

# **City Council Meeting**

December 20, 2021 6:00 p.m.

Cadillac Municipal Complex Council Chambers 200 N. Lake St. Cadillac, MI 49601



December 20, 2021 City Council Meeting Agenda 6 p.m. at City Hall - 200 N. Lake St. – Cadillac, MI 49601

#### We are fully present

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

I. APPROVAL OF AGENDA

#### II. PUBLIC COMMENTS

This opportunity for public comment provides the public with a chance to make a statement regarding any subject matter. Public comment is not an opportunity to necessarily ask questions or converse with City Staff, Council Members or other meeting attendees. Contact information for Council and staff is available on our website, <a href="www.cadillac-mi.net">www.cadillac-mi.net</a>, or can be obtained by calling (231) 775-0181. Comment time is limited to 3-minutes, and unused time may not be yielded back or given to someone else to use.

#### 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 December 6, 2021. Support Document III-A

#### IV. PUBLIC HEARINGS

 A. Public hearing to consider adoption of Resolution Approving Brownfield Plan for 423 N. Mitchell Redevelopment.
 Support Document IV-A

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- B. Public hearing to consider adoption of Resolution Establishing an Obsolete Property Rehabilitation District for 423 N. Mitchell Redevelopment. Support Document IV-B
- C. Public hearing to consider adoption of Resolution to Approve an Obsolete Property Rehabilitation Exemption Certificate Application for 432 N. Mitchell Redevelopment. Support Document IV-C
- D. Public hearing to consider adoption of Ordinance to Amend Section 46-752 of the Cadillac City Code Relating to Recreational Marihuana Establishments.

  <u>Support Document IV-D</u>
- E. Public hearing to consider adoption of Ordinance to Amend Section 46-753 of the Cadillac City Code Relating to Medical Marihuana Facilities.

  Support Document IV-E
- F. Public hearing to consider adoption of Resolution to Approve Amendment to Development and Tax Increment Financing Plan for the Harry Vanderjagt Industrial Park.

  Support Document IV-F

#### V. CITY MANAGER'S REPORT

- A. Cadillac Housing Commission compensation change request Support Document V-A
- B. Calendar Year 2022 Council Meeting Schedule Support Document V-B
- C. Emergency Digester Cleaning Support Document V-C
- D. Updated Foster Swift Engagement Letter Support Document V-D

#### VI. MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

- A. Planning Commission Support Document VI-A
- B. Historic Districts Commission Support Document VI-B

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#### VII. PUBLIC COMMENTS

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#### VIII. GOOD OF THE ORDER

#### IX. ADJOURNMENT

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

Respect
Integrity
Trust
Excellence

#### **Guiding Behaviors**

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

#### CITY COUNCIL MEETING MINUTES

December 6, 2021

Cadillac City Hall - 200 N. Lake St. - Cadillac, Michigan 49601

#### **CALL TO ORDER**

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

#### PLEDGE OF ALLEGIANCE

#### ROLL CALL

Council Present: Schippers, Engels, Mayor Filkins

Council Absent: King, Elenbaas

Staff Present: Peccia, Roberts, Ottjepka, Wallace, Pacella, Coy, Homier (via Zoom),

Wasson

#### APPROVAL OF AGENDA

#### 2021-226 Approve agenda as presented.

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

Motion unanimously approved.

#### **PUBLIC COMMENTS**

Randy Lindell stated the Street Department is doing a good job plowing the roads. He commented on the importance of keeping the sidewalks open this winter. He asked if water rates could be lowered. He mentioned there is a one-hour parking sign on Stimson St. near Mitchell St. that creates a hazard when a car is parked in that location. He stated at Mitchell St. & Spruce St. cars are parking on the sidewalk near the stop sign in both directions causing a potential hazard for drivers. He stated ordinances should not be tweaked.

Glenn Verbrugge stated he supports medical marihuana. He stated recreational marihuana is dangerous for teens because addiction is a definite risk. He noted having a large, stacked facility in Cadillac gives youth the perception that it is a benign drug for them.

David Rozanski noted he is an attorney appearing on behalf of WL Green Ventures Inc. which is a medical marihuana provisioning center permit holder. He requested City Council give strong consideration to increasing the cap on provisioning center and retail establishment permits to four (4) permits each in order to award medical marihuana provisioning center permit holders with adult use marihuana retail establishment permits and vice versa. He noted it would not increase the existing number of marihuana retail locations but would allow for a more competitive market within the City of Cadillac.

#### **CONSENT AGENDA**

#### 2021-227 Approve consent agenda as presented.

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

Motion unanimously approved.

#### PUBLIC HEARINGS

A. Public hearing to consider adoption of Ordinance to Amend Section 10-2 of the Cadillac City Code Relating to Recreational Marihuana Establishments.

Peccia noted the amendments to the marihuana related ordinances are being proposed in order to be able to accommodate industrial-type facilities within the industrial zone. He stated the City only created one license for all growing-type licenses, processing-type licenses, secure transporters, and testing facilities. He noted we may be revisiting the number of retail licenses permitted in the future but that is not part of the proposed amendments. He stated the proposed amendments would remove the cap from the license types that are currently prohibiting the ability for there to be industrial marihuana uses within the industrial park. He noted having the restrictions removed and listing the categories as "unlimited" is the best approach because there may be one facility, depending on its scope, that may need twenty (20) different licenses due to statutory limitations on the number of plants for each license.

Peccia stated another change that was discovered is to create the unlimited ability of excess marihuana growing licenses. He noted the document provided includes the proposed change to the ordinance relating to recreational marihuana establishments.

Mayor Filkins opened the public hearing.

Glenn Verbrugge expressed concerns about including a marihuana growing facility in the industrial park. He stated he is most concerned about the impression this type of facility would be for our youth. He provided some statistics about adolescent marihuana use in Colorado. He noted he is also concerned about people driving a car after smoking marihuana. He mentioned the impact marihuana use during pregnancy can have on children.

Randy Lindell stated we cannot keep tweaking ordinances to benefit businesses. He noted we should not open more marihuana establishments. He mentioned the meth problem and the impact it has on the first responders.

Mayor Filkins closed the public hearing.

Peccia noted the members of the Cadillac Industrial Fund are supportive of the proposed changes. He stated it is a way to encourage industrial and economic development within the community.

Engels noted members of City Council and City staff toured the Lume facility in Evart. He stated it was a very nondescript building that appeared to be a nice place to work.

Peccia stated a facility of that scope could bring a few hundred well-paying jobs to the community.

Schippers stated she does not believe that type of facility would stand out in the industrial park and it would not be promoting the product. She noted this is a growing industry and it is highly regulated by the State of Michigan.

#### 2021-228 Adopt Ordinance 2021-15.

Motion was made by Schippers and supported by Engels to approve the resolution to adopt Ordinance to Amend Section 10-2 of the Cadillac City Code Relating to Recreational Marihuana Establishments as amended.

Motion unanimously approved.

B. Public hearing to consider adoption of Ordinance to Amend Section 10-3 of the Cadillac City Code Relating to Medical Marihuana Facilities.

Mayor Filkins opened the public hearing.

Randy Lindell stated we should table the adoption of new ordinances until we have a full Council present.

Mayor Filkins closed the public hearing.

#### 2021-229 Adopt Ordinance 2021-16.

Motion was made by Schippers and supported by Engels to approve the resolution to adopt Ordinance to Amend Section 10-3 of the Cadillac City Code Relating to Medical Marihuana Facilities.

Motion unanimously approved.

#### <u>APPOINTMENTS</u>

A. Recommendation regarding reappointment to the Cadillac Historic Districts Commission.

#### 2021-230 Approve reappointment to the Cadillac Historic Districts Commission.

Motion was made by Engels and supported by Schippers to approve the reappointment of Mark Snider to the Cadillac Historic Districts Commission for a 3-year term to expire on December 31, 2024.

Schippers noted Mark Snider has served on this commission since 2005.

Motion unanimously approved.

B. Recommendation regarding reappointment to the Cadillac Historic Districts Commission.

#### 2021-231 Approve reappointment to the Cadillac Historic Districts Commission.

Motion was made by Engels and supported by Schippers to approve the reappointment of Gwen Dubravec to the Cadillac Historic Districts Commission for a 3-year term to expire on December 31, 2024.

Schippers noted Gwen Dubravec has served on this commission for almost ten (10) years.

Motion unanimously approved.

#### **CITY MANAGER'S REPORT**

#### A. Request to house ducks.

Peccia stated City Council adopted an ordinance that allows for the administrative approval for up to six (6) chickens or rabbits but does not include ducks. He noted the Fiorvento family at 1401 Walnut St. submitted a request to house up to six (6) egg-laying ducks within their rear yard. He noted a request to house ducks was previously approved and it is being recommended that Council approve this request. He stated the City did receive correspondence from a neighbor with a concern that there might be close to a dozen ducks currently at the residence. He noted if Council approves the request the City will verify the number of ducks and will ask the homeowner to remedy the situation if there are more than six (6) ducks.

Schippers stated when Council has approved these types of requests in the past, Mike Coy, Zoning Administrator, follows up to ensure the conditions of the approval are being met.

#### 2021-232 Approve request to house ducks.

Motion was made by Schippers and supported by Engels to approve the request from the Fiorvento family to keep up to six (6) egg-laying ducks within the rear yard of their residence at 1401 Walnut St. and at night or during inclement weather within a stall built in their shed.

Motion unanimously approved.

B. Recommendation regarding Prosecution Services Contract.

Peccia noted the Wexford County Prosecuting Attorney has been providing prosecution services for the City of Cadillac since 2010. He noted both the City and the Prosecutor are interested in extending the contract through December 31, 2025 with no changes to rates or services.

#### 2021-233 Approve extension of Prosecution Services Contract.

Motion was made by Engels and supported by Schippers to approve the extension of the contract with the Wexford County Prosecuting Attorney through December 31, 2025.

Motion unanimously approved.

C. Police & Fire Special Recognition and Introductions

Adam Ottjepka, Director of Public Safety, introduced and provided brief background information on Officer Nick Doll who joined the Cadillac Police Department (CPD) in November 2020. He introduced and provided brief background information on Officer Diana Morris who joined the CPD in March 2020.

Ottjepka introduced and provided brief background information on Firefighter Dale Hall who joined the Cadillac Fire Department (CFD) in 2019. He provided brief background information on Firefighter Wesley Owens who has been with the CFD since 2017.

Ottjepka discussed a structure fire that occurred at 1224 Dandy St. on September 29, 2020. He noted when firefighters arrived a neighbor reported that there was an elderly gentleman still inside the residence. He stated Firefighters Wesley Owens and Dale Hall immediately entered the residence and removed the victim through a smoke-filled, burning structure. He stated the quick actions of Firefighter Owens and Firefighter Hall along with their performance above and beyond the call of duty at extreme personal risk were instrumental in the rescuing and saving of another person's life. He noted for this reason the CFD and the City of Cadillac are awarding Firefighters Owens and Hall the most sacred of all medals — the Life Saving Award.

Ottjepka provided brief background information on Sgt. Nick Bertram who has been with the CPD since 2007 and was promoted to Sergeant in 2017. He noted on April 4, 2021, the CPD was advised of a homicide suspect near the Cadillac area. He stated Sgt. Bertram located the suspect vehicle and activated his emergency lights and siren in an attempt to stop the suspect. He noted the homicide suspect lead Sgt. Bertram on a high-speed chase and fired multiple rounds at Sgt. Bertram through the rear window of the vehicle. He stated without regard to his own safety Sgt. Bertram continued the pursuit. He noted the suspect left his vehicle and fled on foot. He stated Sgt. Bertram directed in-coming patrols and secured a perimeter around the scene. He noted Sgt. Bertram's courage under fire and his ability to maintain a commanding presence is no less than exemplary. He stated for these acts we are awarding Sgt. Bertram with a Medal of Bravery.

Ottjepka provided brief background information on Deputy Chief Eric Eller who has been with the CPD since 1995 and was promoted to Deputy Chief in September 2020.

#### D. Special Recognition – GFOA Distinguished Budget Presentation Awards Program

Peccia noted for the last thirty-eight (38) consecutive years the City of Cadillac has received the annual Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. He added for the last thirty-six (36) consecutive years, the City of Cadillac received the equivalent award for the comprehensive annual financial report. He stated these awards are determined based on an examination of our documents by a panel of independent reviewers. He noted they are the highest awards achievable and the highest form of recognition in governmental budgeting nationally. He added for the first time ever Cadillac received special recognition for our annual budget, specifically under the section regarding performance measures.

Peccia noted the budget begins and ends with City Council. He noted Council's engagement with our professional staff as part of our annual budgeting process is invaluable. He noted the budget documents are readily accessible to the public. He thanked Council for their continued support. He thanked Owen Roberts, Finance Director, and Carol Pacella, Accounting Manager, for their tireless efforts every year in creating the final products.

Owen Roberts, Director of Finance, showed a video from the Executive Director of the GFOA regarding the Distinguished Budget Presentation Award received by the City of Cadillac.

Roberts noted this began thirty-eight (38) years ago so he had no part in starting the excellence of what represents this award for the City of Cadillac. He recognized his predecessor, Dale Walker, for taking the initiative to begin that for the first time both on the budget and the audit report. He noted in the video the Executive Director of the GFOA mentioned "trust" and "transparency" and this should be an assurance of that to our community.

Robert stated he relies heavily on Carol Pacella, Accounting Manager, for quality control, putting together numbers, and helping to fix any mistakes that are made. He stated it is a team effort that starts and ends with Council. He noted we mention these awards every year and put the plaques on the wall but we wanted to do this presentation for the benefit of the public. He stated there are 1,700 units of government in the country that receive this award and 38 of those units are in the State of Michigan. He noted the City is committed to being open, honest, and transparent with the numbers and we want people to know that and to also know we are always willing to discuss the numbers with members of the public.

#### E. Recommendation regarding Premium Payment for Full-Time Employees.

Peccia noted the world has been embroiled in a COVID-19 pandemic for almost two years. He stated nearly all of the City employees were classified as 'essential workers' during the lockdowns and partial lockdowns that went through the State of Michigan. He noted during that time the City chose not to take any action with regard to additional compensation to those employees.

Peccia stated the City is nearly \$1 million in the black and that doesn't even take into consideration the additional \$1.1 million in funding the City will be receiving through the American Recovery Plan Act (ARPA).

Peccia noted Wexford County provided \$7,500 premium payments to all full-time employees through a \$2,500 per year payment for the next three years.

Peccia stated it is being recommended to approve a premium payment of \$1,500 per employee and to authorize the Mayor to execute any employment agreement documentation required to facilitate the payments.

Schippers thanked staff and all of the employees of the City for doing such an amazing job for the past couple of years. She noted others were able to take partial furloughs and receive extra payments. She stated she appreciates that everyone could rely on the City employees to perform their jobs throughout the pandemic. She noted she agrees with the premium payment of \$1,500 per employee.

Engels stated he agrees with Council Member Schippers.

Mayor Filkins stated the request is very reasonable and many organizations are paying premium payments to their employees. She noted she agrees with the comments from

Council Member Schippers about being grateful that our police, fire, and City staff were there for the community throughout the pandemic.

#### 2021-234 Approve premium payment for full-time employees.

Motion was made by Schippers and supported by Engels to approve a premium payment of \$1,500 per employee and authorize the Mayor to execute any employment agreement documentation required to facilitate the payments.

Motion unanimously approved.

#### ADOPTION OF ORDINANCES AND RESOLUTIONS

A. Adopt resolution regarding Brownfield Plan for the 423 N. Mitchell Redevelopment and set public hearing for December 20, 2021.

Peccia noted the next three (3) items are related to a redevelopment of 423 N. Mitchell Street. He stated the first item is regarding the Brownfield Plan that would allow for eligible activities to be reimbursed to the developer and/or the City. He noted the second item is regarding the establishment of an Obsolete Property Rehabilitation Act District so that an exemption application can be considered. He stated the third item is regarding the Obsolete Property Rehabilitation Act Application for that property.

Peccia noted the development itself is taking a blighted obsolete property and turning it into a new mixed-use development. He stated the development is currently projected to have 14-apartments and commercial/retail space. He added the project also includes additional off-street parking.

Peccia stated the project would not be possible without these types of incentives. He noted in order for the developer to be eligible to receive any form of assistance through the Michigan Economic Development Corporation the City of Cadillac has to be engaged and have the desire to see this type of project move forward.

#### 2021-235 Set public hearing for Brownfield Plan.

Motion was made by Schippers and supported by Engels to adopt the resolution regarding Brownfield Plan for the 423 N. Mitchell Redevelopment and set a public hearing for December 20, 2021.

Motion unanimously approved.

B. Adopt resolution regarding Obsolete Property Rehabilitation District Establishment for the 423 N. Mitchell Redevelopment and set public hearing for December 20, 2021.

#### 2021-236 Set public hearing for establishment of OPRA District.

Motion was made by Schippers and supported by Engels to adopt the resolution regarding Obsolete Property Rehabilitation District Establishment for the 423 N. Mitchell Redevelopment and set a public hearing for December 20, 2021.

Motion unanimously approved.

C. Adopt resolution regarding Obsolete Property Rehabilitation Act Application for the 423 N. Mitchell Redevelopment and set public hearing for December 20, 2021.

#### 2021-237 Set public hearing for OPRA Application.

Motion was made by Schippers and supported by Engels to adopt the resolution regarding Obsolete Property Rehabilitation Act Application for the 423 N. Mitchell Redevelopment and set a public hearing for December 20, 2021.

Motion unanimously approved.

#### INTRODUCTION OF ORDINANCES

A. Adopt resolution to introduce Ordinance to Amend Section 46-752 of the Cadillac City Code Relating to Recreational Marihuana Establishments and set public hearing for December 20, 2021.

Peccia stated the next two (2) items are the necessary zoning amendments related to the amendments approved for the marihuana ordinances. He noted the zoning related items (colocation, stacked growers licensing, and minimum distance requirements) were considered and unanimously approved by the Planning Commission.

#### 2021-238 Set public hearing for Ordinance 2021-17.

Motion was made by Schippers and supported by Engels to adopt the resolution to introduce Ordinance to Amend Section 46-752 of the Cadillac City Code Relating to Recreational Marihuana Establishments and set public hearing for December 20, 2021.

Motion unanimously approved.

B. Adopt resolution to introduce Ordinance to Amend Section 46-753 of the Cadillac City Code Relating to Medical Marihuana Facilities and set public hearing for December 20, 2021.

#### 2021-239 Set public hearing for Ordinance 2021-18.

Motion was made by Schippers and supported by Engels to adopt the resolution to introduce Ordinance to Amend Section 46-753 of the Cadillac City Code Relating to Medical Marihuana Facilities and set public hearing for December 20, 2021.

Motion unanimously approved.

Schippers noted when Council initially passed the marihuana ordinances there was discussion regarding the potential to amend the ordinances in the future based on new information. She stated new information brings new policy which is as it should be.

Peccia noted we are not prepared at this time to present any new recommendations regarding the retail types of licenses, both medical and recreational. He stated we will be looking at what options would be appropriate for Council to consider at some point in the future.

