

5:30 p.m. Arbor Day Tree Planting Ceremony.

6:00 p.m. City Council Committee of the Whole.

7:30 p.m. Call to Order.

Invocation: Pastor Ryan Doyle of Cherry Creek Community Church.

Pledge of Allegiance.

Roll Call.

Proclamation: Child Abuse Prevention Month
National Arbor Day
Parkinson's Disease Awareness Month

A. Approval of the Special, Committee of the Whole and Regular Meeting Minutes of March 24, 2015.

* B. Approval of Consent Agenda Motions.

* C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of April 14, 2015, as presented.

D. Public Hearings:

E. Petitions and Statements of Citizens:

F. Reports from the Administration:

1. Presentation of Proposed Fiscal Year 2015-2016 Budget.

* 2. Communication from the City Manager recommending that City Council adopt:
a. the Resolution Authorizing Refunding of the City of Portage Capital Improvement Bonds, Series 2008 and Series 2008B and
b. the Resolution Approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Refunding Bonds, Series 2015A.

* 3. Communication from the City Manager recommending that City Council authorize the city acquisition of 203 East Centre Avenue and 208 Brown Avenue, owned by Marian Meyer et al., for the amount of \$180,000.

* 4. Communication from the City Manager recommending that City Council confirms the appointment of Kendall Klingelsmith as the Director of Parks, Recreation & Senior Citizen Services, effective April 15, 2015.

* 5. Communication from the City Manager recommending that City Council adopt a resolution accepting all new streets constructed within residential plats approved by City Council during calendar years 2008, 2013 and 2014 as public streets.

* 6. Communication from the City Manager recommending that City Council set a Committee of the Whole (COW) Meeting for Tuesday, April 28, 2015, at 6:00 p.m. in Conference Room No. 1 to discuss the topic of audit and enhance aging infrastructure.

* 7. Communication from the City Manager recommending that City Council set a Special Meeting on Tuesday, May 12, 2015, beginning at 5:15 p.m., to interview Board and Commission applicants.

G. Communications:

1. Annual update of the Human Services Board, Sandra Sheppard, Chairperson.
2. Annual update of the Park Board, Kathleen Hoyle, Chairperson.

3. Communication from Tim Rogowski, 8083 Glenwynd Drive, Kalamazoo, regarding the rough condition of the private road known as Martin Luther King Drive.
 - a. Communication from the City Manager in response.

H. Unfinished Business:

1. Communication from the City Manager recommending that City Council approve the revisions to the Brownfield Redevelopment Incentive Policy.

* I. Minutes of Boards and Commissions Meetings:

1. Portage Park Board of March 4, 2015.
2. Portage Human Services Board of March 5, 2015.

J. Council Committee Reports.

K. New Business.

L. Bid Tabulations:

M. Other City Matters:

1. Statements of Citizens.
2. From City Council and City Manager.

* 3. Reminder of Meetings:

- a. Wednesday, April 15, 2:30 p.m., Senior Citizen Advisory Board, Portage Senior Center.
- b. Thursday, April 16, 7:00 p.m., Portage District Library Board, Portage District Library.
- c. Thursday, April 16, 7:00 p.m., Planning Commission, Council Chambers.
- d. Tuesday, April 21, 4:30 p.m., Budget Review Session, City Hall Room No. 1.
- e. Thursday, April 23, 4:30 p.m., Public Media Network Board of Directors, 3rd Floor, 359 S. Kalamazoo Mall.
- f. Tuesday, April 28, 6:00 p.m., City Council Committee of the Whole, City Hall Room No. 1.

N. Materials Transmitted March 20 and 24, 2015.

Adjournment.

CITY COUNCIL MEETING SUMMARY

March 24, 2015

STUDENT MAYOR AND COUNCILMEMBERS FOR THE DAY

- ◆ City Clerk James Hudson swore in the Student Mayor for the Day and Student Councilmembers for the Day.

PROCLAMATIONS

- ◆ Mayor Strazdas issued a Fair Housing Month Resolution and a Lending Hands of Michigan Month Proclamation.

ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Check Register of March 24, 2015, as presented.

REPORTS FROM THE ADMINISTRATION

- ◆ Established a public hearing for April 28, 2015, at 7:30 p.m. or as soon thereafter as may be heard, to consider resolutions to adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water; adopt the recommendation that the water commodity rate remain at \$3.19 per 1,000 gallons of metered water; adopt the recommendation that adjustments be made to both the sewer and water base quarterly charges; adopt the recommendation that the new rates become effective on October 1, 2015; and adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2015 Utility Rate Financial Study.
- ◆ Approved Contract 15-5048 between the Michigan Department of Transportation and the City of Portage for improvements along South Westnedge Avenue from Mall Drive to Dawnlee Avenue; adopted a Resolution authorizing the City Manager to sign Contract 15-5048, and authorized the City Manager to sign all other documents related to this project on behalf of the city.
- ◆ Adopted a resolution setting a public hearing at 7:30 p.m. or as soon thereafter as may be heard, to deed the easement rights located in Lexington Green, Lexington Green No. 1 and Lexington Green No. 3 plats, to the Lexington Green Drain #319 Drainage District, place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015; a resolution to grant an easement to the Lexington Green Drain #319 Drainage District on city-owned property for the construction, operation and maintenance of storm drainage facilities located at 6775 Quality Way, 6401 Corporate Avenue and 4550 Quality Court, approve a license agreement to perform drainage work in Lexington Green Park, and place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015; a resolution to transfer jurisdiction and ongoing maintenance of the storm drainage systems in Commercial Avenue, Environmental Drive, Quality Way, Quality Court, as well as drain crossings at Meredith Street and Bishop Avenue, place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015, and authorized the City Manager to execute all documents related to the above resolutions on behalf of the city.
- ◆ Adjourned the discussion of and decision on the approval of the revisions to the Brownfield Redevelopment Incentive Policy to the April 14, 2015 Regular City Council Meeting.
- ◆ Adopted the resolution of support for the Kalamazoo County Brownfield Redevelopment Authority Brownfield Redevelopment Plan for 4460 Commercial Drive for tax capture in the maximum amount of \$100,634 over a period of up to 20 years (including five years for the Local Site Remediation Revolving Fund) or when eligible activities have been fully reimbursed, whichever occurs first.
- ◆ Accepted Ordinance Amendment #14/15-A for first reading and set a public hearing for April 28, 2015, at 7:30 p.m. or as soon thereafter as may be heard and, subsequent to the public hearing, approve Ordinance Amendment #14/15-A, Auto Repair and Vehicle Fueling Station Regulations.
- ◆ Approved the purchase of a 2015 Elgin Street Sweeper, through the State of Michigan purchasing program (MiDEAL) at a purchase price of \$146,207 and authorized the City Manager to execute all documents related to these purchases on behalf of the city.
- ◆ Set a Committee of the Whole (COW) Meeting for Tuesday, April 14, 2015, at 6:00 p.m. in Conference Room No. 1 to discuss supporting regionalization while focusing on Portage.
- ◆ Adopted the Resolution Designating Polling Places and Rate of Compensation for the May 5, 2015 Special Election.
- ◆ Received the communication from the City Manager regarding the sale of city property (10323 Archwood Drive update) as information only.
- ◆ Received the communication from the City Manager regarding the February 2015 Summary Environmental Activity Report as information only.
- ◆ Received the Department Monthly Reports.

COMMUNICATION

- ◆ Accepted the unanimous Environmental Board Resolution on Single-Stream Recycling, reissued the original Moorsbridge Single-Stream Recycling Pilot results to all Councilmembers, asked the City Manager to make a recommendation to Council regarding the Environmental Board recommendation regarding Single-Stream Recycling, and received the report from Environmental Board Member Bill Beck regarding Single-Stream Recycling, including the Resolution adopted by the Environmental Board.

COUNCIL COMMITTEE REPORT

- ◆ Received the report from Councilmember Urban and Mayor Pro Tem Pearson regarding the Central County Transit Authority.

BID TABULATION

- ◆ Awarded an engineering contract for the Stormwater, Asset Management, and Wastewater Program (SAW) to Hurley & Stewart, LLC, in the amount not to exceed \$209,000 and authorized the City Manager to execute all documents related to this matter on behalf of the city.

STATEMENTS OF CITIZENS

- ◆ Catherine Niessink, 5120 Angling Road, thanked City Council for their support for the CCTA as she has a friend who cannot go to Church on Sunday because she cannot get on a bus or in a regular car owing to a permanently paralyzed leg.
- ◆ Bill Lenehan, 1626 Henley Avenue, complained that mention was made at the bottom of an article in the *Kalamazoo Gazette*, Sunday, March 15, 2015 where Councilmember(s) he chose not to name indicated that the quality of the retail is going down and where the question was asked, "Is there any way to track the data?" He said he was particularly humiliated when another question was asked, "Was there any way to control who rents space" because he is a small business owner and found this line of questioning objectionable.

STATEMENTS FROM MAYOR AND CITY COUNCIL

- ◆ All of the Councilmembers and the Mayor expressed kudos and appreciation to the student participants, parents and the Student Advisors in the Student Mayor and City Council for the Day Program.
- ◆ Councilmember Randall and Mayor Pro Tem Pearson also expressed an appreciation for the Proclamations issued by Mayor Strazdas, and Councilmember Randall asked to incorporate positive comments from citizens in the City Social Media options as they develop.
- ◆ Councilmember Urban apologized for not being able to make it to the earlier meeting with the students and expressed his appreciation for the students, their efforts and the importance of public service.
- ◆ Mayor Pro Tem Pearson thanked Community Development Director Vicki Georgeau for her efforts and the policy recommendations that foster economic development. He also mentioned the presentation during the earlier Committee of the Whole by IT Director Devin Mackinder with respect to Social Media and the advent of the electronic agenda.

STATEMENTS FROM STUDENT MAYOR AND STUDENT COUNCIL

- ◆ Student Councilmembers Wes Hyames, Maycie McGowan, Kyle Vickery, Alicia Abdo, Ben Orwin and Danny Saba, and Student Mayor Marcus Moore expressed their respective appreciation for the opportunity to participate and serve during the Student Mayor and City Council for the Day Program, and the efforts of City Council to make it an enjoyable and rewarding experience.

STATEMENTS FROM THE MAYOR

- ◆ Mayor Strazdas thanked the Student Councilmembers and the Student Mayor and thanked all of the students to whom he read during Reading Month. He stressed that it is important for everyone to get engaged in the community and thanked all for getting involved. He indicated that the Student Councilmembers and the Student Mayor were adult and professional throughout the day; they were engaged and wanted to learn about government; and, they did a great job being student representatives of Portage Public Schools.

COMPLETE MINUTES OF EACH CITY COUNCIL MEETING ARE AVAILABLE ON THE CITY WEBSITE AT PORTAGEMIGOV, IN CITY HALL AND IN THE DISTRICT LIBRARY. MINUTES OF CITY BOARDS AND COMMISSIONS ARE AVAILABLE ON REQUEST FROM VARIOUS DEPARTMENTS.



City of Portage Proclamation

CHILD ABUSE PREVENTION MONTH

WHEREAS, 6,062 calls of suspected maltreatment of children were received by our Local Children's Protective Services last year; and

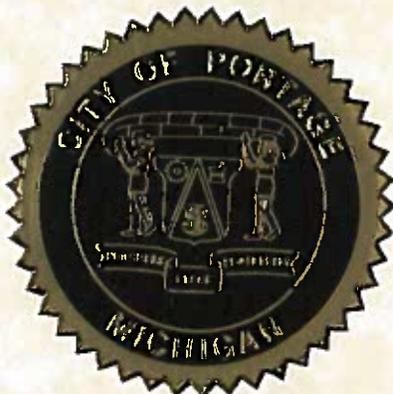
WHEREAS, nearly 50% of confirmed victims of abuse and neglect in our County are under the age of 6; and,

WHEREAS, the sleep-related infant mortality rate in Kalamazoo County is 1.5 deaths per 1,000 live births, a higher overall rate than the State of Michigan's; and,

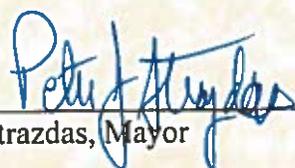
WHEREAS, five Protective Factors, namely: Social and Emotional Competence of Children, Knowledge of Parenting and Child Development, Social Connections, Parental Resilience, and Concrete Support in Times of Need **reduce** the risk of child maltreatment; and,

WHEREAS, the Kalamazoo County Child Abuse and Neglect Prevention Council works to educate community members and advocate for the prevention of child abuse, especially during April.

NOW THEREFORE, I, Peter J. Strazdas, Mayor of the City of Portage, do hereby proclaim April as **Child Abuse Prevention Month** in the City of Portage and call upon all citizens, community agencies, faith groups, medical facilities, and businesses to increase their participation in the effort to support families, thereby preventing child abuse and strengthening the community in which we live.



Signed this 14th day of April, 2015


Peter J. Strazdas, Mayor



City of Portage Proclamation

NATIONAL ARBOR DAY

WHEREAS, the importance of trees to the quality of the environment is recognized by designation of April 24th as National Arbor Day; and

WHEREAS, The National Arbor Day Foundation is a non-profit group committed to tree planting and conservation; and

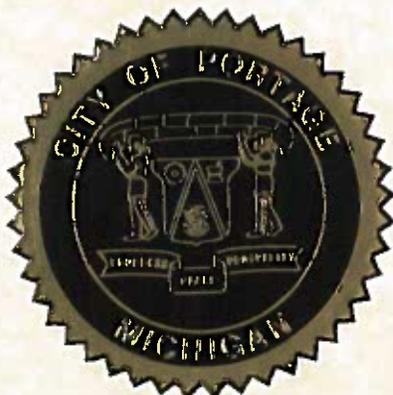
WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and

WHEREAS, trees in our City increase property values, enhance the economic vitality of business areas, and beautify our community; and

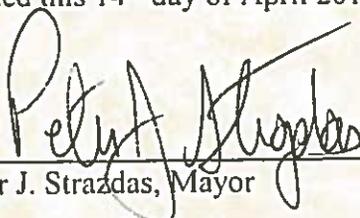
WHEREAS, the City of Portage has been designated as a Tree City USA by The National Arbor Day Foundation for its efforts in tree planting and tree conservation; and

WHEREAS, the Portage City Council held a ceremonial tree planting, Tuesday, April 14th on City property in recognition of National Arbor Day:

NOW THEREFORE, I, Peter Strazdas, Mayor of the City of Portage, Michigan do hereby proclaim April 24, 2015 as Arbor Day in Portage and do hereby encourage all residents to plant trees at their homes and places of work.



Signed this 14th day of April 2015


Peter J. Strazdas, Mayor



City of Portage Proclamation

PARKINSON'S DISEASE AWARENESS MONTH

- WHEREAS,** Parkinson's Disease is a chronic, progressive neurological disease with no known cause, affecting approximately 35,000 people in Michigan that is marked by diverse symptoms including: rigidity, slowness of movement, poor balance and tremors that lead to impaired abilities; and
- WHEREAS,** even though this disease cannot be cured at this time, effective control of Parkinson's Disease can be achieved through medication and/or surgery in conjunction with education, rehabilitation programs for extended periods, and specialized group exercises on a frequent basis; and
- WHEREAS,** the Kalamazoo Area Parkinson's Support Group (KAPSG) provides education, support, and fellowship to those affected by this disorder, and makes available a Michigan publication which addresses various topics helpful to people with Parkinson's Disease, such as how to cope and how to develop positive attitudes to combat the effects of Parkinson's Disease; and
- WHEREAS,** the KAPSG multidisciplinary team provides individualized physical therapy, occupational therapy and psychological therapy to address the emotional, psychological and physical challenges faced by Parkinson's Disease patients and challenges faced by their caregivers, families and friends; and
- WHEREAS,** Michigan is a center of groundbreaking research and new treatments with major centers for movement disorders for treating persons with Parkinson's Disease, and has continued to establish programs for over 30 years through a largely volunteer effort to provide education and support for people with Parkinson's Disease, their families and their healthcare professionals; and
- WHEREAS,** the KAPSG has met for over 30 years, realizes that they have not touched all of the Parkinson's Disease patients in our community, and continues to identify resources to assist in the care of this special patient population and continues to help professional staff determine a model of service and support for these patients and other patients dealing with chronic conditions.

NOW, THEREFORE, BE IT RESOLVED that I, Peter Strazdas, Mayor of the City of Portage, do hereby proclaim April 2015 as Parkinson's Disease Awareness Month in the City of Portage.



Signed this 14th day of April 2015

Peter Strazdas, Mayor

DRAFT

MINUTES OF THE SPECIAL MEETING OF THE PORTAGE CITY COUNCIL MAYOR AND CITY COUNCIL FOR THE DAY OF MARCH 24, 2015

Mayor Peter Strazdas called the meeting to order at 8:00 a.m. in Council Chambers and provided a summary of the planned activities of the day. The following members of City Council were present: Councilmembers Nasim Ansari, Patricia M. Randall and Claudette Reid, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Councilmembers Richard Ford and Terry Urban were absent with excuse. Also in attendance were City Manager Laurence Shaffer, City Attorney Randy Brown and City Clerk James Hudson.

Present from Portage Northern High School were: Abbie Burtis, Wes Hyames, Lindsey Jansma, Maycie McGowan, Austin Vanderweele, Kyle Vickery and Lydia Willhite. Also present was Student Advisor Rick Searing.

Present from Portage Central High School were: Alicia Abdo, Natalie Liou, Marcus Moore, Ben Orwin, Danny Saba, Joe Stewart and Travis Wilkinson. Also present was Student Advisor Mark Sutherland.

At the request of Mayor Strazdas, City Attorney Brown provided a discussion of the role of the City Attorney, and each Councilmember and Mayor Strazdas provided a discussion of how he or she became involved in city government. Discussion and a question and answer session followed.

At the request of Mayor Strazdas, City Clerk Hudson discussed elections, voter registration and gave some ideas to use on how to run for public office.

At the request of Mayor Strazdas, City Manager Shaffer discussed the role of the City Manager and impressed on the need to adhere to one's values. He described City Council as a Policy-making Board that needs to have a commitment to serve and the City Manager manages all of the departments. He advocated the study of Public Administration as a means of effecting change in the fundamental core of how people live. Discussion followed. Mr. Shaffer indicated that the City of Portage has a \$65 million budget, most of which goes toward public safety, and reviewed the roles of the various departments. Discussion followed.

RECESS: 9:00 a.m.

Mayor Strazdas, the City Councilmembers and the students went on a tour of the Portage City Hall.

RECONVENE: 9:51 a.m.

City Councilmembers and the students met in Council Chambers and Mayor Strazdas asked the students to tell everyone what they felt are the important issues or a "wish list" for the community besides the football stadium for each high school issue. They mentioned Martin Luther King Lane at the Crossroads Mall as a bad road; plowing the snow on Bacon Avenue as one of the back roads students use to get to school; the need for more roundabouts for safe pedestrian and bicycle travel; the importance of sidewalks to the community; the strong retail hub

on Westnedge Avenue even though there has not been an enclosed mall built since 2006; and the importance of the Zoning Code for promoting a mix of uses to keep an area vital.

RECESS: 10:00 a.m.

City Councilmembers and the students went on a tour of Portage Fire Station No. 1 and a tour of the Portage Police Station.

RECONVENE: 11:30 a.m.

Mayor Strazdas invited the student participants to eat lunch and asked each student to provide a speech stating why he or she wanted to be Mayor or Councilmember for the Day and to disclose whether they could attend the City Council Meeting later at 7:30 p.m. Discussion followed.

Following the student speeches, City Clerk James Hudson and Deputy City Clerk Adam Herringa led the process for voting in the Mayor and City Councilmember for the Day Election.

The election for Student Mayor for the Day followed, and Marcus Moore was declared the winner of the Student Mayor for the Day position. Discussion followed.

The election for Student Councilmember for the Day followed. A two-way tie occurred between Wes Hyames and Austin Vanderweele for the last Student Councilmember for the Day Election position. In accordance with state election law, a drawing took place and Wes Hyames drew the piece of paper with "Elected" written on it. As a result, he was declared the winner of the remaining Student Councilmember for the Day position. Discussion followed.

The following students were elected Student Councilmembers for the Day from Portage Northern High School: Wes Hyames, Maycie McGowan, Kyle Vickery, and from Portage Central High School: Alicia Abdo, Ben Orwin and Danny Saba. Discussion followed.

Mayor Strazdas thanked all of the students for participating and wished them success and asked each of them to give it their "all" each day so the community can get better and thanked City Council for participating.

ADJOURN: Mayor Strazdas adjourned the meeting at 12:50 p.m.

James R. Hudson, City Clerk

MINUTES OF THE COMMITTEE OF THE WHOLE WORK SESSION OF MARCH 24, 2015

Mayor Strazdas called the meeting to order at 6:00 p.m. The following Councilmembers were present: Councilmembers Nasim Ansari, Patricia M. Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Councilmember Richard Ford was absent with notice. Also present were City Manager Larry Shaffer, Deputy City Manager Rob Boulis, Community Marketing Director Devin Mackinder and City Clerk James Hudson.

Mayor Strazdas deferred to City Manager Shaffer, who stressed the importance of social media in government and online initiatives for 2015, and indicated it as the number one method of providing information in the future. He introduced Devin Mackinder, who provided an update for City Council using a PowerPoint Presentation which he promised would be e-mailed to each Councilmember.

Mr. Mackinder indicated that social media is the collective of online communications channels dedicated to community-based input, interaction, content-sharing and collaboration. He explained that websites and applications dedicated to forums, microblogging, social networking, social bookmarking, social curation, sharing economy, crowdsourcing, crowdfunding and wikis are among the different types of social media. He stressed that this is totally different from the way the City of Portage has interacted with the public in the past and is a two-way communication tool. Discussion followed.

Mr. Mackinder explained some of the mainstream social media options, including: Facebook, Twitter, Instagram, YouTube, Pinterest, Google+, Linked-In, Survey Monkey, Real Simple Syndication (RSS), Podcasts, Blogs, Mass Notification Systems, Mobile Applications, and Dashboards. He referred to the image that depicts all of the “buckets” of social media utilized throughout the world today.

Mr. Mackinder reviewed some of the main social media channels used by Municipalities for some years and urged Council to click on any of them to learn more about them. He indicated that the social media project needs to be a collaborative effort among the Council and the Administration for it to be successful and stressed the need for all to be familiar with the various types of social media. Discussion followed.

In response to Mayor Pro Tem Pearson, Mr. Mackinder agreed to check into the Kalamazoo slogan, *Love Where You Live* to see if other municipalities are using it and whether Portage can use it. City Attorney Brown reminded Council that *Portage Alert* has been copyrighted and implied that the City of Kalamazoo could have copyrighted the *Love Where You Live* slogan. Discussion followed.

Next, Mr. Mackinder explained the uses of the following examples of municipal social media applications: MindMixer (Imagine Kalamazoo), which connects the people who love where they live with the organizations, places and projects that shape its future; Open Town Hall, which is the most widely used online public comment platform for government; Nextdoor, which is the private social network of over 54,000 U.S. neighborhoods; Waze, which is the world's largest community-based traffic and navigation application. Discussion followed regarding the use of social media to assist with traffic during the 2015 South Westnedge Avenue Road Reconstruction Project.

Mr. Mackinder then described the uses of Blackboard Connect (Portage), which is a mass notification system, and outlined Suite One as an example of an electronic agenda and citizen engagement. He again stressed the need for the Administration and City Council to build the social media platform together and to make sure that the information is accurate, timely and the same regardless of the conduit. Discussion followed.

Councilmember Randall asked how to get people to use the available information resources to assist them within the community. Mr. Mackinder explained that it is critical to find out what is important to each segment of the population in order to relay information accordingly, whether it be recreation, restaurants, etc. He said that the questions and the media utilized for the community survey as a tool helps with the proper focus on this and explained. Discussion followed.

Councilmember Ansari asked whether there is a demand for social media, or is Portage going to create a demand for it; and, is there any other community that is using it so we do not have to reinvent the wheel. Mr. Shaffer indicated that Granicus has been around for a long time, and he said it has been in New England for at least seven years by now and explained how social media can benefit the city community. Mayor Strazdas asked Mr. Mackinder to finish his presentation for discussion purposes at the end.

With that, Mr. Mackinder asked the rhetorical question, "Why use social media?" He indicated we use social media because that's where the people are with 75% of adults using social media; and, Americans now spend more time on social media than any other online activity, including email. Furthermore, he indicated we use social media to share, listen and engage. He explained "share" means to inform citizens of public services and activities; "listen" in order to understand what citizens are sharing to improve public services; and "engage" allows us to respond, collaborate and create with citizens to improve public services and promote a sense of community which is different from what was done in the past. He quoted an article regarding Gen X from *Governing Magazine* and stressed the need for "give and take." Discussion followed.

He said in order to use social media responsibly, or at least learn from the past mistakes of others, we need to utilize social media in a meaningful way, not just because it is "cool." He noted that before we really engage in social media, we have to develop goals and objectives, a communications plan if you will, and a mission statement and explained why this is important and the questions that need to be asked. He stressed the need to devise the internal process to ensure all communications are accurate, timely, responsive, coordinated and integrated with current traditional forms of communication.

Mr. Mackinder reminded Council that sometimes security, records retention, the Freedom of Information Act (FOIA) and associated costs are sometimes forgotten, and that the law has not completely caught up with technology and explained. He indicated a need to handle negative feedback, unwarranted verbal attacks and the internal misuse of social media by city staff. He provided some examples and said that, since social media is electronic, the conversations and or issues can linger and there can be a need to avoid damaging reputations or the public trust.

He listed some of the 2014 Accomplishments as follows: Senior Center Facebook Page was launched; added extra RSS Feeds (Employment and Volunteer Opportunities); rebuilt the Media Center; upgraded the BS&A Online Property Tax Lookup; implemented the PortageAlert Mass Notification System; upgraded the MI.Portage App

(PortageAlert and K-Metro) and consulted the Youth Advisory Committee for feedback on Councilmember Randall's question regarding how do we communicate and get people involved in the community.

Next, Mr. Mackinder reviewed the current footprint and future goals (online initiatives) and online presence in Portage and reviewed the 2015 Goals: to develop a formal social media plan (usage policy already in place); live streaming of televised meetings (lost when we went with PMN); online agenda system (Granicus or Suite One); rebuild the city website to make it mobile friendly, better social media integration, and updated employment system; upgrade Report It! to the BS&A Citizen Request for Action system; upgrade online payment system with BS&A Point & Pay; RSS feeds for Planning, Zoning Board website pages; and provide Cisco WebEx video conferencing. He indicated that the 2015 Considerations that may turn into action items are: creating Parks and City Facebook Pages; replacing Media Center with Instagram/Youtube; purchasing MindMixer or Open Town Hall; using Crowdsourcing, Crowdfunding; expanding video conferencing capability (Skype, WebEx); revising Community Survey questions and transmission vehicles (MindMixer, Open Town Hall); and reconsidering "Active 365" which would provide day-to-day event offerings in the community.

He showed Council a slide that listed ten ways local government can use social media and some that the City of Portage is already using: Crime Prevention and Police Assistance; Emergency Alerts and Severe Weather Updates; Activities and Class Registration; Council Meetings; Driving Traffic to Official Website; Public Service Announcements; Construction Updates and Road Closings; Community Building; Job Applications; and Economic Development.

Mayor Pro Tem Pearson spoke in support of Mr. Mackinder and his social media efforts. He asked for assurances that he will have a "handle" on how to use it before it is fully implemented; he addressed the importance of having the *Portager* in paper form during the transition to the electronic form; and, he referred to the Community Survey as a dinosaur and the need to have it revamped. Mayor Strazdas concurred with Mayor Pro Tem Pearson and further discussed the ramifications of the use of social media in the community. Councilmember Randall also spoke in support of Mr. Mackinder and his social media efforts and expressed an interest in supplementing the limitations provided by the *Kalamazoo Gazette* and explained.

Councilmember Reid referred to the many studies regarding communication and indicated that when a topic is complex, there is a need to go to the highest form of communication, but social media is set up as small bits, sound bites or pieces, and government is not simple. So, she stressed that it is important to use social media to point people to places where they may get the best information. She said that the city website becomes important as one of the sites that has information that already exists and has the in-depth quality of information. Discussion followed. Mr. Mackinder confirmed for Councilmember Reid that Suite One can take advantage of the Public Media Network stream and is very flexible in this regard and she noted that while at the City of Novi Mayor's Exchange, they used a Cable Access show to inform citizens what stores were open for business during a road reconstruction project and stressed the importance of bringing the information forward in a variety of media forms for information saturation with regards to the South Westnedge Avenue Project.

DRAFT

Mayor Strazdas mentioned that the whole social media piece may be challenging good journalism since people do not go to social media for facts or third party excellent journalism, and that he is bothered by that. Mr. Mackinder concurred and discussion followed regarding the importance of government control of the message and the need for good journalism. City Attorney Brown indicated that when the City opens the gates for what people say and what people don't say, the First Amendment disallows any control over that discussion. Mayor Strazdas asked City Manager Shaffer to bring Council some recommendations for consideration at a Regular City Council Meeting.

ADJOURN: Mayor Strazdas adjourned the meeting at 7:14 p.m.

James R. Hudson, City Clerk

CITY COUNCIL MEETING MINUTES FROM MARCH 24, 2015

The Regular Meeting was called to order by Mayor Strazdas at 7:35 p.m.

Mayor Strazdas provided a short synopsis of the Mayor and City Council for the Day Program and asked City Clerk James Hudson to administer the oath to the students who were elected Student Councilmembers for the Day. Mr. Hudson called forth the students from Portage Northern High School: Wes Hyames, Maycie McGowan and Kyle Vickery, and the students from Portage Central High School: Alicia Abdo, Ben Orwin and Danny Saba, and administered the Oath of Office to them. He then called forth the student who was voted Student Mayor for the Day, Marcus Moore, and administered the Oath of Office to him. The Student Mayor and Student Councilmembers took their seats at the dais.

Mayor Strazdas invited Portage Public Schools Superintendent Mark Bielang and Portage Northern High School Student Council Advisor Rick Searing up to the Podium to make comment. Both Mr. Bielang and Mr. Searing expressed how important it is for students to be engaged in local government, and Mr. Bielang recognized the spirit of cooperation that exists between the City of Portage and Portage Public Schools, expressed pride in the students as capable ambassadors for Portage Public Schools and indicated that it is a real life opportunity for them to experience what they learn in the classroom. Mr. Searing thanked Mayor Strazdas and City Council for the opportunity this provides the students; he noted how it energizes them and instills excitement in them regarding what is going on in Portage; and he indicated that they let everyone know that there are many elected officials and employees who really care about Portage. He also reflected on those students who previously experienced the program and are now in public service. Discussion followed.

At the request of Mayor Strazdas, the City Clerk called the roll of City Council with the following members present: Councilmembers Nasim Ansari, Richard Ford, Patricia M. Randall, Claudette Reid and Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Also in attendance were City Manager Laurence Shaffer, City Attorney Randall Brown and City Clerk James Hudson.

At the request of Student Mayor Marcus Moore, Pastor Joan Herbon of the Lord of Life Lutheran Church gave the invocation and the City Council and the audience recited the Pledge of Allegiance.

At the request of Student Mayor Marcus Moore, the City Clerk called the Student Mayor and Student Councilmembers roll with the following members present: Student Councilmembers Wes Hyames, Maycie McGowan, Kyle Vickery, Alicia Abdo, Ben Orwin and Danny Saba, and Student Mayor Marcus Moore.

