

7:30 p.m. Call to Order.

Swearing in of Student Mayor and Councilmembers for the Day

Invocation: Pastor Ken Hale of Victory Baptist Church

Pledge of Allegiance.

Roll Call.

Proclamation.

A. Approval of the Special and Regular Meeting Minutes of February 12, 2013.

\* B. Approval of Consent Agenda Motions.

\* C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of February 26, 2013, as presented.

D. Public Hearings:

E. Petitions and Statements of Citizens:

F. Reports from the Administration:

- \* 1. Communication from the City Manager recommending that City Council adopt Resolution No. 3-13 setting a public hearing on the issuance of the Industrial Facilities Exemption Certificate for Summit Polymers, Inc., for real and personal property in the estimated amount of \$2.99 million at 6715 Sprinkle Road, Industrial District No. 56, for March 12, 2013.
- \* 2. Communication from the City Manager recommending that City Council adopt Resolution No. 3-13 setting a public hearing on the issuance of the Industrial Facilities Exemption Certificate for Mann+Hummel USA, Inc. for personal property in the estimated amount of \$15.89 million at 6400 Sprinkle Road, Industrial District No. 48, for March 12, 2013.
- \* 3. Communication from the City Manager recommending that City Council:
  - a. approve Contract 13-5011 between the Michigan Department of Transportation and the City of Portage concerning funding for street improvements on Forest Drive (Lovers Lane to Portage Road);
  - b. amend an engineering services contract with Wightman & Associates, Incorporated, for construction inspection and administration of street improvements on Forest Drive (Lovers Lane to Portage Road) in the not to exceed amount of \$94,500;
  - c. adopt a Resolution authorizing the City Manager to sign Contract 13-5011; and authorize the City Manager to sign all other documents related to the Michigan Department of Transportation and the consultant contracts for this project on behalf of the city.
- \* 4. Communication from the City Manager recommending that City Council adopt a resolution and endorse a petition to the Office of the Kalamazoo County Drain Commissioner to locate, establish and construct the Lexington Green Channel as a County Drain and authorize the City Manager to execute the documents on behalf of the city.
- \* 5. Communication from the City Manager recommending that City Council establish April 30 and May 7 from 4:30 to 8:30 p.m. as the dates for review of the proposed Fiscal Year 2013-2014 Budget.
- \* 6. Communication from the City Manager recommending that City Council amend the 2013 fee schedule to include a \$3.00 drop-in fee for the Portage Senior Center.
- \* 7. Communication from the Mayor recommending that City Council fill the recently vacated citizen position on the Water/Sewer (Utility) Rate Committee by appointing Mr. Nasim Ansari.

- \* 8. Communication from the City Manager regarding the January 2013 Summary Environmental Activity Report - Information Only.

- \* 9. Department Monthly Reports.

G. Communications:

1. February 17, 2013 letter from Jerry and Sherry Garrett (10322 Archwood) regarding 10323 Archwood.
  - a. Communication from the City Manager recommending that City Council:
    - i) accept the communications from Sherry and Jerry Garrett regarding the sale of 10323 Archwood Drive;
    - ii) consider referral of the issue to the City Council Ad Hoc Property Committee for review and recommendation; and/or
    - iii) approve an additional contingency on the sale of 10323 Archwood Drive that no manufactured dwelling be constructed on the property.
2. Communication from David and Jill Meyle regarding the property known as 10323 Archwood Drive.
3. Communication from Margaret Krenselewski regarding the property known as 10323 Archwood Drive.
4. Communication from the City Manager regarding 10323 Archwood – Information Only.

H. Unfinished Business:

1. Communication from the City Manager regarding the 2013 Board of Review – Information Only.
  - a. Communication from the City Manager regarding the 2013 Board of Review Updated Checklist – Information Only.

\* I. Minutes of Boards and Commissions Meetings:

1. Portage Environmental Board of January 9, 2013.
2. Portage Planning Commission of January 17, 2013.
3. Portage Youth Advisory Committee of January 28, 2013.
4. Portage Zoning Board of Appeals of January 28, 2013.

J. Ad-Hoc Committee Reports:

K. New Business:

L. Bid Tabulations:

- \* 1. Communication from the City Manager recommending that City Council approve a three-year contract with Bell Equipment Company for:
  - a. rental of two street sweepers for four weeks each for a three year total of \$57,600 for spring sweeping of streets following hydrant flushing;
  - b. rental of two street sweepers for six weeks each for a three year total of \$80,100 for fall street sweeping of streets following leaf pickup;both with an option for three, one-year renewals, and authorize the City Manager to execute all documents related to this action on behalf of the city.
- \* 2. Communication from the City Manager recommending that City Council approve the purchase of four two wheel drive Chevy Tahoe police pursuit vehicles through the State of Michigan Purchasing Program (MiDEAL) at a total cost not to exceed \$107,880 and authorize the City Manager to execute all documents related to these purchases on behalf of the city.