#### MINUTES AND REPORTS OF BOARDS AND COMMISSIONS

A. Elected Officials Compensation Commission (Draft)

#### **PUBLIC COMMENTS**

Randy Lindell thanked City Council and City staff for their due diligence during the pandemic over the past couple of years. He questioned what we are doing for the citizens of Cadillac. He noted we have police, fire, and good roads but maybe the citizens deserve a tax break.

David Rozanski thanked the City Manager for his comments about considering the provisioning center/retail establishment issue. He stated he would appreciate Council having an open mind about the topic. He noted he is not proposing increasing the number of locations but just making it a competitive market as he believes was the intent behind these ordinances.

#### **GOOD OF THE ORDER**

Peccia stated he wanted to address the remarks made by a resident during public comments questioning what the City Council does for the residents of Cadillac. He noted the resident questioned how industrial/commercial incentives help the people of Cadillac. He stated the City Council and City Organization operate in a manner to provide service to all of the constituents of the City in the best way possible. He noted we always look at ways to try to benefit the greater good and working towards improving our economy, providing the ability for there to be more housing and commercial opportunities, improving our own facilities is all related and is all done in a manner to provide a sense of place, to provide a sense of community, to sustain and to improve the value of property. He stated when a city takes the necessary steps forward to encourage economic development and smart redevelopment by providing incentives and working with other governmental agencies and partners it results in improved property values, improved destination locations, better jobs, and new jobs. He noted that is how the City Council gives back to the community.

Schippers stated it has always been her goal to make the City that she loves so much a place that her children want to be in to raise a family.

#### **ADJOURNMENT**

Respectfully submitted,

Carla J. Filkins, Mayor

Sandra L. Wasson, City Clerk

#### **Council Communication**

Re: 423 N. Mitchell Redevelopment Project

Lee Richards and Elizabeth Schnettner own and are redeveloping the former Speeds Automotive and adjacent property into a mixed use residential / commercial project. The development currently is projected to have 14-apartments totaling 8,828 square feet, and commercial/retail space totaling 5,000 square feet. Estimated private investment is \$2,994,532.

Because revenues from rental revenues are not adequate to cover the cost of reconstruction of the building, in addition to the level of operating costs, the project will only proceed if economic development tools and incentives available to the City are utilized. This investment for the redevelopment of this property will bring residents to the City, which will create economic activity for downtown businesses, provide commercial space and jobs for new business, provide much needed new housing, and may create spin-off redevelopment of adjacent properties, providing a significant long-term return for the downtown and the community.

There are two primary tools proposed for the redevelopment: Brownfield Tax Increment Financing (TIF) reimbursement of Eligible Activities, and an Obsolete Property Rehabilitation Act (ORPA) local tax abatement. To initiate these processes, the next step is for Public Hearings to be set and conducted pursuant to requirements under both programs.

**Brownfield TIF:** The property qualifies as Brownfield Eligible Property as functionally obsolete, as determined by the City Assessor. Brownfield Eligible Activities include lead and asbestos abatement, selective demolition of the main building and demolition of the warehouse building on the Bremer Street parcel, and stormwater management improvements. Eligible Activity costs are estimated at \$386,036.

The Brownfield Plan has been prepared to facilitate the development by reimbursing extraordinary lead and asbestos abatement, demolition and infrastructure costs through the capture of increased taxes generated by the private investment. The Brownfield Authority reviewed and approved the Brownfield Plan at their December 2, 2021 meeting. The DDA did not have a quorum in December and will be considering the Interlocal Agreement at their January 26, 2022 meeting. Such approval is not required before City Council approval of the Brownfield Plan. A public hearing must be set and held by the City Council and the Brownfield Plan must be approved by the City Council. The public hearing date is December 20, 2021.

**OPRA:** The project also includes an Obsolete Property Rehabilitation Act (OPRA) tax abatement that will freeze the value of building for local taxes for 12-years but will provide for capture of State taxes to reimburse Brownfield Eligible Activities. OPRA was used for the redevelopment of the Cobbs-Mitchell building and is comparable to the Commercial Redevelopment Act and Commercial Rehabilitation Act abatements that have been established and previously used on other projects in the City.

An OPRA district must be established and an OPRA application by the developer must be approved by City Council, and Public Hearings need to be set and held by the City Council for both the establishments of the OPRA District and the OPRA Application. The date for both OPRA Public Hearings is December 20, 2021.

A summary of the Obsolete Property Rehabilitation Act from the Michigan Economic Development Corporation is provided for information.

The following is the proposed schedule for consideration for the Brownfield and OPRA programs:

| Action   | Entity                   | Date        |
|--|--------------------------|-------------|
| Approve Brownfield Plan  | CBRA                     | December 2  |
| Approve Resolutions Establishing Public Hearing for Brownfield Plan, OPRA District, and the OPRA application                                 | City Council             | December 6  |
| Notices to Taxing Jurisdictions for both Brownfield Plan<br>and OPRA District and OPRA Property Owners<br>(certified mail for OPRA District) | Brownfield<br>Consultant | December 8  |
| Approve Interlocal Agreement   | DDA                      | January 26  |
| Hold Public Hearings and Approve Brownfield Plan,<br>OPRA District, and OPRA application.  | City Council             | December 20 |

#### **Recommended Action**

Hold public hearings and consider adoption of the following three resolutions:

#### 1. Brownfield Plan

Resolution Approving Brownfield Plan for 423 N. Mitchell Redevelopment.

#### 2. OPRA District

Resolution Establishing an Obsolete Property Rehabilitation District for 423 N. Mitchell Redevelopment.

#### 3. OPRA Application

Resolution to Approve an Obsolete Property Rehabilitation Exemption Certificate Application for 423 N. Mitchell Redevelopment.

# MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

#### **OBSOLETE PROPERTY REHABILITATION ACT (OPRA)**

The Obsolete Property Rehabilitation Act (OPRA), <u>Public Act 146 of 2000</u>, provides for a tax incentive to encourage the redevelopment of obsolete buildings. A new exemption will not be granted after December 31, 2026, but an exemption then in effect will continue until the certificate expires. The tax incentive is designed to assist in the redevelopment of older buildings in which a facility is contaminated, blighted or functionally obsolete. The goal is to rehabilitate older buildings into vibrant commercial and mixed-use projects.

Note: This document is offered as a general guide only and the legislation should be reviewed by local officials.

#### WHO IS ELIGIBLE?

OPRA tax abatements may be given for those eligible projects that take place on an obsolete property and result in a commercial or mixed-use building project located in only the <u>qualified local units of government</u>.

#### **HOW DOES IT WORK?**

A community essentially freezes the existing taxable value on a designated facility for up to 12 years. Additionally, the state treasurer may approve reductions of half of the school operating and state education taxes for a period not to exceed six years for 25 applications annually for rehabilitated facilities. By freezing the taxable value, it provides an incentive for the developer to make significant improvements to a building without increasing the property taxes on the building.

#### WHAT IS THE PROCESS?

#### Local government process to designate an Obsolete Property Rehabilitation District (OPRD)

- 1. The governing body of a qualified local unit of government, by resolution, may designate one or more OPRDs within that local governmental unit. The OPRD may consist of one or more parcels or tracts of land that is characterized by obsolete commercial or obsolete commercial housing property.
- 2. The qualified local unit of government may establish an OPRD on its own initiative or upon a written request by at least 50 percent of the owners of the property within the proposed OPRD.
- 3. Written notice of a public hearing is provided by certified mail to all owners of all real property within the proposed district.
- 4. The governing body holds a public hearing with a public
- 5. The governing body adopts a resolution establishing the district and the determination that it meets the requirements under the legislation.

#### Owner/developer process for obtaining an OPRA certificate

- 1. An owner of an obsolete property within the district files an application for an OPRA certificate with the clerk of the local government that includes the details of the project.
- 2. Once a completed application is received, the clerk must notify the assessor and each taxing unit that levies property taxes (e.g., county, community college, library, etc.).
- 3. The governing body holds a public hearing prior to acting on the resolution regarding the certificate.
- 4. Within 60 days of receipt of application, the local unit of government shall by resolution approve or disapprove the application for the certification for up to 12 years. The public hearings for the district and the exemption certificate may be held on the same day, but with individual public hearings.
- 5. Once approved locally, the application and resolution must be sent to the State Tax Commission (STC). The STC has 60 days to approve or disapprove the request. To apply for the abatement of school millage, the developer must make note of this on the application form. The STC is responsible for final approval and issuance of all OPRA certificates.

# WHY WOULD A COMMUNITY WANT TO OFFER AN OBSOLETE PROPERTY TAX REHABILITATION TAX ABATEMENT?

The OPRA incentive is used to encourage the redevelopment of blighted buildings. In many cases, this could be an abandoned, multi-story industrial building that is now more suited for commercial or residential rental units. To the developer, the advantage is savings on property taxes. The tax incentives essentially freeze the local property taxes for up to 12 years, exempting from local property tax all real property improvements. In addition, the state treasurer has the ability to exempt one-half of the school millage for up to six years on 25 projects per year.

#### **SUPPORTING STATUTE**

PA 146 of 2000: Obsolete Property Rehabilitation Act

#### **CONTACT INFORMATION**

For more information, contact the <u>Community</u> <u>Assistance Team (CAT) specialist</u> assigned to your territory or visit www.miplace.org.

#### **City Council**

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



**Mayor** Carla J. Filkins

**Mayor Pro-Tem** Tiyi Schippers

Councilmembers
Bryan Elenbaas
Robert J. Engels
Stephen King

#### RESOLUTION NO. \_\_\_\_\_

### RESOLUTION APPROVING BROWNFIELD PLAN FOR 423 N. MITCHELL REDEVELOPMENT

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 20th day of December, 2021, at 6:00 p.m.

| PRESENT:   |     |
|--|-----|
| ABSENT:  |     |
| The following preamble and resolution was offered by | and |
| seconded by  |     |

WHEREAS, the Michigan Brownfield Redevelopment Financing Act, Act 381, P.A.1996 as amended ("Act 381"), authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete, or historically designated property through tax increment financing of eligible activities approved in a Brownfield Plan; and

**WHEREAS**, the City Council established the Cadillac Brownfield Redevelopment Authority ("CBRA") under the procedures in Act 381 on December 6, 1996, to facilitate the redevelopment of brownfield properties within the City of Cadillac; and

WHEREAS, the City understands that certain property located at 423 N. Mitchell Street and adjacent property on W. Bremer Street ("423 N. Mitchell Redevelopment") qualifies as a Brownfield Eligible Property and that the owner desires to undertake various Brownfield Eligible Activities, including lead and asbestos abatement, demolition, and infrastructure to redevelop the property; and

**WHEREAS,** a Brownfield Plan was submitted to the CBRA for the 423 N. Mitchell Redevelopment that: (1) establishes the property at 423 N. Mitchell Street and adjacent property on W. Bremer Street as Eligible Property, (2) outlines Non-Environmental Eligible Activities, and (3) provides for reimbursement of Eligible

| City of Cadillac |
|------------------|
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Activity expenses from taxes generated by increased private investment on the property; and

**WHEREAS,** on December 2, 2021, the CBRA reviewed and approved the Brownfield Plan and recommended approval to the City Council, finding the Brownfield Plan met the requirements of Act 381 and constitutes a public purpose of increased private investment and economic development, downtown housing, job creation, and increased property tax value; and

**WHEREAS**, pursuant to Act 381, the City set a public hearing for December 20, 2021 regarding the City Council's proposed adoption of the Brownfield Plan and transmitted notice of the public hearing to the applicable taxing authorities and published notice of the public hearing in the manner required by Act 381; and

**WHEREAS**, the City Council conducted a public hearing on December 20, 2021, at which all interested persons had an opportunity to be heard and any written communications regarding the Plan were received and considered, as required by Act 381; and

**WHEREAS**, the City Council has made the following determinations and findings:

- 1. The Brownfield Plan constitutes a public purpose under Act 381; and
- 2. The Brownfield Plan meets all of the requirements for a Brownfield Plan set forth in Act 381; and
- 3. The proposed method of financing the costs of eligible activities by private financing arranged by the developer, is feasible and the CBRA will not arrange financing; and
- 4. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381; and
- 5. The amount of captured taxable value estimated to result from adoption of the Brownfield Plan is reasonable; and

**WHEREAS**, the City has determined that the 423 N. Mitchell Redevelopment as set forth in the Brownfield Plan will be beneficial to the City and that approving the Brownfield Plan is in the best interest of the health, safety, and welfare of the City's residents.

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

- 1. The City hereby approves and adopts the Brownfield Plan, attached hereto as Exhibit A.
  - 2. This Resolution shall be maintained in the files of the City Clerk.

| City of Cadillac |
|------------------|
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| Page 3 of 3      |

| 3.              | Should any section, clause or phrase of this Resolution be declared by the       |
|-----------------|--|
| courts to be in | invalid, the same shall not affect the validity of this Resolution as a whole no |
| any part there  | eof, other than the part so declared to be invalid.                              |

| 4.        | Any and all resolutions that are in conflict with this Resolution are hereby |
|-----------|--|
| repealed, | but only to the extent to give this Resolution full force and effect.        |
|           |  |

| YEAS:                          | -   |   |
|--------------------------------|---|---|
| NAYS:                          | _   |   |
|                                |   |   |
| STATE OF MICHIGAN              | )   |   |
| COUNTY OF WEXFORD              | )<br>)                                      |   |
| I. Sandra Wasson, City Clerk o | of the City of Cadillac, hereby certify thi | s |

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 20th day of December, 2021.

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

# CITY OF CADILLAC BROWNFIELD REDEVELOPMENT AUTHORITY

#### **ACT 381 BROWNFIELD PLAN**

# 423 N. Mitchell Street Redevelopment Project 423 N. Mitchell Street Cadillac, Michigan 49601

City of Cadillac Brownfield Redevelopment Authority

200 N Lake Street Cadillac, MI 49601

Contact: Marcus Peccia, City Manager

mpeccia@cadillac-mi.net

Phone: 231-779-

Prepared By:

Triterra

1305 S. Washington Avenue, Suite 102

Lansing, Michigan 48910 Contact: Dave Van Haaren

dave.vanhaaren@triterra.us

Phone: 517-853-2152

October 26, 2021

| Approved by the City of Cadillac BRA o                       | on December 1, 2021 |
|--|---------------------|
| Interlocal Agreement approved by the City of Cadillac DDA on | , 2021              |
| Approved by the City of Cadillac City Council on             | , 2021              |

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#### **ATTACHMENTS**

Attachment A: Letter of Functional Obsolescence

#### **PROJECT SUMMARY**

**Project Name:** 423 N. Mitchell Street Redevelopment Project

**Developer:** LJR Property Management, LLC (the "Developer")

223 S. Huron Road

Au Gres, Michigan 48703

Leland J. Richards and Elizabeth J. Schnettler

**Property Location:** 423 N. Mitchell Street and W. Bremer Street

Cadillac, Michigan 49601

**Parcel Information:** 10-086-00-055-01 and 10-086-00-089-01

**Type of Eligible Property:** "Functionally Obsolete"

**Project Description:** This project is an adaptive re-use project that includes a

complete redevelopment of a 2-story, functionally obsolete, former automotive supply building located in downtown Cadillac. The building was constructed in the early 1900's and will be completely renovated to include 13,828 square feet of renovated space. The project will include 14 apartments totaling 8,828 square feet of residential space and a

commercial/restaurant unit totaling 5,000 square feet. This a market-rate, mixed-use project to provide Missing Middle Housing in the City of Cadillac. The project also includes the demolition of the warehouse building located at the W. Bremer Street parcel. This parcel will be developed into a public parking lot to be maintained under a permanent

easement with the City of Cadillac.

This is a rehabilitation project that will include new electrical, plumbing, heating, ventilation, air conditioning (HVAC) systems, walls, and doors. All entrances and windows will be replaced, and exterior repairs will include brick, façade, and roof improvements.

Brownfield eligible activities include asbestos and lead activities, demolition, infrastructure improvements and preparation and implementation of a Brownfield Plan and

Act 381 Work Plan.

**Total Capital Investment:** Total capital investment is estimated at \$2,994,532 of which

\$386,036 is proposed for Brownfield reimbursement to the

Developer.

**Estimated Job** 

**Creation/Retention:** This redevelopment will create 10 full-time equivalent jobs at

an average hourly rate of \$16.50 per hour and result in the creation and/or retention of 50 temporary construction

related jobs.

**Duration of Plan:** The duration of this Brownfield Plan is 25 years and includes

a 12-year abatement to local taxes through the Obsolete

Property Rehabilitation Act (OPRA), PA 146 of 2000.

**Total Captured Tax Increment Revenue:** \$623,203

| Distribution of New Taxes Captured           |           |
|--|-----------|
| Developer Reimbursement                      | \$386,036 |
| Sub-Total Developer Reimbursement            | \$386,036 |
| State Brownfield Revolving Fund              | \$33,225  |
| BRA Plan Administrative Fees                 | \$20,134  |
| Local Brownfield Revolving Fund (LBRF)       | \$107,171 |
| Sub-Total Administrative Fees, Fund Deposits | \$160,530 |
| Grand Total                                  | \$546,566 |

#### 1.0 INTRODUCTION

The City of Cadillac Brownfield Redevelopment Authority (the "Authority" or "BRA"), duly established by resolution of the City of Cadillac City Council (the "City"), pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended ("Act 381"), is authorized to exercise its powers within the City of Cadillac, Michigan.

The Brownfield Plan was prepared to allow for the capture of tax increment revenues from local and state taxes to reimburse LJR Property Management, LLC (the "Developer") for the cost of eligible activities in accordance with Act 381.

The proposed redevelopment will only be economically viable with the support and approval of the brownfield redevelopment incentives described herein.

#### 1.1 Proposed Redevelopment and Future Use for Each Eligible Property

This project is an adaptive re-use project that includes a complete redevelopment of a 2-story, functionally obsolete, former automotive supply building located in downtown Cadillac. The building was constructed in the early 1900's and will be completely renovated to include 13,828 square feet of renovated space. The project will include 14 apartments totaling 8,828 square feet of residential space and a commercial/restaurant unit totaling 5,000 square feet. This a market-rate, mixed-use project to provide Missing Middle Housing in the City of Cadillac. The project also includes the demolition of the warehouse building located at the W. Bremer Street parcel. This parcel will be developed into a public parking lot to be maintained under a permanent easement with the City of Cadillac.

This is a rehabilitation project that will include new electrical, plumbing, heating, ventilation, air conditioning (HVAC) systems, walls, and doors. All entrances and windows will be replaced, and exterior repairs will include brick, façade, and roof improvements.

The total anticipated investment into the development project is estimated at \$2,994,532.

The project will provide new and desirable downtown residential space, improved downtown appearance, and increased downtown traffic by virtue of new and increased business activity.

The improvements to the Property will be permanent and significantly increase the taxable value of the Property. The Project would not be possible without financial support through Brownfield tax increment financing (TIF).

This redevelopment will create 10 full-time equivalent jobs at an average hourly rate of \$16.50 per hour and result in the creation and/or retention of 50 temporary construction related jobs.