APPROVAL OF MINUTES: Motion by Ansari, seconded by Pearson, to approve the Regular Meeting Minutes of March 10, 2015, as presented. Upon a voice vote, motion carried 7 to 0. Motion by Reid, seconded by Ford, to approve the Committee of the Whole Meeting Minutes of March 10, 2015, as presented. Upon a voice vote, motion carried 7 to 0.

* **CONSENT AGENDA:** Student Mayor Moore asked all of the Student Councilmembers to share in the reading of the Consent Agenda. Afterwards, Councilmember Reid asked that Items F.2, Michigan Department of Transportation (MDOT) and the City of Portage for Improvements Along South Westnedge Avenue from Mall Drive to Dawnlee Avenue, F.4, Brownfield Redevelopment Incentive Policy Update, and F.8, April 14, 2015 Committee of the Whole Meeting, be removed from the Consent Agenda. She also read Items B, Approval of Consent Agenda Motions, and C, Approval of the Accounts Payable Register of March 24, 2015, as part of the Consent Agenda.

Motion by Pearson, seconded by Ansari, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

PROCLAMATIONS: Mayor Strazdas issued a Fair Housing Month Resolution and a Lending Hands of Michigan Month Proclamation.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MARCH 24, 2015:** Motion by Pearson, seconded by Ansari, to approve the Accounts Payable Register of March 24, 2015, as presented. Upon a roll call vote, motion carried 7 to 0.

REPORTS FROM THE ADMINISTRATION:

* **UTILITY RATE FINANCIAL STUDY:** Motion by Pearson, seconded by Ansari, to establish a public hearing for April 28, 2015, at 7:30 p.m. or as soon thereafter as may be heard, to consider resolutions to adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water; adopt the recommendation that the water commodity rate remain at \$3.19 per 1,000 gallons of metered water; adopt the recommendation that adjustments be made to both the sewer and water base quarterly charges; adopt the recommendation that the new rates become effective on October 1, 2015; and adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2015 Utility Rate Financial Study. Upon a roll call vote, motion carried 7 to 0.

MICHIGAN DEPARTMENT OF TRANSPORTATION (MDOT) IMPROVEMENTS TO SOUTH WESTNEDGE AVENUE FROM MALL DRIVE TO DAWNLEE AVENUE: Councilmember Reid explained that these renovations on South Westnedge Avenue have a lot of implications for other projects, so she stressed the importance of having a discussion regarding the proposed funding. If approved by City Council, she indicated that a funding request will be presented to the Kalamazoo Area Transportation Study Committee (KATS), which manages Federal Funds that come into Kalamazoo County for consideration, and that she and Councilmember Urban will be addressing this request as members of that Committee tomorrow.

Mayor Strazdas asked for an analysis of the matter from City Manager Laurence Shaffer, including the challenges and recommendations involved. Mr. Shaffer indicated that the proposed project was originally estimated by City engineers at \$1.8 million; since that time the City of Portage engaged engineers to perform an estimate and the amount came to \$2.4 million; and, on March 6, 2015, bids were opened and the low bid was just over \$2,803,081 which represents a 14.7% increase over the original estimate, and a \$1.3 million overage when considering a reasonable amount of contingency. He indicated that after careful consideration and collaboration among the City Administration, City Departments, the Executive Director of KATS, Councilmember Reid and Councilmember Urban, the plan for obtaining the balance of the funding is: \$521,000 originally appropriated through KATS for the West Osterhout Avenue Project; a reallocation of \$550,000 from the CIP Budget left over from three projects, two Portage Road Reconstruction projects and a project for redoing Gladys Street and Newport Road; and \$227,000 from the Water Reserve Fund owing to approximately \$800,000 of this Project falling under the Water Reserve. Mr. Shaffer said that the West Osterhout Avenue Project was estimated at \$1.2 million and \$1.4 million was appropriated. He said taking the West Osterhout Avenue Project out of the State Transportation Improvement Program made it less expensive and, upon analyzing of all of the 82 project bids received by MDOT across the state, approximately 50 % of them were lower than a 10% increase; this led him to believe that in a project that is not as complicated as the South Westnedge Avenue Project, has far less traffic control issues, and none of the issues associated with maintaining the business profile on South Westnedge Avenue, he can be confident that we are going to have a good opportunity to receive a much more positive reaction when we go out to bid on the West Osterhout Avenue Project. He explained that the City has 49 days to accept this bid

and, if the bid is rejected, the City risks losing the \$800,000 that had been appropriated. He indicated that this gets the South Westnedge Avenue Project done without postponing the West Osterhout Avenue Project. Discussion followed.

In light of these facts, Mayor Strazdas stressed the importance of the projects and asked when would the West Osterhout Avenue Project commence, and Mr. Shaffer indicated that there is no intention of delaying the West Osterhout Avenue Project, bids will be let and those bids will be submitted to Council; furthermore, if the bids prove to be over the estimate, the Administration will submit a plan as part of the consideration for approval. Discussion followed. In response to Mayor Strazdas, Mr. Shaffer indicated that there is \$2.4 million in the Water Reserve Fund and, minus encumbrances and appropriations, there would be \$2.18 million remaining which would not affect the operating budget.

Councilmember Urban asked whether the motion should include a conditional approval for KATS. City Attorney Randy Brown indicated that the City Council can place a condition on the approval, and indicated that it would not be required in this case because "if there is not enough money, then it's not going to happen." Mr. Shaffer responded that in the event KATS does not approve the transfer of the \$521,000 from the West Osterhout Avenue Project to the South Westnedge Avenue Project, the Administration would ask for a discussion of an additional appropriation or a bonding alternative at the next Regular City Council Meeting. Councilmember Urban indicated that he did not anticipate that KATS would not approve the transfer, but the matter has not had time to be presented and considered by the Technical Committee before it is presented to the Policy committee. He also noted that the matter has been conveyed to them and he is not aware of any objections thus far; however, since it is going directly to the Policy committee, it is a unique situation as this is the only time this has happened in the past thirteen years of his service on the Policy Committee.

Motion by Urban, seconded by Reid, to approve Contract 15-5048 between the Michigan Department of Transportation and the City of Portage for improvements along South Westnedge Avenue from Mall Drive to Dawnlee Avenue; adopt a Resolution authorizing the City Manager to sign Contract 15-5048, and authorize the City Manager to sign all other documents related to this project on behalf of the city. Councilmember Ford asked for a clarification, and Mr. Shaffer indicated that he did conflate \$4.22 million in the Water Reserve Fund when he indicated that it only had \$2.4 million, but the remainder of \$2.189 million after encumbrances and appropriations is accurate. He thanked Councilmember Ford for pointing this out. Upon a roll call vote, motion carried 7 to 0.

*** LEXINGTON GREEN DRAIN #319 EASEMENT VACATION AND WORK**

AGREEMENTS: Motion by Pearson, seconded by Ansari, to adopt a resolution setting a public hearing at 7:30 p.m. or as soon thereafter as may be heard, to deed the easement rights located in Lexington Green, Lexington Green No.1 and Lexington Green No. 3 plats, to the Lexington Green Drain #319 Drainage District, place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015; a resolution to grant an easement to the Lexington Green Drain #319 Drainage District on city-owned property for the construction, operation and maintenance of storm drainage facilities located at 6775 Quality Way, 6401 Corporate Avenue and 4550 Quality Court, approve a license agreement to perform drainage work in Lexington Green Park, and place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015; a resolution to transfer jurisdiction and ongoing maintenance of the storm drainage systems in Commercial Avenue, Environmental Drive, Quality Way, Quality Court, as well as drain crossings at Meredith Street and Bishop Avenue, place the resolution on file with the City Clerk for 28 days and take final action on April 28, 2015, and authorize the City Manager to execute all documents related to the above resolutions on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

BROWNFIELD REDEVELOPMENT INCENTIVE POLICY UPDATE: Mayor Strazdas deferred to Councilmember Reid, who indicated that this is the first time Council has had a chance to review the proposed changes to the Brownfield Redevelopment Incentive Policy, that the last

Brownfield approved by Council was in 2013 and, because there is so little Brownfield activity, she asked for more time for Council to review and discuss this matter. She expressed her concern that the Policy ties the Brownfield Redevelopment to 100 or more new jobs with a median annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household; or 50 new jobs, all of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household. She indicated that this language is very similar to the recent changes in the language in the PA 198 Tax Abatement Policy, recognized the need for this language in the PA 198 Tax Abatement Policy, but distinguished the Brownfield Redevelopment mechanism from the PA 198 Tax Abatement mechanism. She did not question the appropriateness of the language, but asked for more information and a discussion of the matter. She also expressed concern with the addition of the “functionally obsolete” language and asked for a clarification if this means a “functionally obsolete” use or if “functionally obsolete” stands alone and provided the example of whether a building that makes hinges that is being converted to making artificial hips is obsolete owing to the retrofit changes since it could easily be adapted and used as another hinge manufacturer. She requested that the matter be tabled until the next Committee of the Whole Meeting (Item F.8) and be added at that meeting for discussion. Mr. Shaffer advocated making the Policy looser in order to get more people into the program, and explained that “functional obsolescence” is an appraisal term and runs with the property, not with the use of the property, so the test is whether or not the property can still accommodate the original use, and the cost of conversion has to be higher than the cost to build new. Discussion followed. In response to Councilmember Reid, Mr. Brown indicated that he understood her proposal is to postpone discussion until the April 14, 2015 Committee of the Whole Meeting for discussion and to table the matter until a Regular City Council Meeting for a decision because a decision cannot be made at a Committee of the Whole (COW) Meeting. Discussion followed.

Motion by Reid, seconded by Urban, to postpone the Brownfield Redevelopment Incentive Policy approval, and a separate motion to modify the agenda for the April 14, 2015 Committee of the Whole Meeting to reflect this under Item F.8. At the suggestion of City Attorney Brown, motion by Reid, seconded by Urban, to table the Brownfield Redevelopment Incentive Policy approval decision and to add approval of the Brownfield Redevelopment Incentive Policy on the April 14, 2015 Committee of the Whole Meeting for discussion.

In response to Mayor Pro Tem Pearson, Councilmember Reid indicated that she wanted to get some information about general Brownfield Policy and whether it is appropriate for Brownfield Policy to tie the Brownfield Redevelopment, where the focus is on environmental concerns, to 100 or more new jobs with a median annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household; or 50 new jobs, all of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household owing to the fact that Brownfield contemplates environmentally distressed, obsolescence and blight issues in properties, but not particularly tying it to the types and the number of jobs. She expressed her concern that from a Policy standpoint, this will only apply then to large projects, and Portage has some Brownfield issues that are small and used the gas station as an example where 50 jobs would not be generated when that type of property is improved. Discussion followed.

Mayor Strazdas anticipated there would be some issues or questions and asked City Council to get them to Mr. Shaffer by 12 noon, Friday, March 27, 2015, for discussion at the April 14, 2015 Committee of the Whole Meeting and for action later at the Regular Meeting. Discussion followed and Mayor Strazdas asked Mr. Shaffer to find out what are some of the other policies related to job quantities and annual salaries regarding Brownfields in Southwest Michigan or Southern Michigan; and, he asked do they all have equal types of jobs and percentages, or are they working toward this. Mr. Urban asked for an evaluation of how this would have affected past Brownfields as he does not remember one that could have met these requirements and explained giving examples.

At the request of Councilmember Ford, Community Development Director Vicki Georgeau provided a background on the City of Portage Brownfield Redevelopment Policy and said that the Policy is out of date because there have been State Tax Reforms; also, the tax credits are no longer

available except through a competitive grant process and the Administration is not sure whether City of Portage projects can be competitive as the grants are focused on central cities. She discussed the proposed extension of the time period for the capture of Tax Increment Financing (TIF) funds from five years to up to fifteen years with the fifteen year time period reserved for an applicant who has a project that offers a significant economic benefit, that is transformative and that creates a significant number of jobs. She explained that the State allows TIF capture up to thirty years, that the proposed City of Portage Policy is only half of that, and that the fifteen years is reserved for larger projects.

When Mayor Strazdas asked if this information satisfied the needs expressed by Councilmember Reid, she indicated that it is an appropriate policy to have a thorough discussion on a Policy prior to approval, and asked whether taking a couple of weeks to decide would create a problem for any pending Brownfield applications, and Ms. Georgeau answered it would be okay to take the extra time to review the matter and no applications are pending at this time.

Councilmember Randall asked for a clarification regarding the process of getting more information from staff regarding an agenda item since the packet arrives on Friday and, in the past, Monday was used as a pre-Council meeting with information provided on the dais before the Regular Council Meeting. She advocated a return to the 7:00 a.m. pre-Council meeting on Monday morning as the method of obtaining information regarding items on the agenda. She noted that Council determined at the Council Retreat that the COW would be a useful tool to delve into issues as a whole Council which could not be addressed at a Regular Meeting without going very late at night. She spoke in favor of the COW and emphasized the importance of discussing support of regionalization while focusing on Portage as a topic on April 14 and spoke in opposition to pulling items off of an agenda and placing them on a COW Meeting when the topics of discussion for the Cow Meetings have already been determined as a group at the Council Retreat.

Mayor Pro Tem Pearson concurred, noted that the COW Meeting that addressed TIF had little or no discussion, and asked that Council read the information provided by staff, so Council will not have to spend a lot of time on this matter, and be ready to vote on it at the next Regular City Council Meeting on April 14, 2015. He mentioned that there seems to be one particular question to consider regarding this item, and he expressed his wish that the focus of the next COW Meeting be on support of regionalization while focusing on Portage. Discussion followed.

Mayor Strazdas asked that City Council prepare any other questions that were not presented tonight and get them to Mr. Shaffer by 12 noon, Friday, March 27, 2015, for a response that can be discussed at the April 14, 2015 Regular Meeting. He felt that maybe there would be very little discussion once Council receives the responses from the Administration, and this would allow time to focus on the proposed COW Meeting topic. Discussion followed.

At the suggestion of Mayor Strazdas, motion by Reid, supported by Urban, to amend the motion to read to adjourn the discussion of and decision on this matter to the April 14, 2015 Regular City Council Meeting.

Councilmember Reid stressed that anytime a question, a concern or an issue is presented, and a Councilmember feels a need for more discussion, discussing it is not blindsiding the people who have put together the policy. She indicated that Council needs to understand the rationale behind what is going on and what the implications are going to be in order to make good policy. She said that is the primary role of Council and is not an intention in any way to blindside anybody. She expressed the need for more background information on this item and more discussion, in light of this background information, and the importance of the need to address the matter at another meeting with more information in order to make an informed decision. Upon a roll call vote, motion carried 7 to 0.

* **KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN (4460 COMMERCIAL DRIVE):** Motion by Pearson, seconded by Ansari, to adopt the resolution of support for the Kalamazoo County Brownfield Redevelopment Authority Brownfield Redevelopment Plan for 4460 Commercial Drive for tax capture in the maximum amount of \$100,634 over a period of up to 20

years (including five years for the Local Site Remediation Revolving Fund) or when eligible activities have been fully reimbursed, whichever occurs first. Upon a roll call vote, motion carried 7 to 0.

* **ORDINANCE AMENDMENT #14/15-A, AUTO REPAIR AND VEHICLE FUELING STATION REGULATIONS:** Motion by Pearson, seconded by Ansari, to accept Ordinance Amendment #14/15-A for first reading and set a public hearing for April 28, 2015, at 7:30 p.m. or as soon thereafter as may be heard and, subsequent to the public hearing, approve Ordinance Amendment #14/15-A, Auto Repair and Vehicle Fueling Station Regulations. Upon a roll call vote, motion carried 7 to 0.

* **EQUIPMENT PURCHASE RECOMMENDATION:** Motion by Pearson, seconded by Ansari, to approve the purchase of a 2015 Elgin Street Sweeper, through the State of Michigan purchasing program (MiDEAL) at a purchase price of \$146,207 and authorize the City Manager to execute all documents related to these purchases on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

APRIL 14, 2015 COMMITTEE OF THE WHOLE MEETING: There being no discussion, motion by Reid, seconded by Randall, to set a Committee of the Whole (COW) Meeting for Tuesday, April 14, 2015, at 6:00 p.m. in Conference Room No. 1 to discuss supporting regionalization while focusing on Portage. Upon a roll call vote, motion carried 7 to 0.

* **ELECTION POLLING PLACES AND RATE OF COMPENSATION RESOLUTION:** Motion by Pearson, seconded by Ansari, to adopt the Resolution Designating Polling Places and Rate of Compensation for the May 5, 2015 Special Election. Upon a roll call vote, motion carried 7 to 0.

* **SALE OF CITY PROPERTY (10323 ARCHWOOD DRIVE UPDATE):** Motion by Pearson, seconded by Ansari, to receive the communication from the City Manager regarding the sale of city property (10323 Archwood Drive update) as information only. Upon a roll call vote, motion carried 7 to 0.

* **FEBRUARY 2015 SUMMARY ENVIRONMENTAL ACTIVITY REPORT:** Motion by Pearson, seconded by Ansari, to receive the communication from the City Manager regarding the February 2015 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 7 to 0.

* **DEPARTMENT MONTHLY REPORTS:** Motion by Pearson, seconded by Ansari, to receive the Department Monthly Reports. Upon a roll call vote, motion carried 7 to 0.

COMMUNICATIONS:

ENVIRONMENTAL BOARD SECRETARY TIM WINSLOW: Mayor Strazdas welcomed the following members of the Environmental Board: Catherine Niessink, Ruth Caputo, Tim Winslow, David Mayfield, Spencer Welling and the spokesperson, Bill Beck. Mr. Beck spoke about the future of recycling in Portage and the recommendation by the Environmental Board to move to modern single-stream recycling. He provided some of the many reasons to recycle and asked the question should waste go to the landfill or to the market. He mentioned that single-stream recycling makes it easier because of the larger container, no separation is required, enhanced instructions right on the container, increased participation City-wide availability. He noted that there is reduced environmental impact with bi-weekly pick-up and a reduced trash volume. He indicated that there is a momentum throughout the state with Governor Snyder interested in recycling, plus state resources available, and a critical mass in the market place gives a better return on investment. He said that the downside is the

aesthetics with a larger container, but he countered that with a complaint about the appearance of orange totes that cost more than a more subdued color. He indicated that a one-time investment would be necessary, but argued that an efficient, effective, robust program should realize some payback. He expressed the realization that the compliance issue would be a human nature issue because some people simply will not comply; however, he indicated that, through education, information regarding the benefits to the City and the environment of the City should mitigate this issue. He cited the momentum across the State with Kent County, Holland, Ann Arbor, Kalamazoo Township and many others participating with the City of Kalamazoo currently looking into it. He offered the services of the Environmental Board by education, research to aid further development of the program, recruiting advocates and coordinating synergistic events and programs.

Mayor Strazdas thanked Bill for his presentation. Environmental Board Chair Ruth Caputo read a *Resolution in Support of Single-Stream Recycling* into the record and provided a copy to each Councilmember. Mayor Strazdas spoke in support of Single-Stream Recycling and explained there are details that have to be addressed.

Mayor Pro Tem Pearson spoke in support and expressed the need for a study and the support of staff for this effort. Discussion followed. Motion by Pearson, seconded by Ford, to accept the unanimous Environmental Board Resolution on Single-Stream Recycling, reissue the original Moorsbridge Single-Stream Recycling Pilot results to all Councilmembers, ask the City Manager to make a recommendation to Council regarding the Environmental Board recommendation regarding Single-Stream Recycling, and receive the report from Environmental Board Member Bill Beck regarding Single-Stream Recycling, including the Resolution adopted by the Environmental Board.

Councilmember Randall said she recently returned from Costa Rica, extolled the cleanliness of Costa Rica, everywhere they went, and mentioned that the guide indicated that this is made possible by educating their children. She asked Ms. Caputo if the Board has ever worked with the schools with recycling and Ms. Caputo indicated that there are programs offered by the waste haulers; that the Board has looked into help the schools with recycling; and, that they are constantly trying to get the apartment complexes included in the program. Councilmember Randall encouraged the Board to get involved with this and discussion followed.

Upon a roll call vote, motion carried 7 to 0. Ms. Caputo thanked City Council support for the Environmental Board's first prescribed burn successfully performed earlier this afternoon with no untoward incidences. Discussion followed.

* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes of the following Boards and Commissions:

- Portage Human Services Board of February 5, 2015.
- Portage Youth Advisory Committee of February 9, 2015.
- Portage Planning Commission of March 5, 2015.
- Portage Brownfield Development Authority Draft of March 11, 2015.

COUNCIL COMMITTEE REPORTS:

CENTRAL COUNTY TRANSIT AUTHORITY (CCTA): Councilmember Urban indicated that last Friday, the CCTA met with the Kalamazoo County Transit Authority (KCTA) and the Metro Transit Authority Board of Kalamazoo (TAB) to finalize ballot language and the millage request for the Central County Transit Authority millage, and that this will in effect combine TAB and the other transit services in the County under the Authority of the County. He noted that there was still some discussion and debate on the millage level; that the millage request was set for 0.75 mills for five (5) years; and the millage will be a question on the ballot for the August 4, 2015 Special Election. He also said that a Campaign Committee is being formed and will meet for the first time next week to help citizens become informed with what this means for the County.

Mayor Pro Tem Pearson indicated that the CCTA is independent of the City Council and expressed his appreciation for the support of City Council and the people at the public hearing as all are looking to the future and the interest of young people in a viable transit system.

Motion by Ford, second by Ansari, to receive the report from Councilmember Urban and Mayor Pro Tem Pearson regarding the Central County Transit Authority. Upon a voice vote, motion carried 7 to 0.

BID TABULATION:

* **STORMWATER, ASSET MANAGEMENT, AND WASTEWATER PROGRAM (SAW GRANT):** Motion by Pearson, seconded by Ansari, to award an engineering contract for the Stormwater, Asset Management, and Wastewater Program (SAW) to Hurley & Stewart, LLC, in the amount not to exceed \$209,000 and authorize the City Manager to execute all documents related to this matter on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: Catherine Niessink, 5120 Angling Road, thanked City Council for their support for the CCTA as she has a friend who cannot go to Church on Sunday because she cannot get on a bus or in a regular car owing to a permanently paralyzed leg.

Bill Lenehan, 1626 Henley Avenue, complained that mention was made at the bottom of an article in the *Kalamazoo Gazette*, Sunday, March 15, 2015 where Councilmember(s) he chose not to name indicated that the quality of the retail is going down and where the question was asked, "Is there any way to track the data?" He said he was particularly humiliated when another question was asked, "Was there any way to control who rents space" because he is a small business owner and found this line of questioning objectionable.

STATEMENTS FROM MAYOR AND CITY COUNCIL: All of the Councilmembers and the Mayor expressed kudos and appreciation to the student participants, parents and the Student Advisors in the Student Mayor and City Council for the Day Program.

Councilmember Randall and Mayor Pro Tem Pearson also expressed an appreciation for the Proclamations issued by Mayor Strazdas, and Councilmember Randall asked to incorporate positive comments from citizens in the City Social Media options as they develop.

Councilmember Urban apologized for not being able to make it to the earlier meeting with the students and expressed his appreciation for the students, their efforts and the importance of public service.

Mayor Pro Tem Pearson thanked Community Development Director Vicki Georgeau for her efforts and the policy recommendations that foster economic development. He also mentioned the presentation during the earlier Committee of the Whole by IT Director Devin Mackinder with respect to Social Media and the advent of the electronic agenda.

STATEMENTS FROM STUDENT MAYOR AND STUDENT COUNCIL: Student Councilmembers Wes Hyames, Maycie McGowan, Kyle Vickery, Alicia Abdo, Ben Orwin and Danny Saba, and Student Mayor Marcus Moore expressed their respective appreciation for the opportunity to participate and serve during the Student Mayor and City Council for the Day Program, and the efforts of City Council to make it an enjoyable and rewarding experience.

STATEMENTS FROM MAYOR: Mayor Strazdas thanked the Student Councilmembers and the Student Mayor and thanked all of the students to whom he read during Reading Month. He stressed that it is important for everyone to get engaged in the community and thanked all for getting involved. He indicated that the Student Councilmembers and the Student Mayor were adult and

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professional throughout the day; they were engaged and wanted to learn about government; and, they did a great job being student representatives of Portage Public Schools.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:31 p.m.

James R. Hudson, City Clerk

***Indicates items included on the Consent Agenda.**

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager

SUBJECT: Accounts Payable Register



SUPPORTING PERSONNEL: William Furry, Director of Finance

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of April 14, 2015, as presented.

Bi-weekly, the City Council reviews and approves the Accounts Payable Register, including checks issued to vendors and the electronic funds transfer register. Attached please find the Accounts Payable Register for the period March 15, 2015 through March 29, 2015. The time period noted includes \$163,234.03 for electronic transfers and \$733,000.26 for checks issued to vendors for a total of \$896,234.29.

FUNDING: N/A

Attachments: Accounts Payable Register

Check Date From: 3/15/2015 1 TO 3/29/2015 1

Check Date	Check	Vendor Code	Vendor Name	Amount
03/16/2015	3875(A)	4386	RIETH-RILEY CONSTRUCTION CO., INC	36,622.54
03/27/2015	3876(A)	0109	ALL-TRONICS, INC.	97.50
03/27/2015	3877(A)	2934	ALRO STEEL CORPORATION	1,008.77
03/27/2015	3878(A)	1253	APOLLO FIRE EQUIPMENT COMPANY	35.60
03/27/2015	3879(A)	3495	BATTERIES PLUS	59.85
03/27/2015	3880(A)	0678	BLUE CARE NETWORK-GREAT LAKES	64,322.10
03/27/2015	3881(A)	2690	C D W GOVERNMENT, INC.	3,155.71
03/27/2015	3882(A)	0712	DELTA DENTAL PLAN OF MICHIGAN	17,511.13
03/27/2015	3883(A)	0959	EMPLOYMENT GROUP, INC.	1,562.16
03/27/2015	3884(A)	2973	ENGINEERED PROTECTION SYSTEMS, INC.	228.00
03/27/2015	3885(A)	0008	ENTENMANN-ROVIN CO.	317.50
03/27/2015	3886(A)	4710	ESPER ELECTRIC, LTD	3,200.00
03/27/2015	3887(A)	4710	ESPER ELECTRIC, LTD	900.00
03/27/2015	3888(A)	2608	FIRE SERVICE MANAGEMENT	1,409.93
03/27/2015	3889(A)	4507	FURRY, WILLIAM	73.14
03/27/2015	3890(A)	2071	GAIL ANDRUS TRAVEL	728.50
03/27/2015	3891(A)	4439	HARTFORD LIFE INSURANCE COMPANY	7,501.54
03/27/2015	3892(A)	1327	HI-TECH ELECTRIC CO.	1,586.50
03/27/2015	3893(A)	0063	INDUSCO SUPPLY CO., INC.	646.76
03/27/2015	3894(A)	1906	KUSHNER & COMPANY, INC.	542.43
03/27/2015	3895(A)	4750	LAND & RESOURCE ENGINEERING, INC	1,127.50
03/27/2015	3896(A)	3775	MATERIALS RESOURCES	170.45
03/27/2015	3897(A)	4746	MAURER'S TEXTILE RENTAL SERVICES	301.70
03/27/2015	3898(A)	4724	MEJEUR ELECTRIC LLC	274.00
03/27/2015	3899(A)	0440	ONE WAY PRODUCTS	802.59
03/27/2015	3900(A)	4852	PCM SALES, INC.	177.00
03/27/2015	3901(A)	1638	PETERS CONSTRUCTION CO.	4,827.00
03/27/2015	3902(A)	0625	PORTAGE FIREFIGHTERS	1,510.32
03/27/2015	3903(A)	0504	PORTAGE ON-CALL FIREFIGHTERS	140.00
03/27/2015	3904(A)	0624	PORTAGE POLICE OFFICERS ASSOC	686.00
03/27/2015	3905(A)	3481	S B F ENTERPRISES, INC.	890.46
03/27/2015	3906(A)	1862	UNITED AUTO. IMPLEMENT WORKERS 2290	503.94
03/27/2015	3907(A)	2503	VERPLANK TRUCKING CO.	3,022.22
03/27/2015	3908(A)	4164	VISION SERVICE PLAN (OH)	2,079.52
03/27/2015	3909(A)	4995	WARNER NORCROSS & JUDD LLP	3,766.67
03/27/2015	3910(A)	4995	WARNER NORCROSS & JUDD LLP	145.00
03/27/2015	3911(A)	0425	WIGHTMAN & ASSOCIATES, INC.	1,300.00
			SUBTOTAL:	37 CHECKS
				163,234.03
03/20/2015	292801	999999	FORTIS GROUP	650.00
03/20/2015	292802	0532	HERRINGA, ADAM	175.00
03/20/2015	292803	0982	INT'L INSTITUTE MUNI. CLERKS	340.00
03/20/2015	292804	0532	KLINE, MICHAEL	500.00
03/27/2015	292805	999999	7TH DISTRICT COURT	250.00
03/27/2015	292806	0635	A NEW LEAF	85.00
03/27/2015	292807	4060	A T & T LONG DISTANCE	176.04
03/27/2015	292808	3305	ADP, INC.	880.02
03/27/2015	292809	0108	ALL-PHASE ELECTRIC SUPPLY CO.	44.55
03/27/2015	292810	0533	ALLEGRA PRINT & IMAGING	1,143.70
03/27/2015	292811	0716	AMERICAN PUBLIC WORKS ASSOC	295.00
03/27/2015	292812	3347	ANY CUTTING & WELDING	2,732.00
03/27/2015	292813	2416	APPLIED IMAGING	2,113.24
03/27/2015	292814	0532	ARMOLD, NICHOLAS	1,351.66
03/27/2015	292815	0849	AT&T	4,732.00
03/27/2015	292816	1060	AUTOBODY USA - SOUTHSIDE	875.45
03/27/2015	292817	0863	AUTOMATIC MICROFILM CO.	970.84
03/27/2015	292818	4399	AUTOMOTIVE CONCEPTS CARSTAR	931.40
03/27/2015	292819	0124	B L HARROUN & SON INC.	532.73
03/27/2015	292820	1148	B S & A SOFTWARE	9,320.00
03/27/2015	292821	0642	BLUE CROSS/BLUE SHIELD OF MICH	116,289.84
03/27/2015	292822	0151	BORGESS HEALTH ALLIANCE	70.00

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Check Date From: 3/15/2015 1 TO 3/29/2015 1

