, Chairperson and Shari Ault, Vice Chairperson of the Zoning Board of Appeals for 2019. Support by Walkley. The motion passed with a unanimous vote.

BOARD MEMBER COMMENTS –

ADJOURN

Chairperson Nichols adjourned the meeting at 6:19.