#### 1.2 Eligible Property Information

This Brownfield Plan is presented to support the Developer in the redevelopment of the subject property situated at the southwest corner of North Mitchell Street and West Bremer Street in the City of Cadillac, Wexford County, Michigan (the "Property"). The location of the Property is depicted on Figure 1.

The Property consists of two parcels of land totally approximately 0.53 acres. The Property is fully defined in the following table and Section 2.8 of this Brownfield Plan.

| Eligible Property             |                  |                         |
|-------------------------------|------------------|-------------------------|
| Address                       | Tax ID           | Basis of Eligibility    |
| 423 N. Mitchell Street        | 10-086-00-055-01 | "Functionally Obsolete" |
| (no address) W. Bremer Street | 10-086-00-089-01 | "Functionally Obsolete" |

The Property is located in the downtown area and surrounded by active commercial and residential properties. The Property is also located within the City of Cadillac's Downtown Development District, under the jurisdiction of the Downtown Development Authority (DDA). The boundary of the eligible property is depicted on Figure 2.

The Property is considered an "eligible property" as defined by Act 381, Section 2 because both parcels comprising of the subject Property: (a) were previously utilized as a commercial property; (b) are located within the City of Cadillac, a qualified local governmental unit under MCL 125.2782(k); and (c) have been determined to be "functionally obsolete" as defined in Section 2(u) of Act 381.

On September 28, 2021, the City formally determined the buildings at both parcels were "functionally obsolete" as the term is defined in Section 2(u), of Act 381. The City of Cadillac, Assessor determined, the former auto parts building located at 423 N. Mitchell Street had substantially outdated electric wiring and plumbing and the building was primarily heated with space heaters and has no climate control capabilities. The Assessor also indicated the warehouse building on the W. Bremer Street parcel was an "old garage with a wood floor with a basement underneath." The Assessor concluded that "based on my knowledge of the property and the type of work needed to make the building viable in the current market, it is my opinion that these buildings meet the definition of "functionally obsolete" as defined

Brownfield Plan 423 N. Mitchell Street, Cadillac, MI October 26, 2021

in the Obsolete Property Rehabilitation Act, 2000, PA 146, MCL 125.2782 and the Brownfield Redevelopment Financing Act, 1996, PA 381, as amended MCL 125.26639(h)." Refer to Attachment A, Letter of Functional Obsolescence Affidavit of Joe Porterfield.

In addition, an Asbestos-Containing Materials Inspection conducted in August 2021 identified asbestos containing materials (ACM) within the building at 423 N. Mitchell Street. These materials include door frame caulk, flooring material and faux brick glue seams and will require abatement prior to commencement of demolition and renovation activities.

#### 2.0 INFORMATION REQUIRED BY SECITON 13(2) OF THE STATUTE

#### 2.1 Description of Costs to Be Paid with Tax Increment Revenues

The Developer will be reimbursed with the new local and state taxes levied by the Project for the costs of eligible activities necessary to support redevelopment of the Property. The activities that are intended to be carried out at the Property are considered "eligible activities" as defined by Section 2 of Act 381. Brownfield eligible activities proposed by the Developer include EGLE exempt activities, asbestos survey and abatement activities, demolition activities, infrastructure improvements, and preparation and implementation of the Brownfield Plan and Act 381 Work Plan.

The costs of eligible activities included in, and authorized by, this Brownfield Plan will be reimbursed with incremental local and state tax revenues generated by the Property and captured by the BRA, subject to any limitations and conditions described in this Brownfield Plan and the terms of a Reimbursement Agreement between the Developer and the Authority (the "Reimbursement Agreement").

#### 2.2 Summary of Eligible Activities

The total cost of activities eligible for Developer reimbursement from tax increment revenues is projected to be \$386,036. The eligible activities are summarized below:

| Summary of Eligible Activities                       |           |
|--|-----------|
| MSF Eligible Activities                              | Cost      |
| Asbestos and Lead Activities                         | \$13,150  |
| Demolition   | \$244,530 |
| Infrastructure Improvements                          | \$30,763  |
| Total Non-Environmental Eligible Activities          | \$288,443 |
| Contingency (15%) *                                  | \$42,861  |
| Brownfield Plan and Act 381 Work Plan Preparation    | \$17,000  |
| Brownfield Plan and Act 381 Work Plan Implementation | \$4,750   |
| Interest (1%, simple) **                             | \$32,981  |
| Total Eligible Cost for Reimbursement                | \$386,036 |

<sup>\*</sup> Contingency calculation excludes costs for Asbestos Survey activities, and Brownfield Plan and Act 381 Work Plan Preparation activities.

A detailed breakdown in eligible activities is provided in Table 1, Brownfield Eligible Activities.

<sup>\*\*</sup> Interest is calculated annually at 1% simple interest on Developer eligible activities, except cost for preparation and implementation of the Brownfield Plan and Act 381 Work Plan.

The costs listed above are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Brownfield Plan that will qualify for reimbursement from tax increment revenues captured by the BRA shall be governed by the terms of a Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652).

The Reimbursement Agreement and this Brownfield Plan will dictate the total cost of eligible activities subject to payment. As long as the total cost limit described in this Brownfield Plan is not exceeded, line item costs of eligible activities may be adjusted within Environmental eligible activities and Non-Environmental eligible activities after the date this Brownfield Plan is approved by the City of Cadillac City Council.

#### 2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

The costs of eligible activities included in, and authorized by, this Brownfield Plan will be reimbursed with incremental local and state tax revenues generated by the Property and captured by the BRA.

The DDA has the authority to capture tax increment revenues, other than the State Education Tax and local or intermediate school district taxes, generated from the Property. However, it is anticipated that an interlocal agreement will be executed between the BRA and DDA allowing for 100% of the DDA's incremental revenue to be passed through to the BRA and used for the purposes identified in this Brownfield Plan.

The 2021 taxable value of the Property is \$95,867 (\$14,900 in taxable value for the parcels of land and \$80,967 in taxable value for the buildings). This is the initial taxable value for this Brownfield Plan.

The estimated new taxable value is \$590,049 in 2023. The actual taxable value will be determined by the Assessor after the project is complete.

It is projected that the BRA will capture tax increment revenues from 2023 through 2047 to allow for reimburse the Developer for eligible activity costs, BRA capture to administer the Brownfield Plan and BRA capture for deposits into the Local Brownfield Revolving Fund (LBRF).

The estimated taxable value and estimated tax increment revenue by year and in aggregate for this Project are presented in Table 2, Tax Increment Revenue Capture Estimates, and Table 3, Tax Increment Revenue Allocation Table.

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all real and personal taxable improvements on the Property as determined by the local assessor and the actual millage rates levied by the various taxing jurisdictions during each year of the plan. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and the millage rates set each year by the taxing jurisdictions.

## 2.4 Method of Financing Plan Costs and Description of Advances by the Municipality

The Developer is ultimately responsible for financing the costs of its specific eligible activities included in this Plan. The BRA will not advance any funds to finance the Developer eligible activities described in this Plan. All Plan financing commitments and activities and cost reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the BRA to fund such reimbursements and provide the DDA with relevant information necessary to form and execute an interlocal agreement to fund such reimbursements. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities and reimbursement limits described in this Brownfield Plan.

#### 2.5 Maximum Amount of Note or Bonded Indebtedness

Eligible activities are to be financed by the Developer. The BRA will not incur any note or bonded indebtedness to finance Brownfield eligible activities outlined in this Brownfield Plan.

#### 2.6 Duration of Brownfield Plan

The duration of this Brownfield Plan is projected to be 30 years after the first year of tax capture anticipated as 2023.

In no event shall the duration of the Brownfield Plan exceed 35 years following the date of the resolution approving the Brownfield Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsections (4) and (5) of Section 13 of Act 381 or 30 years, except as authorized by those subsections or other provisions of Act 381. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Brownfield Plan.

#### 2.7 Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

The following table presents a summary of the new tax revenues generated by the taxing jurisdictions whose millage is subject to capture by the BRA under this Brownfield Plan. These are estimations based on the components of the proposed redevelopment.

| Projected Impact to Taxing Jurisdictions |                              |  |                    |
|--|------------------------------|--|--------------------|
| Taxing Unit                              | New Taxes to<br>Taxing Units | New Taxes Captured<br>for SBRF Deposits,<br>LBRF Deposits, and<br>Developer<br>Reimbursement | Total<br>New Taxes |
| SCHOOL OPERATING                         |                              | \$199,349  | \$199,349          |
| STATE EDUCATION TAX (SET)                |                              | \$66,450   | \$66,450           |
| CITY OPERATING                           |                              | \$108,585  | \$108,585          |
| POLICE/FIRE RET                          |                              | \$20,663   | \$20,663           |
| COUNTY ALLOCATED                         |                              | \$53,433   | \$53,433           |
| DDA                                      |                              | \$15,237   | \$15,237           |
| CWTA                                     |                              | \$4,762  | \$4,762            |
| LIBRARY                                  |                              | \$5,953  | \$5,953            |
| COUNCIL/AGING                            |                              | \$7,937  | \$7,937            |
| PUBLIC SAFETY                            |                              | \$11,509   | \$11,509           |
| VETERANS AFFAIRS                         |                              | \$793  | \$793              |
| ANIMAL CONTROL                           |                              | \$1,587  | \$1,587            |
| MSUE                                     |                              | \$1,349  | \$1,349            |
| WEX-MISS ISD                             |                              | \$48,959   | \$48,959           |
| SCHOOL DEBT                              | \$87,749                     |  | \$87,749           |
| Total                                    | \$87,749<br>(13.83%)         | \$546,566<br>(86.17%)  | \$634,315          |

Impact to specific taxing jurisdictions is further presented in Table 2, Tax Increment Revenue Capture Estimates, and a schedule of tax increment revenue is presented in Table 3, Tax Increment Revenue Allocation Table.

## 2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

The legal description of the eligible property is:

N 54 FT OF LOT 13, BLK E MITCHELL'S REVISED PLAT AND THAT PART OF VACATED RAILROAD DESC AS COM AT NE COR OF SD LOT 13; S29\*43'56"E ALG E LN OF SD LOT 53.94 FT TO S LN OF THE N 54 FT OF SD LOT; S60\*04'38"W 146.66 FT; CONT S60\*34'08"W 100 FT TO W'LY LN OF RR; N30\*11'22"W 54.15 FT; N60\*34'59"E 100.02 FT; N60\*09'09"E 147.07 FT TO POB. SEC 33 T21N R9W SPLIT/COMBINED ON 09/30/2020 FROM 10-086-00-053-00, 10-

086-00-055-00, 10-086-00-056-00, 10-086-00-057-02 CITY OF CADILLAC, COUNTY OF WEXFORD, MI PARCEL ID NUMBER: 10-086-00-055-01 0.307 ACRES

and

PART OF SW 1/4 OF SE 1/4 SEC 33 DESC AS COM AT C/L OF MAIN TRACK RR; SW'LY ALG N LN OFBREMER ST 50 FT; NW'LY ALG RR R/W 100.45 FT; NE'LY 100 FT M/L TO RR R/W; SE'LY 100.51 FT TON LN OF BREMER ST; SW'LY ALG N LN OF BREMER ST 50 FT TO POB. T22N R9W SEC 33 CITY OFCADILLAC [[ASSESSED W/ 55-028-01 & 55-028-02 '00

CITY OF CADILLAC, COUNTY OF WEXFORD, MI PARCEL ID NUMBER: 10-086-00-089-01 0.230 ACRES

The general Property location and characteristics are described in Section 3.0 and depicted on Figures 1 and 2.

The Property is considered an "eligible property" as defined by Act 381, Section 2 because both parcels comprising of the subject Property: (a) were previously utilized as a commercial property; (b) are located within the City of Cadillac, a qualified local governmental unit under MCL 125.2782(k); and (c) have been determined to be "functionally obsolete" as defined in Section 2(u) of Act 381.

The subject Property includes all tangible personal property that now or in the future comes to be owned or installed on the Property by the Developer or occupants.

#### 2.9 Estimates of Residents and Displacement of Families

No occupied residences are involved in the redevelopment, no persons reside at the Property, and no families or individuals will be displaced as a result of this development.

#### 2.10 Plan for Relocation of Displaced Persons

No persons will be displaced as a result of this development. Therefore, a plan for relocation of displaced persons is not applicable and is not needed for this Brownfield Plan.

#### 2.11 Provisions for Relocation Costs

No persons will be displaced as result of this development, and no relocation costs will be incurred. Therefore, provision for relocation costs is not applicable and is not needed for this Brownfield Plan.

#### 2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons will be displaced as result of this development. Therefore, no relocation assistance strategy is needed for this Brownfield Plan.

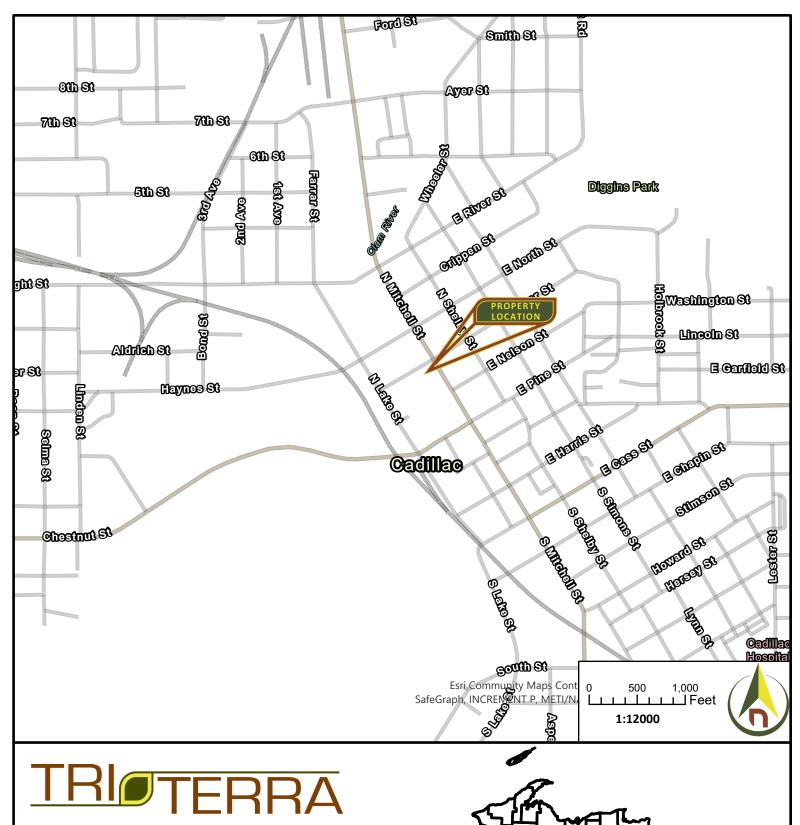
#### 2.13 Description of the Proposed Use of Local Brownfield Revolving Fund

The Authority and the City, as the governing body, in accordance with the Act, may amend this Brownfield Plan in the future in order to fund additional eligible activities associated with the Project or subject property described herein.

#### **FIGURES**

Figure 1: Property Location Map

Figure 2: Eligible Property Boundary Map



#### **FIGURE 1 PROPERTY LOCATION**

1423 N. MITCHELL STREET CADILLAC, MICHIGAN 49601

WEXFORD COUNTY T22N, R9W, SECTION 33

PROJECT NUMBER 21-2789





#### **TABLES**

**Table 1: Brownfield Eligible Activities** 

**Table 2: Tax Increment Revenue Capture Estimates** 

**Table 3: Tax Increment Revenue Reimbursement Allocation Table** 

# Table 1 Brownfield Eligible Activities 423 N. Mitchell Street Cadillac, Michigan

|  |                   |               |         |              |    |          | REIME      | SURSEMENT ALLOC | ATION      |
|--|-------------------|---------------|---------|--------------|----|----------|------------|-----------------|------------|
| ELIGIBLE ACTIVITIES                                | NO. OF            | UNIT          |         | UNIT         | ES | TIMATED  | EGLE       | MSF             | LOCAL-ONLY |
| ELIGIBLE ACTIVITIES                                | UNITS             | TYPE          |         | RATE         | TC | TAL COST | ACTIVITIES | ACTIVITIES      | ACTIVITIES |
| EGLE ELIGIBLE ACTIVITIES                           |                   |               |         |              |    |          |            |                 |            |
| Exempt Activities                                  |                   |               |         |              |    |          |            |                 |            |
|  | EGLE E            | LIGIBLE ACT   | IVITIES | SUB-TOTAL    | \$ | -        | \$ -       | \$ -            | \$ -       |
| MSF ELIGIBLE ACTIVITIES                            |                   |               |         |              |    |          |            |                 |            |
| Asbestos and Lead Activities                       |                   |               |         |              |    |          |            |                 |            |
| Asbestos and Lead - Survey/Assessment              | 1                 | LS            | \$      | 2,700        | \$ | 2,700    |            | \$ 2,700        |            |
| Asbestos and Lead - Abatement                      | 1                 | LS            | \$      | 9,500        | \$ | 9,500    |            | \$ 9,500        |            |
| Asbestos Abatement - Soft Costs                    | 1                 | LS            | \$      | 950          | \$ | 950      |            | \$ 950          |            |
|  | Subtot            | al Asbestos ( | and Lea | d Activities | \$ | 13,150   |            | \$ 13,150       | \$         |
| Demolition   |                   |               |         |              |    |          |            |                 |            |
| Demolition - Site and Building                     | 1                 | LS            | \$      | 222,300      | \$ | 222,300  |            | \$ 222,300      |            |
| Demolition - Soft Costs                            | 1                 | LS            | \$      | 22,230       | \$ | 22,230   |            | \$ 22,230       |            |
|  |                   | Subtotal De   | molitio | n Activities | \$ | 244,530  | \$ -       | \$ 244,530      | \$         |
| Infrastructure Improvements                        |                   |               |         |              |    |          |            |                 |            |
| Urban Storm Water Management System                | 1                 | LS            | \$      | 29,580       | \$ | 29,580   |            | \$ 29,580       |            |
| Infrastructure Improvements - Soft Costs           | 1                 | LS            | \$      | 1,183        | \$ | 1,183    |            | \$ 1,183        |            |
|  | Subtotal Infrastr | ucture Impr   | ovemen  | t Activities | \$ | 30,763   |            | \$ 30,763       | \$         |
|  | MSF E             | LIGIBLE ACT   | IVITIES | SUB-TOTAL    | \$ | 288,443  | \$ -       | \$ 288,443      | \$         |
|  | MSF AND EGLE E    | LIGIBLE ACT   | IVITIES | SUB-TOTAL    | \$ | 288,443  | \$ -       | \$ 288,443      | \$         |
| Contingency (15%)                                  | 1                 | LS            | \$      | 42,861       | \$ | 42,861   | \$ -       | \$ 42,861       | \$         |
| Brownfield Plan & Act 381 Work Plan Preparation    | 1                 | LS            | \$      | 17,000       | \$ | 17,000   | \$ -       | \$ 17,000       |            |
| Brownfield Plan & Act 381 Work Plan Implementation | 1                 | LS            | \$      | 4,750        | \$ | 4,750    | \$ -       | \$ 4,750        |            |
| Interest (1%, simple)                              |                   |               |         |              | \$ | 32,981   |            | \$ 32,981       |            |
|  | TOTAL ELIGIBI     | LE COST FOR   | REIMB   | URSEMENT     | \$ | 386,036  | \$ -       | \$ 386,036      | \$         |
| State Brownfield Revolving Fund                    |                   |               |         |              | \$ | 33,225   | _          |                 | _          |
| BRA Administrative Fees                            |                   |               |         |              | \$ | 20,134   |            |                 |            |
| Local Brownfield Revolving Fund (LBRF)             |                   |               |         |              | \$ | 107,171  |            |                 |            |
|  |                   |               |         |              |    |          |            |                 |            |
|  |                   |               | GR      | AND TOTAL    | \$ | 546,566  |            |                 |            |
|  |                   |               |         |              |    |          | 0.00%      | 100.00%         | 0.00       |

#### NOTES:

These costs and revenue projections should be considered approximate estimates based on expected conditions and available information. It cannot be guaranteed that the costs and revenue projections will not vary from these estimates.