Check Date	Check	Vendor Code	Vendor Name	Amount
03/27/2015	292823	0153	BRINK'S, INC	285.40
03/27/2015	292824	4813	BRONSON HEALTHCARE GROUP	700.00
03/27/2015	292825	4380	BRONSON WELLNESS SERVICES	125.00
03/27/2015	292826	3217	BUSINESS MANAGEMENT DAILY	107.00
03/27/2015	292827	1845	CADWELL APPARELL	525.00
03/27/2015	292828	0437	CAMPBELL AUTO SUPPLY	56.82
03/27/2015	292829	999999	CAPTAIN BOOM FIREWORKS LLC	130.00
03/27/2015	292830	4649	CITY OF KALAMAZOO (TRANS MILLAGE)	56.55
03/27/2015	292831	0540	CITY OF KALAMAZOO TREASURER	219,316.35
03/27/2015	292832	1688	COMMERCIAL DOOR SERVICES	50.00
03/27/2015	292833	0996	COMPASS MINERALS AMERICA INC	74,319.02
03/27/2015	292834	0743	CONSUMERS ENERGY	38,737.03
03/27/2015	292835	0189	CONSUMERS ENERGY-BILL PMT CNT	18,154.28
03/27/2015	292836	5120	DETAILS TIMES TWO LLC	260.80
03/27/2015	292837	4839	DIGITAL HIGHWAY WIRELESS SOLUTIONS	3,644.17
03/27/2015	292838	3315	ED & TED'S EXCELLENT ADVENTURES	23,566.00
03/27/2015	292839	2948	EMERGENCY VEHICLE PRODUCTS	531.45
03/27/2015	292840	1844	ENVIROLOGIC TECHNOLOGIES INC	2,900.00
03/27/2015	292841	1892	FASTSIGNS	129.78
03/27/2015	292842	0384	FERRELLGAS, LP	12.00
03/27/2015	292843	0010	FERRIS GLASS CO., INC.	170.00
03/27/2015	292844	4349	FLUID POWER ENGINEERING	358.99
03/27/2015	292845	999999	FRIZZELL, SHARON	44.00
03/27/2015	292846	3487	GLOBUS & COSMOS	14,431.20
03/27/2015	292847	3487	GLOBUS & COSMOS	4,310.00
03/27/2015	292848	0502	GORDON FOOD SERVICE	26.97
03/27/2015	292849	0517	GORDON WATER SYSTEMS	171.00
03/27/2015	292850	0623	GREATER KALAMAZOO FOP LODGE 98	3,240.28
03/27/2015	292851	0628	GREATER KALAMAZOO UNITED WAY	1,335.56
03/27/2015	292852	0598	GRIFFIN PEST SOLUTIONS, INC.	882.00
03/27/2015	292853	0939	HASTINGS AIR ENERGY CONTROL	66,985.00
03/27/2015	292854	0691	HOME DEPOT	1,789.88
03/27/2015	292856	1974	HOWARD PRINTING	2,908.00
03/27/2015	292857	1275	I B M CORPORATION	234.00
03/27/2015	292858	1048	INT'L PERSONNEL MGMNT ASSOC	108.49
03/27/2015	292859	3102	INTERNATIONAL SOCIETY ARBORCULTURE	324.00
03/27/2015	292860	3201	JONS TO GO PORTABLE RESTROOM	658.45
03/27/2015	292861	0094	K S S ENTERPRISES	440.77
03/27/2015	292862	0514	KALAMAZOO COUNTY TREASURER	4,364.43
03/27/2015	292863	4756	KALAMAZOO GAZETTE	41.55
03/27/2015	292864	0721	KALAMAZOO REG'L EDUC SVS AGENG	986.62
03/27/2015	292865	0230	KALAMAZOO VALLEY COMMUNITY COL	188.34
03/27/2015	292866	999999	KHALAD, JOAN	147.00
03/27/2015	292867	1761	KIESLER POLICE SUPPLY	960.30
03/27/2015	292868	1066	KUIPER BROTHERS MOVING INC.	183.00
03/27/2015	292869	4838	LACOSTA FACILITY SUPPORT SERVICES	54.17
03/27/2015	292870	999999	LITTLE, THOMAS	322.50
03/27/2015	292871	MISC-UB	LOSCH, ADAM	13.99
03/27/2015	292872	999999	LUMM, MICHAEL	44.00
03/27/2015	292873	4481	MAIN STREET PORTRAITS INC	79.50
03/27/2015	292874	999999	MASEK, RON	50.00
03/27/2015	292875	0256	MCNALLY ELEVATOR CO.	116.10
03/27/2015	292876	5027	MEEKHOF TIRE SALES & SERVICE INC.	2,423.74
03/27/2015	292877	999999	MELVIN, PETE	100.00
03/27/2015	292878	999999	MICH LAW ENFORCEMENT TRAINING ASSOC	200.00
03/27/2015	292879	999999	MICH LAW ENFORCEMENT TRAINING ASSOC	200.00
03/27/2015	292880	999999	MICH LAW ENFORCEMENT TRAINING ASSOC	200.00
03/27/2015	292881	4777	MICH MUNICIPAL POLICE & FIRE REPAIR	1,267.02
03/27/2015	292882	0264	MICHIGAN ELECTION RESOURCES, LLC	1,108.00
03/27/2015	292883	3525	MICHIGAN FIRE INSPECTOR'S SOCIETY	150.00
03/27/2015	292884	5034	MICHIGAN TRUCKING ASSOCIATION	700.00
03/27/2015	292885	2030	MIDWEST ENERGY COOPERATIVE	268.78
03/27/2015	292886	999999	MILLER, MARY	100.00

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Check Date From: 3/15/2015 1 TO 3/29/2015 1

Check Date	Check	Vendor Code	Vendor Name	Amount
03/27/2015	292887	0089	MLIVE MEDIA GROUP	1,311.32
03/27/2015	292888	999999	MOSHER, MARGUERITE	92.00
03/27/2015	292889	0286	MULDERS LANDSCAPE SUPPLIES INC	349.00
03/27/2015	292890	0681	MUNICIPAL FINANCIAL CONSULTANT	750.00
03/27/2015	292891	4951	NORTHERN TOOL & EQUIPMENT CATALOG	1,902.41
03/27/2015	292892	0299	NYE UNIFORMS	1,010.39
03/27/2015	292893	1721	OFFICE DEPOT, INC.	2,749.94
03/27/2015	292895	0301	OFFICEMAX INCORPORATED	385.63
03/27/2015	292896	4329	ONSTAFF USA INC	9,316.94
03/27/2015	292897	3764	PERCEPTIVE CONTROLS, INC.	17,870.73
03/27/2015	292898	0767	PETTY CASH-CITY HALL	559.40
03/27/2015	292899	0805	PETTY CASH-CITY MANAGER	200.31
03/27/2015	292900	0538	PETTY CASH-DPS	119.82
03/27/2015	292901	0536	PETTY CASH-PARKS	557.61
03/27/2015	292902	0890	PETTY CASH-POLICE DEPT.	402.46
03/27/2015	292903	0537	PETTY CASH-SENIOR CENTER	224.94
03/27/2015	292904	0810	PORTAGE DISTRICT LIBRARY	387.82
03/27/2015	292905	0590	PORTAGE PUBLIC SCHOOLS	5,881.51
03/27/2015	292906	4443	REPUBLIC SERVICES OF WEST MICHIGAN	651.00
03/27/2015	292907	0438	RIDGE AUTO NAPA	3,177.59
03/27/2015	292908	0789	SCHURING JR CO, JOHN	50.00
03/27/2015	292909	999999	SIMUNITION FX	350.00
03/27/2015	292910	1423	SOIL & MATERIALS ENGINEERS, INC	1,164.85
03/27/2015	292911	3721	SPRINT	306.16
03/27/2015	292912	2125	STATE OF MICHIGAN (BOILER DIV)	300.00
03/27/2015	292913	0368	STATE OF MICHIGAN (DOT)	12,780.00
03/27/2015	292914	0369	STATE SYSTEMS RADIO, INC	120.00
03/27/2015	292915	3528	SYMPRO INC.	6,391.00
03/27/2015	292916	999999	THE ALPHA GROUP	525.00
03/27/2015	292917	999999	THE PARK CLUB	384.00
03/27/2015	292918	0385	THOMPSON INFORMATION SERVICES	429.00
03/27/2015	292919	4272	TIGER DIRECT, INC.	1,094.06
03/27/2015	292920	999999	TRINITY REFORMED CHURCH	150.00
03/27/2015	292921	4449	ULINE, INC.	124.00
03/27/2015	292922	0545	UNITED PARCEL SERVICE	44.68
03/27/2015	292923	4808	VANCE OUTDOORS, INC.	7,929.00
03/27/2015	292924	0501	VANDERKLOK TRUCKING CO., INC.	336.00
03/27/2015	292925	4653	VERIZON WIRELESS SERVICES, LLC	1,806.02
03/27/2015	292926	2944	WESTERN MICHIGAN UNIVERSITY	450.00
03/27/2015	292927	0532	WHITE, RICHARD	840.16
03/27/2015	292928	3141	WOLTERS KLUWER LAW & BUSINESS	585.00
03/27/2015	292929	1089	WOLVERINE LAWN SERVICE, INC.	8,187.76
		SUBTOTAL:	127 CHECKS	733,000.26
		TOTAL:	164 CHECKS	896,234.29

** (A) DENOTES ACH PAYMENTS

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Adoption of Resolutions regarding the refunding of 2008 and 2008B Capital Improvement Bonds

SUPPORTING PERSONNEL: William Furry, Director of Finance

ACTION RECOMMENDED: That City Council adopt:

- a. the Resolution Authorizing Refunding of the City of Portage Capital Improvement Bonds, Series 2008 and Series 2008B and
- b. the Resolution Approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Refunding Bonds, Series 2015A.

In January of 2008, the city sold Capital Improvement Bonds to finance multiple projects totaling \$7,500,000. In September of 2008, the city sold Capital Improvement Bonds to finance additional projects totaling \$2,750,000. The balances of these bond series after July 1, 2015 can be refinanced with estimated present value savings of \$545,433 for the period of 2016 to 2028.

The attached bond resolutions were prepared by the city's Bond Counsel, John Axe. The resolutions will initiate the legal process required to refinance existing Capital Improvement Bonds Series 2008 and 2008B. Bids will be taken on or about May 5, 2015. Bid results will be reported to the City Council soon thereafter.

FUNDING: N/A

Attachments: Bond Resolution
Continuing Disclosure Resolution
Preliminary Refunding Analysis

CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage, Kalamazoo County, Michigan, held in Portage, Michigan on _____, 2015 at ___:___ .m., Eastern Daylight Savings Time there were:

PRESENT:

ABSENT:

The following resolution was offered by _____ and seconded by _____:

**REFUNDING BOND RESOLUTION
REFUNDING BONDS NOT TO EXCEED \$6,750,000
City of Portage Capital Improvement Refunding Bonds, Series
2015A**

WHEREAS, on January 10, 2008, the City, pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"), issued the City of Portage Capital Improvement Bonds, Series 2008, dated January 1, 2008 in the original principal amount of \$7,500,000 of which \$4,720,000 in principal amount of bonds maturing in the years 2015 through 2028 remains outstanding (the "2008 Prior Bonds"); and

WHEREAS, the 2008 Prior Bonds may be called for redemption on July 1, 2015; and

WHEREAS, on September 4, 2008, the City, pursuant to Act 34, issued the City of Portage Capital Improvement Bonds, Series 2008B, dated September 1, 2008 in the original principal amount of \$2,750,000 of which \$1,880,000 in principal amount of bonds maturing in the years 2015 through 2028 remains outstanding (the "2008B Prior Bonds"); and

WHEREAS, the 2008B Prior Bonds may be called for redemption on July 1, 2015; and

WHEREAS, the 2008 Prior Bonds and the 2008B Prior Bonds may hereinafter be referred as (the "Prior Bonds"); and

WHEREAS, the Prior Bonds were issued at a time when interest rates were higher than is currently the case; and

WHEREAS, the City has determined that it is necessary and appropriate at this time to issue a series of refunding bonds

pursuant to Act 34 to refund part of the Prior Bonds on July 1, 2015 (the "Refunded Bonds") to obtain a lower rate of interest.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE as follows:

1. **Issuance of Refunding Bonds.** Refunding bonds of the City aggregating in the principal estimated sum of not to exceed Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the Refunded Bonds, subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", Section 7. The maximum amount of Bonds to be issued shall not exceed \$6,750,000.

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "City of Portage Capital Improvement Refunding Bonds, Series 2015A" and shall be dated May 1, 2015 or such later date not more than twelve calendar months thereafter as the Finance Director of the City shall provide in the Request for Proposal. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the Finance Director of the City, regardless of rate and maturity date. If \$6,220,000 in Refunding Bonds are issued and subject to the provisions of Section 6, the Refunding Bonds may mature on July 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2016	\$595,000	2021	\$490,000	2025	\$430,000
2017	540,000	2022	480,000	2026	420,000
2018	540,000	2023	470,000	2027	415,000
2019	500,000	2024	440,000	2028	405,000
2020	495,000				

The Refunding Bonds shall be in substantially the form attached hereto as EXHIBIT A with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Discount.** The Refunding Bonds may be offered for sale at a price of not less than 98.5% of the face amount thereof, and the Finance Director of the City is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Request for Proposal of the Refunding Bonds.

4. **Payment of Interest and Date of Record.** The Refunding Bonds shall bear interest payable January 1, 2016, and semi-annually thereafter on each July 1 and January 1 until maturity, with the average interest rate on the Refunding Bonds being not in excess of 6%. Interest shall be mailed by first class mail to the registered owner of each Refunding Bond as of the applicable date of record.

The date of record shall be June 15 with respect to payments to be made on July 1 and December 15 with respect to payments to be made on January 1.

5. **Prior Redemption.** The Refunding Bonds maturing prior to July 1, 2023 shall not be subject to redemption prior to maturity. Refunding Bonds on or after July 1, 2023 shall be subject to redemption prior to maturity at the option of the City, in any order, in whole or in part on any date on or after July 1, 2022. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

6. **Adjustment of Refunding Bond Maturities.** The Finance Director or City Manager of the City is authorized by order in the form attached as *EXHIBIT B* to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 6.

7. **Increase or Decrease in Aggregate Amount of Refunding Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than currently estimated or it shall be necessary to adjust any maturity or maturities, the Finance Director or City Manager of the City shall increase or decrease the estimated principal amount of the Refunding Bonds by any amount to the extent required to avoid the issuance of more or less Refunding Bonds than will be required in light of the amount of Refunding Bonds to be issued and proposals received, which increase or decrease may be applied to any one or more of the maturities and the Request for Proposal attached as *Exhibit B* shall so provide or be changed accordingly. In the event the

City determines to contribute additional amounts toward the refunding of the bonds, the Refunding Bonds shall further be reduced by the amount of such contribution.

8. **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The Finance Director of the City shall designate, and may enter into an agreement with, a bond registrar and paying agent for the Bonds (sometimes referred to as the "Bond Registrar") which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Finance Director of the City from time to time as required may designate a similarly qualified successor bond registrar and paying agent. The Bonds shall be deposited with a depository trustee designated by the Finance Director of the City who shall transfer ownership of interests in the Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the Finance Director and City Clerk of the City after consultation with the depository trustee. The depository trustee may be the same as the Bond Registrar otherwise named by the Finance Director, and the Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the Finance Director may determine.

9. **Mutilated, Lost, Stolen or Destroyed Refunding Bonds.** In the event any Refunding Bond is mutilated, lost, stolen, or destroyed, the Mayor and City Clerk of the City may, on behalf of the City, execute and deliver, or order the Bond Registrar to authenticate and deliver, a new Refunding Bond having a number not then outstanding, of like date, maturity and denomination as mutilated, lost, stolen, or destroyed.

In the case of a mutilated Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until such mutilated Refunding Bond is surrendered to the Bond Registrar. In the case of a lost, stolen, or destroyed Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the City and the Bond Registrar have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Refunding Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Refunding Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Refunding Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Refunding Bond (or his or her attorney) to fully indemnify the City and the Bond Registrar against loss due to the lost, stolen or destroyed Refunding Bond and the issuance of any replacement Refunding Bond in connection therewith; and (iv) the agreement of the owner of the Refunding Bond (or his or her attorney) to

pay all expenses of the City and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the City.

10. **Execution and Delivery.** The Mayor and Clerk of the City are hereby authorized and directed to execute the Refunding Bonds for and on behalf of the City by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Refunding Bonds shall be authenticated by the Bond Registrar before delivery. The Refunding Bonds shall be sealed with the City's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Refunding Bonds shall be delivered to the Finance Director of the City, or his agent, who is hereby authorized and directed to deliver the Refunding Bonds to the purchaser upon receipt in full of the purchase price for the Refunding Bonds.

11. **Security.** The full faith and credit of the City are hereby irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. The City agrees to pledge for the repayment of the Refunding Bonds sufficient amounts of City taxes levied each year provided that the amount of taxes necessary to pay the principal and interest on the Refunding Bonds, together with the other taxes levied for the same year, shall not exceed the limit authorized by law and which taxes will be subject to applicable statutory and constitutional limitations on the taxing power of the City.

12. **Bond Payment Fund.** The City shall establish and maintain a bond payment fund (the "Bond Payment Fund") to be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding Bonds; (ii) the annual fees and expenses of the escrow agent under an escrow agreement; and (iii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds.

13. **Use of Proceeds.** The proceeds of the sale of the Refunding Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Payment Fund created pursuant to Section 12 above;
- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including,

but not limited to, publication costs, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing.

14. **Escrow Agreement; Redemption of Refunded Bonds.** In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the City shall enter into an escrow agreement (the "Escrow Agreement"), with a bank or trust company designated by the Finance Director of the City. The Escrow Agreement shall be in substantially the form attached as *EXHIBIT C* to this Resolution (with such changes, modifications and additions as may be approved by the Finance Director of the City). The Escrow Agreement shall be completed with appropriate figures prior to execution on behalf of the City by the Finance Director.

Upon execution of the Escrow Agreement and delivery of the Refunding Bonds, the City and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

15. **Investments.** Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the Finance Director of the City which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of, premium, if any, and interest on the Refunding Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

16. **Depositories.** All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of, premium, if any, and interest on the Refunding Bonds are payable. The Finance Director of the City shall select the depository or depositories to be used from those banks authorized in this Section.

17. **Arbitrage and Tax Covenants.** Notwithstanding any other provision of this Resolution, the City covenants that it will not at any time or times:

(a) Permit any proceeds of the Refunding Bonds or any other funds of the City or under its control to be used directly

or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Refunding Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Refunding Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Refunding Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Refunding Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Refunding Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Refunding Bonds and the interest thereon from the State of Michigan income taxation.

18. **Qualified Tax-Exempt Obligations.** The Refunding Bonds are designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, unless at the time the Refunding Bonds are issued, it is determined that the Refunding Bonds are ineligible to be so designated, in which case the Request for Proposal shall thereby reflect such change in designation.

19. **Defeasance or Redemption of Refunding Bonds.** If at any time,

- (a) the whole amount of the principal of, premium, if any, and interest on all outstanding Refunding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of, premium, if any, and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of, premium, if any, and interest on all outstanding Refunding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of

paying the principal of, premium, if any, and interest on such Refunding Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Refunding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Refunding Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the City shall be released from all further obligations under this Resolution, and any moneys or other assets then held or pledged pursuant to this Resolution for the purpose of paying the principal of, premium, if any, and interest on the Refunding Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this Resolution, paid over to the City and considered excess proceeds of the Refunding Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders hereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Refunding Bonds, a description of the moneys or Government Obligations so held by it and that the City has been released from its obligations under this Resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of, premium, if any, and interest on the Refunding Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the City, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal, premium, if any, and interest on which are unconditionally guaranteed by, the United States of America.

20. **Filing with Municipal Finance Division:** If necessary the City Manager, or if there is no City Manager, the Mayor is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Refunding Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

21. **Negotiated Sale - Request for Proposal:** The City hereby determines that in order to save the cost of publication of an official Request for Proposal that it will sell the Refunding Bonds at a negotiated sale after solicitation of proposals from prospective purchasers by its Financial Consultant. The City's Financial Consultant is authorized to solicit proposals from at least twenty-five prospective purchasers and to circulate a Request for Proposal at least seven days prior to the date fixed for receipt of proposals for the purchase of the Refunding Bonds. The Request for Proposal shall be in substantially the form attached to this resolution as Exhibit D with such changes therein as are not inconsistent with this resolution and as are approved by the City Finance Director after conferring with Bond Counsel. Once all proposals are received, the City Finance Director shall determine the lowest true interest cost proposed and thereafter award the Refunding Bonds to the proposer meeting that criteria so long as such award will generate present value savings to the City. The Financial Consultant is hereby designated to act for and on behalf of the City to receive proposals for the purchase of the Refunding Bonds and to take all other steps necessary in connection with the sale and delivery thereof.

22. **Retention of Bond Counsel.** The firm of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, is hereby retained to act as bond counsel for the City in connection with the issuance, sale and delivery of the Refunding Bonds.

23. **Retention of Financial Consultants.** Municipal Financial Consultants Incorporated, Grosse Pointe Farms, Michigan, is hereby retained to act as financial consultant and advisor to the City in connection with the sale and delivery of the Refunding Bonds.

24. **Conflicting Resolutions.** All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

25. **Effective Date.** This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the City as soon as practicable after adoption.

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Discussion followed. The results of a roll-call vote on the foregoing resolution were as follows:

YES: _____

NO: _____
ABSTAIN: _____

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

CITY CLERK'S CERTIFICATE

The undersigned, being the duly qualified and acting Clerk of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the City at a _____ meeting held on _____, 2015, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the City Council in my office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended); and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

James R. Hudson, City Clerk

[SEAL]

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UNITED STATES OF AMERICA-STATE OF MICHIGAN

CITY OF PORTAGE
CAPITAL IMPROVEMENT REFUNDING BOND, SERIES 2015A

RATE MATURITY DATE DATE OF ISSUANCE CUSIP

1, _____

=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, the City of Portage (the "City"), Kalamazoo County, State of Michigan, hereby acknowledges itself indebted and for value received, hereby promises to pay to, CEDE & CO., as nominee for THE DEPOSITORY TRUST COMPANY, New York, New York (the "Depository Trustee"), the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided. The Depository Trustee will act as securities depository for this refunding bond (the "Refunding Bond") and the other bonds of this series. Purchases of beneficial interests in the refunding bonds will be made in book-entry-only form, in denominations of \$5,000 each or any integral multiple thereof. The refunding bonds have an original issuance date of _____, _____, and will bear interest from the Date of Issuance payable on _____ 1, _____, and semiannually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date or earlier redemption of this Refunding Bond. The principal, premium (if any) and interest on the refunding bonds will be paid at the principal corporate trust office of _____, the paying agent and bond registrar (the "Bond Registrar"). So long as the Depository Trustee or its nominee, CEDE & CO., is the registered owner of the refunding bonds, such payments will be made directly to the Depository Trustee or such nominee. Disbursement of such payments to the Depository Trustee is the responsibility of the Depository Trustee, and disbursements of such payments to the beneficial owners is the responsibility of the Depository Trustee Participants and Indirect Participants. Such payments of principal, premium (if any) or interest are payable in lawful money of the United States of America.

This Refunding Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$ _____), issued by the City, pursuant to and in full conformity with the Constitution and statutes of the State of Michigan and especially Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with _____, _____, Michigan, as escrow

agent (the "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, _____, the interest on the City's outstanding _____, _____, dated _____, maturing in the years _____ through _____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years _____ through _____.

This Refunding Bond and the Refunding Bonds of this series are issued in anticipation of the collection of taxes to be levied by the City. In addition, if the foregoing collection of taxes is insufficient for any reason to make prompt payment of the principal of and interest on this Refunding Bond when due, the City shall make such payments from its general funds. The limited tax full faith and credit of the City is pledged for the payment of the principal of and interest on this Refunding Bond and the series of which this Bond is one. The City, however, does not have the power to levy any tax unlimited as to rate or amount for the payment of principal of and interest on this Refunding Bond or the Refunding Bonds of this series in excess of its constitutional, statutory or charter limitations.

The date of record for the payment of principal of, premium (if any) or interest on this Refunding Bond shall be the fifteenth (15) day of the month preceding the date such payment is due.

This Refunding Bond and the other refunding bonds of this series have _____ been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Refunding Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, _____ shall be subject to redemption prior to maturity at the option of the City, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

This Refunding Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar, as authenticating agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

It is hereby certified and recited that all acts, conditions and things required by law precedent to and in the issuance of this Refunding Bond and the other bonds of this series, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the County, including the series of bonds of which this is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Portage, Kalamazoo County, Michigan, by its City Council has caused this Refunding Bond to be executed in its name with the facsimile signatures of its Finance Director and its Mayor, has caused a facsimile of its seal to be affixed hereto, and has caused this Refunding Bond to be authenticated by the Bond Registrar, as the City's authenticating agent, all as of the Date of Issuance set forth above.

CITY OF PORTAGE

By:
Mayor

[SEAL]

By:
Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is Refunding Bond is one of a series of bonds designated "City of Portage Capital Improvement Refunding Bonds, Series 2015A".

By: _____, Michigan
as Bond Registrar and Authenticating Agent
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Refunding Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Refunding Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Refunding Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Refunding Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

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ORDER ADJUSTING MATURITIES

\$ _____

**CITY OF PORTAGE
CAPITAL IMPROVEMENT REFUNDING BOND, SERIES 2015A**

The undersigned, _____ of the City of Portage, as authorized in the Award Order for the above referenced refunding bonds signed by the Finance Director of the City of Portage on _____ 1, _____, hereby establishes the final maturities for said refunding bonds with interest rates thereon, as follows:

<u>Due</u>	<u>Amount</u>	<u>Rate</u>
_____ 1		

Dated: _____

City of Portage' _____

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ESCROW AGREEMENT

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan**

This escrow agreement (the "Agreement"), dated as of _____, _____, is between the CITY OF PORTAGE, State of Michigan (the "City") and _____, as escrow agent (the "Escrow Agent").

WHEREAS, the City has previously issued the following bonds of which the principal amounts listed below remain outstanding:

Prior Bonds <u>City of Portage</u> <hr/> _____ Bonds, Series _____ dated _____ (the "Prior Bonds")	Outstanding <u>Principal</u> \$ _____ maturing in the years _____ thru _____
--	---

(all of such outstanding bonds hereinafter referred to as the "Prior Bonds") all bearing interest, due as to principal and subject to redemption as more fully described in APPENDIX I to this Agreement.

WHEREAS, for the purpose of paying the principal and interest on the Prior Bonds when due on _____ 1, _____ and on that date of redeeming the Prior Bonds maturing in the years _____ through _____ in the total aggregate principal amount of \$ _____ (the "Refunded Bonds"), the City has, pursuant to a refunding bond resolution adopted on _____ (the "Resolution") authorized the issuance of a series of refunding bonds dated _____ 1, _____, as designated and described in the Resolution and hereafter (the "Refunding Bonds"); and

WHEREAS, pursuant to the Refunding Bond Resolution, the Escrow Agent has been appointed by the City for the purpose of assuring the payment of the principal of, premium (if any) and interest on the Refunded Bonds and the Finance Director of the City has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the City and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Refunded Bonds;

Section 1. Appointment of Escrow Agent. The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the "Escrow Fund"), to perform its

duties as custodian of the Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the Standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the City of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or the Refunded Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any prior bond, shall be conclusive and binding upon all future owners of the same prior bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the City signed by (i) the City Clerk or Finance Director of the City, or (ii) any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence

deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the City Clerk or Finance Director of the City to the effect that a resolution in the form attached to such certificate has been adopted by the City as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the City pertaining to the Refunded Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Refunded Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

(j) The Escrow Agent shall be, and hereby is indemnified and saved harmless by the City from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of the Escrow Account or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the bad faith or gross negligence of the Escrow Agent, and such indemnification shall survive its resignation or removal, or the termination of this Agreement.

(k) The Escrow Agent shall, in the event that (i) any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder or (ii) the Escrow Agent shall be uncertain as to

how to proceed in a situation not explicitly addressed by the terms of this Agreement whether because of conflicting demands by the other parties hereto or otherwise, be permitted to interplead all of the assets held hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The parties hereto other than the Escrow Agent further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to the same.

(l) The Escrow Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. This Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred from the terms of this Agreement or any other Agreement. IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE ESCROW AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS AGREEMENT, OR (ii) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(m) Any banking association or corporation into which the Escrow Agent may be merged converted or with which the Escrow Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(n) In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, at its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without

jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled set aside or vacated.

Section 2. Escrow Fund. On _____, _____ the City will irrevocably deposit moneys with the Escrow Agent for the account of the City from the proceeds of the Refunding Bonds (\$ _____) to establish the Escrow Fund for the Refunded Bonds in an amount which together with the income from the escrow assets, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay (i) principal and the interest on the Refunded Bonds that become due on _____ 1, _____ and (ii) to redeem on said date all of the outstanding and callable Refunded Bonds prior to their scheduled maturity; and to pay the applicable call premiums on the Refunded Bonds in accordance with Section 3 hereof.

Section 3. Redemption of Refunded Bonds. The City will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

Prior Bonds <u>City of Portage</u> <hr/> <u> </u> Bonds, Series <u> </u> dated <u> </u>	Principal to be Refunded \$ <u> </u> maturing in the years <u> </u> thru <u> </u>
---	---

The City by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds and at the expense of the City not more than sixty (60) nor less than forty-five (45) days before _____ 1, _____, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as APPENDIX II. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in APPENDIX II, to the registered owner or owners at the addresses listed on the registration books of the City maintained by the paying agent for the Refunded Bonds.

Section 4. Investments. As directed by the City, moneys deposited in the Escrow Fund shall be immediately invested in direct obligations of the United States of America and/or obligations the principal of, premium (if any) and interest on which are fully guaranteed by the United States of America described on APPENDIX III ("Investment Securities"), except for _____ (\$ _____) which will be held in the Escrow Fund as the beginning balance for the Refunded Bonds. The Escrow Agent agrees to cause to be purchased United States Government Obligations known as "SLGS" (State and Local Government Series)

from the United States Department of Treasury on the date shown in APPENDIX III.

The investment income from the Investment Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

Section 5. Use of Moneys. Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium (if any) or interest on the Refunding Bonds or the Refunded Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Refunded Bonds, and the City agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 6. Deficiency in Escrow Fund. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of the principal of, premium (if any) and interest falling due on the Refunded Bonds, the Escrow Agent shall promptly notify the City of such deficiency, as provided for under Section 12 below.

Section 7. Reports to City. The Escrow Agent shall deliver to the Finance Director of the City a semi-annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of February of each year shall deliver to the City a list of assets of the Escrow Fund as of December 31 of said year ended and a transaction statement for the Escrow Fund for the year then ended.

Section 8. Fees of Escrow Agent. The Escrow Agent agrees with the City that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement shall be the total sum of _____ Dollars (\$___) payable on the date of closing, which charges, fees and expenses shall be paid from moneys deposited with the Escrow Agent from bond proceeds.

Section 9. Payments from Escrow Fund. The Escrow Agent shall without further authorization or direction from the City, collect the principal of and interest on the Investment Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Refunded Bonds, of moneys sufficient for the payment of the principal of, premium (if any) and interest on such Refunded Bonds as the same shall become due and payable, all as set out in APPENDIX IV and APPENDIX V. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium (if any) and interest by such paying agent or agents without default. The City

represents and warrants that the Escrow Fund will be sufficient to make the foregoing and all other payments required under this Agreement. The paying agent for the Prior Bonds is shown in APPENDIX I.

When the aggregate total amount required for the payment of principal of, premium (if any) and interest on the Refunded Bonds have been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Refunded Bonds to the City, and this Agreement shall cease.

Section 10. Interest of Bondholders Not Affected. The Escrow Agent and the City recognize that the holders from time to time of the Refunded Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Refunded Bonds can be used in any manner for another series.

Section 11. Escrow Agent Not Obligated. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

Section 12. Payment of Other Amounts. The City agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Refunded Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Sections 4 and 6 above.

Section 13. Segregation of Funds. The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the City under this Agreement, in a separate escrow account.

Section 14. Resignation of Escrow Agent. The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the City. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the City. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable); and the Escrow Agent

shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the City.

If the City shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief and any such resulting appointment shall be binding upon the City.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

Section 15. Benefit. This Agreement shall be for the sole and exclusive benefit of the City, the Escrow Agent and the holders of the Refunded Bonds. With the exception of rights expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

Section 16. Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 17. Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

If to the City:

If to the Escrow Agent:

The City and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

Section 18. Costs of Issuance. Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Escrow Agent and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the Finance Director of the City, under the "Closing Memorandum", and shall be paid on _____, ____.