M. Other City Matters:

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

\* 3. Reminder of Meetings:

- a. Thursday, February 28, 4:30 p.m., Public Media Network Board of Directors, 359 S. Kalamazoo Mall, Kalamazoo.
- b. Monday, March 4, 9:00 a.m., Board of Review, City Hall Room #1.
- c. Monday, March 4, 6:30 p.m., Portage Public Schools Special Meeting, Council Chambers.
- d. Wednesday, March 6, 8:15 a.m., Historic District Commission, City Hall Room #2.
- e. Wednesday, March 6, 6:30 p.m., Park Board, Stuart Manor at Celery Flats.
- f. Thursday, March 7, 6:30 p.m., Human Services Board, City Hall Room #1.
- g. Thursday, March 7, 7:00 p.m., Planning Commission, Council Chambers.
- h. Monday, March 11, 10:00 a.m., Board of Review, City Hall Room #1.
- i. Monday, March 11, 6:30 p.m., Youth Advisory Committee, City Hall Room #1.
- j. Tuesday, March 12, 9:00 a.m., Board of Review, City Hall Rooms #1 and #2.

N. Materials Transmitted of February 8 and 12, 2013.

Adjournment.

# City Council Meeting Summary

February 12, 2013

## PROCLAMATIONS

- ◆ City Council issued a 50<sup>th</sup> Anniversary Year of the City of Portage Proclamation
- ◆ Mr. Paul Troost, on behalf of U.S. Senator Carl Levin, presented a copy of an item entered into the Congressional Record recognizing the 50<sup>th</sup> Anniversary of the City of Portage. Mr. Troost also presented a Certificate of Recognition regarding the 50<sup>th</sup> Anniversary on behalf of U.S. Senator Debbie Stabenow.
- ◆ State Representative Margaret O'Brien presented, on behalf of U.S. Congressman Fred Upton, a copy of an entry into the Congressional Record made by Congressman Upton recognizing the 50<sup>th</sup> Anniversary of the City of Portage.
- ◆ State Representative O'Brien and State Senator Tonya Schuitmaker presented a Special Tribute recognizing the 50<sup>th</sup> Anniversary of the City of Portage.

## ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Check Register of February 12, 2013, as presented.

## PUBLIC HEARINGS

- ◆ Adopted Resolution No. 4-13, approving the Industrial Facilities Exemption Certificate for the Stryker Corporation, Instruments Division, at 4100 East Milham Avenue (for six years on the real property and three years on the personal property) in the total amount of \$5.64 million; and approved the tax abatement agreement and affidavit between the City of Portage and Stryker Corporation, Instruments Division.

## REPORTS FROM THE ADMINISTRATION

- ◆ Accepted the Donation Box Ordinance Amendment for first reading and set a public hearing for March 12, 2013; at 7:30 p.m. or as soon thereafter as may be heard and, subsequent to the public hearing, consider approving the Donation Box Ordinance Amendment as recommended by the Planning Commission and City Administration.
- ◆ Resolved to accept the Development Project Agreement from the Michigan Department of Natural Resources for Westfield Park playground renovations and authorized the City Manager to execute all documents related to this action on behalf of the city.
- ◆ Authorized the City Manager to proceed in negotiating modification terms to the District Court Consolidation Agreement with Kalamazoo County.
- ◆ Tabled any action on the Communication from the City Manager regarding the 2013 Board of Review.
- ◆ Received the communication from the City Manager regarding the Portage Public Schools billboard proposal as information only.

## UNFINISHED BUSINESS

- ◆ Appointed D. Glenn Smith (current Alternate) and Michael Robbe (current Alternate) to terms ending February 28, 2016, and appointed Robert Soltis as Alternate with unfulfilled term ending February 28, 2014 and James White as Alternate with unfulfilled term ending February 28, 2015, to the Zoning Board of Appeals.
- ◆ Appointed Michael Simon, Bill Fries and Richard Ford to Board of Review No. 1 and Wesley Mazurek, Michael Quinn and William Brandt to Board of Review No. 2 with terms ending January 31, 2014.