Costs for Asbestos Survey, Brownfield Plan and Act 381 Work Plan Preparation and Implementation are excluded from contingency calculation.

Table 2
Tax Increment Revenue Capture Estimates
423 N. Mitchell Street
Cadillac, Michigan

| Estimated Taxable Val                             | ue (TV) Increase Rate:  | : 1% pei   | ryear                       |                      |                             |                             |                             |                             |                             |                      |                             |                             |                             |                             |                       |
|---|-------------------------|------------|-----------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|
|   | Plan Year               |            | 2023<br>1                   | 2024<br>2            | 2025<br>3                   | 2026<br>4                   | 2027<br>5                   | 2028<br>6                   | 2029<br>7                   | 2030<br>8            | 2031<br>9                   | 2032<br>10                  | 2033<br>11                  | 2034<br>12                  | 2035<br>13            |
| Base Taxable Value (TV) of Land                   |                         | \$         | 14,900 \$                   | 14,900 \$            | 14,900 \$                   | 14,900 \$                   | 14,900 \$                   | 14,900 \$                   | 14,900 \$                   | 14,900 \$            | 14,900 \$                   | 14,900 \$                   | 14,900 \$                   | 14,900 \$                   | 14,900                |
| Base Taxable Value (TV) of Building               |                         | \$         | 80,967 \$                   | 80,967 \$            | 80,967 \$                   | 80,967 \$                   | 80,967 \$                   | 80,967 \$                   | 80,967 \$                   | 80,967 \$            | 80,967 \$                   | 80,967 \$                   | 80,967 \$                   | 80,967 \$                   | 80,967                |
| Estimated New TV for Land                         |                         | \$         | 15,049 \$                   | 15,199 \$            | 15,351 \$                   | 15,505 \$                   | 15,660 \$                   | 15,817 \$                   | 15,975 \$                   | 16,135 \$            | 16,296 \$                   | 16,459 \$                   | 16,623 \$                   | 16,790 \$                   | 16,958                |
| Estimated New TV for Building                     |                         | \$         | 575,000 \$                  | 580,750 \$           | 586,558 \$                  | 592,423 \$                  | 598,347 \$                  | 604,331 \$                  | 610,374 \$                  | 616,478 \$           | 622,643 \$                  | 628,869 \$                  | 635,158 \$                  | 641,509 \$                  | 647,924               |
| Incremental Difference for Land (New TV - Base T  | V)                      | \$         | 149 \$                      | 299 \$               | 451 \$                      | 605 \$                      | 760 \$                      | 917 \$                      | 1,075 \$                    | 1,235 \$             | 1,396 \$                    | 1,559 \$                    | 1,723 \$                    | 1,890 \$                    | 2,058                 |
| Incremental Difference for Building (New TV - Bas | e TV)                   | \$         | 494,033 \$                  | 499,783 \$           | 505,591 \$                  | 511,456 \$                  | 517,380 \$                  | 523,364 \$                  | 529,407 \$                  | 535,511 \$           | 541,676 \$                  | 547,902 \$                  | 554,191 \$                  | 560,542 \$                  | 566,957               |
| Total Incremental Difference                      |                         | \$         | 494,182 \$                  | 500,082 \$           | 506,042 \$                  | 512,061 \$                  | 518,140 \$                  | 524,280 \$                  | 530,482 \$                  | 536,745 \$           | 543,072 \$                  | 549,461 \$                  | 555,914 \$                  | 562,432 \$                  | 569,015               |
| School Capture                                    | Millage Rate            | ı          |                             |                      |                             |                             |                             |                             |                             |                      |                             |                             |                             |                             |                       |
| SCHOOL OPERATING                                  | 18.00000                | \$         | 8,895 \$                    | 9,001 \$             | 9,109 \$                    | 9,217 \$                    | 9,327 \$                    | 9,437 \$                    | 9,549 \$                    | 9,661 \$             | 9,775 \$                    | 9,890 \$                    | 10,006 \$                   | 10,124 \$                   | 10,242                |
| STATE EDUCATION TAX (SET)                         | 6.00000                 | ) \$       | 2,965 \$                    | 3,000 \$             | 3,036 \$                    | 3,072 \$                    | 3,109 \$                    | 3,146 \$                    | 3,183 \$                    | 3,220 \$             | 3,258 \$                    | 3,297 \$                    | 3,335 \$                    | 3,375 \$                    | 3,414                 |
| School <sup>-</sup>                               | Total: 24.00000         | \$ 40.45%  | 11,860 \$                   | 12,002 \$            | 12,145 \$                   | 12,289 \$                   | 12,435 \$                   | 12,583 \$                   | 12,732 \$                   | 12,882 \$            | 13,034 \$                   | 13,187 \$                   | 13,342 \$                   | 13,498 \$                   | 13,656                |
| Local Capture                                     | Millage Rate            | _          |                             |                      |                             |                             |                             |                             |                             |                      |                             |                             |                             |                             |                       |
| CITY OPERATING                                    | 13.66300                | \$         | 2 \$                        | 4 \$                 | 6 \$                        | 8 \$                        | 10 \$                       | 13 \$                       | 15 \$                       | 17 \$                | 19 \$                       | 21 \$                       | 24 \$                       | 26 \$                       | 7,774                 |
| POLICE/FIRE RET                                   | 2.60000                 | \$         | 0 \$                        | 1 \$                 | 1 \$                        | 2 \$                        | 2 \$                        | 2 \$                        | 3 \$                        | 3 \$                 | 4 \$                        | 4 \$                        | 4 \$                        | 5 \$                        | 1,479                 |
| COUNTY ALLOCATED                                  | 6.72340                 | \$         | 1 \$                        | 2 \$                 | 3 \$                        | 4 \$                        | 5 \$                        | 6 \$                        | 7 \$                        | 8 \$                 | 9 \$                        | 10 \$                       | 12 \$                       | 13 \$                       | 3,826                 |
| DDA   | 1.91730                 | \$         | 0 \$                        | 1 \$                 | 1 \$                        | 1 \$                        | 1 \$                        | 2 \$                        | 2 \$                        | 2 \$                 | 3 \$                        | 3 \$                        | 3 \$                        | 4 \$                        | 1,091                 |
| CWTA  | 0.59920                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 1 \$                        | 1 \$                        | 1 \$                 | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 341                   |
| LIBRARY   | 0.74900                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                 | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 426                   |
| COUNCIL/AGING                                     | 0.99870                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                 | 1 \$                        | 2 \$                        | 2 \$                        | 2 \$                        | 568                   |
| PUBLIC SAFETY                                     | 1.44810                 | \$         | 0 \$                        | 0 \$                 | 1 \$                        | 1 \$                        | 1 \$                        | 1 \$                        | 2 \$                        | 2 \$                 | 2 \$                        | 2 \$                        | 2 \$                        | 3 \$                        | 824                   |
| VETERANS AFFAIRS                                  | 0.09980                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 57                    |
| ANIMAL CONTROL                                    | 0.19970                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 114                   |
| MSUE  | 0.16970                 | \$         | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                 | 0 \$                        | 0 \$                        | 0 \$                        | 0 \$                        | 97                    |
| WEX-MISS ISD                                      | 6.16040                 | \$         | 1 \$                        | 2 \$                 | 3 \$                        | 4 \$                        | 5 \$                        | 6 \$                        | 7 \$                        | 8 \$                 | 9 \$                        | 10 \$                       | 11 \$                       | 12 \$                       | 3,505                 |
| Local <sup>-</sup>                                | Total: 35.32830         | 59.55% \$  | 5 \$                        | 11 \$                | 16 \$                       | 21 \$                       | 27 \$                       | 32 \$                       | 38 \$                       | 44 \$                | 49 \$                       | 55 \$                       | 61 \$                       | 67 \$                       | 20,102                |
| Total Capturable T                                | axes: 59.32830          | 100.00% \$ | 11,866 \$                   | 12,013 \$            | 12,161 \$                   | 12,311 \$                   | 12,462 \$                   | 12,615 \$                   | 12,770 \$                   | 12,926 \$            | 13,083 \$                   | 13,242 \$                   | 13,403 \$                   | 13,565 \$                   | 33,759                |
| Non-Capturable Millages                           | Millage Rate            | I          |                             |                      |                             |                             |                             |                             |                             |                      |                             |                             |                             |                             |                       |
| SCHOOL DEBT  Total Non-Capturable T               | 6.1500<br>axes: 6.15000 |            | 3,039 \$<br><b>3,039</b> \$ | 3,076 \$<br>3,076 \$ | 3,112 \$<br><b>3,112</b> \$ | 3,149 \$<br><b>3,149 \$</b> | 3,187 \$<br><b>3,187</b> \$ | 3,224 \$<br><b>3,224 \$</b> | 3,262 \$<br><b>3,262</b> \$ | 3,301 \$<br>3,301 \$ | 3,340 \$<br><b>3,340 \$</b> | 3,379 \$<br><b>3,379 \$</b> | 3,419 \$<br><b>3,419 \$</b> | 3,459 \$<br><b>3,459 \$</b> | 3,499<br><b>3,499</b> |

Notes:

= PA 146 Obsolete Property Rehabilitation Act Abatement 2023 - 2034

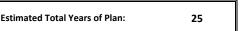
Table 2
Tax Increment Revenue Capture Estimates
423 N. Mitchell Street
Cadillac, Michigan

| Estimated Taxable Value (TV                           | ) Increase Rate: |            |            |            |            |            |            |            |            |            |            |            |            |      |            |
|---|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------|------------|
|   | Plan Year        | 2036<br>14 | 2037<br>15 | 2038<br>16 | 2039<br>17 | 2040<br>18 | 2041<br>19 | 2042<br>20 | 2043<br>21 | 2044<br>22 | 2045<br>23 | 2046<br>24 | 2047<br>25 |      |            |
| Base Taxable Value (TV) of Land                       | \$               | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900 \$  | 14,900     |      |            |
| Base Taxable Value (TV) of Building                   | \$               | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967 \$  | 80,967     |      |            |
| stimated New TV for Land                              | \$               | 17,127 \$  | 17,298 \$  | 17,471 \$  | 17,646 \$  | 17,823 \$  | 18,001 \$  | 18,181 \$  | 18,363 \$  | 18,546 \$  | 18,732 \$  | 18,919 \$  | 19,108     |      |            |
| stimated New TV for Building                          | \$               | 654,404 \$ | 660,948 \$ | 667,557 \$ | 674,233 \$ | 680,975 \$ | 687,785 \$ | 694,663 \$ | 701,609 \$ | 708,625 \$ | 715,712 \$ | 722,869 \$ | 730,097    |      |            |
| ncremental Difference for Land (New TV - Base TV)     | \$               | 2,227 \$   | 2,398 \$   | 2,571 \$   | 2,746 \$   | 2,923 \$   | 3,101 \$   | 3,281 \$   | 3,463 \$   | 3,646 \$   | 3,832 \$   | 4,019 \$   | 4,208      |      |            |
| ncremental Difference for Building (New TV - Base TV) | \$               | 573,437 \$ | 579,981 \$ | 586,590 \$ | 593,266 \$ | 600,008 \$ | 606,818 \$ | 613,696 \$ | 620,642 \$ | 627,658 \$ | 634,745 \$ | 641,902 \$ | 649,130    |      |            |
| Fotal Incremental Difference                          | \$               | 575,664 \$ | 582,379 \$ | 589,162 \$ | 596,012 \$ | 602,931 \$ | 609,919 \$ | 616,976 \$ | 624,105 \$ | 631,305 \$ | 638,576 \$ | 645,921 \$ | 653,339    |      |            |
| School Capture  | Millage Rate     |            |            |            |            |            |            |            |            |            |            |            |            | Tota | al New Tax |
| SCHOOL OPERATING                                      | 18.00000 \$      | 10,362 \$  | 10,483 \$  | 10,605 \$  | 10,728 \$  | 10,853 \$  | 10,979 \$  | 11,106 \$  | - \$       | - \$       | - \$       | - \$       | _          | Ś    | 199,34     |
| STATE EDUCATION TAX (SET)                             | 6.00000 \$       | 3,454 \$   | 3,494 \$   | 3,535 \$   | 3,576 \$   | 3,618 \$   | 3,660 \$   | 3.702 \$   | - \$       | - \$       | - \$       | - \$       | _          | \$   | 66,4       |
| School Total:   | 24.00000 \$      | 13,816 \$  | 13,977 \$  | 14,140 \$  | 14,304 \$  | 14,470 \$  | 14,638 \$  | 14,807 \$  | - \$       | - \$       | - \$       | - \$       | -          | \$   | 265,7      |
| Local Capture   | Millage Rate     |            |            |            |            |            |            |            |            |            |            |            |            |      |            |
| CITY OPERATING  | 13.66300 \$      | 7,865 \$   | 7,957 \$   | 8,050 \$   | 8,143 \$   | 8,238 \$   | 8,333 \$   | 8,430 \$   | 8,527 \$   | 8,626 \$   | 8,725 \$   | 8,825 \$   | 8,927      | \$   | 108,58     |
| POLICE/FIRE RET                                       | 2.60000 \$       | 1,497 \$   | 1,514 \$   | 1,532 \$   | 1,550 \$   | 1,568 \$   | 1,586 \$   | 1,604 \$   | 1,623 \$   | 1,641 \$   | 1,660 \$   | 1,679 \$   | 1,699      | \$   | 20,66      |
| COUNTY ALLOCATED                                      | 6.72340 \$       | 3,870 \$   | 3,916 \$   | 3,961 \$   | 4,007 \$   | 4,054 \$   | 4,101 \$   | 4,148 \$   | 4,196 \$   | 4,245 \$   | 4,293 \$   | 4,343 \$   | 4,393      | \$   | 53,43      |
| DDA   | 1.91730 \$       | 1,104 \$   | 1,117 \$   | 1,130 \$   | 1,143 \$   | 1,156 \$   | 1,169 \$   | 1,183 \$   | 1,197 \$   | 1,210 \$   | 1,224 \$   | 1,238 \$   | 1,253      | \$   | 15,2       |
| CWTA  | 0.59920 \$       | 345 \$     | 349 \$     | 353 \$     | 357 \$     | 361 \$     | 365 \$     | 370 \$     | 374 \$     | 378 \$     | 383 \$     | 387 \$     | 391        | \$   | 4,7        |
| LIBRARY   | 0.74900 \$       | 431 \$     | 436 \$     | 441 \$     | 446 \$     | 452 \$     | 457 \$     | 462 \$     | 467 \$     | 473 \$     | 478 \$     | 484 \$     | 489        | \$   | 5,95       |
| COUNCIL/AGING   | 0.99870 \$       | 575 \$     | 582 \$     | 588 \$     | 595 \$     | 602 \$     | 609 \$     | 616 \$     | 623 \$     | 630 \$     | 638 \$     | 645 \$     | 652        | \$   | 7,93       |
| PUBLIC SAFETY   | 1.44810 \$       | 834 \$     | 843 \$     | 853 \$     | 863 \$     | 873 \$     | 883 \$     | 893 \$     | 904 \$     | 914 \$     | 925 \$     | 935 \$     | 946        | \$   | 11,50      |
| VETERANS AFFAIRS                                      | 0.09980 \$       | 57 \$      | 58 \$      | 59 \$      | 59 \$      | 60 \$      | 61 \$      | 62 \$      | 62 \$      | 63 \$      | 64 \$      | 64 \$      | 65         | \$   | 79         |
| ANIMAL CONTROL  | 0.19970 \$       | 115 \$     | 116 \$     | 118 \$     | 119 \$     | 120 \$     | 122 \$     | 123 \$     | 125 \$     | 126 \$     | 128 \$     | 129 \$     | 130        | \$   | 1,58       |
| MSUE  | 0.16970 \$       | 98 \$      | 99 \$      | 100 \$     | 101 \$     | 102 \$     | 104 \$     | 105 \$     | 106 \$     | 107 \$     | 108 \$     | 110 \$     | 111        | \$   | 1,34       |
| WEX-MISS ISD  | 6.16040 \$       | 3,546 \$   | 3,588 \$   | 3,629 \$   | 3,672 \$   | 3,714 \$   | 3,757 \$   | 3,801 \$   | 3,845 \$   | 3,889 \$   | 3,934 \$   | 3,979 \$   | 4,025      | \$   | 48,9       |
| Local Total:  | 35.32830 \$      | 20,337 \$  | 20,574 \$  | 20,814 \$  | 21,056 \$  | 21,301 \$  | 21,547 \$  | 21,797 \$  | 22,049 \$  | 22,303 \$  | 22,560 \$  | 22,819 \$  | 23,081     | \$   | 280,7      |
| Total Capturable Taxes:                               | 59.32830 \$      | 34,153 \$  | 34,552 \$  | 34,954 \$  | 35,360 \$  | 35,771 \$  | 36,185 \$  | 36,604 \$  | 22,049 \$  | 22,303 \$  | 22,560 \$  | 22,819 \$  | 23,081     | \$   | 546,56     |
| Non-Capturable Millages                               | Millage Rate     |            |            |            |            |            |            |            |            |            |            |            |            |      |            |
| SCHOOL DEBT   | 6.1500 \$        | 3,540 \$   | 3,582 \$   | 3,623 \$   | 3,665 \$   | 3,708 \$   | 3,751 \$   | 3,794 \$   | 3,838 \$   | 3,883 \$   | 3,927 \$   | 3,972 \$   | 4,018      | \$   | 87,74      |
| Total Non-Capturable Taxes:                           | 6.15000 \$       | 3,540 \$   | 3,582 \$   | 3,623 \$   | 3,665 \$   | 3,708 \$   | 3,751 \$   | 3,794 \$   | 3,838 \$   | 3,883 \$   | 3,927 \$   | 3,972 \$   | 4,018      | \$   | 87,74      |