Section 19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

CITY OF PORTAGE

By: _____

Its: Finance Director of the City

as Escrow Agent

By: _____

Its: _____

APPENDIX I

\$ _____

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Bond Registrar and Paying Agent:

Las.r1-por217

APPENDIX II

[FORM OF NOTICE OF REDEMPTION]

NOTICE OF REDEMPTION

\$ _____

Dated as of _____

DUE _____ 1, _____ THROUGH _____ 1, _____

NOTICE IS HEREBY GIVEN that the City of Portage, County of Kalamazoo, Michigan has called for redemption, on _____ 1, _____ (the "Redemption Date"), all of the callable outstanding _____ pursuant to the redemption provisions contained in the Bonds, bearing the original issue date of _____ 1, _____ maturing in the principal amounts, on the dates, bearing interest at the rates, with the "CUSIP" numbers, as follows:

<u>Principal</u>	<u>Rate</u>	<u>CUSIPS*</u>	<u>Due</u>
------------------	-------------	----------------	------------

Said Bonds will be redeemed at _____% of the par value thereof.

Said Bonds should be surrendered for redemption to _____, as paying agent, for payment as of the Redemption Date, after which date all interest on said Bonds shall cease to accrue, whether said Bonds are presented for payment or not.

Bonds may be surrendered for payment as indicated below. The method of delivery is at the option of the holder, but if by mail, registered mail is suggested.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 and the Comprehensive National Energy Policy Act of 2002, paying agents making payments of principal on municipal securities may be obligated to withhold a 31% tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid Taxpayer Identification Number on a fully completed Form W-9. Holders of the above described Bonds, who wish to avoid the application of these provisions, should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption.

* No representation is made as to the correctness of the CUSIP numbers either as printed on the Bonds or as contained herein.

CITY OF PORTAGE, COUNTY OF KALAMAZOO, MICHIGAN

APPENDIX III

\$ _____

Dated as of _____

Investment Securities to be Acquired Pursuant
to the Escrow Agreement

<u>Purchase Date</u>	<u>Investment Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment</u>
	_____			Uninvested Cash
	\$ _____			Total Escrow Requirement

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APPENDIX IV

\$ _____

Dated as of _____

Redemption Schedule

Redemption Premium: _____%

Date	Principa 1	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Annual Total
------	---------------	----------	-----------------------	-----------------------	--------------------------	-----------------

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APPENDIX V

\$ _____

Dated as of _____

ESCROW CASH FLOW ANALYSIS

_____ - Beginning Cash \$ _____
_____ - Balance:

	Beginnin g							Ending	
	Cash	SLG	SLG	SLG		Debt Service	Net	Cash	_____ \$
Date	Balance	Princip al	Rate	Intere st	Total	Defeasance	Cash Flow	Balance	Present Value

Total Cost of Escrow Securities: \$ _____

[FORM OF REQUEST FOR PROPOSAL]
OFFICIAL REQUEST FOR PROPOSAL

§

KALAMAZOO COUNTY
State of Michigan
CITY OF PORTAGE

CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2015A

SEALED OR ELECTRONIC PROPOSALS: Sealed written proposals for the purchase of the bonds described herein (the "Refunding Bonds") will be received by the undersigned on behalf of the City of Portage (the "City"), at the office of the City Finance Director, 7900 South Westnedge Ave., Portage, Michigan, 49002 on _____, _____, until ____:____.m., Eastern _____ Time, at which time and place the proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Proposals received at Portage, Michigan will be read first followed by proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations.

Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to Portage, Michigan.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd floor, New York, New York, 10018, (212) 849-5021.

If any provision of this Request for Proposal shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Request for Proposal shall control.

The Refunding Bonds will be awarded or all proposals will be rejected by the City Finance Director at a proceeding to be held within twenty-four hours of the sale.

BOND DETAILS: The Refunding Bonds will be dated _____ 1, _____ and will be known as "City of Portage Capital Improvement Refunding Bonds, Series 2015A". The Refunding Bonds will be fully registered Refunding Bonds in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1

upwards and will bear interest from their date payable _____ 1, _____ and semi-annually thereafter until maturity. The Refunding Bonds will mature on the 1st day of _____ in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

PRIOR REDEMPTION: The Refunding Bonds maturing prior to _____ 1, _____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, _____ shall be subject to redemption prior to maturity at the option of the City, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

INTEREST RATE AND PROPOSING DETAILS: The Refunding Bonds shall bear interest at a rate or rates not exceeding ___% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only. All bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Refunding Bonds, at a price less than ___% of their par value or at an interest rate or rates that will result in a net interest cost exceeding __%, will be considered.

TERM BOND OPTION: Refunding Bonds maturing in the years ____ - ____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial refunding bonds or term refunding bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term refunding bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term refunding bonds and serial refunding bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Refunding Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Refunding Bonds. Purchase of the Refunding Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Refunding Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Refunding Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD: _____, Michigan has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued refunding bonds and pay interest by check or draft mailed to the registered holders of the Refunding Bonds as shown on the registration books of the City kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Refunding Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Refunding Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Refunding Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Refunding Bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Refunding Bonds are to be issued pursuant to the provisions of Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"), for the purpose of refunding the City of Portage _____ Bonds, Series _____, dated _____ maturing in the years ____ through ____ (the

"Refunded Bonds"), of which \$ _____ remains outstanding and is being refunded. The Refunding Bonds are issued in anticipation of, and payable primarily from, the collection of taxes to be levied by the City. In addition, if the foregoing collection of taxes is insufficient for any reason to make prompt payment of the principal of and interest on this Refunding Bond when due, the City shall make such payments from its general funds. The limited tax full faith and credit of the City is pledged for the payment of the principal of and interest on the Refunding Bonds. The City, however, does not have the power to levy any tax unlimited as to rate or amount for the payment of principal of and interest on the Refunding Bonds in excess of its constitutional, statutory or charter limitations.

ESCROW AGENT: Proceeds from the Refunding Bonds will be transferred to _____, Michigan as escrow agent (the "Escrow Agent") under an escrow agreement dated _____ 1, _____ (the "Agreement"), who will use such proceeds to acquire investment obligations sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds when due or upon the first permissible redemption date for the Refunded Bonds.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to defease the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. The City reserves the right to increase or decrease the total par amount of the Refunding Bonds by any amount prior to the sale or following the opening of proposals. The increase or decrease may be made in any one or more maturities. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful proposer for all maturities will not change. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

ADJUSTMENT IN DISCOUNT: In the event the principal amount of this issue is increased or decreased, the premium or discount proposed, if any, will be adjusted upwards or downwards so that it is the same percent as the premium or discount originally proposed.

BOND INSURANCE AT PURCHASER'S OPTION: If the Refunding Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the proposer/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Refunding Bonds. Any increased costs of issuance of the Refunding Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any additional rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER

THE REFUNDING BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE REFUNDING BONDS FROM THE CITY.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$_____) of the face amount of the Refunding Bonds, and payable to the order of the City will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Refunding Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Refunding Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Refunding Bonds shall be made at the closing.

AWARD OF THE REFUNDING BONDS - TRUE INTEREST COST: The Refunding Bonds will be awarded to the proposer whose proposal produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on _____ and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to _____ in an amount equal to the price proposed, excluding accrued interest. _____ is the anticipated date of delivery of the Refunding Bonds.

LEGAL OPINION: Proposals shall be conditioned upon the approving opinion of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan (the "Bond Counsel") a copy of which opinion will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the Refunding Bonds at the delivery thereof. The fees of Bond Counsel for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review and has not examined or reviewed any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Refunding Bonds, and therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official

statement or any such financial documents, statements or materials.

TAX MATTERS: In the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Refunding Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the Refunding Bonds and interest thereon are exempt from all taxation in the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

"QUALIFIED TAX EXEMPT OBLIGATIONS": The Refunding Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

CERTIFICATE REGARDING "ISSUE PRICE": The Purchaser will be required, as a condition of delivery of the Refunding Bonds, to certify the "issue price" of the Refunding Bonds within the meaning of Section 1273 of the Code, which will include a representation that at least 10 percent of each maturity of the Refunding Bonds has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at a price not exceeding the stated initial offering price. In addition, if the successful proposer will obtain a municipal bond insurance policy or other credit enhancement for the Refunding Bonds in connection with their original issuance, the successful proposer will be required, as a condition of delivery of the Refunding Bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

DELIVERY OF REFUNDING BONDS: The City will furnish Refunding Bonds ready for execution at its expense. Refunding Bonds will be delivered without expense to the Purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Refunding Bonds, will be delivered at the time of delivery of the Refunding Bonds. If the Refunding Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of receipt of proposals or the first business day thereafter if said 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Refunding Bonds, withdraw its proposal by serving written notice of cancellation on the undersigned, in which event the City shall promptly return the good faith deposit. Payment for the

Refunding Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Refunding Bonds shall be paid by the Purchaser at the time of delivery. **Notwithstanding the foregoing, the successful proposer will be required to pay for and accept delivery of the Refunding Bonds on _____.**

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a resolution adopted or to be adopted by their governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Refunding Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful proposer shall supply to the City within twenty-four hours (24) after the award of the Refunding Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the City has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Refunding Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com/PDF.asp?doc= or at www.tm3.com.

The City will furnish to the successful proposer, at no cost, ___ copies of the Final Official Statement within seven (7) business days after the award of the Refunding Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost incurred by the City for those additional copies.

The City shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the City and the Refunding Bonds is true and correct in all material

respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Refunding Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of or to pay for the Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds shall be paid for by the City, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

PROPOSER CERTIFICATION: NOT "IRAN-LINKED BUSINESS:" By submitting a proposal, the proposer shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 17, Public Acts of Michigan, 2012; MCL 129.311 et seq.

FURTHER INFORMATION: Additional information may be obtained from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Ave., Suite 360, Grosse Pointe Farms, Michigan 48236, telephone (313) 884-1550.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.

ENVELOPES: Envelopes containing the proposals should be plainly marked "Proposal for City of Portage Capital Improvement Refunding Bonds, Series 2015A."

Finance Director
City of Portage

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CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage held at 7900 South Westnedge Ave., Portage, Michigan, 49002 on _____, 2015 at __:__ .m. Eastern Daylight Savings Time, there were:

PRESENT:

ABSENT:

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

RESOLUTION APPROVING THE UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE BY THE CITY OF PORTAGE FOR THE CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2015A

WHEREAS, the City of Portage (the "City") by resolution of its Council has approved the issuance of the City of Portage Capital Improvement Refunding Bonds, Series 2015A in the principal amount of not to exceed \$6,750,000 (the "Refunding Bonds"); and

WHEREAS, Bond Counsel, in order to comply with federal securities regulations, has prepared this resolution.

NOW, THEREFORE, IT IS RESOLVED BY THE COUNCIL OF THE CITY OF PORTAGE as follows:

1. This Council, for and on behalf of the City of Portage, hereby covenants and agrees, for the benefit of the beneficial owners of the Refunding Bonds to be issued by the City of Portage for the Project, to enter into a written undertaking (the "Undertaking") required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be substantially in the form attached to the official statement for the Refunding Bonds. The Undertaking shall be enforceable by the beneficial owners of the Refunding Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and under the

Undertaking), and any failure by the City to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Refunding Bonds.

The Mayor, City Finance Director, City Clerk and/or other officer of the City charged with the responsibility for issuing the Refunding Bonds shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the terms of the City's Undertaking.

2. The Disclosure Certificate as attached to the official statement for the Refunding Bonds is hereby approved as is the execution thereof by the designated officials.

3. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES:

NO:

ABSTAIN:

CERTIFICATION

The undersigned, being the duly qualified and acting Clerk of the City of Portage, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Council of the City of Portage at a _____ meeting held on _____, 2015, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the City, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Clerk, City of Portage

SEAL

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Preliminary

\$6,220,000
City of Portage
Capital Improvement Refunding Bonds, Series 2015A
(Refunds Series 2008 & Series 2008B)

NET SOURCES AND USES

Dated Date: 05/01/15
Closing Date: 05/21/15

Sources:

Bond Proceeds	\$6,220,000.00
Underwriter's Premium	0.00
Accrued Interest	8,365.57
	<hr/>
	<u>\$6,228,365.57</u>

Uses:

Escrow Fund	\$6,060,000.00
Costs of Issuance	65,000.00
Underwriter's Discount (1.5%)	93,300.00
Interest Account	8,365.57
Available Amount	1,700.00
	<hr/>
	<u>\$6,228,365.57</u>

Net Savings: \$545,432.65
Present Value Savings: \$461,990.36
Percent of refunded par: 7.624%



\$6,220,000
City of Portage
Capital Improvement Refunding Bonds, Series 2015A

NEW DEBT SERVICE

<u>Date</u>	<u>Principal</u>	<u>Price</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Fiscal Total</u>
01/01/16				\$100,386.67	\$100,386.67	\$100,386.67
07/01/16	\$595,000.00	100.000%	2.000%	75,290.00	670,290.00	
01/01/17				69,340.00	69,340.00	739,630.00
07/01/17	540,000.00	100.000%	2.000%	69,340.00	609,340.00	
01/01/18				63,940.00	63,940.00	673,280.00
07/01/18	540,000.00	100.000%	2.000%	63,940.00	603,940.00	
01/01/19				58,540.00	58,540.00	662,480.00
07/01/19	500,000.00	100.000%	2.000%	58,540.00	558,540.00	
01/01/20				53,540.00	53,540.00	612,080.00
07/01/20	495,000.00	100.000%	2.200%	53,540.00	548,540.00	
01/01/21				48,095.00	48,095.00	596,635.00
07/01/21	490,000.00	100.000%	2.300%	48,095.00	538,095.00	
01/01/22				42,460.00	42,460.00	580,555.00
07/01/22	480,000.00	100.000%	2.500%	42,460.00	522,460.00	
01/01/23				36,460.00	36,460.00	558,920.00
07/01/23	470,000.00	100.000%	2.600%	36,460.00	506,460.00	
01/01/24				30,350.00	30,350.00	536,810.00
07/01/24	440,000.00	100.000%	2.700%	30,350.00	470,350.00	
01/01/25				24,410.00	24,410.00	494,760.00
07/01/25	430,000.00	100.000%	2.800%	24,410.00	454,410.00	
01/01/26				18,390.00	18,390.00	472,800.00
07/01/26	420,000.00	100.000%	2.900%	18,390.00	438,390.00	
01/01/27				12,300.00	12,300.00	450,690.00
07/01/27	415,000.00	100.000%	3.000%	12,300.00	427,300.00	
01/01/28				6,075.00	6,075.00	433,375.00
07/01/28	405,000.00	100.000%	3.000%	6,075.00	411,075.00	411,075.00
	<u>\$6,220,000.00</u>			<u>\$1,103,476.67</u>	<u>\$7,323,476.67</u>	<u>\$7,323,476.67</u>

Dated Date: 05/01/15
 Closing Date: 05/21/15
 Arbitrage Yield: 2.614797%

Principal: \$6,220,000.00
 Accrued Interest: 8,365.57
 Credit Enhancement: 0.00
 Orig Issue Prem/(Disc): 0.00

\$6,228,365.57



\$6,220,000
City of Portage
Capital Improvement Refunding Bonds, Series 2015A

ARBITRAGE YIELD WORKSHEET

						2.614797%
Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	Present Value Debt Service
01/01/16			\$100,386.67	\$100,386.67	\$100,386.67	\$98,805.54
07/01/16	\$595,000.00	2.000%	75,290.00	670,290.00		651,218.64
01/01/17			69,340.00	69,340.00	739,630.00	66,497.72
07/01/17	540,000.00	2.000%	69,340.00	609,340.00		576,821.50
01/01/18			63,940.00	63,940.00	673,280.00	59,746.60
07/01/18	540,000.00	2.000%	63,940.00	603,940.00		557,048.77
01/01/19			58,540.00	58,540.00	662,480.00	53,298.01
07/01/19	500,000.00	2.000%	58,540.00	558,540.00		501,962.62
01/01/20			53,540.00	53,540.00	612,080.00	47,495.70
07/01/20	495,000.00	2.200%	53,540.00	548,540.00		480,333.71
01/01/21			48,095.00	48,095.00	596,635.00	41,571.29
07/01/21	490,000.00	2.300%	48,095.00	538,095.00		459,104.34
01/01/22			42,460.00	42,460.00	580,555.00	35,759.49
07/01/22	480,000.00	2.500%	42,460.00	522,460.00		434,333.33
01/01/23			36,460.00	36,460.00	558,920.00	29,918.90
07/01/23	470,000.00	2.600%	36,460.00	506,460.00		410,235.21
01/01/24			30,350.00	30,350.00	536,810.00	24,266.40
07/01/24	440,000.00	2.700%	30,350.00	470,350.00		371,215.93
01/01/25			24,410.00	24,410.00	494,760.00	19,016.57
07/01/25	430,000.00	2.800%	24,410.00	454,410.00		349,438.71
01/01/26			18,390.00	18,390.00	472,800.00	13,959.30
07/01/26	420,000.00	2.900%	18,390.00	438,390.00		328,474.33
01/01/27			12,300.00	12,300.00	450,690.00	9,097.14
07/01/27	415,000.00	3.000%	12,300.00	427,300.00		311,954.58
01/01/28			6,075.00	6,075.00	433,375.00	4,377.88
07/01/28	405,000.00	3.000%	6,075.00	411,075.00	411,075.00	292,413.36
<u>\$6,220,000.00</u>			<u>\$1,103,476.67</u>	<u>\$7,323,476.67</u>	<u>\$7,323,476.67</u>	<u>\$6,228,365.57</u>

Dated Date: 05/01/15
 Closing Date: 05/21/15
 Arbitrage Yield: 2.614797%

Principal: \$6,220,000.00
 Accrued Interest: 8,365.57
 Credit Enhancement: 0.00
 Orig Issue Prem/(Disc): 0.00

\$6,228,365.57



\$6,220,000
City of Portage
Capital Improvement Refunding Bonds, Series 2015A

NET PRESENT VALUE SAVINGS ANALYSIS

Net Present Value Savings/(Loss): \$461,990.36

Date	Combined Outstanding Debt Service	Total Remaining Non-Refunded Debt-Service	New Debt Service	Net Savings/(Loss)	Fiscal Net Savings/(Loss)	2.614797% Present Value Savings/(Loss)
07/01/15	\$679,431.25	\$679,431.25	\$0.00	\$0.00		\$0.00
01/01/16	128,812.50		92,021.10 *	36,791.40	\$36,791.40	36,343.68
07/01/16	673,812.50		670,290.00	3,522.50		3,422.28
01/01/17	118,093.75		69,340.00	48,753.75	52,276.25	46,755.31
07/01/17	613,093.75		609,340.00	3,753.75		3,553.42
01/01/18	108,375.00		63,940.00	44,435.00	48,188.75	41,520.81
07/01/18	608,375.00		603,940.00	4,435.00		4,090.66
01/01/19	98,375.00		58,540.00	39,835.00	44,270.00	36,267.96
07/01/19	563,375.00		558,540.00	4,835.00		4,345.24
01/01/20	89,075.00		53,540.00	35,535.00	40,370.00	31,523.34
07/01/20	554,075.00		548,540.00	5,535.00		4,846.77
01/01/21	79,484.38		48,095.00	31,389.38	36,924.38	27,131.65
07/01/21	544,484.38		538,095.00	6,389.38		5,451.43
01/01/22	69,603.13		42,460.00	27,143.13	33,532.50	22,859.73
07/01/22	534,603.13		522,460.00	12,143.13		10,094.87
01/01/23	59,640.63		36,460.00	23,180.63	35,323.75	19,021.91
07/01/23	524,640.63		506,460.00	18,180.63		14,726.40
01/01/24	49,468.75		30,350.00	19,118.75	37,299.38	15,286.43
07/01/24	489,468.75		470,350.00	19,118.75		15,089.16
01/01/25	39,650.00		24,410.00	15,240.00	34,358.75	11,872.69
07/01/25	479,650.00		454,410.00	25,240.00		19,409.42
01/01/26	29,750.00		18,390.00	11,360.00	36,600.00	8,623.04
07/01/26	464,750.00		438,390.00	26,360.00		19,750.87
01/01/27	19,962.50		12,300.00	7,662.50	34,022.50	5,667.22
07/01/27	459,962.50		427,300.00	32,662.50		23,845.58
01/01/28	9,981.25		6,075.00	3,906.25	36,568.75	2,814.99
07/01/28	449,981.25		411,075.00	38,906.25	38,906.25	27,675.50
	<u>\$8,539,975.00</u>	<u>\$679,431.25</u>	<u>\$7,315,111.10</u>	<u>\$545,432.65</u>	<u>\$545,432.65</u>	<u>\$461,990.36</u>

* Less accrued interest.



\$7,500,000
City of Portage
Capital Improvement Bonds, Series 2008

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	2.614797% Present Value Debt Service
07/01/15	\$395,000.00	4.000%	\$99,937.50	\$494,937.50		\$493,510.92
01/01/16			92,037.50	92,037.50	\$586,975.00	90,587.87
07/01/16	400,000.00	4.000%	92,037.50	492,037.50		478,037.85
01/01/17			84,037.50	84,037.50	576,075.00	80,592.76
07/01/17	350,000.00	4.000%	84,037.50	434,037.50		410,874.33
01/01/18			77,037.50	77,037.50	511,075.00	71,985.13
07/01/18	355,000.00	4.000%	77,037.50	432,037.50		398,493.16
01/01/19			69,937.50	69,937.50	501,975.00	63,674.91
07/01/19	335,000.00	4.000%	69,937.50	404,937.50		363,919.30
01/01/20			63,237.50	63,237.50	468,175.00	56,098.42
07/01/20	335,000.00	4.125%	63,237.50	398,237.50		348,720.05
01/01/21			56,328.13	56,328.13	454,565.63	48,687.66
07/01/21	335,000.00	4.250%	56,328.13	391,328.13		333,882.38
01/01/22			49,209.38	49,209.38	440,537.50	41,443.76
07/01/22	335,000.00	4.250%	49,209.38	384,209.38		319,402.32
01/01/23			42,090.63	42,090.63	426,300.00	34,539.36
07/01/23	335,000.00	4.375%	42,090.63	377,090.63		305,445.35
01/01/24			34,762.50	34,762.50	411,853.13	27,794.42
07/01/24	310,000.00	4.500%	34,762.50	344,762.50		272,098.08
01/01/25			27,787.50	27,787.50	372,550.00	21,647.80
07/01/25	310,000.00	4.500%	27,787.50	337,787.50		259,756.67
01/01/26			20,812.50	20,812.50	358,600.00	15,798.15
07/01/26	305,000.00	4.500% *	20,812.50	325,812.50		244,122.91
01/01/27			13,950.00	13,950.00	339,762.50	10,317.48
07/01/27	310,000.00	4.500% *	13,950.00	323,950.00		236,502.89
01/01/28			6,975.00	6,975.00	330,925.00	5,026.45
07/01/28	310,000.00	4.500% *	6,975.00	316,975.00	316,975.00	225,476.43
	<u>\$4,720,000.00</u>		<u>\$1,376,343.75</u>	<u>\$6,096,343.75</u>	<u>\$6,096,343.75</u>	<u>\$5,258,436.83</u>

REMAINING NON-REFUNDED ORIGINAL DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	2.61480% Present Value Debt Service
07/01/15	\$395,000.00	4.000%	\$99,937.50	\$494,937.50	\$494,937.50	\$493,510.92
	<u>\$395,000.00</u>		<u>\$99,937.50</u>	<u>\$494,937.50</u>	<u>\$494,937.50</u>	<u>\$493,510.92</u>

REDEMPTION SCHEDULE

Redemption Premium: 0.00%

Date	Principal	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Fiscal Total	2.61480% Present Value
07/01/15	\$0.00	\$0.00	\$4,325,000.00	\$0.00	\$4,325,000.00	\$4,325,000.00	\$4,312,533.88
	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$4,325,000.00</u>	<u>\$0.00</u>	<u>\$4,325,000.00</u>	<u>\$4,325,000.00</u>	<u>\$4,312,533.88</u>

* Term Bond.



\$2,750,000
City of Portage
Capital Improvement Bonds, Series 2008B

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	2.614797% Present Value Debt Service
07/01/15	\$145,000.00	3.750%	\$39,493.75	\$184,493.75		\$183,961.98
01/01/16			36,775.00	36,775.00	\$221,268.75	36,195.78
07/01/16	145,000.00	3.750%	36,775.00	181,775.00		176,603.06
01/01/17			34,056.25	34,056.25	215,831.25	32,660.27
07/01/17	145,000.00	3.750%	34,056.25	179,056.25		169,500.60
01/01/18			31,337.50	31,337.50	210,393.75	29,282.28
07/01/18	145,000.00	4.000%	31,337.50	176,337.50		162,646.27
01/01/19			28,437.50	28,437.50	204,775.00	25,891.05
07/01/19	130,000.00	4.000%	28,437.50	158,437.50		142,388.55
01/01/20			25,837.50	25,837.50	184,275.00	22,920.62
07/01/20	130,000.00	4.125%	25,837.50	155,837.50		136,460.43
01/01/21			23,156.25	23,156.25	178,993.75	20,015.29
07/01/21	130,000.00	4.250%	23,156.25	153,156.25		130,673.39
01/01/22			20,393.75	20,393.75	173,550.00	17,175.46
07/01/22	130,000.00	4.375%	20,393.75	150,393.75		125,025.87
01/01/23			17,550.00	17,550.00	167,943.75	14,401.44
07/01/23	130,000.00	4.375%	17,550.00	147,550.00		119,516.26
01/01/24			14,706.25	14,706.25	162,256.25	11,758.41
07/01/24	130,000.00	4.375%	14,706.25	144,706.25		114,207.01
01/01/25			11,862.50	11,862.50	156,568.75	9,241.46
07/01/25	130,000.00	4.500%	11,862.50	141,862.50		109,091.46
01/01/26			8,937.50	8,937.50	150,800.00	6,784.19
07/01/26	130,000.00	4.500%	8,937.50	138,937.50		104,102.29
01/01/27			6,012.50	6,012.50	144,950.00	4,446.87
07/01/27	130,000.00	4.625%	6,012.50	136,012.50		99,297.27
01/01/28			3,006.25	3,006.25	139,018.75	2,166.42
07/01/28	130,000.00	4.625%	3,006.25	133,006.25	133,006.25	94,612.43
	<u>\$1,880,000.00</u>		<u>\$563,631.25</u>	<u>\$2,443,631.25</u>	<u>\$2,443,631.25</u>	<u>\$2,101,026.41</u>

REMAINING NON-REFUNDED ORIGINAL DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	2.61480% Present Value Debt Service
07/01/15	\$145,000.00	3.750%	\$39,493.75	\$184,493.75	\$184,493.75	\$183,961.98
	<u>\$145,000.00</u>		<u>\$39,493.75</u>	<u>\$184,493.75</u>	<u>\$184,493.75</u>	<u>\$183,961.98</u>

REDEMPTION SCHEDULE

Redemption Premium: 0.00%

Date	Principal	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Fiscal Total	2.61480% Present Value
07/01/15	\$0.00	\$0.00	\$1,735,000.00	\$0.00	\$1,735,000.00	\$1,735,000.00	\$1,729,999.14
	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,735,000.00</u>	<u>\$0.00</u>	<u>\$1,735,000.00</u>	<u>\$1,735,000.00</u>	<u>\$1,729,999.14</u>



\$7,500,000
City of Portage
Capital Improvement Bonds, Series 2008
and
\$2,750,000
City of Portage
Capital Improvement Bonds, Series 2008B

COMBINED REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Date	Series 2008	Series 2008B	Combined Total Debt Service	Combined Fiscal Total	2.614797% Present Value Debt Service
07/01/15	\$494,937.50	\$184,493.75	\$679,431.25		\$677,472.90
01/01/16	92,037.50	36,775.00	128,812.50	\$808,243.75	126,783.65
07/01/16	492,037.50	181,775.00	673,812.50		654,640.91
01/01/17	84,037.50	34,056.25	118,093.75	791,906.25	113,253.03
07/01/17	434,037.50	179,056.25	613,093.75		580,374.93
01/01/18	77,037.50	31,337.50	108,375.00	721,468.75	101,267.41
07/01/18	432,037.50	176,337.50	608,375.00		561,139.43
01/01/19	69,937.50	28,437.50	98,375.00	706,750.00	89,565.96
07/01/19	404,937.50	158,437.50	563,375.00		506,307.86
01/01/20	63,237.50	25,837.50	89,075.00	652,450.00	79,019.04
07/01/20	398,237.50	155,837.50	554,075.00		485,180.48
01/01/21	56,328.13	23,156.25	79,484.38	633,559.38	68,702.95
07/01/21	391,328.13	153,156.25	544,484.38		464,555.77
01/01/22	49,209.38	20,393.75	69,603.13	614,087.50	58,619.22
07/01/22	384,209.38	150,393.75	534,603.13		444,428.20
01/01/23	42,090.63	17,550.00	59,640.63	594,243.75	48,940.81
07/01/23	377,090.63	147,550.00	524,640.63		424,961.61
01/01/24	34,762.50	14,706.25	49,468.75	574,109.38	39,552.83
07/01/24	344,762.50	144,706.25	489,468.75		386,305.09
01/01/25	27,787.50	11,862.50	39,650.00	529,118.75	30,889.26
07/01/25	337,787.50	141,862.50	479,650.00		368,848.12
01/01/26	20,812.50	8,937.50	29,750.00	509,400.00	22,582.34
07/01/26	325,812.50	138,937.50	464,750.00		348,225.20
01/01/27	13,950.00	6,012.50	19,962.50	484,712.50	14,764.36
07/01/27	323,950.00	136,012.50	459,962.50		335,800.16
01/01/28	6,975.00	3,006.25	9,981.25	469,943.75	7,192.87
07/01/28	316,975.00	133,006.25	449,981.25	449,981.25	320,088.86
	<u>\$6,096,343.75</u>	<u>\$2,443,631.25</u>	<u>\$8,539,975.00</u>	<u>\$8,539,975.00</u>	<u>\$7,359,463.25</u>



\$7,500,000
City of Portage
Capital Improvement Bonds, Series 2008
and
\$2,750,000
City of Portage
Capital Improvement Bonds, Series 2008B

COMBINED REMAINING NON-REFUNDED ORIGINAL DEBT SERVICE SCHEDULE

Date	Series 2008	Series 2008B	Combined Total Debt Service	Combined Fiscal Total	2.614797% Present Value Debt Service
07/01/15	\$494,937.50	\$184,493.75	\$679,431.25	\$679,431.25	\$677,472.90
	<u>\$494,937.50</u>	<u>\$184,493.75</u>	<u>\$679,431.25</u>	<u>\$679,431.25</u>	<u>\$677,472.90</u>



\$7,500,000
City of Portage
Capital Improvement Bonds, Series 2008
and
\$2,750,000
City of Portage
Capital Improvement Bonds, Series 2008B

COMBINED REDEMPTION SCHEDULE

<u>Date</u>	<u>Combined Principal</u>	<u>Combined Interest</u>	<u>Combined Redeemed Principal</u>	<u>Combined Redemption Premium</u>	<u>Combined Total Debt Service</u>	<u>Combined Fiscal Total</u>	<u>2.614797% Present Value</u>
07/01/15	\$0.00	\$0.00	\$6,060,000.00	\$0.00	\$6,060,000.00	\$6,060,000.00	\$6,042,533.02
	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$6,060,000.00</u>	<u>\$0.00</u>	<u>\$6,060,000.00</u>	<u>\$6,060,000.00</u>	<u>\$6,042,533.02</u>



\$7,500,000
City of Portage
Capital Improvement Bonds, Series 2008
and
\$2,750,000
City of Portage
Capital Improvement Bonds, Series 2008B

ESCROW CASH FLOW ANALYSIS

May 21, 2015 Beginning Cash Balance: \$6,060,000.00 *

Date	Beginning Cash Balance	SLGS Principal	SLGS Rate	SLGS Interest	SLGS Total	Combined Debt Service Defeasance	Ending Cash Balance	0.000000% Present Value
05/21/15	\$6,060,000.00						\$6,060,000.00	
07/01/15	6,060,000.00	\$0.00	0.000%	\$0.00	\$0.00	\$6,060,000.00	0.00	\$0.00
		<u>\$0.00</u>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$6,060,000.00</u>		<u>\$0.00</u>

Total Cost of Escrow Securities: \$6,060,000.00

* Non-Interest bearing cash deposit with Huntington National Bank, Escrow Agent.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Acquisition of City Centre Properties (203 East Centre Avenue and 208 Brown Avenue)

SUPPORTING PERSONNEL: Vicki Georgeau, Director of Community Development

ACTION RECOMMENDED: That the City Council authorize the city acquisition of 203 East Centre Avenue and 208 Brown Avenue, owned by Marian Meyer et al., for the amount of \$180,000.