\$ 634,315

Table 3
Tax Increment Revenue Reimbursement Allocation Table
423 N. Mitchell Street
Cadillac, Michigan

| Developer/City<br>Projected<br>Reimbursement | Proportionality | School &<br>Local Taxes | Local-Only<br>Taxes | Total         |
|--|-----------------|-------------------------|---------------------|---------------|
| State  | 60.25%          | \$<br>232,574           | \$<br>-             | \$<br>232,574 |
| Local  | 39.75%          | \$<br>153,462           | \$<br>-             | \$<br>153,462 |
| TOTAL  |                 | \$<br>386,036           | \$<br>-             | \$<br>386,036 |
| EGLE   | 0.0%            | \$<br>-                 |                     |               |
| MSF  | 100.0%          | \$<br>386,036           |                     |               |



| Administrative Fees & Loa       | n Fund | ds*     |
|---------------------------------|--------|---------|
| State Brownfield Revolving Fund | \$     | 33,225  |
| BRA Administrative Fees         | \$     | 20,134  |
| Local Brownfield Revolving Fund | \$     | 107,171 |

<sup>\*</sup> During the life of the Plan

|   |                      |        | 2023     | 2024       | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       | 2034       | 203    |
|---|----------------------|--------|----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------|
|   |                      |        | 1        | 2          | 3          | 4          | 5          | 6          | 7          | 8          | 9          | 10         | 11         | 12         |        |
| Available Tax Increment Revenue (TIR)   |                      |        |          |            |            |            |            |            |            |            |            |            |            |            |        |
| Total State Tax Capture Available   |                      | \$ 11  | 1,860 \$ | 12,002 \$  | 12,145 \$  | 12,289 \$  | 12,435 \$  | 12,583 \$  | 12,732 \$  | 12,882 \$  | 13,034 \$  | 13,187 \$  | 13,342 \$  | 13,498 \$  | 13,65  |
| Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)         |                      | \$ 1   | 1,483 \$ | 1,500 \$   | 1,518 \$   | 1,536 \$   | 1,554 \$   | 1,573 \$   | 1,591 \$   | 1,610 \$   | 1,629 \$   | 1,648 \$   | 1,668 \$   | 1,687 \$   | 1,70   |
| State TIR Available for Reimbursement to Developer                            |                      | \$ 10  | ),378 \$ | 10,502 \$  | 10,627 \$  | 10,753 \$  | 10,881 \$  | 11,010 \$  | 11,140 \$  | 11,272 \$  | 11,405 \$  | 11,539 \$  | 11,674 \$  | 11,811 \$  | 11,94  |
| Total Local Tax Capture Available   |                      | \$     | 5 \$     | 11 \$      | 16 \$      | 21 \$      | 27 \$      | 32 \$      | 38 \$      | 44 \$      | 49 \$      | 55 \$      | 61 \$      | 67 \$      | 20,10  |
| Capture for BRA Administrative Fees (5% of Total Available Tax Increment Reve | nue (TIR))           | \$     | 5 \$     | 11 \$      | 16 \$      | 21 \$      | 27 \$      | 32 \$      | 38 \$      | 44 \$      | 49 \$      | 55 \$      | 61 \$      | 67 \$      | 1,68   |
| Local TIR Available for Reimbursement to Developer                            |                      | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | 18,41  |
| Total State & Local TIR Available for Reimbursement to Developer              |                      | \$ 10  | ),378 \$ | 10,502 \$  | 10,627 \$  | 10,753 \$  | 10,881 \$  | 11,010 \$  | 11,140 \$  | 11,272 \$  | 11,405 \$  | 11,539 \$  | 11,674 \$  | 11,811 \$  | 30,36  |
| DEVELOPER   | Beginning<br>Balance |        |          |            |            |            |            |            |            |            |            |            |            |            |        |
| -   | \$ 386,036           | \$ 375 | 5,658 \$ | 365,156 \$ | 354,529 \$ | 343,776 \$ | 332,895 \$ | 321,885 \$ | 310,745 \$ | 299,474 \$ | 288,069 \$ | 276,530 \$ | 264,856 \$ | 253,045 \$ | 222,68 |
| MSF Eligible Activities   | \$ 386,036           | \$ 375 | 5,658 \$ | 365,156 \$ | 354,529 \$ | 343,776 \$ | 332,895 \$ | 321,885 \$ | 310,745 \$ | 299,474 \$ | 288,069 \$ | 276,530 \$ | 264,856 \$ | 253,045 \$ | 222,68 |
| State Tax Reimbursement   | \$ 232,574           | \$ 10  | ),378 \$ | 10,502 \$  | 10,627 \$  | 10,753 \$  | 10,881 \$  | 11,010 \$  | 11,140 \$  | 11,272 \$  | 11,405 \$  | 11,539 \$  | 11,674 \$  | 11,811 \$  | 11,94  |
| Local Tax Reimbursement   | \$ 153,462           | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | 18,41  |
| EGLE Eligible Activities  | \$ -                 | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| State Tax Reimbursement   | \$ -                 | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| Local Tax Reimbursement   | \$ -                 | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| LOCAL-ONLY Activities   | \$ -                 | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| Local-Only Tax Reimbursement  | \$ -                 | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| TOTAL ANNUAL DEVELOPER REIMBURSEMENT  |                      | \$ 10  | ),378 \$ | 10,502 \$  | 10,627 \$  | 10,753 \$  | 10,881 \$  | 11,010 \$  | 11,140 \$  | 11,272 \$  | 11,405 \$  | 11,539 \$  | 11,674 \$  | 11,811 \$  | 30,36  |
| LOCAL BROWNFIELD REVOLVING FUND (LBRF)  |                      |        |          |            |            |            |            |            |            |            |            |            |            |            |        |
| State   |                      | \$     | - \$     | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |
| Local   |                      | \$     | - \$     | - Ś        | - Ś        | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       |        |

Table 3
Tax Increment Revenue Reimbursement Allocation Table
423 N. Mitchell Street
Cadillac, Michigan

|  |            | 2036<br>14 | 2037<br>15 | 2038<br>16 | 2039<br>17 | 2040<br>18 | 2041<br>19 | 2042<br>20 | 2043<br>21 | 2044<br>22 | 2045<br>23 | 2046<br>24 | 2047<br>25 | ,  |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----|
|  |            | 14         | 15         | 10         | 17         | 10         | 15         | 20         | 21         | 22         | 23         | 24         | 23         |    |
| vailable Tax Increment Revenue (TIR)                                   |            |            |            |            |            |            |            |            |            |            |            |            |            |    |
| otal State Tax Capture Available                                       | \$         | 13,816 \$  | 13,977 \$  | 14,140 \$  | 14,304 \$  | 14,470 \$  | 14,638 \$  | 14,807 \$  | - \$       | - \$       | - \$       | - \$       | -          |    |
| Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)  | \$         | 1,727 \$   | 1,747 \$   | 1,767 \$   | 1,788 \$   | 1,809 \$   | 1,830 \$   | 1,851 \$   | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| tate TIR Available for Reimbursement to Developer                      | \$         | 12,089 \$  | 12,230 \$  | 12,372 \$  | 12,516 \$  | 12,662 \$  | 12,808 \$  | 12,957 \$  | - \$       | - \$       | - \$       | - \$       | -          |    |
| otal Local Tax Capture Available                                       | \$         | 20,337 \$  | 20,574 \$  | 20,814 \$  | 21,056 \$  | 21,301 \$  | 21,547 \$  | 21,797 \$  | 22,049 \$  | 22,303 \$  | 22,560 \$  | 22,819 \$  | 23,081     |    |
| apture for BRA Administrative Fees (5% of Total Available Tax Incremer | nt Reve \$ | 1,708 \$   | 1,728 \$   | 1,748 \$   | 1,768 \$   | 1,789 \$   | 1,809 \$   | 1,830   \$ | 1,102 \$   | 1,115 \$   | 1,128 \$   | 1,141 \$   | 1,154      | \$ |
| ocal TIR Available for Reimbursement to Developer                      | \$         | 18,630 \$  | 18,847 \$  | 19,066 \$  | 19,288 \$  | 19,512 \$  | 19,738 \$  | 19,967 \$  | 20,946 \$  | 21,188 \$  | 21,432 \$  | 21,678 \$  | 21,927     |    |
| otal State & Local TIR Available for Reimbursement to Developer        | \$         | 30,719 \$  | 31,077 \$  | 31,439 \$  | 31,804 \$  | 32,174 \$  | 32,546 \$  | 32,923 \$  | 20,946 \$  | 21,188 \$  | 21,432 \$  | 21,678 \$  | 21,927     |    |
| DEVELOPER  |            |            |            |            |            |            |            |            |            |            |            |            |            |    |
|  | \$         | 191,963 \$ | 160,886 \$ | 129,447 \$ | 97,643 \$  | 65,469 \$  | 32,923 \$  | (0) \$     | - \$       | - \$       | - \$       | - \$       | -          |    |
| ISF Eligible Activities  | \$         | 191,963 \$ | 160,886 \$ | 129,447 \$ | 97,643 \$  | 65,469 \$  | 32,923 \$  | (0) \$     | - \$       | - \$       | - \$       | - \$       | -          |    |
| State Tax Reimbursement  | \$         | 12,089 \$  | 12,230 \$  | 12,372 \$  | 12,516 \$  | 12,662 \$  | 12,808 \$  | 12,957 \$  | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| Local Tax Reimbursement  | \$         | 18,630 \$  | 18,847 \$  | 19,066 \$  | 19,288 \$  | 19,512 \$  | 19,738 \$  | 19,967 \$  | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| GLE Eligible Activities  | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | -          |    |
| State Tax Reimbursement  | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | -   \$     | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| Local Tax Reimbursement  | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | -   \$     | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| OCAL-ONLY Activities   | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | -          |    |
| Local-Only Tax Reimbursement   | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - İ \$     | - \$       | - \$       | - \$       | - \$       | -          | \$ |
| OTAL ANNUAL DEVELOPER REIMBURSEMENT                                    | \$         | 30,719 \$  | 31,077 \$  | 31,439 \$  | 31,804 \$  | 32,174 \$  | 32,546 \$  | 32,923 \$  | - \$       | - \$       | - \$       | - \$       | -          |    |
| OCAL BROWNFIELD REVOLVING FUND (LBRF)                                  |            |            |            |            |            |            |            | İ          |            |            |            |            |            |    |
| State  | \$         | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | - \$       | -          | \$ |
|  |            |            |            | - \$       |            |            | - \$       | 1          | 20,946 \$  | 21,188 \$  | 21,432 \$  | 21,678 \$  | 21,927     |    |

Developer Reimburseme

# **ATTACHMENT A**

**Letter of Functional Obsolescence** 

# AFFIDAVIT OF JOE PORTERFIELD

| STATE OF MICHIGAN | )  |
|-------------------|----|
|                   | SS |
| COUNTY OF WEXFORD | j  |

The undersigned, being first duly sworn, deposes and says:

- 1. I am a Level IIII assessor for the City of Cadillac.
- 2. In my capacity as the City Assessor, I have physically inspected Parcel # 10-086-00-055-01 and 10-086-00-089-01 I have found both of these properties to be functionally obsolete, in accordance with Act 381, P.A. 1996, as amended, MCL 125.26639(h)
- 3. This first is a 7,024 square foot 2 story building that has been used as an Auto Parts store. The building was built around the early 1900's and it has substantially outdated electric wiring and plumbing for todays standards. The building is primarily heated with space heaters and has no climate control ability's
- 4. The second parcel has been used a storage building with a basement. This old garage has a wood floor with a basement underneath. This is problematic to put anything of any weight in the building. I believe around the early 1900s it may have been used as a coal dock for the railroad.
- 5. Based on my knowledge of the property and the type of work needed to make the building viable in the current market, it is my opinion as a certified Level IIII Assessor that these buildings meet the definition of "functionally obsolete" as defined in the Obsolete Properties Rehabilitation Act, 2000, PA 146, MCL 125.2782 and the Brownfield Redevelopment Financing Act, 1996, PA 381, as amended MCL 125.26639(h).

6. I have personal knowledge of the facts set fort above and can competently testify if called as a witness.

Clifford (Joe) Porterfield Assessor, City of Cadillac

Subscribed and sworn to before me this  $28^{++}$  day of September 2021

ASHLEY HACKERT
Notary Public, State of Michigan
County of Wexford

My Commission Expires 1777 Acting in the County of WEAFOR

Notary Public

<u> DEFFORD</u> County, Michigan

My commission expires 1/22/2028

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



**Mayor** Carla J. Filkins

**Mayor Pro-Tem** Tiyi Schippers

Councilmembers
Bryan Elenbaas
Robert J. Engels
Stephen King

# RESOLUTION NO.

# RESOLUTION ESTABLISHING AN OBSOLETE PROPERTY REHABILITATION DISTRICT FOR 423 N. MITCHELL REDEVELOPMENT

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 20th day of December, 2021, at 6:00 p.m.

| PRESENT:   |     |
|--|-----|
| ABSENT:  |     |
| The following preamble and resolution was offered by | and |
| seconded by  |     |

WHEREAS, Michigan's Obsolete Property Rehabilitation Act, Act 146, P.A. 2000 as amended ("OPRA"), authorizes Qualified Local Governmental Units to establish Obsolete Property Rehabilitation Districts and approve Applications for Obsolete Property Rehabilitation Exemption Certificates to provide financial incentives to redevelop functionally obsolete properties; and

**WHEREAS,** the City of Cadillac is a Qualified Local Governmental Unit pursuant to Act 146, PA 2000 eligible to establish one or more Obsolete Property Rehabilitation Districts; and

**WHEREAS,** LJR Property Management, LLC, the property owner, has filed a written request to Cadillac City Clerk requesting the establishment of the Obsolete Property Rehabilitation District for an area in the vicinity of 423 N. Mitchell Street located in the City of Cadillac hereinafter described; and

**WHEREAS,** the Cadillac City Council determined that the district meets the requirements set forth in Section 3(1) of Act 146, PA 2000; and

**WHEREAS,** written notice has been given by certified mail to all owners of real property located within the proposed district and to the public by newspaper

| City of Cadillac |
|------------------|
| Resolution No    |
| Page 2 of 3      |

advertisement in the Cadillac News and by public posting of the hearing on the establishment of the proposed district; and

**WHEREAS,** the Cadillac City Council deems it to be in the public interest of the City of Cadillac to establish the Obsolete Property Rehabilitation District as proposed.

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

1. That the parcel(s) of land situated in the City of Cadillac, Wexford County, and State of Michigan described below be and here is established as an Obsolete Property Rehabilitation District pursuant to the provisions of PA 146 of 2000 to be known as 423 N. Mitchell Obsolete Property Rehabilitation District.

N 54 FT OF LOT 13, BLK E MITCHELL'S REVISED PLAT AND THAT PART OF VACATED RAILROAD DESC AS COM AT NE COR OF SD LOT 13; S29\*43'56"E ALG E LN OF SD LOT 53.94 FT TO S LN OF THE N 54 FT OF SD LOT; S60\*04'38"W 146.66 FT; CONT S60\*34'08"W 100 FT TO W'LY LN OF RR; N30\*11'22"W 54.15 FT; N60\*34'59"E 100.02 FT; N60\*09'09"E 147.07 FT TO POB. SEC 33 T21N R9W SPLIT/COMBINED ON 09/30/2020 FROM 10-086-00-053-00, 10-086-00-055-00, 10-086-00-056-00, 10-086-00-057-02 CITY OF CADILLAC, COUNTY OF WEXFORD, MI PARCEL ID NUMBER: 10-086-00-055-01 0.307 ACRES

and

PART OF SW 1/4 OF SE 1/4 SEC 33 DESC AS COM AT C/L OF MAIN TRACK RR; SW'LY ALG N LN OFBREMER ST 50 FT; NW'LY ALG RR R/W 100.45 FT; NE'LY 100 FT M/L TO RR R/W; SE'LY 100.51 FT TON LN OF BREMER ST; SW'LY ALG N LN OF BREMER ST 50 FT TO POB. T22N R9W SEC 33 CITY OFCADILLAC [[ASSESSED W/ 55-028-01 & 55-028-02 '00 CITY OF CADILLAC, COUNTY OF WEXFORD, MI PARCEL ID NUMBER: 10-086-00-089-01 0.230 ACRES

- 2. This Resolution shall be maintained in the files of the City Clerk.
- 3. Should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof, other than the part so declared to be invalid.
- 4. 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.

| ILAJ. |  |  |
|-------|--|--|
|       |  |  |
|       |  |  |
|       |  |  |
| NAYS: |  |  |

| City of Cadillac<br>Resolution No<br>Page 3 of 3 |  |
|--|--|
| STATE OF MICHIGAN ) COUNTY OF WEXFORD )          |  |
| · · · · · · · · · · · · · · · · · · ·            | Cadillac, hereby certify this to be a true and dopted at a regular meeting of the City Council |
|  | Sandra Wasson, Clerk<br>Cadillac Municipal Complex   |

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

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



**Mayor** Carla J. Filkins

**Mayor Pro-Tem** Tiyi Schippers

Councilmembers
Bryan Elenbaas
Robert J. Engels
Stephen King

# RESOLUTION NO.

# RESOLUTION TO APPROVE AN OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE APPLICATION FOR 423 N. MITCHELL REDEVELOPMENT

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 20th day of December, 2021, at 6:00 p.m.

| PRESENT:   |     |
|--|-----|
| ABSENT:  |     |
| The following preamble and resolution was offered by | and |
| seconded by  |     |

**WHEREAS,** Michigan's Obsolete Property Rehabilitation Act, Act 146, P.A. 2000 as amended ("OPRA"), authorizes Qualified Local Governmental Units to establish Obsolete Property Rehabilitation Districts and approve Applications for Obsolete Property Rehabilitation Exemption Certificates to provide financial incentives to redevelop functionally obsolete properties; and

**WHEREAS,** the City of Cadillac is a Qualified Local Governmental Unit pursuant to Act 146, PA 2000 eligible to establish one or more Obsolete Property Rehabilitation Districts; and

**WHEREAS**, the City of Cadillac legally established the 423 N. Mitchell Obsolete Property Rehabilitation District on December 20, 2021 after a public hearing held on December 20, 2021 and

**WHEREAS**, LJR Property Management, LLC has submitted an Application for Obsolete Property Rehabilitation Exemption Certificate for the property at 423 N. Mitchell Street and adjacent property on W. Bremer Street ("423 N. Mitchell Redevelopment")

City of Cadillac Resolution No. \_\_\_\_ Page 2 of 3

**WHEREAS,** the City understands that the 423 N. Mitchell Redevelopment property qualifies as a functionally obsolete property as defined in section 2(h) of Public Act 146 of 2000 and as determined by the City Assessor and that the owner desires to undertake various improvements to redevelop the property; and

**WHEREAS**, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Cadillac; and

**WHEREAS**, the application was presented at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on December 20, 2021 and

**WHEREAS,** the LJR Property Management, LLC is not delinquent in any taxes related to the facility; and

**WHEREAS**, the applicant, LJR Property Management, LLC has provided answers to all required questions under the application instructions to the City of Cadillac; and

**WHEREAS**, the City of Cadillac requires that rehabilitation of the facility shall be completed by July 1, 2023 and

**WHEREAS**, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

**WHEREAS**, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Cadillac eligible under Public Act 146 of 2000 to establish such a district; and

**WHEREAS**, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, provide downtown housing, revitalize a functionally obsolete building in which the facility is situated; and

**WHEREAS**, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

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

1. An Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in the 423 N. Mitchell Obsolete Property Rehabilitation District at 423 N. Mitchell Street is hereby granted for a period of 12 years, beginning December 31,

| City of Cadillac |  |
|------------------|--|
| Resolution No    |  |
| Page 3 of 3      |  |

2022, and ending December 30, 2034, pursuant to the provisions of PA 146 of 2000, as amended.