The City Administration has negotiated a purchase and sale agreement for two contiguous properties owned by Marian Meyer et al., located at 203 East Centre Avenue and 208 Brown Avenue, constituting a combined 1.0 acre in size. The property also includes a single-family residential home and attached garage. The purchase and sale agreement is for \$180,000. The sale is contingent upon a number of conditions to include:

- Satisfactory Phase 1 environmental report
- Satisfactory appraisal and title
- Approval by the City Council

The contiguous subject properties are bordered on both the east and west to properties currently owned by the City of Portage. By acquiring the 208 Brown and 203 East Centre properties, the city achieves an assemblage of the 0.9 acres owned to the west and the 1.3 acres owned to the east, with the 208 Brown / 203 East Centre properties situated in the middle, for a total section of 3.2 acres. The acquisition of these parcels creates additional value for the city properties owned to the east and the west and gives the city the flexibility and leverage to solicit redevelopment designs for the assembled area. This effort is consistent with the visions outlined in both Portage 2025 and the 2014 Comprehensive Plan regarding the City Centre subarea concept.

It is recommended that the City Council authorize acquisition of 208 Brown Avenue and 203 East Centre Avenue, demolish the single-family residential structure and then begin to have a conversation about how the entire assembled piece contributes to the articulated vision identified in Portage 2025 for a mixed-use development project. The acquisition, due diligence and demolition and site clearance costs are estimated at a total of \$200,000.

Funding for this project will come from an unappropriated fund balance created by un-programmed Capital Improvement Program (CIP) funding. This account, created with surpluses realized as a result of projects coming in at lower costs than originally estimated, presently totals \$788,246.

As noted above, the agreement is contingent on receipt of a satisfactory appraisal of the properties to be purchased. On April 9, 2015, the City Administration received an appraisal report from Kal-Creek Commercial Appraisers that provides an estimated market value of the 203 East Centre Avenue and 208 Brown Avenue properties of \$189,000. The table below indicates the owner, address, parcel size and estimated value of the currently owned city properties and the properties to be purchased with this land assemblage proposal.

Owner	Address	Parcel Size	Value
City of Portage – Segment #1	122 Brown	0.5 acre	
	125 East Centre	0.4 acre	
	Subtotal	0.9 acres	Value = \$150,000
Marian Meyer et al.	208 Brown	0.6 acres	
	203 East Centre	0.4 acres	
	Subtotal	1.0 acres	Value = \$189,000
City of Portage – Segment #2	214 Brown	0.6 acres	
	228 Brown	0.7 acres	
	Subtotal	1.3 acres	Value = \$195,000
Total – City of Portage Segments		2.2 acres	
Total – All Segments		3.2 acres	

Based on the above, it is recommended that the City Council hereby authorize the acquisition of 203 East Centre Avenue and 208 Brown Avenue, owned by Marian Meyer et al., for the amount of \$180,000.

FUNDING: Funding supplied by unappropriated fund balance created by un-programmed Capital Improvement Program (CIP) funding, created with surpluses realized as a result of projects coming in at lower costs than originally estimated.

Attachments: East Centre Avenue – Brown Avenue Vicinity Map
Kal-Creek Commercial Appraisers, LC summary report
Buy and Sell Agreement-203 East Centre Avenue and 208 Brown Avenue

Kal-Creek Commercial Appraisers, L.C.

1601 West Centre Avenue
Portage, Michigan 49024
Phone (269) 327-1100
E-Mail: jfrancis@kalcreek.com

Appraisal Report



**203 East Centre Avenue &
208 Brown Avenue**

Portage, Michigan 49002



Commercial Redevelopment/Transitional Property



Prepared By: Joel Francis, SRA, GAA, GRI



Kal-Creek File #14353



Narrative Report (Summary)

Kal-Creek Commercial Appraisers, L.C.

◆◆◆ Transmittal Information ◆◆◆

Client / Intended User **City of Portage**
7900 South Westnedge Avenue
Portage, Michigan 49002

Attention Vicki Georgeau, AICP,
Director - Community Development

Subject Properties **203 East Centre Avenue & 208 Brown Avenue**
Portage, Michigan 49002
(Commercial Redevelopment/Transitional Property)

Owner of Record Meyer, Marian Et Al
6528 Cypress Street
Portage, MI 49024

Client's Instructions

- *Appraise* Subject property identified above
- *Type of value* Market Value
- *Property rights* Fee Simple
- *Report format* **Narrative Report (Summary)**
- *Purpose/Intended use* To provide my opinion of market value, as of the effective date, to assist the client with the possible purchase of the property.

Opinion of Value

- *Basis* Analysis of market data available when the report was prepared
- *Property status* "As Is"
- *Effective date* April 7, 2015
- *Property tour date* April 7, 2015
- *Exposure time* 2-years or less
- *Report signed* April 9, 2015 (date of the report)
- ***Market Value*** **\$189,000 (One hundred eighty nine thousand dollars)**

Appraiser

Joel Francis, SRA, GAA, GRI
Certified General Appraiser, State of Michigan

Appraiser Competency

I have the educational background, appraisal experience with this property type, geographical competency and appraisal license level required to competently appraise the subject property.

Advocacy

It is unethical for me to be an advocate for anyone's value preferences, including the client. *I can only be an advocate for the value type(s) defined in this appraisal report.*

Transmittal Information Continued on Next Page.....

Instructions to the Reader

- This appraisal report contains 50 pages which are all numbered; and must remain attached as a single document for the value opinion(s) to be valid.
- The reader is encouraged to review the entire appraisal report, particularly the:
 - Assumptions and Limitations of the Appraisal
 - Extraordinary Assumptions and Hypothetical Conditions
 - Scope of Work
- It is expected that the client/owner(s) will read the entire report and inform me of possible errors primarily concerning the subject property so that these can be corrected, if warranted.

Personal Property / Non-Realty Items / Trade Fixtures

No personal property, non-realty items or trade fixtures are included in the appraised value.

Appraisal Report Format - Narrative Report (Summary)

- The report may include abbreviated discussions of the data, reasoning, and analysis used in the appraisal process.
- Supporting documentation is retained in the Kal-Creek office files.
- Information in this report is specific client's needs and for the stated intended use.
- I am not responsible for unauthorized use of this report.

Market Value - Defined

The most probable price a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f])

Appraisal Summary

Additional Location Information

- City of Portage, Kalamazoo County, Michigan
- Location classification: Suburban
- Public School District: Portage

Subject Property Classification(s)

Commercial redevelopment/transitional property

Highest and Best Use

To redevelop the subject property

Property Highlights

- | | |
|------------------------------|--|
| • Zoning | “B-3” Central Business District |
| • Site Size | 44,439 square feet, also expressed as 1.02 acres |
| • # Buildings | 1 (residence) |
| • # Units | 1 |
| • Gross Building Area | 1,436 square feet |

Comments

The subject property consists of two separate but contiguous parcels from a legal and assessing standpoint, however, these function best as a single parcel. Doing so, provides the single entity with frontage on 2 roads. This is important because the subject is located close the intersection of South Westnedge Avenue and East Centre Avenue. During peak traffic periods, the traffic can back up on East Centre Avenue in front of the subject property likely making access somewhat inconvenient. Having frontage on Brown Avenue provides an additional access option to the subject property.



BUY AND SELL AGREEMENT
FOR OFFICE, COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY

Office of Callander Commercial, BROKER.

Portage (city), Michigan Phone: 269-349-1000 Fax: 269-349-1000

Email: ecallander@ccmichigan.com Offer Date: 4/3/2015 (time)

- 1. Agency Disclosure. The undersigned Buyer and Seller each acknowledge the Broker named above is acting as (choose one):
[X] Subagent of the Seller [] Agent of the Buyer [] Dual Agent (with written, informed consent of both Buyer and Seller)
[X] Other (specify): Jaqua Realtors, Bill Zeigler acting as Buyer's Agent (see attached Buyer Agency Addendum)

2. Buyer's Offer. The undersigned Buyer hereby offers and agrees to purchase property located in the City of Portage, Kalamazoo County, Michigan, commonly known as 203 East Centre Street, Portage and 208 Brown Ave. (see Attached Exhibit A)

Permanent Parcel Number 00015-330-A and 01480-004-O and legally described as follows:

(the "Land"), together with all buildings, fixtures and improvements situated on the Land (the "Improvements"), and all equipment and other personal property listed on Exhibit D (the "Personal Property"), all of which is collectively referred to herein as the "Premises".

- 3. Purchase Price. The purchase price for the Premises is: One Hundred Eighty Thousand and no/100s

Dollars (\$180,000.00). Any allocation of the purchase price between Land, Improvements, and Personal Property shall be set forth on an attached Exhibit.

- 4. Terms of Payment. The purchase price shall be paid at the closing as indicated by "X" below (other unmarked terms of purchase do not apply):

[X] Cash. Buyer shall pay the full purchase price to Seller upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified in this agreement.

[] New Mortgage. The Buyer shall pay the full purchase price to Seller upon execution and delivery of a warranty deed and performance by Seller of the closing obligations specified in this Agreement, contingent upon Buyer's ability to obtain a year mortgage loan in the amount of \$ bearing interest at a rate no greater than % per annum. Buyer shall apply for the mortgage loan immediately and accept it promptly if tendered. If Buyer does not deliver to Seller on or before (date), proof that Buyer has accepted a mortgage loan commitment, Seller may thereafter at any time treat this contingency as not having been satisfied and terminate this Agreement by written notice to Buyer, unless Buyer has waived this contingency in writing, prior to the date indicated in this paragraph.

[] Land Contract. Buyer shall pay the full purchase price to Seller pursuant to the terms and conditions stated in the Commercial Alliance of REALTORS Land Contract form upon performance by Seller of the closing obligations specified in this Agreement. The Land Contract shall provide a down payment of \$ and payment of the balance \$ in installments of \$ or more, at Buyer's option, including interest at the rate of % per annum computed monthly, interest to start on date of closing, and first payment to become due days after date of closing. The entire unpaid balance will become due and payable months after closing. Seller understands that consummation of the sale or transfer of the Premises shall not relieve Seller of any liability that Seller may have under the mortgage(s) to which the Premises are subject, unless otherwise agreed to by the lender or required by law or regulation.

Additional Provisions:

Sale to include Real Estate, Furniture, Fixtures & Equipment. Complete list to be attached hereto within 10 days of effective date of this agreement.

- 5. Survey (select one of the following):

[] A new survey:
[] ALTA showing all easements of record, improvements, and encroachments, if any, and completed to the most current ALTA/ACMS minimum requirements; or
[] boundary survey with iron corner stakes and with all easements of record, improvements, and encroachments (if any);

[] A recertified survey;

[X] An existing survey (if available)

shall be provided by [] Buyer [X] Seller as soon as possible after the later to occur of (i) the title insurance commitment reference in this Agreement is delivered to the party responsible for the survey; and (ii) Buyer's right to terminate under this Agreement is waived or deemed to have been waived. If Seller fails to provide the new or recertified survey as required by this paragraph, the Buyer may elect to order the required survey at Seller's cost. If the survey reveals a matter that materially and adversely affects the value of the Premises or Buyer's intended use of the Premises, Buyer shall have the right to terminate this Agreement by giving Seller written notice within *** () calendar days after copies of both the survey and title commitment referenced in this Agreement are delivered to Buyer, otherwise Buyer's right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived. Other: *** see Paragraph 26

Buyer's Initials

Seller's Initials

Handwritten initials for Buyer and Seller

6. **Title Insurance.** At Seller's expense, Seller shall provide Buyer with a standard ALTA owner's policy of title insurance in the amount of the purchase price, effective as of the date of closing. A commitment to issue such policy insuring marketable title (as defined in this Agreement) vested in Buyer, including a tax status report, shall be ordered within seven (7) calendar days after the Effective Date, and shall be delivered, with copies of all title exception documents, as soon as feasible thereafter. (Note that some title commitments do not report on the status of oil, gas, or mineral rights.) If any matter disclosed by the title commitment adversely and materially affects the value of the Premises or Buyer's intended use of the Premises, Buyer shall have the right to terminate this Agreement by giving Seller written notice within *** calendar days after copies of both the title commitment and survey referenced in this Agreement above are delivered to Buyer, otherwise Buyer's right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived. A matter disclosed in the title commitment that is in the form of an encumbrance that is liquidated in amount and that can be readily discharged (such as a mortgage) shall not be grounds for termination of this Agreement by Buyer under this paragraph so long as Seller discharges such encumbrance at the closing. Other: ***** see Paragraph 26**

7. **Inspections.** After the Effective Date, Buyer and Buyer's agents shall have the right to enter upon the Premises during reasonable business hours for the purposes of conducting such inspections of the Premises that Buyer deems appropriate; provided, however, that such inspections shall not interfere with the rights of the tenants in possession. Buyer shall indemnify, defend and hold Seller and Broker harmless from and against any damage to persons or property caused by Buyer or Buyer's agents in conducting such inspections. Buyer shall have the right to terminate this Agreement if the inspections are not acceptable to Buyer by giving Seller written notice within calendar days after the Effective Date, otherwise the right to terminate shall be deemed to have been waived. **Not later than May 15, 2015**

Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson regarding any aspect of the Premises, or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller. Accordingly, Buyer agrees to accept the Premises "as is" and "with all faults", except as otherwise expressly provided in the documents specified in the preceding sentence. Other: **See Paragraph 26 "Other"**

8. **Closing Adjustments.** The following adjustments shall be made between the parties as of the close of business on the closing date, with Buyer receiving a credit or assuming responsibility, as the case may be, for amounts attributable to time periods following the closing date:

- a. Prepaid rent;
- b. Interest on any existing indebtedness assumed by Buyer;
- c. Charges for any transferable service contracts assigned to Buyer described in Exhibit C;
- d. Utility deposits;
- e. Security deposits;
- f. Additional Rent (as defined below).

If any tenant is late, delinquent or otherwise in default in the payment of rent on the closing date, Seller shall assign to Buyer the claim for and the right to collect the rent; Buyer shall pay such past due rent to Seller promptly upon receipt; but Buyer shall not be obligated to file suit to collect such rent and shall reassign the claim to Seller on demand. If any tenants are required to pay percentage rent, escalation charges for real estate taxes, operating expenses, cost-of-living adjustments or other charges of a similar nature ("Additional Rent"), and such amounts shall be allocated between the parties pursuant to the terms of the applicable leases. If any Additional Rent is collected by Buyer after closing which is attributable in whole or in part to any period prior to closing, Buyer shall promptly pay to Seller Seller's proportionate share of the Additional Rent. Other:

9. **Property Taxes.** All property taxes first billed prior to the year of closing will be paid by Seller, without proration. All property taxes billed or to be billed in the year of closing will be paid as follows (choose one):

- No Proration:
 - Buyer Seller shall pay the taxes billed in July.
 - Buyer Seller shall pay the taxes billed in December.

Calendar Year Proration. Combined per diem tax amount representing both the July bill and the December bill shall be calculated based on a 365 day year. Seller shall be responsible for the per diem total from January 1 to, but not including, the day of closing. Buyer shall be responsible for the difference between the total of the two tax bills and the Seller's share. If the amount of either tax bill is unknown on the day of closing, it shall be calculated using the taxable value and the current millage rate assigned to the Premises as of the day of closing.

10. **Special Assessments (choose one):**

- Seller shall pay all special assessments which have become a lien on the Premises prior to the Effective Date, whether due in installments or otherwise.
- Seller shall pay all special assessments which have become a lien on the Premises prior to the Effective Date, provide, however, that in the event a special assessment is payable in installments, Seller shall only be responsible for those installments covering the years prior to the year of closing, and Buyer shall be responsible for all installments covering all years after the year of closing. Installments of special assessments covering the year of closing shall be prorated using the same method set forth in this Agreement for the proration of real estate taxes.
- Other:

Buyer's Initials

[Handwritten initials]

Seller's Initials

- 11. **Conveyance.** Upon performance by Buyer of the closing obligations specified in this Agreement, Seller shall convey the marketable title to the Premises to Buyer by warranty deed or agree to convey marketable title by land contract or assignment, as required by this Agreement, including oil, gas and other mineral rights owned by Seller, if any, subject only to existing zoning ordinances, and the following matters of record: building and use restrictions, easements, oil and gas leases, and reservations, if any. As used herein, "marketable title" means marketable title within the meaning of the Michigan 40-Year Marketable Title Act (Mich. Comp. Laws §§ 565.101 et seq.).

The following paragraph applies only if the Premises include unplatted land:

Seller agrees to grant Buyer at closing the right to make (insert number) All division(s) under Section 106 (2), (3) and (4) of the Michigan Land Division Act. (If no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or Broker do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval, on or before n/a (date), of the proposed division to create the Real Estate. Other:

- 12. **Warranties of Buyer.** Except as otherwise provided or acknowledged in this Agreement, Buyer represents and warrants to Seller as follows:
 - a. The performance of the obligations of Buyer under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to Buyer.
 - b. There is no litigation or proceeding pending, or to Buyer's knowledge threatened, against or involving Buyer, and Buyer does not know or have reason to know of any ground for any such litigation or proceeding, which could have an adverse impact on Buyer's ability to perform, or Seller's interests, under this Agreement.
 - c. In entering into this Agreement, Buyer has not relied upon any written or verbal representations made by Seller or any representative of Seller, including any real estate salesperson, regarding the Premises or any aspect of this transaction, which are not expressly set forth in this Agreement.
 - d. Other:

- 13. **Warranties of Seller.** Except as otherwise provided or acknowledged in this Agreement, Seller represents and warrants to, and agrees with Buyer as follows:

- a. The performance of the obligations of Seller under this Agreement will not violate any contract, indenture, statute, ordinance, judicial or administrative order or judgment applicable to Seller or the Premises.
- b. There is no litigation or proceeding pending or to Seller's knowledge threatened against or involving Seller or the Premises, and Seller does not know or have reason to know of any ground for any such litigation or proceeding which could have an adverse impact on Seller's ability to perform under this Agreement or that could adversely affect Buyer's title or use of the Premises.

~~Seller shall continue to operate the Premises in the ordinary course of business and maintain the Premises in a state of good condition and repair during the interim between the signing of this Agreement and the closing date.~~

~~If a statement(s) of income and expense with respect to the operation of the Premises is (are) described in Exhibit A, such statement(s) is (are) accurate for the period(s) designated in the statement(s).~~

~~The information concerning written leases and tenancies not arising out of written leases described in Exhibit B is accurate as of the Effective Date, and there are no leases or tenancies with respect to the Premises other than those described in Exhibit B (the "Leases"). The warranties in this paragraph do not apply to oil and gas leases, if any. Except as otherwise described in Exhibit B:~~

- (1) All of the leases are in full force and effect, no party thereto is in material default there under, and none of them have been modified, amended, or extended;
- (2) No renewal or extension options have been granted to tenants;
- (3) No tenant has an option to purchase the Premises;
- (4) The rents set forth are being collected on a current basis and there are no arrearages or advance payments in excess of one month;
- (5) There are no security deposits, and
- (6) No real estate brokerage commission will become owing in the event of any tenant's exercise of any existing option to renew the term of any lease or purchase of the Premises.

~~If a schedule of service, maintenance, supply and management contracts ("Service Contracts") is described in Exhibit C, the Exhibit lists all the Service Contracts currently in effect with respect to the Premises.~~

~~The Premises will be in compliance with any applicable smoke detector ordinances as of the closing date.~~

~~With respect to underlying land contracts or mortgages, the sale will not accelerate indebtedness, increase interest rates, or impose penalties and sanctions.~~

~~Seller is without personal knowledge as to the presence on the Premises of any toxic or hazardous substances or of any underground storage tanks.~~

~~Other:~~

- 14. **Damage to Premises.** If between the Effective Date and the closing date, all or any part of the Premises is damaged by fire or natural elements or other causes beyond Seller's control that cannot be repaired prior to the closing date, or any part of the Premises is taken pursuant to any power of eminent domain, Seller shall immediately notify Buyer or such occurrence, and either Seller or Buyer may terminate this Agreement by written notice to the other within fifteen (15) days after the date of damage or taking. If neither elects to terminate this Agreement, there shall be no reduction in the purchase price and, at closing, Seller shall assign to Buyer whatever rights Seller may be with respect to any insurance proceeds or eminent domain award.

Property Address: 203 E Centre St, Portage, MI 49002
©Commercial Alliance of REALTORS®, 2014/2015
Revision Date: 6/2014

Buyer's Initials

Tom [Signature]

Seller's Initials

15. Closing. The closing shall be held on or before June 15, 2015 (date) and as promptly as practical after all necessary documents have been prepared. An additional period of -0- days shall be allowed for closing to accommodate delays in title work or the correction of title defects and/or survey problems which can be readily correctable, delays in obtaining any required inspections, surveys or repairs, delays in completing Environmental Site Assessments, Baseline Environmental Assessment or Due Care Plan/Section 7a Compliance Analysis (if such assessments or plans were ordered in a timely manner), or if the terms of purchase require participation of a lender and the lender has issued a commitment consistent with the requirement but is unable to participate in the closing on or before the required date.

16. Possession. Seller shall lender to Buyer possession of the Premises upon completion of the closing, ~~subject to all existing leases and rights of tenants in possession. Other:~~

17. Seller's Closing Obligations. At closing, Seller shall deliver the following to Buyer:

- a. The warranty deed, land contract or assignment of land contract required by this Agreement.
- ~~b. A bill of sale for any Personal Property (described in Exhibit D).~~
- ~~c. A written assignment by Seller of Seller's interest in all leases and a transfer to Buyer of all security deposits, accompanied by the original or a true copy of each lease.~~
- ~~d. An assignment of all Seller's rights under any Service Contracts described in Exhibit C which are assignable by their terms and which Buyer wishes to assume, together with an original or true copy of each Service Contract assigned.~~
- ~~e. A notice to any tenants advising the tenants of the sale and directing that future payments be made to Buyer.~~
- ~~f. An accounting of operating expenses including, but not limited to, CAM, taxes, insurance and Additional Rent collected in advance or accrued, spent or not yet spent by Seller, showing an accurate allocation between the parties pursuant to the leases.~~
- g. Payment of the County and State real estate transfer tax.
- h. Any other documents required by this Agreement to be delivered by Seller.

18. Buyer's Closing Obligations. At closing, Buyer shall deliver to Seller the following:

- a. The cash portion of the purchase price specified in this Agreement shall be paid by cashlor's check or other immediately available funds, as adjusted by the apportionments and assignments in accordance to this Agreement.
- ~~b. A written assumption by Buyer of the obligations of Seller under the leases arising after closing, including an acknowledgement of the receipt of all security deposits.~~
- c. Any other documents required by this Agreement to be delivered by Buyer.

19. 1031 Tax Deferred Exchange. Upon either party's request, the other party shall cooperate and reasonably assist the requesting party in structuring the purchase and sale contemplated by this Agreement as part of a tax deferred, like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended; provided, however, that in connection therewith, the non-requesting party shall not be required to (a) incur any additional costs or expenses; (b) take legal title to additional real property (i.e. the requesting party's "replacement property" or "relinquished property"); or (c) agree to delay the closing.

20. Earnest Money. Buyer gives Jagua Realtors, Broker, 3 days to obtain the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding agreement between Buyer and Seller.

Buyer shall deposit \$ 1,800 (see Para 26 "Other") with Jagua Realtors, Escrow Agent, [insert name of Broker, Title Company or other] with this offer or within 24 hours after acceptance of this offer, evidencing Buyer's good faith, to be held by the Escrow Agent and to apply to the purchase price or the down payment portion thereof where applicable. If this offer is not accepted, or the title is not marketable, or if the purchase is contingent upon conditions specified that cannot be met, this deposit shall be promptly refunded. If the Buyer defaults, all deposits made may be forfeited as liquidated damages at Seller's election, or alternatively, Seller may retain the deposits as part payment of the purchase price and pursue Seller's legal or equitable remedies against Buyer. If the sale is not closed according to its terms, the selling Broker may notify Buyer(s) and Seller(s) of Escrow Agent's intended disposition of earnest deposit, and all parties shall be deemed to have agreed to the disposition of the earnest money deposit unless Escrow Agent is notified of a court action pending concerning this sale or disposition of earnest money within thirty (30) days after notice to the parties.

21. Disclosure of Price and Terms. The purchase price and the terms of this sale may be disclosed by the Commercial Alliance of REALTORS® Multiple Listing Service (CARWM) in the ordinary conduct of its business. Deletion of this paragraph shall not be considered a counter offer that would require a counter acceptance.

22. Credit Reports. Buyer consents that, if not otherwise prohibited, the Broker(s) may give Seller information about the Buyer contained in a credit report that may be furnished to the Brokers(s) by a credit reporting agency.

23. Advice of Counsel. Buyer acknowledges that the Broker has recommended that the parties retain an attorney or attorneys to review the terms of this Agreement.

24. Brokerage Fee. Seller agrees to pay Callander Commercial and Jagua Realtors a commission equal to seven (7%) percent of the sale price of the property. (the commission shall be divided equally by Callander & Jagua) This brokerage fee shall be paid in full promptly after it is earned, but not later than any applicable closing. Unless otherwise previously agreed, Buyer and/or Seller agree(s) that the brokerage fee may be shared by the recipient with any cooperating broker who participates in the sale, in such amount as the recipient decides, without further disclosure to or consent from Buyer and/or Seller. Other:

Seller acknowledges that if a commission is owed under a prior agreement, execution of this agreement will not eliminate the prior agreement.

25. Environmental.

a. Notice to sellers, buyers, landlords and tenants (environmental risks).

Whenever real property is acquired or occupied, the buyer incurs some degree of risk with regard to potential environmental contamination and/or protected natural resources on the property. Various federal, state, and local laws may impose liability upon the buyer for the remediation of the contamination even though the buyer did not cause it, or may restrict the buyer's ability to fully develop or utilize the property. Such risk can be minimized through the performance of environmental due diligence.

No real estate brokers/salespersons in this transaction possess the expertise necessary to assess the nature or extent of these environmental risks or to determine the presence of environmental contamination or protected natural resources. The real estate brokers/salespersons involved in this transaction do not make independent investigations as to environmental contamination or protected natural resources with respect to any property, and they make no representations regarding the presence or absence, now or in the past, of environmental contamination. It is therefore prudent for each party to this transaction to seek legal and technical counsel from professionals experienced in environmental matters to provide an evaluation of the environmental risks associated with the transaction.

b. Environmental reports and assessments.

(1) Seller shall provide copies of any existing Environmental Assessments or reports involving the Premises within n/a calendar days after the Effective Date.

(2) Buyer shall be given access to the Premises during normal business hours to perform an ASTM 1527 Phase 1 Site Assessment. Buyer shall pay 100% and Seller shall pay 0% of the cost of the Environmental Assessment. The Environmental Assessment shall be ordered by the [X] Buyer [] Seller. The Environmental Assessment shall be completed within *** calendar days after the Effective Date and shall be certified to Buyer. Seller shall promptly cooperate and request its tenants to cooperate with Buyer in completing the Environmental Assessment. See Paragraph 26 below

(3) If an Environmental Assessment of the Premises reveals recognized environmental conditions as defined by ASTM, then Buyer shall have the right to:
a. terminate this Agreement within _____ calendar days after receipt of the Environmental Assessment report; or
b. provide Seller with the Environmental Addendum (Seller's refusal to execute the Environmental Addendum within _____ days shall, at Buyer's option, terminate this Agreement); or
c. proceed with the purchase.

(4) For residential housing units, Seller will attach either the Seller's acknowledgement Form Concerning Lead-Based Paint or a Lead-Based Paint Seller's Disclosure form, depending on whether the Improvements were built prior to 1978 or 1978 or later.

c. Nondisclosure.

If Buyer exercises its right to terminate this Agreement pursuant to subparagraph b. above, Buyer shall not disclose neither Environmental Assessment report(s) to any third party. At Seller's request, Buyer shall provide copies of any Environmental Assessment report(s) to Seller.

d. Other:

26. Other Provisions:

a. All Buyer contingencies to be removed no later than May 15, 2015. If Buyer discovers any condition deemed unacceptable to Buyer, including, but not limited to, property inspections, survey, appraisal, environmental, damage to the premises, approval by Buyer's Attorney, or any other inspections, report reviews and/or municipal approvals required by Buyer in order to fully satisfy itself regarding the property, Buyer may terminate this Agreement, provided that Seller receives written notice of termination no later than this date. If notice is not received by Seller by May 15, 2015, all Buyer contingencies shall be waived and Buyer will no longer have the right to terminate. In such case, Buyer shall immediately increase its earnest deposit to \$5,000, and Buyer's earnest deposit shall become non-refundable. In accordance with Paragraph 20 of the Agreement, however, Buyer's \$5,000 earnest deposit shall be applied to the purchase price at closing.

b. Buyer shall have the right to assign this agreement to another party or legal entity on or before closing.

c. Seller agrees to deliver the premises to Buyer at closing free and clear of all leases and tenants. If Buyer is unable to deliver the premises as stated, Buyer shall have the right to terminate this Agreement and receive a full and immediate return of its earnest deposit.

27. Notices. Any notice required or permitted to be given hereunder shall be deemed to have been properly given, if in writing and delivered to the parties at the addresses shown below, and shall be deemed received (a) upon delivery, if delivered in person or by facsimile transmission, with receipt thereof confirmed by printed facsimile acknowledgement, (b) one (1) business day after having been deposited for next day overnight delivery with a nationally recognized overnight courier service, (c) two (2) business days after having been deposited in any U.S. post office or mail depository and sent by certified mail, postage paid, return receipt requested, or (d) upon sending, if sent by email (with a confirmation copy sent the same day by overnight delivery).

28. Additional Acts. Buyer and Seller agree to execute and deliver such additional documents and to perform such additional acts after the closing as may become necessary to effectuate the transfers contemplated by this Agreement.

29. Authority of the Parties. Each of the undersigned individuals who have signed this Agreement on behalf of Seller and Buyer entitles represent and warrant that he/she is authorized to sign this Agreement on behalf of such party and to bind such party to the requirements of this Agreement.

30. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the sale of the Premises. All contemporaneous or prior negotiations have been merged into this Agreement. This Agreement may be modified or amended only by written instrument signed by the parties to this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

For purposes of this Agreement, the phrase, "Effective Date of this Agreement" ("Effective Date") shall be the date upon which this Agreement is fully executed (as described below) of acceptance by "Buyer's Approving Body", which shall not be later than May 1, 2015. If not not approved, this Agreement shall terminate and Buyer shall receive a full and immediate return of its earnest deposit.

Property Address: 203 E Centre St, Portage, MI 48902
Commercial Division of REALTORSA 2014/2016
Revision Date 8/2014

Buyer's Initials

Seller's Initials

Seller's Initials

Buy and Sell Agreement for Office, Commercial, Industrial, and Multi-Family Property

31. Index of Exhibits.

Not Applicable	Attached	Seller to Furnish	Exhibit #	Subject
X			A	Income and expense with respect to the operation of the Premises
X			B	Written leases and any tenancies not arising out of written leases
X			C	Service Contracts
X			D	List of personal Property

As to any "Seller to furnish" Item(s) listed above, Buyer shall have the right to terminate this Agreement if any such Item is not acceptable to Buyer by giving Seller written notice within n/a calendar days after receipt of such Item(s), otherwise this right to terminate this Agreement pursuant to this paragraph shall be deemed to have been waived.

32. By signing below, Buyer acknowledges having read and received a copy of this Agreement.

Witness: Joni Barnett Buyer: William B Meyer and or assignees
(Please print name of person to appear on the first page.)

Buyer: _____
(Please print name of person to appear on the first page.)

Entity of the Buyer: agent for individual principal.

Buyer's Address: 414 W. MILWAUKEE RD. PORTAGE, MICHIGAN 49024 Bus. Phone: _____ Fax: _____
 Email: _____

SELLER'S ACCEPTANCE

Date: _____ Time: _____

33. The above offer is hereby accepted:

By signing below, Seller acknowledges having read and received a copy of this Agreement. If this Agreement is signed by Seller without any modifications, this becomes the Effective Date.

Seller gives Broker above named until _____ (time) _____ (date) to obtain Buyer's written acceptance of counter offer, if any.

Witness: _____ Seller: William B Meyer 4/8/15
(Please print name of person to appear on the first page.)
 Seller: Helene L Peterman 4/8/15
(Please print name of person to appear on the first page.)

Entity of the Seller: _____
 Bus. Phone: _____ Fax: _____
 Email: _____

BUYER'S RECEIPT OF ACCEPTANCE

Date: _____ Time: _____

34. Buyer acknowledges receipt of Seller's acceptance of Buyer's offer. If the acceptance was subject to changes from Buyer's offer, Buyer agrees to accept those changes, all other terms and conditions remaining unchanged. If this Agreement is signed by Buyer without any modification, this becomes the Effective Date.

Witness: _____ Buyer: _____

Buyer: _____

SELLER'S RECEIPT OF ACCEPTANCE

Date: _____ Time: _____

35. Seller acknowledges receipt of a copy of Buyer's acceptance of the counter-offer (if Seller made a counter-offer)

Witness: _____ Seller: William B Meyer 4/8/15
 Seller: Helene L Peterman 4/8/15

43921



BUYER AGENCY ADDENDUM TO THE AUTHORIZED BUY AND SELL AGREEMENT OF THE GREATER KALAMAZOO ASSOCIATION OF REALTORS® (DESIGNATED AGENCY OFFICE POLICY)



This Addendum is attached to and made part of Buy and Sell Agreement # 151982 between the undersigned parties dated 3/31/15 covering the real estate commonly known as 269 E. Cedar St. W.L. 102. 102. 102.

THE PROVISIONS OF THIS ADDENDUM CHECKED BELOW SUPERSEDE ANYTHING IN THE ABOVE REFERENCED BUY AND SELL AGREEMENT ("THE AGREEMENT") TO THE CONTRARY. BUYER AND SELLER AGREE THAT PAYMENT OF BROKERAGE FEES SHALL NOT AFFECT THE AGENCY RELATIONSHIPS AS DISCUSSED BELOW:

[X] SINGLE AGENCY (CO-OP TRANSACTION)

AGENCY DISCLOSURE: Buyer and Seller acknowledge that:

- 1. Selling Licensee and Selling Broker are agents for Buyer; Selling Licensee and Selling Broker do not represent Seller;
2. Listing Licensee and Listing Broker are agents for Seller; Listing Licensee and Listing Broker do not represent Buyer;
3. Buyer and Seller have received and read the roles and responsibilities of Buyer's Agents and Seller's Agents as described in the REAL ESTATE AGENCY DISCLOSURE OF THE GREATER KALAMAZOO ASSOCIATION OF REALTORS®.

FEE: To help satisfy Buyer's obligation to Selling Broker, Seller agrees to pay Selling Broker a selling fee at closing. The selling fee shall be 7 1/2% of the purchase price or \$... If the above fee differs from the amount offered through the MLS, Seller is advised to consult with Listing Broker to determine the effect, prior to signing this addendum. Seller agrees that the fee has been included in the purchase price and shall be distributed from Seller's proceeds to Selling Broker at closing.

[] DUAL AGENCY (IN-HOUSE TRANSACTION WHERE BUYER AND SELLER ARE REPRESENTED BY SEPARATE LICENSEES)

AGENCY DISCLOSURE: Buyer and Seller acknowledge that:

- 1. (Licensee) represents Buyer as Buyer's Designated Agent. Said Designated Buyer's Agent does not represent Seller;
2. (Licensee) represents Seller as Seller's Designated Agent. Said Designated Seller's Agent does not represent Buyer;
3. Broker and any named Supervisory Broker(s) represent both Buyer and Seller as Disclosed Dual Agents.
4. Buyer and Seller have received and read the roles and responsibilities of Designated Agents and Disclosed Dual Agents as described in the REAL ESTATE AGENCY DISCLOSURE OF THE GREATER KALAMAZOO ASSOCIATION OF REALTORS®.

FEE: To help satisfy Buyer's obligation to Broker, Seller agrees to pay Broker a selling fee at closing. The selling fee (selling side only) shall be % of the purchase price or \$... Unless amended in writing, said selling fee paid on behalf of Buyer shall be credited toward the brokerage fee owed Broker pursuant to the Listing Agreement between Seller and Broker.

[] DUAL AGENCY (IN-HOUSE TRANSACTION WHERE BUYER AND SELLER ARE REPRESENTED BY THE SAME LICENSEE)

AGENCY DISCLOSURE: Buyer and Seller acknowledge that:

- 1. (Licensee), Broker and named Supervisory Broker(s) are agents for both Buyer and Seller in this transaction;
2. Buyer and Seller have received and read the roles and responsibilities of Disclosed Dual Agents as described in the REAL ESTATE AGENCY DISCLOSURE OF THE GREATER KALAMAZOO ASSOCIATION OF REALTORS®.

FEE: To help satisfy Buyer's obligation to Broker, Seller agrees to pay Broker a selling fee at closing. The selling fee (selling side only) shall be % of the purchase price or \$... Unless amended in writing, said selling fee paid on behalf of Buyer shall be credited toward the brokerage fee owed Broker pursuant to the Listing Agreement between Seller and Broker.

Buyer: [Signature] Date: _____

Buyer: _____ Date: _____

Seller: William B Meyer Date: 4/8/15

Seller: Helian R Peterson Date: 4-8-15

General Property Information

**EXHIBIT A
BUY AND SELL AGREEMENT
203 E CENTRE STREET, PORTAGE, MI
208 BROWN AVENUE, PORTAGE, MI**

Parcel: 00015-330-A Unit: CITY OF PORTAGE Data Current As Of: 4/10/2015 9:28:08 AM

Property Address [collapse]
203 E CENTRE AVE PORTAGE, MI 49002

Owner Information [collapse]	
MEYER, MARIAN ET AL 6528 CYPRESS ST PORTAGE, MI 49024	Unit: 10

Taxpayer Information [collapse]
SEE OWNER INFORMATION

General Information for Tax Year 2015 [collapse]			
Property Class:	401 - 401 RESIDENTIAL IMPROVED	Assessed Value:	\$58,800
School District:	39140 - PORTAGE	Taxable Value:	\$57,297
State Equalized Value:	\$58,800	Map #	N/A
User Number Indx:		Date of Last Name Chg:	12/31/2009
		Date Filed:	
		Notes:	N/A
Historical District:	N/A	Census Block Group:	N/A
Principal Residence Exemption	June 1st	Final	
2015	0.0000 %	-	
2014	0.0000 %	0.0000 %	
Previous Year Info	MBOR Assessed	Final S.E.V.	Final Taxable
2014	\$61,100	\$61,100	\$56,395
2013	\$59,500	\$59,500	\$55,507

Land Information [collapse]			
	Frontage		Depth
Lot 1:	141.28 Ft.		122.00 Ft.
Lot 2:	0.00 Ft.		0.00 Ft.
Lot 3:	0.00 Ft.		0.00 Ft.
Total Frontage:	141.28 Ft.	Average Depth:	122.00 Ft.
Total Acreage:	0.39		
Zoning Code:	B-3		
Total Estimated Land Value:	\$67,954	Mortgage Code:	
Land Improvements:	N/A	Lot Dimensions/Comments:	
Renaissance Zone:	NO		

Renaissance Zone Expiration**Date:****ECF Neighborhood Code:** 1SF05 - NE RESIDENTIAL GRP 5**Legal Information for 00015-330-A**

[collapse]

SEC 15-3-11 BEG AT PT IN S LI SEC 15 318.62 FT E OF SW COR SEC TH E ALG S LI SEC 141.28 FT TH N PAR W LI SEC 165 FT TH W PAR S LI SEC 141.28 FT TH S 165 FT TO P.O.B., RES S 43 FT FOR HWY

Sales Information

2 sale record(s) found.

Sale Date	Sale Price	Instrument	Grantor	Grantee	Terms Of Sale	Liber/Page
± 07/31/2003	\$0.00	DC	MEYER, BERNARD & MARIAN ET AL	MEYER, MARIAN ET AL	INVALID SALE	D-2003-1436
04/22/2003	\$0.00	QC	MEYER, BERNARD H & M M	MEYER, BERNARD & MARIAN ET AL	INVALID SALE	2003-027719

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[Privacy Policy](#)

General Property Information

City of Portage

[Back to Non-Printer Friendly Version] [Send To Printer]

Parcel: 01480-004-0 Unit: CITY OF PORTAGE

****Note: 2015 values are currently tentative****

Property Address [collapse]
208 BROWN AVE PORTAGE, MI 49002

Owner Information [collapse]	
MEYER, MARIAN ET AL 6528 CYPRESS ST PORTAGE, MI 49024	Unit: 10

Taxpayer Information [collapse]
SEE OWNER INFORMATION

General Information for Tax Year 2015 [collapse]			
Property Class:	202 - 202 COMMERCIAL VACANT	Assessed Value:	\$40,500
School District:	39140 - PORTAGE	Taxable Value:	\$8,138
State Equalized Value:	\$40,500	Map #	N/A
User Number Indx:		Date of Last Name Chg:	03/04/2010
		Date Filed:	
Historical District:	N/A	Notes:	N/A
		Census Block Group:	N/A
Principal Residence Exemption	June 1st	Final	
2015	0.0000 %	-	
2014	0.0000 %	0.0000 %	
Previous Year Info	MBOR Assessed	Final S.E.V.	Final Taxable
2014	\$40,500	\$40,500	\$8,010
2013	\$39,700	\$39,700	\$7,884

Land Information [collapse]			
	Frontage		Depth
Lot 1:	139.50 Ft.		195.00 Ft.
Lot 2:	0.00 Ft.		0.00 Ft.
Lot 3:	0.00 Ft.		0.00 Ft.
Total Frontage:	139.50 Ft.	Average Depth:	195.00 Ft.
Total Acreage:	0.62		
Zoning Code:	B-3		
Total Estimated Land Value:	\$81,022	Mortgage Code:	
Land Improvements:	N/A	Lot Dimensions/Comments:	



City of Portage

Renaissance Zone:	NO
Renaissance Zone Expiration Date:	
ECF Neighborhood Code:	014 - EAST CENTRE COMME

Legal Information for 01480-004-0

CLARENCE PLAT LOT 4 & 5

Sales Information**1 sale record(s) found.**

Sale Date	Sale Price	Instrument	Grantor
04/22/2003	\$0.00	QC	MEYER, BERNARD H & M M

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[Privacy Policy](#)

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Director of Parks, Recreation & Senior Citizen Services Appointment

SUPPORTING PERSONNEL: Rob Boulis, Deputy City Manager

ACTION RECOMMENDED: That City Council confirms the appointment of Kendall Klingelsmith as the Director of Parks, Recreation & Senior Citizen Services, effective April 15, 2015.

As the Council is aware, the former Director of Parks, Recreation & Public Services, Mr. William Deming, retired from the City of Portage in February 2015. Mr. Deming had been a city employee for more than thirty-four (34) years. In 2012, given Mr. Deming's unique background and abilities, the city had the opportunity to consolidate the Parks and Streets departments, creating the Department of Parks, Recreation & Public Services. With Mr. Deming's retirement and after careful consideration, the decision was made to split the Department of Parks, Recreation and Public Services into two operations: 1) Parks, Recreation and Senior Citizen Services, which will encompass parks, recreation, cultural activities and the Portage Senior Center, and 2) the Department of Public Services including streets and parks maintenance, along with fleet and facility management. Distributing the existing department into more defined fields will ensure that both important functions receive the highest priority. As Council will recall, Mr. Rod Russell was appointed February 11, 2015 to the position of Director of the Department of Public Services.

Following an extensive review of both internal and external candidates, I am pleased to recommend the appointment of Kendall Klingelsmith to the position of Director of Parks, Recreation & Senior Citizen Services for the City of Portage, effective April 15, 2015. Mr. Klingelsmith, a Certified Park and Recreation Professional, was most recently the Executive Director for the YMCA of Greater Grand Rapids. Previous employment includes the Deputy Director of Parks & Recreation for the City of Kentwood, Michigan and the Director of Parks & Recreation for the City of Greenville, Michigan. Mr. Klingelsmith receives my full support as the city continues to move forward.

Consistent with the City Charter, Section 6.3 "City Manager" subsection B.2, which states, "*The City Manager shall Appoint such of the administrative officers, subject to confirmation by the Council, as are not required by this Charter to be appointed by the Council,*" it is recommended that City Council confirm the appointment of Kendall Klingelsmith as the Director of Parks, Recreation & Senior Citizen Services, to be effective April 15, 2015. Mr. Klingelsmith plans to attend the City Council meeting of April 14, 2015.

FUNDING: Funding for the position of Director of Parks, Recreation and Senior Citizen Services for the remainder of the fiscal year is available in the FY15 Parks, Recreation & Public Services Department budget. Funding for next fiscal year has been budgeted in the proposed FY16 budget.

Attachments: N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Resolution Accepting New Public Streets – Act 51 Mileage Certification

SUPPORTING PERSONNEL: Rod Russell, Director of Public Services

ACTION RECOMMENDED: That City Council adopt a resolution accepting all new streets constructed within residential plats approved by City Council during calendar years 2008, 2013 and 2014 as public streets.

The Annual Act 51 Mileage Certification Report requires that all streets constructed during the preceding calendar years be accepted for public use through the adoption of a resolution by the jurisdiction's governing body. In the case of new streets constructed within the confines of new residential development, although these streets are technically accepted through the plat approval process, Act 51 requires the governing body to adopt one inclusive resolution accepting these streets incorporated in the new development, which merely needs to be listed in the resolution. Due to an oversight, new plats constructed in calendar year 2008 and 2013 have not yet been adopted. The attached resolution provides the streets being recommended for acceptance. This action certifies that the new streets conform to city specifications and can be dedicated for public use and qualifies these streets for annual roadway maintenance funding in accordance with the provisions of Act 51, Public Act 1951, as amended.

With this certification, a total of 0.33 centerline miles of local streets will be added to the city street network, bringing the total centerline miles of local streets to 148.1 miles. Coupled with the 72.04 centerline miles of major streets, a total of 220.14 miles of streets will now be included in the City of Portage street system.

It is recommended that the resolution accepting all streets constructed within new plats for calendar years 2008, 2013 and 2014 be adopted by City Council.

FUNDING: N/A

Attachments: Resolution

CITY OF PORTAGE

RESOLUTION ACCEPTING NEWLY CONSTRUCTED
PLATTED STREETS AS PUBLIC STREETS

At a regular meeting of the Council for the City of Portage, Michigan, Kalamazoo County, Michigan, held at the City Hall on the ___ day of _____, 2015, at 7:30 p.m., local time.

PRESENT: _____

ABSENT: _____

Resolution offered by: _____

Seconded by _____

WHEREAS, it is necessary to furnish certain information to the State of Michigan to place platted streets within the City Local Street System for the purpose of obtaining funds under Act51, P.A. 1951 as amended:

AND WHEREAS, streets were constructed and final plat and site acceptance was granted to certain plats during the 2014 calendar year.

NOW, THEREFORE, BE IT RESOLVED: that the center line of said streets are described in the following:

Ashford Trail

A center line of Ashford Trail (public right-of-way) situated in the Southeast quarter of Section 29, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan, being more particularly described as follows:

Commencing at the South quarter corner of Section 29, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan; thence S. 89° 47' 20" E. 1325.64 feet along the South line of the Southeast quarter of said Section to the East line of the West half of said Southeast quarter; thence N. 00° 04' 14" E. 1297.70 feet along said East line to the Place of Beginning of said center line; thence N. 89° 55' 46" W. 124.64 feet; thence Northwesterly 64.61 feet along the arc of a curve to the right having a radius of 200.00 feet, a central angle of 18°30'31", and a chord of N. 80°40'30" W. 64.33 feet; thence Northwesterly 71.66 feet along the arc of a reverse curve to the left having a radius of 200.00 feet, a central angle of 20°31'43", and a chord of N. 81°41'06" W. 71.28 feet; thence Westerly 29.14 feet along the arc of a reverse curve to the right having a radius of 1000.00 feet, a central angle of 1°40'10", and a chord of S. 88°53'07" W. 29.13 feet; thence S. 89°43'12" W. 628.43 feet to the Place of Ending of said center line, intending to

describe the center line of Ashford Trail (public right-of-way) within the "Oakland Farms North" subdivision.

Gulfport Trail

A center line of Gulfport Trail (public right-of-way) situated in the Southeast quarter of Section 27, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan, being more particularly described as follows:

Commencing at the South quarter corner of Section 27, Town 3 South, Range 11 West; thence N. 00°04'25" W. 2049.54 feet along the West line of the Southeast quarter of said Section to the Place of Beginning of said center line; thence N. 89°56'35" E. 90.02 feet; thence Southeasterly 94.23 feet along the arc of a curve to the right having a radius of 60.00 feet, a central angle of 89°59'00" and a chord of S. 45°03'55" E. 84.84 feet; thence S. 00°04'25" E. 76.88 feet parallel with said West line of the Southeast quarter; thence Southeasterly 94.14 feet along the arc of a curve to the left having a radius of 60.00 feet, a central angle of 89°54'02" and a chord of S. 45°01'26" E. 84.78 feet; thence S. 89°58'27" E. 220.40 feet; thence Southeasterly 94.25 feet along the arc of a curve to the right having a radius of 60.00 feet, a central angle of 90°00'00" and a chord of S. 44°58'27" E. 84.85 feet; thence S. 00°01'33" W. 110.00 feet to the North line of the South 1683 feet (perpendicular measure) of said Southeast quarter of Section 27 and the Place of Ending of said center line, intending to describe the center line of Gulfport Trail (public right-of-way) adjacent to the "Sterling Oaks West" condominium.

BE IT FURTHER RESOLVED that said streets are located within city rights-of-way and are under the control of the City of Portage; that said streets are public streets and are for public street purposes; and that said streets are accepted into the City Local Street System.

That all resolution or parts of resolutions insofar as they conflict with this provision of this resolution are hereby rescinded.

Dated: _____, 2015

James R. Hudson, City Clerk

YEAS: _____

NAYS: _____

ABSENT: _____

RESOLUTION DECLARED ADOPTED.

James R. Hudson, City Clerk

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the ____ day of _____, 2015, the original of which resolution is on file on my office.

James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 4/6/15

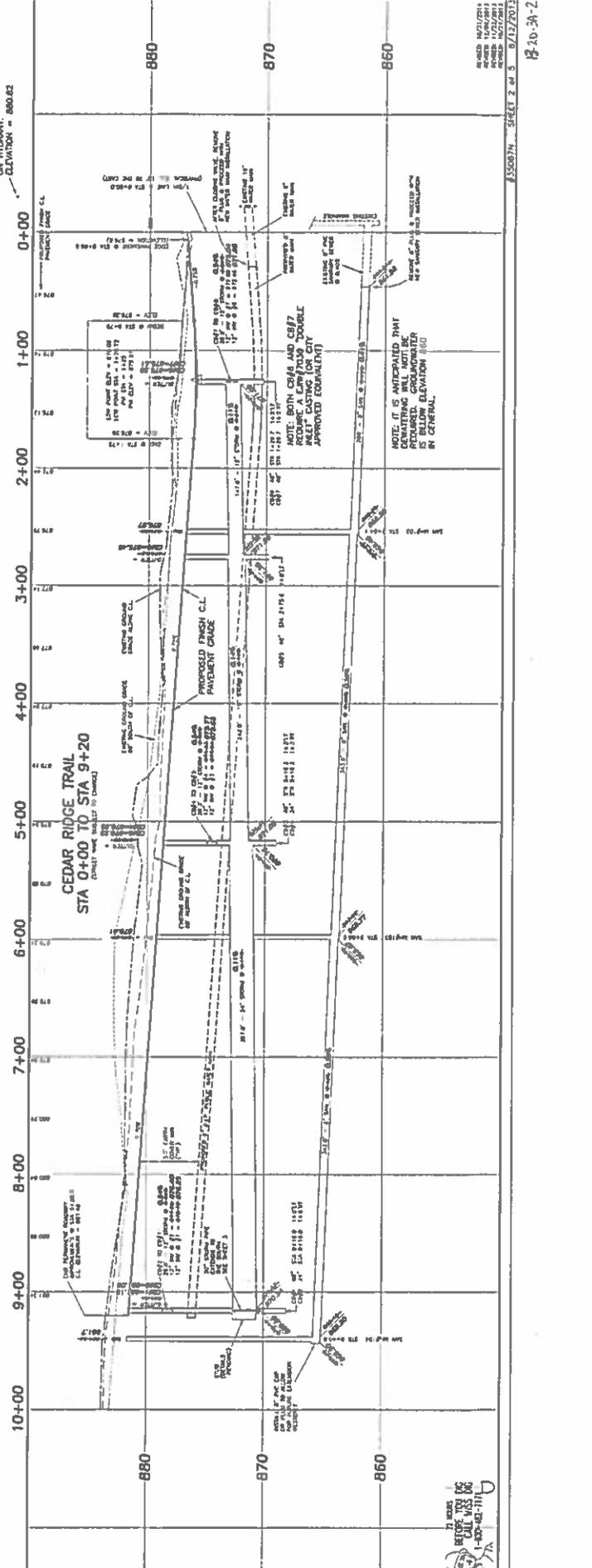
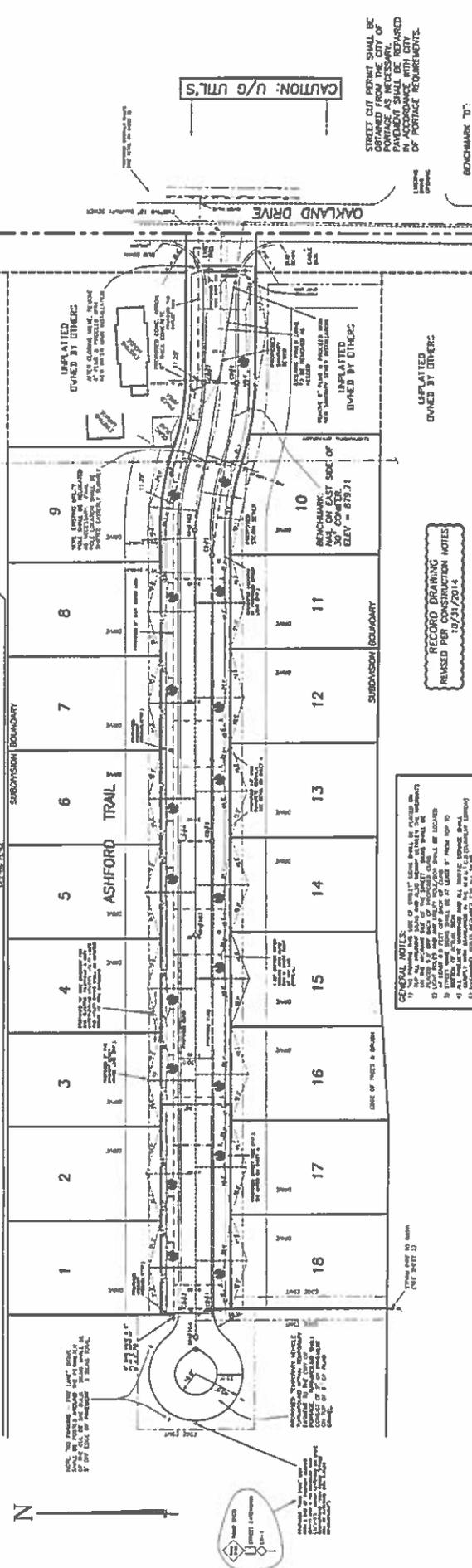
CITY ATTORNEY

SCALE: PLAN VIEW: 1" = 40'
 PROFILE: 1" = 40' VERTICAL

GENERAL NOTES:
 1. THE PROPOSED TRAIL SHALL BE CONSTRUCTED TO THE CENTERLINE OF THE EXISTING ROADWAY.
 2. THE PROPOSED TRAIL SHALL BE CONSTRUCTED TO THE CENTERLINE OF THE EXISTING ROADWAY.
 3. THE PROPOSED TRAIL SHALL BE CONSTRUCTED TO THE CENTERLINE OF THE EXISTING ROADWAY.
 4. THE PROPOSED TRAIL SHALL BE CONSTRUCTED TO THE CENTERLINE OF THE EXISTING ROADWAY.
 5. THE PROPOSED TRAIL SHALL BE CONSTRUCTED TO THE CENTERLINE OF THE EXISTING ROADWAY.

CAUTION: U/G UTILS.
 STREET CUT POINT SHALL BE REPAIRED AS NECESSARY. PAVEMENT SHALL BE REPAIRED TO MEET POSTAGE REQUIREMENTS.
 BENCHMARK TO TOP LAUNCH OUTLET ELEVATION = 880.82

RECORD DRAWING
 PUNCHED PER CONSTRUCTION NOTES
 10/31/2014



INGERSOLL, WATSON & McMACHEN, INC.
 1701 EAST WASHINGTON, SUITE 200
 HOUSTON, TEXAS 77002

NOTE: PRESSURE TESTING OF WATER MAIN
 AGAINST ANY EXISTING VALVE MAY BE
 DIFFICULT.

AS-BUILT REVISIONS: 11/29/2013
 (SEE THE DISTANCES FOR SEWER &
 WATER SERVICES ON SHEET 2)

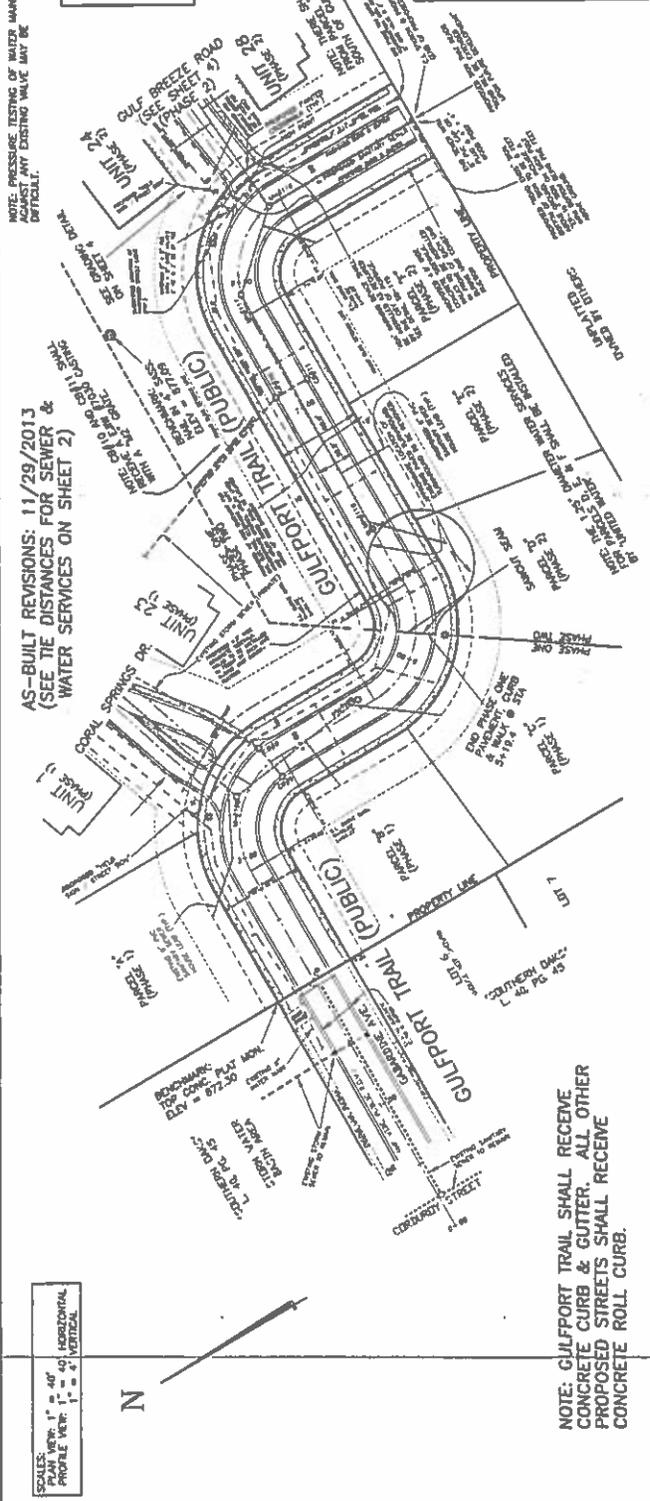
SCALE: HORIZ. 1" = 40'
 PROFILE VERT. 1" = 4'

FIRE DEPT NOTES (6/12/2013)

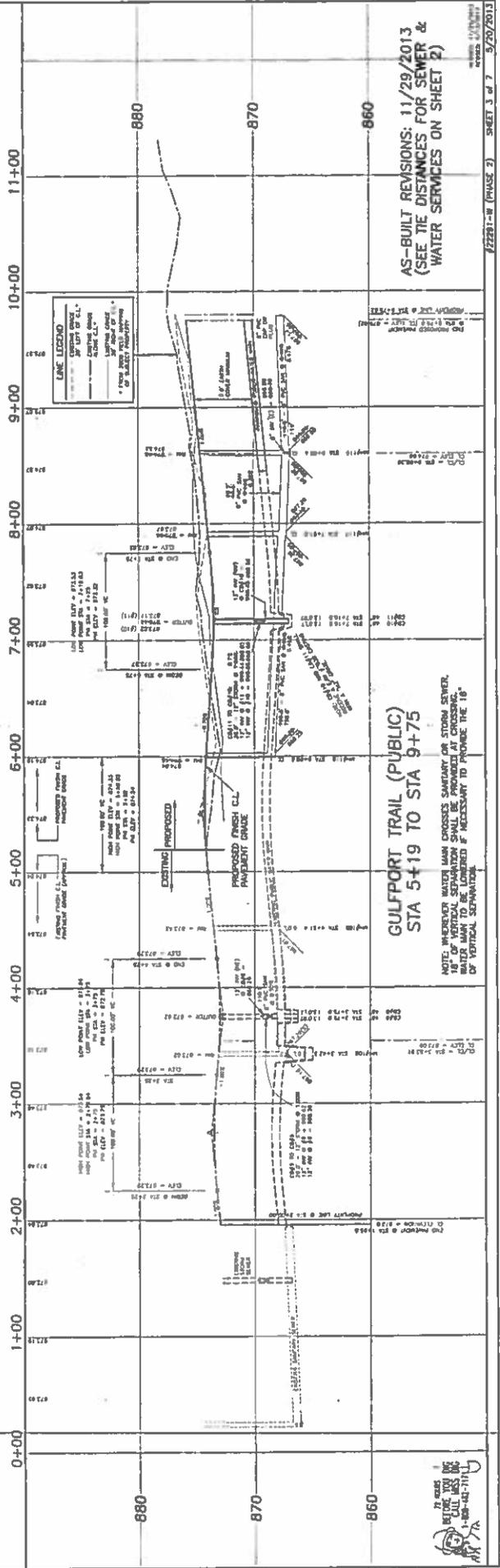
- 1) APPROVED FOR THE CITY OF HOUSTON. ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 2) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 3) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 4) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 5) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 6) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
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- 8) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 9) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 10) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 11) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 12) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 13) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 14) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 15) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 16) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 17) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 18) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 19) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.
- 20) ALL CHANGES TO THE ORIGINAL PLAN SHALL BE APPROVED BY THE CITY OF HOUSTON.