- 2. This Resolution shall be maintained in the files of the City Clerk.
- 3. Should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof, other than the part so declared to be invalid.
- 4. Any and all resolutions that are in conflict with this Resolution are hereby repealed, but only to the extent to give this Resolution full force and effect.

| YEAS:  | _       |  |  |
|--|---------|--|--|
| NAYS:  | _       |  |  |
|  |         |  |  |
| STATE OF MICHIGAN  | )       |  |  |
| COUNTY OF WEXFORD  | )       |  |  |
| I, Sandra Wasson, City Clerk<br>complete copy of Resolution<br>held on the 20th day of Decen | No, dul |  |  |

Sandra Wasson, Clerk Cadillac Municipal Complex 200 Lake Street Cadillac, Michigan 49601

Telephone No: (231) 775-0181

# **Application for Obsolete Property Rehabilitation Exemption Certificate**

Issued under authority of Public Act 146 of 2000, as amended.

This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

**INSTRUCTIONS:** File the completed application and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) See State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

| Applicant (Company) Name (applicant must be the OWNER of the facility)  |                              |                                       |                        |   |  |
|---|------------------------------|---------------------------------------|------------------------|---|--|
| Company Mailing Address (Number and Street, P.O. Box,   | City, State, ZIP Code)       |                                       |                        |   |  |
| Location of obsolete facility (Number and Street, City, Sta   | te, ZIP Code)                |                                       |                        |   |  |
| City, Township, Village (indicate which)  |                              | County                                |                        |   |  |
| Date of Commencement of Rehabilitation (mm/dd/yyyy)   | Planned date of Comple       | etion of Rehabilitation (mm/dd/yyyy   | School Di<br>school co | strict where facility is located (include de)                                   |  |
| Estimated Cost of Rehabilitation  |                              | Number of years exemption             | requested              |   |  |
| Attach legal description of obsolete property on separate   | sheet.                       |                                       |                        |   |  |
| Expected Project Outcomes (Check all that apply)  |                              |                                       |                        |   |  |
| Increase commercial activity  | Retain e                     | employment                            |                        | Revitalize urban areas  |  |
| Create employment   | Prevent                      | a loss of employment                  |                        | Increase number of residents in the community in which the facility is situated |  |
| Indicate the number of jobs to be retained or created   | as a result of rehabilitatin | g the facility, including expected co | nstruction en          | nployment   |  |
| Each year, the State Treasurer may approve 2 Check the box at left if you wish to be conside  |                              | f half the school operating and stat  | e education t          | axes for a period not to exceed six years.                                      |  |
| APPLICANT CERTIFICATION   |                              |                                       |                        |   |  |
| The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.  The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's |                              |                                       |                        |   |  |
| receipt of the exemption certificate.  It is further certified that the undersigned is familiate the best of his/her knowledge and belief, (s)he has approval of the application by the local unit of gove Tax Commission.  | complied or will be a        | ble to comply with all of the red     | quirements             | thereof which are prerequisite to the   |  |
| Name of Company Officer (No authorized agents)  |                              | Telephone Number                      |                        | Fax Number  |  |
| Mailing Address   |                              | E-mail Address                        |                        |   |  |
| Signature of Company Officer (no authorized agents)  Title  |                              |                                       |                        |   |  |
| LOCAL GOVERNMENT UNIT CLERK CER   | _                            | d buttle A                            |                        |   |  |
| The Clerk must also complete Parts 1, 2 and 4 on page 2   | . Part 3 is to be complete   |                                       |                        |   |  |
| Signature   |                              | Date Application Received             |                        |   |  |
|   | FOR STATE TA                 | X COMMISSION USE                      |                        |   |  |
| Application Number  |                              | Date Received                         |                        | LUCI Code   |  |

#### LOCAL GOVERNMENT ACTION This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process. **PART 1: ACTION TAKEN** Action Date **Exemption Approved for** Years, ending December 30, (not to exceed 12 years) Denied Date District Established LUCI Code School Code PART 2: RESOLUTIONS (the following statements must be included in resolutions approving) A statement that the application is for obsolete property as defined in A statement that the local unit is a Qualified Local Governmental Unit. section 2(h) of Public Act 146 of 2000. A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property provided by section 3 of Public Act 146 of 2000. Rehabilitation District. A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt A statement that the application relates to a rehabilitation program that under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) when completed constitutes a rehabilitated facility within the meaning of exceeds 5% of the total taxable value of the unit. Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit A statement of the factors, criteria and objectives, if any, necessary for eligible under Public Act 146 of 2000 to establish such a district. extending the exemption, when the certificate is for less than 12 years. A statement that completion of the rehabilitated facility is calculated to, A statement that a public hearing was held on the application as provided by and will at the time of issuance of the certificate, have the reasonable section 4(2) of Public Act 146 of 2000 including the date of the hearing. likelihood to, increase commercial activity, create employment, retain A statement that the applicant is not delinquent in any taxes related to the employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation If it exceeds 5% (see above), a statement that exceeding 5% will not have is likely to result in. the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(I) of Public Act 146 of 2000. A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate A statement of the period of time authorized by the Qualified Local have been provided to the Qualified Local Governmental Unit by the Governmental Unit for completion of the rehabilitation. applicant. PART 3: ASSESSOR RECOMMENDATIONS Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC) **Building Taxable Value Building State Equalized Value** \$ \$ Name of Government Unit Date of Action Application Date of Statement of Obsolescence **PART 4: CLERK CERTIFICATION** The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act of 2000 may be in jeopardy. Name of Clerk Telephone Number Clerk Mailing Address Mailing Address Telephone Number Fax Number E-mail Address Clerk Signature Date

For faster service, email completed application and attachments to PTE@michigan.gov. An additional submission option is to mail the completed application and attachments to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909. If you have any questions, call 517-335-7491.

#### October 13, 2021

Application for Obsolete Property Rehabilitation Exemption Certificate
Public Act 146 of 2000, as amended
LJR Property Management, LLC
423 N. Mitchell Street, Cadillac, Michigan
Parcel ID: 10-086-00-055-01

#### **PART 2: APPLICATION DOCUMENTS**

# a. General Description of the facility (year built, original use, most recent use, number of stories, square feet

The building includes 2-stories and a partial basement. It was constructed in the early 1900's and will be completely renovated to include 13,828 square feet of renovated space. The historical use of the building includes a former auto parts store, however, most recently the building has been vacant.

## b. <u>Description of the qualified facility's proposed use</u>

This project is an adaptive re-use project that includes a complete redevelopment of the 2-story, functionally obsolete, former automotive supply building. The renovated building will include 13,828 square feet of updated space with a 5,000 square foot restaurant and 14 apartments totaling 8,828 square feet. This a market-rate, mixed-use project to provide Missing Middle Housing in the City of Cadillac.

#### c. Description of the general nature and extent of the rehabilitation to be undertaken

The building interior will be demolished down to the structural components of the building while maintaining and/or reusing as many of the original architectural features as possible. This is a rehabilitation project that will include new electrical, plumbing, heating, ventilation, air conditioning (HVAC) systems, walls, and doors. All entrances and windows will be replaced, and exterior repairs will include brick, façade, and roof improvements. Building materials containing asbestos will be abated as part of the rehabilitation project.

#### d. Descriptive list of the fixed building equipment that will be a part of the qualified facility

New fixed building equipment will include new heating, ventilation, and air condition (HVAC) mechanical systems, plumbing and plumbing fixtures, electrical and electrical fixtures, lighting, fire suppression, interior walls and flooring, new windows, improved interior and exterior appearance.

### e. Time schedule for undertaking and completing the facility's rehabilitation

The rehabilitation project is anticipated to take 10 months to complete with a construction schedule currently planned for January 1, 2022 through October 31, 2022. No construction activities will be conducted prior to any approval of the PA 146 abatement.

# f. Statement of the economic advantages expected from the exemption

Redevelopment of the property would provide numerous benefits to the City. While the specific facility would undergo considerable renovation, the entire area would benefit from the transformation of a vacant building into a thriving and fully utilized property.

In an effort to maximize the utility value of the vacant, dilapidated building, the applicant is committed to doing a rehabilitation of the building. In that context, the applicant will incur considerable renovation costs. The establishment of the PA 146 District, with its multi-year property tax deferment benefit, is vital to making the project economically viable.

## g. <u>Legal description of the facility</u>

The legal description of the eligible property is provided below.

N 54 FT OF LOT 13, BLK E MITCHELL'S REVISED PLAT AND THAT PART OF VACATED RAILROAD DESC AS COM AT NE COR OF SD LOT 13; S29\*43'56"E ALG E LN OF SD LOT 53.94 FT TO S LN OF THE N 54 FT OF SD LOT; S60\*04'38"W 146.66 FT; CONT S60\*34'08"W 100 FT TO W'LY LN OF RR; N30\*11'22"W 54.15 FT; N60\*34'59"E 100.02 FT; N60\*09'09"E 147.07 FT TO POB. SEC 33 T21N R9W SPLIT/COMBINED ON 09/30/2020 FROM 10-086-00-053-00, 10-086-00-055-00, 10-086-00-056-00, 10-086-00-057-02 CITY OF CADILLAC, COUNTY OF WEXFORD, MI

PARCEL ID NUMBER: 10-086-00-055-01

0.307 ACRES

# AFFIDAVIT OF JOE PORTERFIELD

| STATE OF MICHIGAN | )  |
|-------------------|----|
|                   | SS |
| COUNTY OF WEXFORD | j  |

The undersigned, being first duly sworn, deposes and says:

- 1. I am a Level IIII assessor for the City of Cadillac.
- 2. In my capacity as the City Assessor, I have physically inspected Parcel # 10-086-00-055-01 and 10-086-00-089-01 I have found both of these properties to be functionally obsolete, in accordance with Act 381, P.A. 1996, as amended, MCL 125.26639(h)
- 3. This first is a 7,024 square foot 2 story building that has been used as an Auto Parts store. The building was built around the early 1900's and it has substantially outdated electric wiring and plumbing for todays standards. The building is primarily heated with space heaters and has no climate control ability's
- 4. The second parcel has been used a storage building with a basement. This old garage has a wood floor with a basement underneath. This is problematic to put anything of any weight in the building. I believe around the early 1900s it may have been used as a coal dock for the railroad.
- 5. Based on my knowledge of the property and the type of work needed to make the building viable in the current market, it is my opinion as a certified Level IIII Assessor that these buildings meet the definition of "functionally obsolete" as defined in the Obsolete Properties Rehabilitation Act, 2000, PA 146, MCL 125.2782 and the Brownfield Redevelopment Financing Act, 1996, PA 381, as amended MCL 125.26639(h).

6. I have personal knowledge of the facts set fort above and can competently testify if called as a witness.

Clifford (Joe) Porterfield Assessor, City of Cadillac

Subscribed and sworn to before me this  $28^{++}$  day of September 2021

ASHLEY HACKERT
Notary Public, State of Michigan
County of Wexford

My Commission Expires 1777 Acting in the County of WEAFOR

Notary Public

<u> DEFFORD</u> County, Michigan

My commission expires 1/22/2028

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



**Mayor** Carla J. Filkins

**Mayor Pro-Tem** Tiyi Schippers

Councilmembers Robert J. Engels Stephen King Bryan Elenbaas

# **RESOLUTION NO. 2021-**

# RESOLUTION ADOPTING AN ORDINANCE TO AMEND SECTION 46-752 OF THE CADILLAC CITY CODE RELATING TO RECREATIONAL MARIHUANA ESTABLISHMENTS

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held electronically on the 20<sup>th</sup> day of December 2021, at 6:00 p.m.

| PRESEN | NT: |           |           |          |            |     |         |          |
|--------|-----|-----------|-----------|----------|------------|-----|---------|----------|
| ABSEN' | T:  |           |           |          |            |     |         |          |
| Т      | Γhe | following | preamble  | and      | resolution | was | offered | by       |
|        |     |           | and secon | ded by _ |            |     |         | <u>.</u> |

WHEREAS, pursuant to the Michigan Zoning Enabling Act, Act 110 of 2006, MCL 125.3101 *et seq.* ("MZEA"), the City has authority to adopt and amend zoning ordinances regulating land use in the City; and

WHEREAS, the City desires to amend the City's Zoning Ordinance regarding recreational marihuana establishments. Specifically, the ordinance would amend Section 46-752 to authorize co-location, authorize stacked licenses in industrial zones, and reduce spatial restrictions for certain recreational marihuana establishments; and

WHEREAS, the Planning Commission held a duly noticed public hearing on the proposed amendments on November 29, 2021; and

City of Cadillac Resolution No. 2021-\_\_\_ Page 2 of 3

WHEREAS, the Planning Commission voted to recommend the proposed amendments (with modifications) to the City Council; and

WHEREAS, the City Council held a duly noticed public hearing on the proposed amendments on December 20, 2021;

WHEREAS, the City Council desires to adopt the proposed amendments.

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

- 1. Ordinance to Amend Section 46-752 of the Cadillac City Code Relating to Recreational Marihuana Establishments (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:   |  |  |  |

| City of Cadillac<br>Resolution No. 2021<br>Page 3 of 3 |  |
|--|--|
|  |  |
| STATE OF MICHIGAN                                      | )  |
| COUNTY OF WEXFORD                                      | )<br>)   |
| •  | erk of the City of Cadillac, hereby certify this to be a true and No. 2021, duly adopted at a meeting of the City Council held 2021. |
|  | Sandra Wasson  |
|  | Cadillac City Clerk  |

Mayor Carla J. Filkins

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



**Mayor Pro-Tem** Tiyi Schippers

Councilmembers
Stephen King
Robert J. Engels
Bryan Elenbaas

ORDINANCE NO. 2021-

# AN ORDINANCE TO AMEND SECTION 46-752 OF THE CADILLAC CITY CODE RELATING TO RECREATIONAL MARIHUANA ESTABLISHMENTS

**Section 1**. <u>Amendment of Section 46-752</u>. Section 46-752 of Chapter 46 of the Cadillac City Code is hereby amended to add new Subsections 2 and 3 and to re-number the remaining Subsections accordingly:

- (2) Co-located marihuana establishments and stacked grower licenses are prohibited.
- (2) Co-located establishments are permitted in the city subject to Section 10.2-02(c)(1) of the Cadillac City Code.
- (3) Stacked grower licenses are prohibited in the city, except for establishments in the Light Industrial (I-1) and General Industrial (I-2) districts.

**Section 2.** Amendment of Section 46-752(8). Section 46-752(8) of Chapter 46 of the Cadillac City Code is hereby amended as follows:

- (8) The following minimum-distancing regulations apply:
  - a. An establishment other than a retailer may not be located within 1,000 feet of a public or private K-12 school or a college or university. A retailer An establishment may be located within 1,000 feet of a public or private K-12 school or a college or university, subject to subsection (8)(b) and (c)., and except that a However, an establishment may not be located adjacent to a public or private K-12 school or a college or university.
  - b. A grower, processor, or safety compliance establishment, or microbusiness may not be located within a district zoned exclusively for residential use. 500 feet of any existing one family dwelling.
  - c. A retailer or microbusiness may not be located within a district zoned exclusively for residential use or within 100 feet of any existing one-family dwelling.
  - d. The distances described in this subsection shall be computed by measuring a straight line from the nearest property line of land used for the purposes stated in this subsection to the nearest property line of the parcel used as a marihuana establishment;

provided, however, that for purposes of subsection (c) only, the distance shall be computed by measuring a straight line between the two closest points of the subject buildings.

**Section 3.** <u>Publication and Effective Date</u>. The City Clerk will cause to be published a notice of adoption of this ordinance within 7 days of the date of its adoption. This ordinance will take effect 20 days after its adoption.

| YEAS:       | Council Member(s)     |                |  |
|-------------|-----------------------|----------------|--|
| NAYS:       | Council Member(s)_    |                |  |
| ABSTAIN:    | Council Member(s)_    |                |  |
| ABSENT:     | Council Member(s)_    |                |  |
|             |                       | <u>CERTIFI</u> | CATION   |
| •           | py of an ordinance ad |                | ord County, Michigan, I certify this is a true and<br>e Cadillac City Council at a meeting held on |
| Date: Decem | ber 20, 2021          |                | Carla Filkins, Mayor   |
| Date: Decem | ber 20, 2021          |                | Sandra Wasson, City Clerk  |
| Introduced: | December 6, 2021      |                |  |
| Adopted:    | December 20, 2021     |                |  |
| Published:  |                       | _, 2021        |  |
| Effective:  |                       | _, 2021        |  |

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



**Mayor** Carla J. Filkins

**Mayor Pro-Tem** Tiyi Schippers

Councilmembers Robert J. Engels Stephen King Bryan Elenbaas

# **RESOLUTION NO. 2021-**

# RESOLUTION ADOPTING AN ORDINANCE TO AMEND SECTION 46-753 OF THE CADILLAC CITY CODE RELATING TO MEDICAL MARIHUANA FACILITIES

At a meeting of the City Council of the City of Cadillac, Wexford County, Michigan, held electronically on the 20<sup>th</sup> day of December 2021, at 6:00 p.m.

| PRESENT | :         |           |           |            |     |         |     |
|---------|-----------|-----------|-----------|------------|-----|---------|-----|
| ABSENT: |           |           |           |            |     |         |     |
| The     | following | preamble  | and       | resolution | was | offered | by  |
|         |           | and secon | nded by _ |            |     |         | _ • |

WHEREAS, pursuant to the Michigan Zoning Enabling Act, Act 110 of 2006, MCL 125.3101 *et seq.* ("MZEA"), the City has authority to adopt and amend zoning ordinances regulating land use in the City; and

WHEREAS, the City desires to amend the City's Zoning Ordinance regarding medical marihuana facilities. Specifically, the ordinance would amend Section 46-753 to authorize colocation, authorize stacked licenses in industrial zones, and reduce spatial restrictions for certain medical marihuana facilities; and

WHEREAS, the Planning Commission held a duly noticed public hearing on the proposed amendments on November 29, 2021; and

City of Cadillac Resolution No. 2021-\_\_\_ Page 2 of 3

WHEREAS, the Planning Commission voted to recommend the proposed amendments (with modifications) to the City Council; and

WHEREAS, the City Council held a duly noticed public hearing on the proposed amendments on December 20, 2021;

WHEREAS, the City Council desires to adopt the proposed amendments.