GENERAL NOTES

- 1) CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 2) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 3) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 4) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 5) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 6) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 7) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
- 8) ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR WATER MAINS, AND THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR SEWER MAINS.
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NOTE: GULFPORT TRAIL SHALL RECEIVE
 CONCRETE CURB & GUTTER. ALL OTHER
 PROPOSED STREETS SHALL RECEIVE
 CONCRETE ROLL CURB.



GULFPORT TRAIL (PUBLIC)
 STA 5+19 TO STA 9+75

AS-BUILT REVISIONS: 11/29/2013
 (SEE THE DISTANCES FOR SEWER &
 WATER SERVICES ON SHEET 2)

NOTE: UNLESS OTHERWISE NOTED, ALL
 VERTICAL ALIGNMENT SHALL BE PROVIDED AT CROSSING.
 WATER MAINS TO BE LINED IF NECESSARY TO PROVIDE THE 18"
 OF VERTICAL SERVICE.

INGERSOLL, WATSON & McMACHEN, INC.
 1701 EAST WASHINGTON, SUITE 200
 HOUSTON, TEXAS 77002
 281-462-3111

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: April 28, 2015 Committee of the Whole Meeting

SUPPORTING PERSONNEL: James Hudson, City Clerk

ACTION RECOMMENDED: That City Council set a Committee of the Whole (COW) Meeting for Tuesday, April 28, 2015, at 6:00 p.m. in Conference Room No. 1 to discuss the topic of audit and enhance aging infrastructure.

Following the City Council Goal Setting Session on December 15, 2014, City Council decided to hold Committee of the Whole meetings prior to each Regular City Council Meeting. Based on a review of the items listed as "Strategic Priorities" from the Council Goal Session, it is recommended that City Council set a Committee of the Whole Meeting for Tuesday, April 28, 2015, at 6:00 p.m. in Conference Room No. 1 to discuss the topic of audit and enhance aging infrastructure.

FUNDING: N/A

Attachments: N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Special Meeting for Board and Commission Applicants

SUPPORTING PERSONNEL: James R. Hudson, City Clerk

ACTION RECOMMENDED: That City Council set a Special Meeting on Tuesday, May 12, 2015, beginning at 5:15 p.m., to interview Board and Commission applicants.

Section 2 – Article 7 of the Code of Ordinances affirms that City Council recognizes and appreciates the value and importance each Board or Commission plays in advising the Council in its decision-making process. Board and Commission interviews are performed each year in October, January and May.

Per the *Policy for Appointments to Citizen Advisory Boards*, applicants for the following Boards and Commissions and any other vacancies that arise will be interviewed:

Construction Board of Appeals	2 expiring terms, 1 vacancy
Historic District Commission	2 vacancies
Local Officers Compensation Commission	5 expiring terms, 2 vacancies
Planning Commission	3 expiring terms
Public Media Network Board	1 expiring term, 1 vacancy
Youth Advisory Committee	18 expiring terms, 12 vacancies

As reflected on the attached Board and Commission Vacancy Summary, applicants will be interviewed at this time to fill vacancies on the Construction Board of Appeals, Historic District Commission, Local Officers Compensation Commission, Planning Commission, Public Media Network Board and Youth Advisory Committee. It is recommended that City Council set a Special Meeting on Tuesday, May 12, 2015, beginning at 5:15 p.m., to interview Board and Commission applicants.

Attachment: Vacancy Summary

BOARDS/COMMISSIONS VACANCY SUMMARY FOR MAY 12, 2015 SPECIAL MEETING

YOUTH APPLICANTS

INTERVIEWS	5:15 pm	ENV <i>1 exp term</i>	HDC <i>1 exp term</i>	HSB <i>1 exp term</i>	PKB <i>1 exp term</i>	SR CITZ <i>1 exp term</i>	STATUS
	<i>18 exp terms 12 vacancies</i>	<i>1 yr term</i>					
Sami Ahmad	Member	Applicant			Applicant		Appointed 05/14/13
Ali Arif	Member						Appointed 05/13/14
Ben Behrens	Applicant						
Grace Beverage	Member	Applicant			Applicant	Applicant	Appointed 05/13/14
Amanda Boelman	Member						Appointed 05/14/13
Emily Brady	Applicant	Applicant					
Eli Cartier	Member						Appointed 05/14/13
Cortney Chow	Applicant						
Joseph Flanagan	Member	Applicant	Applicant	Applicant	Applicant		Appointed 05/13/14
Lily Kitagawa	Member	Applicant	Applicant	Applicant	Applicant	Applicant	Appointed 05/13/14
Anjana Krishnan	Member						Appointed 05/14/13
Ashwin Kumar	Member				Applicant		Appointed 05/13/14
Sachin Kumar	Member			Applicant			Appointed 05/13/14
Mary Kuras	Member	Applicant			Applicant		Appointed 05/13/14
Benjamin Miller	Applicant		Applicant	Applicant			Appointed 05/13/14
Sophie Morin	Member	Applicant					Appointed 05/14/13
Lindy Nebiolo	Member	Applicant	Applicant			Applicant	Appointed 05/13/14
Siddhant Pagariya	Applicant	Applicant		Applicant			Appointed 05/13/14
Aayushi Priya	Member		Applicant				Appointed 05/13/14
Molly Ryan	Member		Applicant	Applicant			Appointed 05/13/14
Nicholas Schumacher	Applicant	Applicant	Applicant	Applicant	Applicant	Applicant	
Arya Shembekar	Applicant	Applicant			Applicant	Applicant	
Tanvi Shembekar	Applicant	Applicant	Applicant	Applicant	Applicant	Applicant	
Simran Singh	Member	Applicant	Applicant	Applicant	Applicant	Member	Appointed 05/13/14
Ali Thomas, Jr.	Member						Appointed 05/14/13
Logan Wilson	Member	Applicant			Applicant		Appointed 05/08/12

BOARD/COMMISSION VACANCY SUMMARY FOR MAY 12, 2015 SPECIAL MEETING

INTERVIEWS	5:15 pm	PC	CBA	PMN	LOCC	HDC	STATUS
APPLICANTS	YOUTH 18 exp terms 12 vacancies 1 yr terms	3 exp terms 3 yr terms	2 exp terms 1 vacancy 3 yr terms	1 exp term 1 vacancy 3 yr terms	5 exp terms 2 vacancies 7 yr terms	2 vacancies 3 yr terms	
Richard Bosch	Member						Appointed 06/01/09
Peter Carlson		Member	Member				Appointed 05/13/14
David Felician	Member						Appointed 01/10/12
Gary Gilchrist			Member				Appointed 05/10/11
James Graham					Member		
Joshua Hill					Member		
Elizabeth Nahavandi	Applicant						
Betty Lee Ongley							
Edward J. Sackley				Member			Appointed 03/25/14
Mike Stoddard					Member		
Wayne D. Stoffer	Member						Appointed 06/01/09
Paul Summers							
Norm Terry					Member		
Karen Zull	Applicant						

NOTE: Alternate – currently serving as an Alternate Member of a Board or Commission and is seeking appointment or reappointment.
 Member – currently serving as a Member of a Board or Commission and is seeking reappointment.
 Applicant – new applicant seeking appointment to a Board or Commission.

**TRANSMITTAL FROM
HUMAN SERVICES BOARD**

DATE: April 3, 2015

TO: Honorable Mayor and City Council

FROM: Sandra Sheppard, Chair, Human Services Board



SUBJECT: FY 2014-2015 Board update and Proposed FY 2015-16 Goals

On behalf of the Human Services Board, I am writing to summarize the activities of the Human Services Board during the current fiscal year:

- The Board held the required public hearings for the CDBG Program, and reviewed the following documents: FY 2013-14 Consolidated Annual Performance Evaluation Report in September 2014, and draft FY 2015-16 Annual Action Plan over two meetings held in January and April 2015.
- The Board also reviewed human/public service funding applications and recommended funding levels for FY 2015-16 to City Council. In addition, the Board will review and update the evaluation criteria and application form for Human/Public service funding and the revised documents will be used in the FY 2016-17 funding round.
- The Board, in conjunction with city staff, developed and disseminated a Quick Reference Help Guide to provide information to citizens in need of basic human needs including food, shelter, and housing.
- The Board received an overview from the Kalamazoo Transit Authority and the Kalamazoo County Transit Authority (KCTA) on bus services and route changes in Portage.
- In addition, Board member Maye has continued to report to the Board regarding the Kalamazoo Transit Authority Local Advisory Committee (LAC) activities, and other transit issues on a monthly basis.
- Red Ribbon Week promotion was also accomplished in October 2014 which included a proclamation in acknowledgement of the substance and tobacco use prevention event.
- During the April 2, 2015 meeting, the Board discussed and recommended the following goals for FY 2015-16.

I look forward to discussing the activities of the Human Services Board at an upcoming Council meeting.

Attachment: 2015-2016 Recommended Human Services Board Goals and Objectives

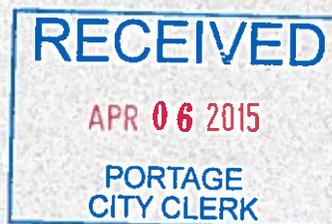
2015-2016 RECOMMENDED HUMAN SERVICES BOARD GOALS AND OBJECTIVES

HUMAN SERVICES BOARD

1. Fulfill advisory role requirements for CDBG program and human/public service funding requests.
 - a) To make recommendations regarding the Community Development Block Grant (CDBG) Program
 - b) To make recommendations regarding human/public service funding from the CDBG Program and General Fund to the City Council
 1. Convene public hearings for the CDBG Program Consolidated Plan, Annual Action Plan, and Consolidated Annual Performance Evaluation Report.
 2. Hear appeals from the CDBG Housing Program Guidelines.
 3. Review fair housing activities
 4. Review applications and presentations from agencies for human/public services and recommend funding levels to City Council.
2. To serve as a resource and provide information to City Council regarding public transportation in the City of Portage.
 - a) Advise City Council on matters pertaining to public transportation in the City of Portage and make recommendations as appropriate.
 1. Review public transportation needs within the City of Portage.
 2. Review countywide demand/response of transportation services.
3. To serve as a resource to City Council for special projects.
 - a) To take appropriate action on projects as assigned by City Council
 - b) Review mechanisms for identifying human service needs in the community.
 - c) Identify and educate City Council on emerging human service issues in Portage.
 1. Continue to serve on Kalamazoo Transit Authority Local Advisory Committee.
 2. Assist City Council with Red Ribbon Week activities.
4. Forward to City Council an update to goals for current fiscal year (November and April) and recommended goals for upcoming fiscal year (April).



April 2, 2015



✓ Portage City Council
7900 S. Westnedge Ave.
Portage, MI 49002

To the Council:

A recent tie-rod jarring drive to Crossroads Mall is promoting this plea.

The road that passes between Brann's restaurant, and Celebration theaters is a wreck. I'm told by Councilman Pearson, that this roadway is private. He said that there is nothing directly in its authority that can demand reconstruction and paving. And yes, of-course it's up to me to drive at a speed that will not cause harm to myself and others. Surely, many drivers who grit their teeth as they bound over this asphalt obstacle won't write, expressing this specific frustration. Still, one of the nicest shopping facilities in our area is blemished by this short, hazardous roadway.

I encourage the Council through its city manager to speak directly with the owners to expedite a smooth passage from Constitution drive and the larger mall area.

Warm regards,

Tim Rogowski

Mr. and Mrs. Timothy S. Rogowski • 8083 Glenwynd Dr.
Kalamazoo, MI 49009 • (616) 372-7273

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Condition of Martin Luther King Drive – Information Only

SUPPORTING PERSONNEL: Rod Russell, Director of Public Services

Attached is a communication dated April 2, 2015 from Portage resident, Tim Rogowski concerning the condition of Martin Luther King Drive in Portage. In addition, the city has received a handful of complaints concerning the condition of this private road in recent weeks. As a result, an inquiry was made to Meyer C. Weiner Company (owner of the road) concerning plans for improving the roadway surface. It was learned that the company intends to patch the roadway, beginning April 20, 2015 (following the opening of asphalt companies) but has no further plans at this time to improve the surface beyond patching.

Attachments: Communication from Tim Rogowski dated April 3, 2015.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Brownfield Redevelopment Incentive Policy Update

SUPPORTING PERSONNEL: Victoria Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council approve the revisions to the Brownfield Redevelopment Incentive Policy.

As summarized in the attached March 24, 2015 communication, revisions to the Brownfield Redevelopment Incentive Policy have been proposed to address changes resulting from state tax reforms, as well as to enhance economic development. These revisions were initially discussed at the January 20, 2015 and February 10, 2015 Committee of the Whole (COW) meetings. Subsequent to the COW meetings, revisions were presented to the Portage Brownfield Redevelopment Authority on March 11, 2015. After review, the Portage Brownfield Redevelopment Authority recommended that City Council approve the revisions. The following additional information is provided in response to the questions raised at the March 24, 2015 City Council meeting.

- The policy was revised to explicitly address functionally obsolete buildings. Additional clarification is needed in regard to when a building is determined functionally obsolete:

The Brownfield Redevelopment Financing Act (Act 381) defines as “*functionally obsolete* a property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super-adequacies in design, or other similar factors that affect the property itself, or the property’s relationship with other surrounding property.” The statute also requires a signed affidavit by a level 3 or 4 assessor stating that a building/property is functionally obsolete and the reasons for that opinion. The proposed policy revisions indicate further that the City Assessor determination of functional obsolescence should be limited to a building/property with significant redevelopment challenges. Finally, with both functionally obsolete and blighted buildings, reimbursement of eligible expenses should be limited to those activities necessary to cure the functional obsolescence and/or remove blighting factors.

- Is the criteria for tax increment finance (TIF) revenue capture appropriate for brownfield redevelopment, and how would the policy impact brownfields previously approved by the city?

The current policy only permits TIF revenue capture for a 5-year period in conjunction with state tax credits. Since state tax credits are no longer available, the TIF revenue capture period is recommended to be extended to allow for up to 15 years, provided the criteria in Section 3(A)(2)

of the policy is met. The proposed revisions to the criteria for a 15-year TIF capture period include minor revisions to expand the areas where a brownfield plan can be approved, including the Lake Centre and City Centre subareas, as identified in the Comprehensive Plan. The Downtown Development Authority has also been added to the policy revision as an eligible area.

The proposed policy, similar to the current policy, also provides criteria for City Council to consider in granting a TIF capture period beyond the standard 15-year time frame specified. Section 3(A)(3) provides criteria for Council to consider for a TIF capture period exceeding 15 years, but less than 30 years (as specified in state statute). The revisions to these criteria are intended to provide more detailed guidance to City Council in determining when a project involves significant economic development benefits to the community. The revisions proposed are based on a survey of other community policies, criteria included in the city's Industrial Tax Abatement Incentive Policy, and the criteria provided in the current policy.

The table below summarizes the brownfield redevelopment projects approved within the City of Portage, the jobs created and/or retained, the initial taxable value, the estimated future taxable value and the TIF capture period. As shown, only one of the six plans approved by the City of Portage involved TIF capture (as the developers were able to secure state business tax credits for the projects). The two plans approved via the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) were smaller scale projects and involved a longer TIF capture period, consistent with the KCBRA policy. The TIF capture for the 4460 Commercial Drive brownfield plan requested a 15-year TIF capture period, consistent with the proposed revisions to the City of Portage policy, plus an additional five years for the KCBRA Local Site Remediation Revolving Fund (LSRRF).

<u>Address</u>	<u>Date Approved</u>	<u>Jobs Created & Retained</u>	<u>Initial Taxable Value</u>	<u>Estimated Future Taxable Value</u>	<u>TIF Capture period</u>
4460 Commercial Dr. ¹	3/2015	40	\$197,600	\$297,600	20 years ²
*9008 Portage Rd. ¹	12/2013	N/A	\$8,854	\$60,000	30 years ²
8019-8043 Portage Rd.	12/2006	150	\$426,500	\$4,000,000	4 years
750 Trade Centre Way	8/2003	195	\$1,130,769	\$4,900,000	0 years
5311 S. Westnedge Ave.	8/2003	N/A	\$600,000	\$1,040,000	0 years
5942 Lovers Lane	7/2003	15	\$84,200	\$385,800	0 years
901 E. Milham Ave.	5/2003	N/A	\$230,000	\$505,000	0 years
129 W. Centre Ave.	8/2001	100	\$756,759	\$2,500,000	0 years

¹ Projects processed via the KCBRA utilize funding available for up front environmental assessments and plans funded through the LSRRF. KCBRA projects within the City of Portage must obtain a resolution of approval from the Portage City Council.

² TIF capture includes a 5-year period for the KCBRA LSRRF.

With the exception of 5942 Lovers Lane, all of the projects in the table above would have been eligible for a 15-year TIF capture period since they are "eligible properties" per state statute and are located within areas specified in the policy. With regard to 5942 Lovers Lane, the City Administration recommended approval of the brownfield redevelopment due to the environmental contamination and the blighted conditions at this highly visible intersection. Under the proposed policy, if this or a similar project were proposed, a policy waiver could be granted, or the "Other benefits as may be determined by the City Council" criterion in Section 3(A)(3)(d) of the policy could be utilized to approve the brownfield redevelopment.

While detailed information is not available regarding the salaries of new jobs created, three of the approved brownfield projects may have been eligible for a TIF capture period based on the job creation criterion. Furthermore, City Council may have determined one or more of the larger projects, based on the change in initial taxable value and future taxable value, met the criterion in Section 3(A)(3)(a), that is, that “the project is transformative and involves significant economic development benefits to the community.” Examples include the Centre Port Commons (8019-8043 Portage Road), Trade Centre Way and Portage Centre Plaza (129 West Centre Avenue) projects.

In summary, the proposed policy revisions extend the use of TIF capture and provide criteria for consideration of a TIF capture period up to 15 years, as well as a TIF capture period exceeding 15 years. Some minor clarifying revisions to these criteria are recommended and are highlighted in yellow in the attached policy.

After further review and discussion of this matter, it is recommended that City Council approve the revisions to the Brownfield Redevelopment Incentive Policy.

FUNDING: Not Applicable

Attachments: Brownfield Redevelopment Incentive Policy (revisions in yellow highlight)
March 24, 2015 communication to City Council

CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

The City of Portage encourages the growth and development of the local industry and business tax base, the creation of additional job opportunities for community residents and desires to continue to provide incentives for industry and business expansion. The City Council also recognizes the essential responsibility to the community to maintain the array of public services necessary to ensure the high quality of life that exists in Portage. To facilitate tax base expansion and to fulfill these responsibilities, the City Council hereby establishes this City of Portage Brownfield Redevelopment Incentive Policy.

The City of Portage is *A Natural Place to Move*. To continue to be a community in which growth and development can prosper, the following attributes important to all industries and businesses will be maintained:

- **Low Tax Rate.** The maintenance of the lowest feasible tax rate compared to other full-service cities is essential to economic development and will facilitate expansion and job creation: A very competitive City of Portage tax rate will be continued.
- **Utility Service Rates.** The maintenance of competitive utility rates is also important to provide opportunities for continued growth and development: Cost effective rates and the efficient delivery of utility services by the City of Portage will be continued.
- **Capital Improvements.** Investments in existing public street, water and sewer infrastructure and the expansion of these public systems are necessary and will encourage additional private sector investment: The annual 10-year Capital Improvement Program budget will continue to reflect essential public improvements within the community.
- **Quality of Life Investments.** To provide opportunities for industry and business expansion and to ensure high quality of life standards, public safety, business and neighborhood services, cultural and recreational programming and related community attributes must be maintained: Quality of life investments will be continued by the City of Portage to foster a safe, *Living, Working and Learning* community.

In addition to these important locally-determined economic development and growth factors, the City Council will offer eligible industries and businesses the opportunity to apply for brownfield incentives under Michigan Statute. The City Council is desirous of fostering brownfield redevelopment to strengthen the tax base and to encourage job creation. The City Council also recognizes its fiduciary responsibility to the community to provide public services and uphold the quality of life. Periodic review of the brownfield policy is necessary to ensure consistency with the community needs and objectives.

Inquiries concerning this policy can be directed to the Department of Community Development (269.329.4477), or the Office of the City Clerk (269.329.4511) in Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan 49002.

Brownfield Redevelopment Incentive Policy

The following sections reference the framework for processing and considering brownfield redevelopment incentive applications as provided under the Brownfield Redevelopment Financing Act (PA381 of 1996, as amended). This policy, these procedures and related provisions will

assist the private investors in the ongoing effort to enhance the productive capacity of environmentally distressed, functionally obsolete or blighted buildings and properties and contribute to the health and vibrancy of the City of Portage. The following sections address --

1. The Intent of the City of Portage Brownfield Redevelopment Program
2. The General Review Criteria for Brownfield Applications
3. Brownfield Redevelopment Financial Incentives in the City of Portage
4. Brownfield Redevelopment Application Review Process
5. Amendment of the City of Portage Brownfield Plan Process
6. State of Michigan Review Process
7. Annual Report Requirements for the City and the Applicant
8. Coordination with the Kalamazoo County Brownfield Redevelopment Authority

1. The Intent of the City of Portage Brownfield Redevelopment Program

Per the resolution adopted by the City Council in July 2001, the City of Portage Brownfield Redevelopment Program was established to facilitate reuse of environmentally distressed, functionally obsolete, and/or blighted buildings and property in the community. This economic development program is intended to place vacant and/or underutilized/blighted properties back into productive use, fostering reinvestment in the city and, also, discouraging sprawl development. Consistent with the intent of PA381 of 1996, as amended, City Council established the Portage Brownfield Redevelopment Authority in August 2001 and appointed the Board of Directors of the Portage Economic Development Corporation/Tax Increment Finance Authority (EDC/TIFA) to serve as the Portage Brownfield Redevelopment Authority.

The objective of the Act is to assist in effectively addressing brownfield properties and consider the level of assistance necessary to encourage redevelopment. It is acknowledged that the greater development costs associated with a brownfield, when compared to the development costs of a property that is not environmentally contaminated, functionally obsolete, or blighted is a significant consideration in successful redevelopment and use. The State of Michigan has enacted programs to assist in brownfield redevelopment, and has authorized local units of government to capture incremental increases in local and school property tax revenues to finance eligible activities on a brownfield property including environmental response activities, demolition, public infrastructure improvements, site preparation and lead and asbestos abatement.

2. The General Review Criteria for Brownfield Applications

The City Council will evaluate brownfield redevelopment applications based on the following criteria. The criteria shall be equally applied during the review of applications from eligible property owners:

- The brownfield redevelopment will facilitate the environmental clean-up to accepted State of Michigan standards and the productive reuse of one or more distressed properties, or
- The brownfield redevelopment will facilitate the demolition and removal of a functionally obsolete building (or selective interior building demolition) and site condition, or a blighted building and site condition.
- The brownfield redevelopment involves property that is zoned for office, business or industrial use and/or is planned for office, business or industrial use in the Portage Comprehensive Plan.
- The financial incentives to be provided for the project will not result in the impairment of the operation or the financial soundness of any affected taxing unit.
- A public purpose would be served; i.e., expanded tax base as well as the multiplier effects of additional employment, income and capital investment in the community.
- The project will provide for an expansion of the employment base in the community.

- The proposed facilities will be compatible with the present and future requirements for city services such as roads, utilities and public safety.
- The applicant meets current financial obligations to the city, is in compliance with all applicable state and city codes and ordinances and has no pending or current litigation against the city (including appeals to the Michigan Tax Tribunal).

The preceding criteria are not intended to be exhaustive. The City Council reserves the right to consider such additional criteria that are intended under this policy and that are consistent with promoting the general health, safety, and welfare of the City of Portage.

3. Brownfield Redevelopment Financial Incentives in the City of Portage

The Portage City Council wishes to encourage the environmental clean-up and/or redevelopment of eligible brownfield sites by leveling the playing field between “brownfield” and “greenfield” sites. The Portage City Council will offer the following incentives to stimulate reinvestment in eligible brownfield sites.

- A. **Tax Increment Financing Incentive.** Tax increment financing (TIF) allows the use of tax revenues that result from an increase in taxable value caused by the construction of new facilities or the rehabilitation of existing facilities. Tax revenues can then be used to fund/reimburse the cost of eligible brownfield redevelopment activities.
1. The Portage City Council will support tax increment financing if such financing is necessary for the economic feasibility of an office, commercial or industrial project on a brownfield site. Tax increment financing may be approved to reimburse the applicant only for those costs attributed to approved activities directly related to the brownfield property such as public infrastructure, storm water retention, environmental response, demolition, including reasonable interest expenses as allowed by the Act, and for related fees and costs associated with the tax increment plan, financing, scheduling, reporting and related activities. City Administration costs for review and approval of the brownfield application and plan that involve tax increment financing will be incorporated into the tax increment finance plan as allowed by the Act. The city will not borrow money or issue negotiable revenue bonds or notes to finance eligible activities.
 2. In order for a project to be considered for tax increment financing, the following minimum threshold criteria must be met:
 - a. The property must be zoned and/or designated for office or business use and located in a “Commercial Revitalization Area”, **the Downtown Development Authority**, the Lake Centre subarea, or the City Centre subarea as identified in the Comprehensive Plan and meet the guidelines of the state brownfield program; OR
 - b. The property must be zoned and/or designated for industrial use and located within the general industrial area identified in the Comprehensive Plan and meet the manufacturing guidelines of the state brownfield program; AND
 - c. The local tax capture is limited to a maximum of 15 years or when 100% reimbursement of eligible expenses is achieved, whichever time period is shorter. Eligible expenses for projects that involve a functionally obsolete building or blighted building/property shall be limited to activities that demolish and/or remove the obsolete or blighted factors of the building/property; AND
 - d. The applicant is not responsible for any existing on-site environmental contamination and/or blighted building or site conditions.

3. The City Council may increase the financial assistance and level of city participation, **by granting a TIF capture period that exceeds 15 years but is not longer than 30 years**, consistent with the requirements of Act 381 and objectives stated in this policy. **One of the following criteria should** be considered for such projects:
 - a. The project is transformative and involves significant economic development benefits to the community; **OR**
 - b. The minimum taxable value of the project upon completion will be at least \$10 million; **OR**
 - c. The project will result in the creation of: 100 or more new jobs with a *median annual salary* above 80% of the Kalamazoo County Area Median Income for a single-person household; **OR** 50 new jobs, *all* of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household; **OR**
 - d. Others benefits as may be determined by the City Council.

4. Brownfield Redevelopment Application Review Process

The application review process is intended to allow the community the opportunity to review the proposed brownfield redevelopment project in advance of the finalization of a formal brownfield plan amendment. Approval of the application by the City Council will allow the applicant to proceed with preparation of the formal brownfield plan amendment. The application review process includes the following information/steps:

- A. Applications shall be submitted to the Department of Community Development and include:
 1. Letter of application, together with the adopted fee.
 2. Project summary of the overall project investment and proposed job creation/retention, a preliminary site plan or site sketch, graphics or other illustrations that detail the project.
 3. Summary of environmental conditions and eligible activities that necessitate consideration of a brownfield plan amendment.
 4. Preliminary estimate of the captured taxable value and tax increment revenues from all eligible properties..
 5. Preliminary estimate of the impact of tax increment financing on the revenues of all taxing units subject to tax capture.

The application will be promptly processed when all required information has been submitted.

- B. Review of a brownfield redevelopment application will be coordinated by the Department of Community Development. The report will include appropriate analyses and be prepared giving consideration to the application, Michigan Statue, the General Review Criteria specified in this policy and any other pertinent considerations. If City Council approves the brownfield redevelopment application, the approval will extend for a six month period, after which a new application will be required. During this approval period, the applicant will prepare an amendment to the City of Portage Brownfield Plan, which will be considered as required by Act 381 and relevant statutory requirements.

5. Amendment to the City of Portage Brownfield Plan Process

Within six months of the City Council approval of the brownfield application, the applicant may proceed and prepare an amendment to the City of Portage Brownfield Redevelopment Plan for consideration by the city to include an additional eligible property per the following:

- A. Preparation of the Brownfield Redevelopment Plan. The applicant, or designated agent, is responsible for preparing the Brownfield Redevelopment Plan consistent with the Act. The Brownfield Redevelopment Plan shall be properly completed and submitted to the Department of Community Development.
- B. City Administrative Review. The Brownfield Redevelopment Plan will be reviewed by the Department of Community Development. A report will be prepared and include appropriate analyses, giving consideration to the approved brownfield application, Michigan Statute, this policy and any other pertinent considerations. The review and report will be provided to the Brownfield Redevelopment Authority and to City Council for consideration at the public hearing on the plan.
- C. Brownfield Redevelopment Authority Review. The Authority will review the Brownfield Redevelopment Plan and related documents and develop a recommendation that will be forwarded to City Council. After review by the Authority, the plan will be forwarded to the City Council.
- D. Public Hearing on the Brownfield Redevelopment Plan. City Council will hold a public hearing on the plan consistent with Act 381 including written notice to taxing units subject to tax capture.
- E. Resolution adopted by City Council. After consideration of the proposal and Brownfield Redevelopment Plan, development agreement and related documents, City Council will adopt a resolution certifying the plan.

6. State of Michigan Review Process

If captured school taxes will be used to reimburse the cost of environmental response activities, or any non-environmental activities, approval of the Brownfield Redevelopment Plan and a Work Plan by the MDEQ and/or the MEDC is necessary. A Work Plan details the proposed project, specific activities to be undertaken, and the costs and time frame for completion. The MDEQ and MEDC will review the Brownfield Redevelopment Plan and Work Plan to ensure consistency with statutory, procedure and process requirements, and notify the City of Portage Brownfield Redevelopment Authority that the plan has been approved, approved with conditions, denied or if additional information is needed. The applicable state agency(ies) will approve the Tax Increment Finance Incentives, including the required Work Plans. The city and the authority will only use tax increment revenues in a manner consistent with the approval(s) granted by the applicable state agency(ies). If the plan is approved or approved with conditions by the State of Michigan, the City Council and other local units will be advised, as applicable.

7. Annual Report Requirements for the City of Portage and the Applicant

In accordance with Act 381 requirements, an annual financial report will be submitted to the City Council and the State Tax Commission on the status of the activities.