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

- 1. Ordinance to Amend Section 46-753 of the Cadillac City Code Relating to Medical Marihuana Facilities (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: |  |  |  |
|-------|--|--|--|
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| NAYS: |  |  |  |

| City of Cadillac<br>Resolution No. 2021<br>Page 3 of 3 |  |
|--|--|
|  |  |
| STATE OF MICHIGAN                                      | )  |
| COUNTY OF WEXFORD                                      | )  |
| •  | erk of the City of Cadillac, hereby certify this to be a true and n No. 2021, duly adopted at a meeting of the City Council held 2021. |
|  | Sandra Wasson  |
|  | Cadillac City Clerk  |

Mayor Carla J. Filkins

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



Mayor Pro-Tem Tiyi Schippers

Councilmembers
Stephen King
Robert J. Engels
Bryan Elenbaas

ORDINANCE NO. 2021-

# AN ORDINANCE TO AMEND SECTION 46-753 OF THE CADILLAC CITY CODE RELATING TO MEDICAL MARIHUANA FACILITIES

**Section 1**. <u>Amendment of Section 46-753(2)</u>. Section 46-753(2) of Chapter 46 of the Cadillac City Code is hereby amended to add new Subsections 2 and 3 and to re-number the remaining Subsections accordingly:

- (2) Co-located marihuana facilities and stacked grower licenses are prohibited.
- (2) Co-located facilities are permitted in the city, subject to Section 10.3-02(c)(1) of the Cadillac City Code.
- (3) Stacked grower licenses are prohibited in the city, except for facilities in the Light Industrial (I-1) and General Industrial (I-2) districts.

**Section 2.** <u>Amendment of Section 46-753(8).</u> Section 46-753(8) of Chapter 46 of the Cadillac City Code is hereby amended as follows:

- (8) The following minimum-distancing regulations apply:
  - a. A facility other than a provisioning center may not be located within 1,000 feet of a public or private K-12 school or a college or university. A facility provisioning center may be located within 1,000 feet of a public or private K-12 school or a college or university, subject to subsection (8)(b) and (c). , and except that a provisioning center However, a facility may not be located adjacent to a public or private K-12 school or a college or university.
  - b. A grower, processor, or safety compliance facility may not be located within a district zoned exclusively for residential use. 500 feet of any existing one-family dwelling.
  - c. A provisioning center may not be located within a district zoned exclusively for residential use or within 100 feet of any existing one-family dwelling.
  - d. The distances described in this subsection shall be computed by measuring a straight line from the nearest property line of land used for the purposes stated in this subsection to the nearest property line of the parcel used as a marihuana facility;

provided, however, that for purposes of subsection (c) only, the distance shall be computed by measuring a straight line between the two closest points of the subject buildings.

**Section 3**. <u>Publication and Effective Date</u>. The City Clerk will cause to be published a notice of adoption of this ordinance within 7 days of the date of its adoption. This ordinance will take effect 20 days after its adoption.

| YEAS:       | Council Member(s)             |  |
|-------------|-------------------------------|--|
| NAYS:       | Council Member(s)             |  |
| ABSTAIN:    | Council Member(s)             |  |
| ABSENT:     | Council Member(s)             |  |
|             |                               |  |
|             |                               |  |
|             |                               |  |
|             |                               |  |
|             | <u>CERT</u>                   | IFICATION  |
| •           | py of an ordinance adopted by | exford County, Michigan, I certify this is a true and the Cadillac City Council at a meeting held on |
| Date: Decem | ber 20, 2021                  | Carla Filkins, Mayor   |
| Date: Decem | ber 20, 2021                  | Sandra Wasson, City Clerk  |
| Introduced: | December 6, 2021              |  |
| Adopted:    | December 20, 2021             |  |
| Published:  | , 2021                        |  |
| Effective:  | , 2021                        |  |

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

PRESENT:



**Mayor** Carla J. Filkins

**Mayor Pro-Tem**Tiyi Schippers

Councilmembers
Stephen King
Robert J. Engels
Bryan Elenbaas

| RESOLUTION NO. |
|----------------|
|----------------|

# RESOLUTION TO APPROVE AMENDMENT TO DEVELOPMENT AND TAX INCREMENT FINANCING PLAN FOR THE HARRY VANDERJAGT INDUSTRIAL PARK

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 20<sup>th</sup> day of December 2021, at 6:00 p.m.

| ABSENT:  |          |
|--|----------|
| The following preamble and resolution was offered by                       | and      |
| WHEREAS, the City of Cadillac (the "City") pursuant to the provisions of A | Act 281. |

WHEREAS, the City of Cadillac (the "City") pursuant to the provisions of Act 281, Public Acts of Michigan, 1986, as amended ("Act 281") created a Local Development Finance Authority (the "Authority"); and

WHEREAS, the Authority prepared a Development and Tax Increment Financing Plan for the Harry Vanderjagt Industrial Park (the "Plan") that was adopted by the City in 1991 (Exhibit A); and

WHEREAS, the Plan is set to expire on December 30, 2021; and

WHEREAS, the Authority is authorized by statute to prepare amendments to the Plan and to submit the amendments to the City Council for approval (MCL 125.4417);

WHEREAS, on or about November 12, 2021, the Authority adopted a resolution recommending that the City Council amend the Plan to extend the duration of the Plan from December 30, 2021, to December 30, 2023 (the "Amendment to the Plan"); and

City of Cadillac Resolution No. \_\_\_ Page 2 of 3

WHEREAS, the City Council conducted a public hearing on the Amendment to the Plan on December 20<sup>th</sup>, 2021; and

WHEREAS, the City Council has reviewed the Amendment to the Plan and has determined that it is in the best interest of the public to adopt the Amendment to the Plan.

## NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1. The City Council hereby makes the following determinations:
  - a. The Amendment to the Plan constitute a public purpose.
  - b. The Amendment to the Plan meets the requirements set forth in Section 15(2) of Act 281 and Sections 12(1), (2) and (3) of Act 281.
  - c. The proposed means of financing the Project as described in the Plan and the Amendment to the Plan is reasonable and it is necessary to adopt the Amendment to the Plan in order to achieve the purposes of Act 281.
  - d. The Amendment to the Plan is reasonable, and it is necessary to adopt the Amendment to the Plan in order to achieve the purposes of Act 281.
  - e. The amount of captured assessed value resulting from adoption of the Amendment to the Plan is reasonable.
  - f. Any additional land to be acquired under the Amendment to the Plan is reasonable and it is necessary to acquire the land in order to achieve the purpose of the Amendment to the Plan and of Act 281.
  - g. The Amendment to the Plan is in reasonable accord with the approved master plan of the City.
  - h. All public services, including fire and police protection and utilities, will be adequate to service the property in the Amendment to the Plan.
  - i. All changes in streets, street levels, intersections and utilities required under the Amendment to the Plan are reasonably necessary for the Project (as defined in the Plan) and for the City.
- 2. Based on the foregoing determinations, the City adopts the Amendment to the Plan and hereby amends Section 12(2)(h) of the Plan to extend the duration of the Plan from December 30, 2021 to December 30, 2023.

City of Cadillac Resolution No. \_\_\_ Page 3 of 3

3. The Mayor and the City Clerk are authorized to take any and all actions and to sign any documents (including an Amendment to the Plan) necessary to implement this Resolution. This Resolution may be attached to the Plan to evidence the Amendment to the Plan.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

| YEAS:                                 |   |
|---------------------------------------|---|
| NAYS:                                 |   |
| STATE OF MICHIGAN                     | )<br>)ss  |
| COUNTY OF WEXFORD                     | )   |
| · · · · · · · · · · · · · · · · · · · | of the City of Cadillac, hereby certify this to be a true and duly adopted at a regular meeting of the City Council 2021. |
|                                       |   |
|                                       | Sandra Wasson   |
|                                       | Cadillac City Clerk   |

#### CADILLAC HOUSING COMMISSION

#### RESOLUTION #651

# Employee Wage Increase

Commission Members Present: Commissioner Frost

Commissioner Knight
Commissioner Puruleski
Commissioner Dolack

Commission Members Absent: Commissioner Coffey

The following resolution was offered by Commissioner Frost and supported by Commissioner Puruleski.

BE IT RESOLVED, by the Cadillac Housing Commission that:

WHEREAS, the Executive Director, Carrie Ferguson, researched 2022 employee wage increase data and,

WHEREAS, the Finance and Personnel Committee discussed and approved the following pay increases:

- Debbie Gratton, Public Housing Specialist, will receive a \$2.00 an hour pay raise starting 1/1/2022.
- All CHC staff will receive 5% pay increase starting 1/1/2022.

BE IT RESOLVED that the Commission approves of the information presented and agrees with a \$2.00 pay increase for Debbie Gratton and the 5% wage increase for all CHC employees.

AYES: Commissioner Frost, Knight, Puruleski, Dolack.

NAYS:

ABSENT: Commissioner Coffey

RESOLUTION DECLARED APOTED ON November 15, 2021, by Vice President Knight.

Troy Knight Vice President

Carrie Ferguson, Secretary

#### CADILLAC HOUSING COMMISSION

#### RESOLUTION #652

## Employee Incentive Bonuses

Commission Members Present: Commissioner Frost

Commissioner Puruleski
Commissioner Dolack
Commissioner Knight

Commission Members Absent: Commissioner Coffey

The following resolution was offered by Commissioner Puruleski and supported by Commissioner Dolack.

BE IT RESOLVED, by the Cadillac Housing Commission that:

WHEREAS, the Finance and Personnel Committee discussed and approved the following Incentive Bonuses for their hard work in 2021:

- All full-time permanent CHC employees will receive a onetime \$1000 incentive bonus.
- All part-time permanent CHC employees will receive a onetime \$500 incentive bonus.
- > The Incentive Bonuses will be issued the first week of January 2022.

BE IT RESOLVED, that the Commission approves of the information presented and agrees with the Incentive Bonuses.

AYES: Commissioner Frost, Puruleski, Dolack, Knight.

NAYS:

ABSENT: Commissioner Coffey

RESOLUTION DECLARED APOTED ON November 15, 2021, by Vice President Knight.

Troy Knight, Vice President

Carrie Ferguson, Secretary

#### CADILLAC HOUSING COMMISSION

#### RESOLUTION #649

# Add Juneteenth Day as a Paid Holiday

Commission Members Present: Commissioner Puruleski

Commissioner Frost Commissioner Dolack Commissioner Knight

Commission Members Absent: Commissioner Coffey

The following resolution was offered by Commissioner Puruleski and supported by Commissioner Dolack.

WHEREAS, a proposal was made during the August 16, 2021, Regular Meeting to add **Juneteenth** (June 19) as an additional paid holiday for the CHC employees starting in 2022.

WHEREAS, the Finance and Personnel Committees discussed and agreed to add Juneteenth Day as a paid holiday for all CHC employees starting in 2022.

THEREFORE, BE IT RESOLVED that the Commission approve of the information as presented and agrees to add Juneteenth Day as a paid holiday for all CHC employees starting in 2022.

AYES: Commissioners Puruleski, Dolack, Frost, Knight.

NAYS: None

ABSENT: Commissioner Coffey

RESOLUTION DECLARED ADOPTED ON November 15, 2021, by Vice

President Knight.

Troy Knight, Vice President

Carrie Ferguson, Secretary

## **Council Communication**

Re: Calendar Year 2022 Council Meeting Schedule

Pursuant to Article 3, Section 3.2 of the City Charter, the City Council shall meet at least one time per month on a regular day and hour to be established by the City Council.

In the past, the City Council has set its regular meeting schedule for two meetings per month that are held on the first and third Mondays at 6:00 p.m., unless the meeting day falls on or near a holiday or is the day before an election. In those instances when there is a conflict, the City Council has traditionally set its annual schedule in a manner to avoid the conflict by either not scheduling two regular meetings in that specific month, and/or by scheduling the meeting on an alternative day. Note, regardless of whether two regular meetings are scheduled monthly, or if in some months only one regular meeting is scheduled, the Council may call a special meeting anytime.

## **Recommended Action**

It is recommended that the 2022 City Council Meeting Schedule be approved as follows:

Regular Council Meetings will be monthly on the first and third Mondays starting at 6:00 p.m. except for the following months-

- January Schedule one regular meeting for the third Tuesday, January 18, 2022. Due to Christmas, New Years, and Martin Luther King Jr. holidays, City Offices are closed December 23, 24, 30, and 31, 2021, and January 17, 2022 respectively. Additionally, it is common for staff to take vacation and/or personal time off during this timeframe.
- February Schedule the second meeting for the fourth Tuesday, February 22, 2022. Due to the City Offices being closed for Presidents' Day on Monday, February 21, 2022.
- July Schedule one regular meeting for the third Monday, July 18, 2022. Due to Independence Day on Monday in the first week of the month, it is common for staff to take vacation and/or personal time off during this timeframe.
- August Schedule one regular meeting for the third Monday, August 15, 2022. Due to the State Primary Election scheduled for Tuesday, August 2, 2022.
- September Schedule the first meeting of the month for Tuesday, September 6, 2022. Due to City Offices being closed on Monday, September 5, 2022 for Labor Day.
- November Schedule one regular meeting for the third Monday, November 21, 2022. Due to the State General Election scheduled for Tuesday, November 8, 2022.

Should other elections be scheduled, a recommendation would come forward accordingly requesting the meeting prior be cancelled. Otherwise, as previously noted, all other regularly scheduled Council

| exceptions listed above or any special meetings that are called as needed. |  |  |  |
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Meetings would be on the first and third Mondays of every month starting at 6 p.m. aside from the

# **Council Communication**

Re: Emergency Digester Cleaning

The City of Cadillac recently contracted our biosolids hauler, Michigan AgriBusiness Solutions, to clean the primary digester at the Cadillac Wastewater Plant. The digester efficiency had been falling and the floating cover had started to lean and bind when the digester was being operated. Plant staff had planned to clean the digester after the fall hauling cycle and determine why the lid wasn't operating properly.

Michigan AgriBusiness provided the City with a price per hour and an estimate of the time an average cleaning would require. The average cleaning would be 2 days, or 16 hours (12 hours outside, 4 hours inside the digester). The labor rate that was quoted was \$250/hour for outside of digester cleaning and \$500/hour inside the digester cleaning. An approximate fee of \$5,000 was determined for the cleaning.

When cleaning a digester, there is a seal that keeps the methane gas in the digester. When this seal is broken or removed, the air in the tank becomes a very explosive atmosphere. Once the seal is broken the digester will need to be completely cleaned before it is put back into service. When the seal is removed, and the atmosphere has been determined to be safe, an actual measurement of the material that is still in the digester can occur and a new timeline for cleaning can be determined.

The initial estimate was that there would be about 30,000 gallons of material left in the digester. When the digester was able to be measured, there were 175,700 gallons left in the tank. The tank material was cleaned out at the above specified rates.

While cleaning out the digester it was also discovered that one of the three mixing nozzles in the tank had become inoperable. Because of this the digester retained additional solids and the efficiency of the gas production had been reduced. This is what lead to the initial decision to clean the digester and the reason why the digester retained extra solids. Because of the extra solids that were retained in the tank the cost of the cleaning was \$20,375 instead of the estimated \$5,000.

Finally, prior to the tank cleaning it was noticed that the floating lid had been hanging up and tilting during normal operations. Since the cleaning it has been determined that the guides that help the floating cover stay in position have been twisted and need to be repaired. The tank manufacturer is on site and is currently in the process of repairing these guides. The cost of this repair is not yet determined but is part of this emergency repair. When these repairs are complete, it is expected that gas production should increase, and the efficiency of the digester should return to normal.



**Lansing** 313 S. Washington Square Lansing MI 48933

Detroit 333 W. Fort Street – Suite 1400 Detroit MI 48226

Walter S. Foster 1878-1961 Richard B. Foster 1908-1996 Theodore W. Swift 1928-2000 John L. Collins 1926-2001

1926-2001 Webb A. Smith Scott A. Storey Charles A. Janssen Charles E. Barbieri Scott L. Mandel Michael D. Sanders Brent A. Titus Brian G. Goodenough Matt G. Hrebec
Deanna Swisher
Thomas R. Meagher
Douglas A. Mielock
Scott A. Chemich
Paul J. Millenbach
Dirk H. Beckwith
Brian J. Renaud
Lynwood P. VandenBosch
Lawrence Korolewicz
James B. Doezema
Anne M. Seurynck

Lawrence Korolewi James B. Doezema Anne M. Seurynck Michael D. Homier David M. Lick Scott H. Hogan Richard C. Kraus Benjamin J. Price Southfield 28411 Northwestern Highway – Suite 500 Southfield MI 48034

151 Central Avenue - Suite 260

Holland MI 49423

Michael R. Blum
Jonathan J. David
Andrew C. Vredenburg
Jack A. Siebers
Julie I. Fershtman
Todd W. Hoppe
Jennifer B. Van Regenmorter
Thomas R. TerMaat
Frederick D. Dilley
David R. Russell
Joel C. Farrar
Laura J. Genovich
Karl W. Butterer, Jr.
Mindi M. Johnson
Ray H. Littleton, II
Jack L. Van Coevering

Anna K. Gibson

Patricia J. Scott
Nicholas M. Oertel
Alicia W. Birach
Adam A. Fadly
Michael J. Liddane
Ryan E. Lamb
Clifford L. Hammond
Matthew S. Fedor
Andrea Badalucco
John W. Mashni
Stefania Gismondi
Leslie A. Abdoo
Julie L. Hamlet
Michael C. Zahrt
Gilbert M. Frimet
Stephen W. Smith
Mark T. Koerner

Warren H. Krueger, III Sarah I Gabis Amanda Afton Martin Steven J. Tjapkes Jacquelyn A. Dupler Taylor A. Gast Rachel G. Olnev Tyler J. Olney Mark J. DeLuca Thomas K. Dillon Robert A. Easterly Robert A. Hamor Michael A. Cassar Hilary J. McDaniel Stafford Emily R. Wisniewski Amanda J. Dernovshek

**Grand Rapids** 1700 E. Beltline NE – Suite 200 Grand Rapids MI 49525

St. Joseph 800 Ship Street – Suite 105 St. Joseph MI 49085

> Lydia H. Kessler Brandon M. H. Schumacher Alexander J. Thibodeau Cody A. Mott Alaina M. Nelson Caroline N. Renner Joseph B. Gale Sydney T. Steele DeVaughn J. Swanson Kaitlyn E. Manley Kathrine A. Ruttkofsky Anthony M. Dalimonte Jim W. Scales Mariah M. Silverstein

Writer's Direct Phone: 616.726.2230 Fax: 517.367.7120 Reply To: Grand Rapids Email: MHomier@fosterswift.com

December 16, 2021

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

Re: 2022 Rate Letter

#### Dear Marcus:

Foster Swift Collins & Smith PC is grateful for our decade long relationship with the City of Cadillac. We continue to be committed to providing excellent legal services for our clients in a prompt and efficient manner at reasonable rates.

As part of our business plan, we periodically review our billing rates for our clients. The City's current rates of \$175 for general counsel work, and \$250 for litigation were established in 2010 and we have not increased those rates during the past 11 years. However, due to increased business expenses and other inflationary pressure, it necessary to adjust our hourly billing rate for the City of Cadillac to \$200 an hour for general counsel work, while maintaining the rate of \$250 an hour for litigation effective January 1, 2022. These rates will be effective through December 31, 2022. After 2022, there will be a yearly hourly rate increase by an amount equal to the greater of a) three percent (3%) or b) the annual consumer price index for all urban consumers (CPI-U) as published by the U.S. Bureau of Labor Statistics. The rate for bond work and other specialty work, if necessary, will be discussed with the City at the time such work is required.