8. Coordination with Kalamazoo County Brownfield Redevelopment Authority

The Kalamazoo County Brownfield Redevelopment Authority (KCBRA) was created in 2002, which also provides incentives for brownfield redevelopment. While most KCBRA projects have occurred within Kalamazoo County townships, the City of Portage may permit a KCBRA project within the city. The KCBRA has established a Local Site Remediation Revolving Fund (LSRRF) that provides funding to assist applicants with up front expenses including environmental studies and preparation of a Brownfield Redevelopment Plan. In the event an applicant seeks approval through the KCBRA, the following criteria and process shall be utilized for the review and approval process:

- KCBRA staff reviews the initial application and consults with the City of Portage Department of Community Development regarding the project.
- KCBRA Brownfield Plans proposed within the City of Portage must be consistent with the criteria and TIF capture provisions outlined in the City of Portage Brownfield Redevelopment Incentive Policy. An additional TIF capture period will be permitted for a period of not more than five years to fund the LSRRF. Dependent on the amount of TIF capture and scope of the project, this time period may be shortened to less than five years.
- After the KCBRA reviews and approves Brownfield Plan, the plan shall be submitted to the City of Portage Department of Community Development. After review by the City Administration, the City of Portage Brownfield Redevelopment Authority will review the Brownfield Plan and make a recommendation to City Council.
- The City Council will then review the Brownfield Plan and if approved, adopt a Resolution Approving a Brownfield Plan.
- If approved by the Kalamazoo County Board of Commissioners and the State of Michigan (if applicable), the KCBRA shall provide an executed copy of the development agreement for the project and annually provide a report regarding Brownfield Plan projects within the City of Portage.

DATE OF ADOPTION BY CITY COUNCIL:

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Brownfield Redevelopment Incentive Policy Update

SUPPORTING PERSONNEL: Victoria Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council approve the revisions to the Brownfield Redevelopment Incentive Policy.

In 2001, the city established a Brownfield Redevelopment Authority and five Brownfield Plans were approved for redevelopment projects that utilized State of Michigan Single Business Tax (SBT) Credits. In 2006, City Council adopted a formal Brownfield Redevelopment Policy that added criteria and a five-year time frame for the use of tax increment financing (TIF), in conjunction with the SBT credits, to reimburse private property owners for eligible activities related to brownfield redevelopment. In July 2008, minor revisions to the city policy were made to reflect the adoption of the Michigan Business Tax (MBT). Since the July 2008 revisions to the policy, state tax reforms have eliminated and replaced the MBT and tax credits for brownfield redevelopment. To reflect these reforms, revisions to the Portage Brownfield Redevelopment Incentive Policy are necessary, including reconsideration of the criteria associated with the use of TIF to reimburse private property owners for eligible brownfield redevelopment expenses.

During the January 22, 2015 and February 10, 2015 Committee of the Whole meetings, City Council discussed ways to enhance economic development and potential revisions to both the Brownfield Redevelopment Incentive Policy and the Industrial Tax Abatement Incentive Policy (authorized under Public Act 198). Subsequent to the Committee of the Whole meetings, the Portage Brownfield Redevelopment Authority met on March 11, 2015 and considered recommended revisions to the policy, summarized as follows:

- The policy has been revised to eliminate all references to the MBT credit program;
- The policy has been revised to extend the use of TIF from five years to up to 15 years. Similar to the City of Portage policy for industrial tax abatements, this initial time limit is half of the time period permitted by statute;
- As the community ages, revisions to the policy to more explicitly provide TIF incentives for blighted and functionally obsolete buildings have been made. With regard to functionally obsolete buildings, the City Assessor must review and determine if a building is functionally obsolete. Such a review should be limited to buildings with significant redevelopment challenges. Furthermore, with both functionally obsolete and blighted buildings, reimbursement of eligible

expenses should be limited to those activities necessary to cure the functional obsolescence and/or remove blighting factors.

- Finally, language has been added to the policy that provides guidance with regard to the manner in which the City of Portage will approve partnerships with the Kalamazoo County Brownfield Redevelopment Authority (KCBRA). In particular, language has been added that future KCBRA plans be consistent with the city's policy and the TIF capture timelines above. Furthermore, a provision has been added to permit an additional five-year TIF capture period to reimburse the KCBRA Local Site Remediation Revolving Fund (LSRRF), which provides funding to assist applicants with up front expenses, such as those noted above.

In the attached March 6, 2015 communication from the Department of Community Development, approval of the revisions has been recommended. After review and discussion, on March 11, 2015, the Portage Brownfield Redevelopment Authority recommended that City Council approve the proposed Brownfield Redevelopment Incentive Policy revisions.

Therefore, it is recommended that City Council approve the revisions to the Brownfield Redevelopment Incentive Policy.

FUNDING: Not Applicable

Attachments: Brownfield Redevelopment Authority Minutes dated March 11, 2015
Department of Community Development report dated March 6, 2015
Brownfield Redevelopment Incentive Policy (underline and strikeout version)

Brownfield Redevelopment Authority

Minutes of Meeting – Wednesday, March 11, 2015

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Secretary King at 8:17 a.m. in Council Chambers, Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT: Tom King, Devrim Yaman, Jeff Monroe, Bradley Galin, Jeffrey Kalmbach, Robert Kelber, Daniel Vomastek (arrived at approximately 8:30 a.m.).

MEMBERS EXCUSED: A motion was offered by Monroe, seconded by Kelber to excuse members Alburtus, Lewandowski and Vomastek. The motion was approved 6-0.

IN ATTENDANCE: Vicki Georgeau, Community Development Director; Lotta Jarnefelt and Rachel Grover, Kalamazoo County Department of Planning and Community Development, Joe Agostinelli, Chair of Kalamazoo County Brownfield Redevelopment Authority and Dave Stegink, Envirollogic Technologies.

APPROVAL OF MINUTES: The minutes from the November 6, 2013 meeting were introduced for approval. A motion was offered by Yaman, seconded by Monroe to approve the minutes as submitted. The motion was approved 7-0.

BUSINESS:

1. Election of Officers. A motion was offered by Monroe, seconded by Yaman to nominate the existing slate of officers for re-election: King as Chairman, Alburtus as Vice-Chairman, and Kalmbach as Secretary/Treasurer of the Brownfield Redevelopment Authority. There being no further discussion, the motion was approved 7-0.

Chairman King asked each Board member to review the member listing included in the agenda to ensure the information is correct. King also noted that Rules of Procedure were included in the agenda and inquired of staff if the document has been reviewed by the Authority for necessary revisions. Georgeau indicated that the Rules of Procedure were provided in the agenda for reference purposes only, but agreed it may be appropriate for the staff and the Authority to review the document for necessary changes at the next Authority meeting.

2. Revised Brownfield Redevelopment Incentive Policy. Georgeau provided an overview of the proposed revisions to the policy and explained that City Council had preliminarily reviewed policy revisions during the Committee of the Whole meeting on February 10th, concurrent with recommended revisions to the city's Industrial Tax Abatement Policy and in the context of enhancing the city's role in economic development. Georgeau further explained the policy revisions included: elimination of references to state tax credits; an extension of the time period permitted for tax increment financing (TIF) from five to 15 years, revisions to criteria for Council to consider in granting TIF revenue capture for longer than 15 years; criteria for considering functionally obsolete and/or blighted properties; and the addition of process and criteria to review when brownfield plans are proposed through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA). King requested clarification of the process for review and approval of KCBRA plans. Georgeau explained that state statute requires the elected body of the local unit of government to pass a resolution of

support for all county brownfield plans. King also requested clarification regarding the criteria for use of TIF revenue capture in Section 3 of the policy. Georgeau explained that this criteria is for review only when a TIF capture period beyond 15 years is requested by an applicant. After further discussion, a motion was offered by Monroe and seconded by Galin to recommend to City Council approval of the proposed Brownfield Redevelopment Incentive Policy revisions. The motion was approved 7-0.

3. Kalamazoo County Brownfield Redevelopment Plan, 4460 Commercial Drive. Georgeau summarized the Brownfield Redevelopment Plan for 4460 Commercial Drive prepared by the KCBRA. Georgeau also introduced Lotta Jarnefelt and Rachel Grover with the Kalamazoo County Department of Planning and Community Development, Joe Agostinelli, Chairman of the KCBRA and Dave Stegink, environmental consultant for the KCBRA. Georgeau explained that the applicant, Accu-Mold, LLC, is proposing to utilize the KCBRA program due to the availability of funds to pay for up front expenses and because the KCBRA policy allows for a longer tax increment financing (TIF) revenue capture period compared to the existing Portage Brownfield Redevelopment Incentive Policy. Furthermore, the Accu-Mold expansion project is on a fast track with acquisition slated for early April 2015 and building and site improvements slated to begin in late April 2015. Georgeau noted the subject property is improved with a 20,000 square foot building and parking lot and the property is eligible under the Brownfield Redevelopment Act because the building is functionally obsolete. The applicant will be investing \$1.8 million to acquire and renovate the building, and \$125,000 will be spent on selective building and site demolition to cure the functional obsolescence.

Monroe and Galin inquired if there are any environmental concerns and/or underground tanks on the property. Joe Agostinelli and David Stegink indicated there are no known environmental issues with the property. Monroe inquired as to the age and prior use of the building. Agostinelli indicated the building was first constructed in the 1980's and had been divided up into several smaller tenant suites used for small scale manufacturing, assembly and offices. Agostinelli further indicated that the redevelopment project will be supported by the Michigan Economic Development Corporation.

After further discussion, a motion was offered by Kalmbach, seconded by Monroe that the Brownfield Redevelopment Authority recommend to City Council that the resolution of support involving the KCBRA Brownfield Redevelopment Plan for 4460 Commercial Drive be approved. The motion was approved 7-0.

STATEMENT OF CITIZENS: None.

ADJOURNMENT: There being no further business to come before the Authority, the meeting was adjourned at 8:25.

Respectfully submitted,

Vicki Georgeau, Director

TO: Brownfield Redevelopment Authority

DATE: March 6, 2015

FROM: Vicki Georgeau, ^{ja} Director of Community Development

SUBJECT: Brownfield Redevelopment Policy Update

I. INTRODUCTION:

The Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended) allows a city, village, township or county to establish a Brownfield Redevelopment Program for the purposes of facilitating the reuse of contaminated, functionally obsolete or blighted buildings and properties.

In 2001, the city established a Brownfield Redevelopment Authority and five Brownfield Plans were approved for redevelopment projects that utilized state Single Business Tax (SBT) Credits. In 2006, City Council adopted a formal Brownfield Redevelopment Policy that added criteria and a five-year time frame for the use of tax increment financing (TIF), in conjunction with SBT credits, to reimburse private property owners for eligible activities related to brownfield redevelopment. In July 2008, minor revisions to the policy were made to reflect the adoption of the Michigan Business Tax (MBT).

Since the July 2008 revisions to the policy, state tax reforms have eliminated and replaced the MBT and tax credits for brownfield redevelopment were eliminated. To reflect these reforms, revisions to the Portage Brownfield Redevelopment Policy are necessary, including reconsideration of the criteria associated with the use of TIF to reimburse private property owners for eligible brownfield redevelopment expenses.

II. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

As noted above, revisions to the Brownfield Redevelopment Incentive Policy are necessary. As additional information for the Authority, during the January 22nd and February 10, 2015 Committee of the Whole meetings, City Council discussed ways to enhance economic development and potential revisions to both the Brownfield Redevelopment Incentive Policy and the Industrial Tax Abatement Incentive Policy (authorized under Public Act 198) were reviewed in this context. The following revisions have been incorporated into the attached Brownfield Redevelopment Incentive Policy and are recommended for review and consideration of the Authority, prior to final review and approval by City Council:

- The policy has been revised to eliminate all references to the MBT credit program.
- While competitive grants for brownfield redevelopment projects are available through the State of Michigan in place of the former tax credits, the award criteria emphasizes central cities and projects within traditional downtown areas. It is therefore uncertain whether brownfield redevelopment projects in Portage would be successful in receiving such grants.

Based on the above, the length of time when TIF capture can be utilized with a brownfield redevelopment project is recommended to be lengthened. While state statute allows a 30-year time period for TIF capture, many communities limit the capture to a shorter time period. In this regard, the policy has been revised to extend the use of TIF from five years to up to 15 years. Similar to the City of Portage policy for industrial tax abatements, this initial time limit is half of the time period permitted by statute.

- While the current policy includes references to blighted and functionally obsolete buildings, all previously approved Brownfield Plans in Portage have involved sites with environmental contamination. As the community ages, revisions to the policy to more explicitly provide TIF incentives for blighted and functionally obsolete buildings have been made. With regard to functionally obsolete buildings, the City Assessor must review and determine if a building is functionally obsolete, and such determination should be limited to buildings with significant redevelopment challenges. Furthermore, with both functionally obsolete and blighted buildings, reimbursement of eligible expenses should be limited to those activities necessary to cure the functional obsolescence and/or remove blighting factors.
- Finally, language has been added to the policy that provides guidance with regard to the manner in which the City of Portage will approve partnerships with the Kalamazoo County Brownfield Redevelopment Authority (KCBRA).

As background information, in 2002 Kalamazoo County created a Brownfield Redevelopment Authority that also provides incentives for brownfield redevelopment. While most of the county's work has occurred within townships, there have been instances where the KCBRA adopted brownfield plans within the cities of Kalamazoo and Portage. For example, in 2013 the Portage Brownfield Redevelopment Authority and City Council approved a KCBRA plan for the redevelopment of 9008 Portage Road, an environmentally contaminated former gas station site. The applicant and property owner sought assistance via the KCBRA to obtain financial assistance with the up-front expenses of completing assessment studies (e.g. Phase 1 and Baseline Environmental Assessment) and preparation of a Brownfield Plan, and due to a longer TIF capture period offered through the KCBRA. Due to the level of contamination and proximity of the site to West Lake, and because the TIF capture from the city was relatively small, the Portage Brownfield Redevelopment Authority and City Council recommended approval of the KCBRA plan within Portage.

With specific regard to the Portage Brownfield Redevelopment Policy, language has been added that future KCBRA plans be consistent with the city's policy and the TIF capture timelines above, with a provision that an additional five-year TIF capture period be permitted to reimburse the KCBRA Local Site Remediation Revolving Fund (LSRRF), which provides funding to assist applicants with up front expenses, such as those noted above.

III. RECOMMENDATION:

The City of Portage Brownfield Redevelopment Incentive Policy revisions have been prepared by the City Administration and preliminarily reviewed by City Council. Staff advises that the Authority review the revisions, and if acceptable, recommend to City Council that policy revisions be approved.

Attachment: Revised City of Portage Brownfield Redevelopment Incentive Policy

CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

The City of Portage encourages the growth and development of the local industry and business tax base, the creation of additional job opportunities for community residents and desires to continue to provide incentives for industry and business expansion. The City Council also recognizes the essential responsibility to the community to maintain the array of public services necessary to ensure the high quality of life that exists in Portage. To facilitate tax base expansion and to fulfill these responsibilities, the City Council hereby establishes this City of Portage Brownfield Redevelopment Incentive Policy.

The City of Portage is ~~A *Place for Business Opportunities to Grow!*~~ *Natural Place to Move.* To continue to be a community in which growth and development can prosper, the following attributes important to all industries and businesses will be maintained:

- **Low Tax Rate.** The maintenance of the lowest feasible tax rate compared to other full-service cities is essential to economic development and will facilitate expansion and job creation: A very competitive City of Portage tax rate will be continued.
- **Utility Service Rates.** The maintenance of competitive utility rates is also important to provide opportunities for continued growth and development: Cost effective rates and the efficient delivery of utility services by the City of Portage will be continued.
- **Capital Improvements.** Investments in existing public street, water and sewer infrastructure and the expansion of these public systems are necessary and will encourage additional private sector investment: The annual 10-year Capital Improvement Program budget will continue to reflect essential public improvements within the community.
- **Quality of Life Investments.** To provide opportunities for industry and business expansion and to ensure high quality of life standards, public safety, business and neighborhood services, cultural and recreational programming and related community attributes must be maintained: Quality of life investments will be continued by the City of Portage to foster a safe, *-Living, Working and Learning-* community.

In addition to these important locally-determined economic development and growth factors, the City Council will offer eligible industries and businesses the opportunity to apply for brownfield incentives under Michigan Statute. The City Council is desirous of fostering brownfield redevelopment to strengthen the tax base and to encourage job creation. The City Council also recognizes its fiduciary responsibility to the community to provide public services and uphold the quality of life. Periodic review of the brownfield policy is necessary to ensure consistency with the community needs and objectives.

Inquiries concerning this policy can be directed to the Department of Community Development (269.329.4477), or the Office of the City Clerk (269.329.4511) in Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan 49002.

Brownfield Redevelopment Incentive Policy

The following sections reference the framework for processing and considering brownfield redevelopment incentive applications as provided under the Brownfield Redevelopment Financing Act (PA381 of 1996, as amended). This policy, these procedures and related provisions will

assist the private investors in the ongoing effort to enhance the productive capacity of environmentally distressed, functionally obsolete or blighted buildings and properties and contribute to the health and vibrancy of the City of Portage. The following sections address --

1. The Intent of the City of Portage Brownfield Redevelopment Program
2. The General Review Criteria for Brownfield Applications
3. Brownfield Redevelopment Financial Incentives in the City of Portage
4. Brownfield Redevelopment Application Review Process
5. Amendment of the City of Portage Brownfield Plan Process
6. State of Michigan Review Process
7. Annual Report Requirements for the City and the Applicant
- 7.8. Coordination with the Kalamazoo County Brownfield Redevelopment Authority

1. The Intent of the City of Portage Brownfield Redevelopment Program

Per the resolution adopted by the City Council in July 2001, the City of Portage Brownfield Redevelopment Program was established to facilitate reuse of environmentally distressed, -property (functionally obsolete, and/or blighted buildings and property areas) in the community. This economic development program is intended to place vacant and/or underutilized/blighted properties back into productive use, fostering reinvestment in the city and, also, discouraging sprawl development. Consistent with the intent of PA381 of 1996, as amended, City Council established the Portage Brownfield Redevelopment Authority in August 2001 and appointed the Board of Directors of the Portage Economic Development Corporation/Tax Increment Finance Authority (EDC/TIFA) to serve as the Portage Brownfield Redevelopment Authority.

The objective of the Act is to assist in effectively addressing brownfield properties and consider the level of assistance necessary to encourage redevelopment. It is acknowledged that the greater development costs associated with a brownfield, when compared to the development costs of a property that is not environmentally contaminated, functionally or obsolete, or blighted, is a significant consideration in successful redevelopment and use. The State of Michigan has enacted programs to assist in brownfield redevelopment, including Michigan Business Tax credits, and has authorized local units of government to capture incremental increases in local and school property tax revenues to finance eligible activities on a brownfield property including environmental response activities, demolition, public infrastructure improvements, site preparation and lead and asbestos abatement.

2. The General Review Criteria for Brownfield Applications

The City Council will evaluate brownfield redevelopment applications based on the following criteria. The criteria shall be equally applied during the review of applications from eligible property owners:

- The brownfield redevelopment application will facilitate the environmental clean-up to accepted State of Michigan standards and the productive reuse of one or more distressed properties, or
- The brownfield redevelopment will facilitate the demolition and removal of a functionally obsolete building (or selective interior building demolition) and site condition, or a blighted building and site condition.
- The brownfield redevelopment application involves property that is included in the Portage Brownfield Redevelopment Plan.
- The brownfield redevelopment application involves property that is designated-zoned for office, business or industrial use in the Portage Zoning Code and/or is planned for office, business or industrial use in the Portage Comprehensive Plan.
- The financial incentives to be provided for the project will not result in the impairment of the operation or the financial soundness of any affected taxing unit.

- A public purpose would be served; i.e., expanded tax base as well as the multiplier effects of additional employment, income and capital investment in the community.
- The project will provide for an expansion of the employment base in the community.
- The proposed facilities will be compatible with the present and future requirements for city services such as roads, utilities and public safety.
- The applicant meets current financial obligations to the city, is in compliance with all applicable state and city codes and ordinances and has no pending or current litigation against the city (including appeals to the Michigan Tax Tribunal).

The preceding criteria are not intended to be exhaustive. The City Council reserves the right to consider such additional criteria that are intended under this policy and that are consistent with promoting the general health, safety, and welfare of the City of Portage.

3. Brownfield Redevelopment Financial Incentives in the City of Portage

The Portage City Council wishes to encourage the environmental clean-up and/or the redevelopment of eligible brownfield sites by leveling the playing field between “brownfield” and “greenfield” sites. The Portage City Council will offer the following incentives to stimulate reinvestment in eligible brownfield sites.

A. ~~Michigan Business Tax Credit. The preferred approach to foster the redevelopment of brownfield properties by the private sector is to support an application to the State of Michigan for the Michigan Business Tax (MBT) credit program for small projects (\$10 million or less) and large projects (over \$10 million) where developers of eligible brownfield properties can receive a tax credit equal to 12.5 percent of the eligible investment. Eligible investment costs include demolition, construction, restoration, alteration, renovation, site improvements, and addition of machinery, equipment and fixtures for the owner or lessee. It is recognized that the City of Portage support for the issuance of a tax credit and the receipt of this tax credit by the property owner represents a significant redevelopment incentive.~~

B. ~~Tax Increment Financing Incentive.~~ Tax increment financing (TIF) allows the use of tax revenues that result from an increase in taxable value caused by the construction of new ~~commercial or industrial facilities~~ or the rehabilitation of existing facilities. Tax revenues can then be used to fund/reimburse the cost of eligible brownfield redevelopment activities.

1. The Portage City Council will support tax increment financing if such financing is necessary for the ~~granting of a Michigan Business Tax credit by the State of Michigan for economic feasibility of~~ an office, commercial or industrial project on a brownfield site. ~~The state and all local taxing jurisdictions are expected to participate.~~ Tax increment financing may be approved to reimburse the applicant only for those costs attributed to approved activities directly related to the brownfield property such as public infrastructure, storm water retention, environmental response, demolition ~~that is a response activity~~, including reasonable interest expenses as allowed by the Act, and for related fees and costs associated with the tax increment plan, financing, scheduling, reporting and related activities. City Administration costs for review and approval of the brownfield application and plan that involve tax increment financing will be incorporated into the tax increment finance plan as allowed by the Act. The city will not borrow money or issue negotiable revenue bonds or notes to finance eligible activities.
2. In order for a project to be considered for tax increment financing, the following minimum threshold criteria must be met:
 - a. The property must be zoned and/or designated for office or business use and located in a “Commercial Revitalization Area”, the Lake Centre subarea, or the City Centre subarea as

- identified in the Comprehensive Plan and meet the ~~business~~ guidelines of the state brownfield program; ~~(retail operations that are not "big box" retailers unless as an anchor in a retail center located in an historically underserved market in a traditional downtown area or a significant commercial node that complements rather than competes with existing retailers);~~ OR
- b. The property must be zoned and/or designated for industrial use and located within the general industrial area identified in the Comprehensive Plan and meet the manufacturing guidelines of the state brownfield program ~~(preference given to re use of existing obsolete/blighted industrial facilities by a Michigan manufacturer in a competitive industry, which preserves/creates jobs, or is high growth potential technology based company);~~ AND
 - c. The local tax capture is limited to a maximum of 15 years or when 100% reimbursement of eligible expenses is achieved, whichever time period is shorter. Eligible expenses for projects that involve a functionally obsolete building or blighted building/property shall be limited to activities that demolish and/or remove the obsolete or blighted factors of the building/property predetermined amount as approved by the City Council; AND
 - d. The applicant is not responsible for any existing on-site environmental contamination and/or blighted building or site conditions.
3. The City Council may make modifications to increase the financial assistance and level of city participation, which are deemed appropriate and consistent with the requirements of Act 381 and objectives stated in this policy. The following shall be considered for such, for a brownfield projects that:
- a. The project is ~~transformative and~~ involves the following significant economic development benefits to the community:
 - a. ~~The project is necessary for a new business to locate or an existing business to expand in the city.~~
 - b. The minimum taxable value of the project upon completion will be at least \$5\$10 million.
 - c. The project will result in the creation and/or retention of: a 100 or more new jobs with a median annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household; OR 50 new jobs, all of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household significant number of full time equivalent jobs in the community.
 - d. ~~The project will result in a significant average annual salary level for each full time equivalent job.~~
 - e. ~~The project has the potential to create spin-off development through multiplier effects that have positive community economic impact.~~
 - f.d. Others benefits as may be determined by the City Council.

4. Brownfield Redevelopment Application Review Process

The application review process is intended to allow the community the opportunity to review the proposed brownfield redevelopment project in advance of the finalization of a formal brownfield plan amendment. Approval of the application by the City Council will allow the applicant to proceed with preparation of the formal brownfield plan amendment. The application review process includes the following information/steps:

- A. Applications shall be ~~completed and~~ submitted to the Department of Community Development and include: ~~the following:~~
1. ~~Application form~~ Letter of application, together with the adopted fee.
 2. Project summary of the overall project investment and proposed job creation/retention, with a preliminary site plan or, site sketch, graphics or other illustrations that detail the project.
 3. Summary of environmental conditions and eligible activities that necessitate consideration of a brownfield plan amendment.
 4. Preliminary estimate of the captured taxable value and tax increment revenues from all eligible properties, ~~if applicable.~~
 5. Preliminary estimate of the impact of tax increment financing on the revenues of all taxing units subject to tax capture, ~~if applicable.~~

The application will be promptly processed when all required information has been submitted.

- B. Review of a brownfield redevelopment application will be coordinated by the Department of Community Development ~~and a report will be prepared for the consideration of the City Manager. The Department of Community Development may request the assistance of appropriate departments in the preparation of the report. If the application requests the tax increment financing incentive, the Finance Department will be involved in the review of the application and financing documents and may request the services of municipal financial consultants.~~ The report will include appropriate analyses and be prepared giving consideration to the application, Michigan Statue, the General Review Criteria specified in this policy and any other pertinent considerations. If City Council approves the brownfield redevelopment application, the approval will extend for a six month period, after which a new application will be required. During this approval period, the applicant will prepare an amendment to the City of Portage Brownfield Plan, which will be considered as required by Act 381 and relevant statutory requirements.

5. Amendment to the City of Portage Brownfield Plan Process

Within six months of the City Council approval of the brownfield application, the applicant may proceed and prepare an amendment to the City of Portage Brownfield Redevelopment Plan for consideration by the city to include an additional eligible property per the following ~~sections:~~

- A. Preparation of the Brownfield Redevelopment Plan. The applicant, or designated agent, is responsible for preparing the Brownfield Redevelopment Plan consistent with the Act. The Brownfield Redevelopment Plan shall be properly completed and submitted to the Department of Community Development.
- B. City Administrative Review. The Brownfield Redevelopment Plan will be reviewed by the Department of Community Development, ~~and a report will be prepared for consideration by the City Manager. The Department of Community Development may request the assistance of appropriate departments including the Office of the City Attorney in the preparation of the report. If the application includes tax increment financing incentives, development agreement and related documents, the Finance Department will review the application and may involve the services of municipal financial consultants.~~ The A report will be prepared and include appropriate analyses, ~~and be prepared~~ giving consideration to the approved brownfield application, Michigan Statue, this policy and any other pertinent considerations. The review and report will be provided to the Brownfield Redevelopment Authority and to City Council for consideration at the public hearing on the plan.
- C. Brownfield Redevelopment Authority Review. The Authority will review the Brownfield Redevelopment Plan and related documents and develop a recommendation that will be forwarded to City Council. After review by the Authority, the plan will be forwarded to the City Council.

- D. Public Hearing on the Brownfield Redevelopment Plan. City Council will hold a public hearing on the plan consistent with Act 381 including written notice to taxing units subject to tax capture.
- E. Resolution adopted by City Council. After consideration of the proposal and Brownfield Redevelopment Plan, development agreement and related documents, City Council will **consider adopt** a resolution certifying the plan ~~to the State of Michigan.~~
~~The applicant would then submit the plan and related documents to the Michigan Department of Environmental Quality (MDEQ) and Michigan Economic Growth Authority (MEGA) for review and approval.~~

6. State of Michigan Review Process

If captured school taxes will be used to reimburse the cost of environmental response activities, or any non-environmental activities, approval of the Brownfield Redevelopment Plan and a Work Plan by the MDEQ and/or the MEDC is necessary. A Work Plan details the proposed project, specific activities to be undertaken, and the costs and time frame for completion. The MDEQ and MEDCGA will review the Brownfield Redevelopment Plan and Work Plan to ensure consistency with statutory, procedure and process requirements, and notify the City of Portage Brownfield Redevelopment Authority that the plan has been approved, approved with conditions, denied or **if** additional information is needed **prior to approval**. The applicable state agency(ies) will approve the **Michigan Business Tax Credit and Tax Increment Finance Incentives**, including the required **Wwork**

Pplans. The city and the authority will only use tax increment revenues in a manner consistent with the approval(s) granted by the applicable state agency(ies). If the plan is approved or approved with conditions by the State of Michigan, the City Council and other local units will be advised, as applicable.

7. Annual Report Requirements for the City of Portage and the Applicant

In accordance with Act 381 requirements, an annual financial report will be submitted to the City Council and the State Tax Commission on the status of the activities.

8. Coordination with Kalamazoo County Brownfield Redevelopment Authority

The Kalamazoo County Brownfield Redevelopment Authority (KCBRA) was created in 2002, which also provides incentives for brownfield redevelopment. While most KCBRA projects have occurred within Kalamazoo County townships, the City of Portage may permit a KCBRA project within the city. The KCBRA has established a Local Site Remediation Revolving Fund (LSRRF) that provides funding to assist applicants with up front expenses including environmental studies and preparation of a Brownfield Redevelopment Plan. In the event an applicant seeks approval through the KCBRA, the following criteria and process shall be utilized for the review and approval process:

- KCBRA staff reviews the initial application and consults with the City of Portage Department of Community Development regarding the project.
- KCBRA Brownfield Plans proposed within the City of Portage must be consistent with the criteria and TIF capture provisions outlined in the City of Portage Brownfield Redevelopment Incentive Policy. An additional TIF capture period will be permitted for a period of not more than five years to fund the LSRRF. Dependent on the amount of TIF capture and scope of the project, this time period may be shortened to less than five years.
- After the KCBRA reviews and approves Brownfield Plan, the plan shall be submitted to the City of Portage Department of Community Development. After review by the City Administration, the

City of Portage Brownfield Redevelopment Authority will review the Brownfield Plan and make a recommendation to City Council.

- The City Council will then review the Brownfield Plan and if approved, adopt a Resolution Approving a Brownfield Plan.
- If approved by the Kalamazoo County Board of Commissioners and the State of Michigan (if applicable), the KCBRA shall provide an executed copy of the development agreement for the project and annually provide a report regarding Brownfield Plan projects within the City of Portage.

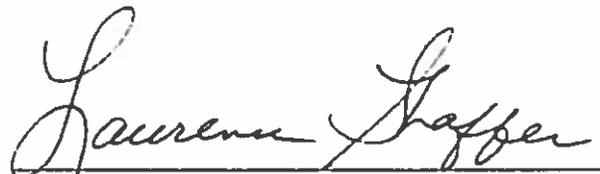
DATE OF ADOPTION BY CITY COUNCIL: July 22, 2008



MATERIALS TRANSMITTED

Friday, March 20, 2015

1. Communication from the City Manager regarding the 2015 Utility Rate Study (**Agenda Item F.1**) – Information Only.
2. Communication from the City Manager regarding the February 2015 Citizen Comment Card Summary – Information Only.



Laurence Shaffer, City Manager

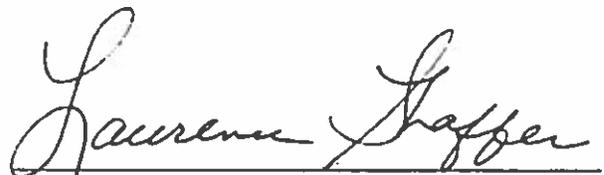
cc: Rob Boulis, Deputy City Manager



MATERIALS TRANSMITTED

Tuesday, March 24, 2015

1. Communication from the Planning Commission regarding the City of Portage FY 2015-2025 Capital Improvement Program (CIP) – Information Only.



Laurence Shaffer, City Manager

cc: Rob Boulis, Deputy City Manager