City of Cadillac December 16, 2021 Page 2

We believe that our fee structure remains very reasonable, especially given our expertise and experience in providing legal services to City and we value our client relationship with the City of Cadillac. We will continue to work as efficiently as possible while providing outstanding legal services.

We ask that you present the attached new engagement letter to the city council and send a signed copy of the engagement back to us. If you have any questions, please do not hesitate to contact me.

Sincerely,

Foster Swift Collins & Smith PC

Michael D. Homier

MDH:az

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Lansing 313 S. Washington Square Lansing MI 48933

333 W. Fort Street – Suite 1400 Detroit MI 48226

Walter S. Foster 1878-1961 Richard B. Foster 1908-1996 Theodore W. Swift 1928-2000 John L. Collins 1926-2001

Webb A. Smith Scott A. Storey Charles A. Janssen Charles E. Barbieri James B. Jensen, Jr. Scott L. Mandel Michael D. Sanders Brent A. Titus Brian G. Goodenough Matt G. Hrebec Deanna Swisher Thomas R. Meagher Douglas A. Mielock Scott A. Chernich Paul J. Millenbach Dirk H. Beckwith Brian J. Renaud

Brian J. Renaud Lynwood P. VandenBosch Lawrence Korolewicz James B. Doezema Anne M. Seurynck Michael D. Homier David M. Lick Scott H. Hogan Richard C. Kraus Southfield 28411 Northwestern Highway – Suite 500 Southfield MI 48034

Holland

151 Central Avenue – Suite 260 Holland MI 49423

Benjamin J. Price
Michael R. Blum
Jonathan J. David
Andrew C. Vredenburg
Jack A. Siebers
Julie I. Fershtman
Todd W. Hoppe
Jennifer B. Van Regenmorter
Thomas R. TerMaat
Frederick D. Dilley
David R. Russell
Joel C. Farrar
Laura J. Genovich
Karl W. Butterer, Jr.
Mindi M. Johnson
Ray H. Littleton, II
Jack L. Van Coevering

Anna K. Gibson Patricia I Scott Nicholas M. Oertel Alicia W. Birach Adam A. Fadly Michael J. Liddane Rvan E. Lamb Clifford L. Hammond Matthew S. Fedor Andrea Badalucco John W. Mashni Stefania Gismondi Leslie A. Abdoo Julie L. Hamlet Michael C. Zahrt Gilbert M. Frimet Stephen W. Smith

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Writer's Direct Phone: 616.726.2230 Fax: 517.367.7120 Reply To: Grand Rapids Email: MHomier@fosterswift.com

December 16, 2021

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

Re: 2022 Updated Engagement Agreement

#### Dear Marcus:

We are pleased that the City of Cadillac (the "City") has decided to continue the long relationship with Foster Swift (the "Firm") as the City's attorney. It is customary in the legal profession to initiate a relationship between an attorney and client through an engagement letter. This engagement letter will serve as an agreement about the nature and scope of our relationship with the City and will supersede and replace any previous agreements between the City and the Firm.

We will serve as the City's attorney for an indefinite period of time when we are in receipt of a signed copy of this letter approved by the City. This signed letter acknowledges the City's understanding of the legal fees for the work we undertake for the City.

Our services to the City will be billed on the basis of hourly rates for the time incurred. Hourly rates differ between attorneys and subject matter, but are generally in the range of \$200 per hour to \$550 per hour. My standard hourly rate is \$450 per hour. However, we are sensitive to governmental budgets and offer our municipal clients a substantial reduction for public work.



City of Cadillac December 16, 2021 Page 2 of 6

The hourly rate for our general counsel services provided to the City will be capped at \$200 per hour, and the hourly rate for litigation services will be \$250 per hour, meaning that regardless of the attorney working on a particular matter, the City will never be billed more than \$200 per hour for general counsel services, and \$250 an hour for litigation services. The Firm will continue to waive the mileage and/or travel time expenses for attendance at meetings where legal assistance is needed for the City.

Specialty counsel serviced involving environmental issues, labor negotiations, liquor licenses and laws, bond and public finance work, public-private partnerships and condemnation and eminent domain will be billed at different rates and will be discussed prior to commencing any work. That specialty work will be initiated through a letter agreement or other approval by the City, but all of the other terms and conditions of this engagement letter will otherwise be applicable to work initiated under such letter agreement.

The hourly rate for legal services we provide to the City will remain in effect until December 31, 2022, after which the Firm may adjust its rate annually, but not by an amount equal to the greater of a) three percent (3%) or b) the annual consumer price index for all urban consumers (CPI-U) as published by the U.S. Bureau of Labor Statistics. The City will also be billed for photocopies and other out-of-pocket expenses by the Firm on the City's behalf. The costs and attorney fees will be billed monthly. **Our invoices will be sent by e-mail, unless you direct us to send them in some other fashion.** If an invoice is not timely paid, a late charge may be added to any portion not paid within thirty (30) days. The late charge will be computed at the rate of .58% per month (7% annual) starting thirty (30) days after the date of the invoice.

Based on the information you have provided, the Firm believes that its representation of the City complies with the Michigan Rules of Professional Conduct. However, if we determine that a conflict of interest arises during this engagement, the Firm may take appropriate steps to remedy the conflict, including withdrawal.

Our responsibility in representing the City is, of course, to do so in a manner that is consistent with the customary professional practices and requirements for handling the City's legal matters. In turn, we will need the City's full and timely cooperation. This will likely include providing us with various materials relating to the matters for which the City is utilizing our services. Further, the City agrees that our work may be authorized and directed by any individual, officer or agent of the City, unless the City advises us to the contrary in writing.

The Firm will pursue the City's legal matters conscientiously and without delay, but with regard for the Firm's workload and the nature of the legal system. The Firm will keep the City reasonably informed about the status of this matter and welcomes requests for information.

We have enjoyed the many years working with the City and intend to continue our mutually rewarding and enduring relationship with the City as its legal counsel. Nevertheless, the City is free to terminate our services at any time by written notice to us to that effect.



City of Cadillac December 16, 2021 Page 3 of 6

We may also terminate our services to the City, by written notice to the City to that effect, if the City unreasonably fails to cooperate with us, if our monthly statements are not paid in a timely manner, or if we determine that our continued representation of the City would violate the rules of professional responsibility applicable to lawyers or would otherwise be impractical.

If the City terminates our representation, the Firm will return to the City any original materials in the Firm's files that belong to the City. The Firm will dispose of its files (including the Firm's work product) related to City matters as it sees fit.

This engagement letter is intended to govern all of the legal services that we may render to the City unless and until the Firm and the City mutually agree in writing to a different arrangement with respect to providing our legal services to the City.

Should you have any questions, please do not hesitate to call us. If the City agrees with the above, please execute this engagement letter at the bottom on behalf of the City.

We look forward to continuing to serve the City of Cadillac.

Sincerely,

FOSTER SWIFT COLLINS & SMITH PC

Michael D. Homier

MDH:ajz



City of Cadillac December 16, 2021 Page 4 of 6

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| Email Address for Invoices: |  |
|-----------------------------|--|
|                             |  |
| Dated:                      |  |
| Ву:                         |  |
| CITY OF CADILLAC            |  |
| AGREED:                     |  |



# **Additional Terms of Engagement**

# **Scope of Engagement:**

Our engagement is on behalf of the parties expressly named in our agreement. As way of example, our representation of an entity does not include a representation of the interests of the individuals that are directors, shareholders, or officers of that entity.

# **Cooperation:**

You agree to fully, accurately, and truthfully disclose to us all facts that may be relevant to the matter or that we may otherwise request to keep us apprised of developments relating to the matter. You agree to cooperate fully with us in all matters related to the preparation and presentation of your claims. We will be relying on the completeness and accuracy of the information you provide when we perform our services.

#### No Promise or Guarantee of Results:

You agree that we have made no promises or guarantees regarding the outcome of your case. Either at the beginning or during the course of our representation, we may express our opinions or beliefs concerning the matter or various courses of action and the results that might be anticipated. Any such statement made by any attorney, employee, or agent of our firm is intended to be an expression of opinion only, based on information available to us at the time, and must not be construed by you as a promise or guarantee of any particular result. In addition, the advice and communications we render on your behalf are not intended to be disseminated to or relied on by any other parties without our prior written consent.

#### Consultations with Internal and Outside Counsel to the Firm:

We represent a large number of clients on a wide variety of complex matters. In the course of our representation, we may consult with the firm's internal counsel with expertise in legal ethics issues and in the past have considered such consultations to be attorney-client privileged. Recent court rulings have indicated that in some circumstances such consultations may not be deemed privileged. Our firm believes that expert advice and analysis regarding legal ethics issues would positively benefit our clients.

You agree that if we determine during the course of the representation that it is either necessary or appropriate to consult with our firm's internal counsel or outside counsel to the firm, we have your consent to do so and that our representation of you shall not, thereby, waive any attorney-client privilege.



#### **E-mail Policy:**

Our firm's attorneys, employees, and agents may utilize e-mail for communications in this matter unless you notify us, in writing, not to use this means of communication. Unless you request in writing that we encrypt out-going e-mail and we have agreed in writing to reasonable and mutually acceptable protocols, documents sent to you by e-mail will not be encrypted.

Our firm expends reasonable efforts to exclude any virus or other defect that might affect any computer or IT system from our e-mails and electronic documents. We do not accept liability for any loss or damage resulting from the use of commercial software, or the receipt or use of electronic communications from us containing a virus or defect that was not created by us.

#### **Circular 230 Notices:**

Congress has passed legislation imposing reporting requirements and penalties, which the IRS has implemented by amending Circular 230 and setting forth various rules about written tax advice. As a result, you may notice that we will often have a Circular 230 statement on written communications about reliance on what you receive.

# Attorney's Lien:

All payments by way of recovery, award, judgment, or settlement to you from third parties shall be made jointly payable to you and us. If you obtain a monetary judgment or award, we shall have a lien on the proceeds to the extent of any of our unpaid fees, disbursements, or other charges.

#### **Relationship Term:**

When we have completed the specific professional legal services agreed to in this engagement, our attorney-client relationship shall end, regardless of the date you are billed or pay for our services.

Any agreement to provide non-professional services (facilities use, file storage, copies of old client files) does not revive the attorney-client relationship. The newsletters, e-mails, or other publications that we may occasionally send to you containing general updates on areas of the law of interest to you do not revive an attorney-client relationship.

# **Future Representation:**

If our attorney-client relationship has ended, we have no obligation to represent you in connection with related matters unless we have agreed to do so in writing in our engagement agreement. Regardless of whether we are representing you in other matters, we have no duty to accept new engagements from you unless mutually agreed.



# Planning Commission October 25, 2021, Meeting Minutes

#### Call to Order

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

#### **Roll Call**

Planning Commission: Filkins, Bunce, Bosscher, Putvin, Fent, Rice Staff: Wallace, Pluger

# **Approval of Agenda for October 25, 2021**

- A. Motion to approve the agenda by Fent. Supported by Bunce.
  - a. Motion approved unanimously.

# **Approval of July 26, 2021, Meeting Minutes**

- A. Motion to approve the minutes Bunce. Supported by Fent.
  - a. Motion approved with a vote of five, Rice abstained due to not attending the previous meeting.

#### **Public Hearings**

- A. Ordinance Amending Zoning Ordinance: Storage Facilities
  - a. Wallace presented a synopsis of the application stating this is not an approval but is an approval of a pathway to get to the desired outcome of creating storage units. Explained that the original conversation was stated that the current use does not allow for general storage. He then asked to use it as storage geared for tourism: vacation homeowners storing boats and toys.
  - b. Wallace then read his memo which was included in the packet. This explained the intent of the tourist district.
  - c. An amendment was discussed to allow certain items to be used via a special use permit. Wallace read the proposed amendment changes included in the packet. Wallace pointed out that the final two items are not strictly deemed as tourism use but were requested by the applicant to be included. It is the responsibility of the board to determine if they would like to include this.
  - d. Wallace then read the remaining section of the amendment included in the packet.
  - e. Wallace explained it was written to keep it a higher end storage unit. However long-term it is unknown how it can be enforced. There has been nothing submitted to show the quantification of demand. It is not enforceable to know what people are storing in those units. Wallace stated he has a hard time allowing household storage units in such desired tourism land. Wallace only agreed to bring this to the Planning Commission because the applicant stated it would be used strictly for tourism.

- f. Wallace explained that the applicants could not be in attendance, but he went through the slides that the applicants provided to the Planning Commission
  - i. It was discussed that there are other units going in down the road at the old Cherry Grove Event Center
- g. Wallace stated this is a challenging proposal and there is a lot for the Planning Commission to review and consider. Board has multiple options to accept, deny, or request more information.
- h. Open Public Hearing: Putvin opened the public hearing, no public in attendance.
- i. Closed Public Hearing
- j. Open Board Comments
  - i. Putvin asked if the site would be paved or gravel? Wallace explained it is in ordinance to be paved but that can be waived or postponed by the Planning Commission. Wallace recommended staying with the requirement.
  - ii. Bosscher commented that the pictures were not relevant because they are not in our county. He also asked if this would then open this up to the entire TS2 district? Would this be opening a box?
    - 1. Wallace explained the requirements on the sites are stringent to require setbacks and special use requirements so it would be very difficult for lots of these to be built and the Planning Commission could always turn it down for other uses.
  - iii. Filkins commented that the West Corridor just started, and work is being done to spearhead the direction of Cadillac West Authority. There is also very limited space. Would like to have discussion about this, such as units going up close by. Does it make more sense to encourage the developers to find a use that would play into the tourism and activity functionality?
  - iv. Bunce asked if it is a correct assumption to say that Mike Blackmer has been contacted to request this use? Wallace stated that this conversation can be tabled to ask the applicant more questions.
  - v. Filkins commented: we appreciate that the developer is wanting to meet needs and requests, but more thought needs to be put into approving this use and be very careful and thoughtful of the uses the Planning Commission allows.
  - vi. Bosscher asked how this piece in the city? Discussion followed to explain that the Pines building is split between the City of Cadillac and Cherry Grove Township. Discussion followed that there is very little vacant property and open space in the area.
  - vii. Filkins commented that the Corridor Authority has a vision for this area and developing this land would be a blank slate to bring in developers instead of tearing down other businesses to make room for new businesses.
  - viii. Discussion followed about how to involve the West Corridor Improvement Authority into this discussion.
    - ix. The board then discussed if there could be something brought to the area that can bring more people to the area and make a profit since the baseball fields are not generating enough profit?

- x. Wallace stated Zoning Ordinance being rewritten right now and he would like feedback for this for that re-write.
- xi. Fent suggested that this be shelved until the West Corridor Authority had time to review and give feedback.
- xii. Bosscher asked for clarification on the Cadillac West Authority. Filkins explained this is a new board. Wallace explained it is basically a DDA of the West Corridor and they are currently working on their vision and finance plan right now.
- xiii. Discussion of grant opportunities available right now for the DDA and West CIA right now and hoping to attract more moneys for redevelopment.
- xiv. Putvin requested clarification of items allowed in the storage units. Discussion followed of how this would possibly be regulated.
- xv. Rice questioned if this could limit new businesses such as boat dealers etc.? Wallace stated this would be a different use related to sales.
- xvi. Discussion followed about allowing West CIA the first opinions on this and getting their recommendation because there are so many options to create something unique on the property.
- k. Motion by Fent was made to table this request until a recommendation can be made by the West Corridor Authority.
  - i. Supported by Bunce.
  - ii. Approved Unanimously.

# New Business -

#### Old Business -

#### **Board Members Comments - None**

#### <u>Communications – None</u>

<u>Public Comments – None</u>

# <u>Other Business – None</u>

#### Adjourn

- Adjourned at 6:45 PM



# MEETING MINUTES THE CADILLAC HISTORIC DISTRICTS COMMISSION (HDC) OCTOBER 25, 2021

A Special Meeting of the Historic District Commission was held on October 25, 2021.

# **Roll Call**

The meeting started at 5:05

Commission Members Present: Carder, Bliven, Snider and Engels

Absent: Dubravec and Iehl Staff Present: Coy & Wallace

# Approval of the October 25, 2021 Meeting Agenda

A motion was made to approve the agenda as presented by Bliven. Support from Snider. The motion passed with unanimous support.

#### **Approval of the April 20, 2021 Meeting Minutes**

A motion was made to approve the April 20, 2021 meeting minutes by Bliven. Support from Engels. The motion passed with unanimous support.

#### **Public Comments**

None

#### New Business –

1. Construction Application from Darrick Earegood, State Farm Agent who recently purchased 302 E. Cass Street. The application is for a commercial State Farm pole sign. The previous owner is a local chiropractor who had his practice in this former home. The size of the new sign is seven feet high and 32 square feet in size. Coy explained that both the height and size are permitted by right in the Office Service District (OS-2). This historic home was built in 1895.

The original concept shows a sign with a black background and lettering in the colors of gold and red. Mr. Earegood brought a picture of the new colors for the sign that are the State Farm corporate colors of red and white. Coy asked if State Farm would be paying for the sign and the answer was no, Mr. Earegood is responsible for the cost and he's hoping he can put up a nice sign that does not add thousands of dollars to his cost.

Engels asked about the width of the pole sign the chiropractor had up. Coy answered he thought the poles are less than six feet apart. Snider added he would like to see a sign smaller than 32 square feet. Bliven brought up the picture given to them tonight which showed the State Farm logo in the colors of red and white as a rectangle adding that he would like to see a more decorative design other than a rectangle. He added the concept

given with the work application is more attractive. Coy added an aesthetically pleasing design for this historic site he would prefer. There was a discussion about the design.

A motion was made by Engel's to approve the Construction Application for a commercial pole sign at 302 E. Cass Street not to exceed 32 square feet and seven feet in height. It is also requested that a sign be constructed with a decorative design and finish that compliments this historic building's architecture. Support from Bliven. The motion was approved with a unanimous vote.

#### **Old Business**

The reroofing of the home owned by Matt Hutchinson located at 407 E. Harris Street. Coy spoke and said that after receiving a call from Snider he went to the home and contractors (Hanson's Construction located in Troy, MI) had a section of the roof's old asphalt shingles off and were preparing to have the new Atlas StormMaster Shake asphalt shingles installed. He asked one of the workers to have their supervisor call Coy at City Hall. Coy also took pictures and grabbed one of the old worn asphalt shingles to compare with the new ones on site. Hanson's called Coy promptly and submitted both a Building Permit Application and a Historic Districts Construction Application.

Coy added that the new shingles did appear to be of a better quality than the old shingles which were not shake shingles. The owner Hutchinson and the representative from Hanson's told Coy that no changes were being made to the roof line and the soffits would remain as it.

After a short discussion Carder asked if any action was needed by the HDC. Coy replied "not really" as the job is completed and neither the roof line or the soffits were changed.

#### **Commissioner Comments** –

None

Adjourn – The meeting adjourned at 5:27 pm,