## AD-HOC COMMITTEE REPORTS

- ◆ Voted to respectfully decline the offer to purchase the property located at 732 East Centre.
- ◆ Voted to order a title search to provide proof of ownership for 1600 Friendly Avenue and, after title search paperwork is received, obtain appraisals on 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue and, should the City not own the property, exclude 1600 Friendly Avenue from the appraisals.
- ◆ Accepted the recommendations of the Property Committee with regard to the property located at 10323 Archwood Drive.
- ◆ Received the report of the Property Committee for 117 East Centre and 10244 Portage Road, Outlot A of Norton's Subdivision.
- ◆ Received the report by Councilmember Sackley, Chair of the Sign Ordinance Committee, regarding the committee's recent activity.

## NEW BUSINESS

- ◆ Decided to honor all past ice rink passes to the Portage ice rink through the end of this season.

## STATEMENTS OF CITY COUNCIL AND CITY MANAGER

- ◆ Councilmember Sackley discussed his appointment on the Kalamazoo County Public Art Commission and shared that this Commission will be working to support the "Recycled Art in the Park" competition which is being coordinated and planned by the Park Board.
- ◆ Mayor Pro Tem Reid shared that February is Healthy Heart Month and the American Heart Association is focused on increasing knowledge of heart disease, especially for women. She encouraged residents to think about their own health and to take steps to be heart healthy.

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COMPLETE MINUTES OF EACH CITY COUNCIL MEETING ARE AVAILABLE ON THE CITY WEBSITE AT [PORTAGEMI.GOV](http://PORTAGEMI.GOV), IN CITY HALL AND IN THE DISTRICT LIBRARY. MINUTES OF CITY BOARDS AND COMMISSIONS ARE AVAILABLE ON REQUEST FROM VARIOUS DEPARTMENTS.

**DRAFT**

**MINUTES OF THE SPECIAL MEETING OF THE PORTAGE CITY COUNCIL  
OF FEBRUARY 12, 2013**

Mayor Pro Tem Reid called the meeting to order at 6:32 p.m. The following Councilmembers were present: Councilmembers Jim Pearson, Patricia Randall, Terry Urban and Mayor Pro Tem Reid. Councilmember Campbell arrived at 6:34 p.m. Councilmember Sackley and Mayor Strazdas were absent with notice. Also in attendance were City Manager Maurice Evans, Deputy City Manager Brian Bowling, Director of Community Development Vicki Georgeau, City Attorney Randy Brown, Assistant City Attorney Charlie Bear and Deputy City Clerk Adam Herringa.

Following the opening of the meeting and roll call, motion by Urban, seconded by Campbell to move to a closed session to review a matter subject to attorney-client privilege. Upon a voice vote, motion carried 5 to 0. Moved into closed session at 6:35 p.m.

City Council reconvened at 7:18 p.m. Motion by Urban, seconded by Randall to adjourn the meeting. Upon a voice vote, motion carried 5 to 0.

**ADJOURN:** Mayor Pro Tem Reid adjourned the meeting at 7:19 p.m.

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Adam Herringa, Deputy City Clerk

## CITY COUNCIL MEETING MINUTES FROM FEBRUARY 12, 2013

DRAFT

The Regular Meeting was called to order by Mayor Pro Tem Reid at 7:30 p.m.

At the request of Mayor Pro Tem Reid, Pastor Aaron Johnson of the Kalamazoo Valley Family Church gave the invocation and the City Council and the audience recited the Pledge of Allegiance.

The Deputy City Clerk called the roll with the following members present: Councilmembers Elizabeth A. Campbell, Jim Pearson, Patricia M. Randall, Edward J. Sackley and Terry R. Urban, and Mayor Pro Tem Claudette S. Reid. Mayor Peter J. Strazdas was absent with notice. Also in attendance were City Manager Maurice S. Evans, City Attorney Randy Brown and Deputy City Clerk Adam Herringa.

**PROCLAMATION:** City Council issued a 50<sup>th</sup> Anniversary Year of the City of Portage Proclamation. Mr. Paul Troost, on behalf of U.S. Senator Carl Levin, read a statement that was entered into the Congressional Record recognizing the 50<sup>th</sup> Anniversary of the City of Portage. Mr. Troost also presented a Certificate of Recognition regarding the 50<sup>th</sup> Anniversary on behalf of U.S. Senator Debbie Stabenow. State Representative Margaret O'Brien presented a copy of the Congressional Record recognizing the 50<sup>th</sup> Anniversary of the City of Portage on behalf of U.S. Congressman Fred Upton. State Representative O'Brien and State Senator Schuitmaker presented a Special Tribute recognizing the 50<sup>th</sup> Anniversary of the City of Portage. The Special Tribute was signed by State Representative O'Brien, State Senator Schuitmaker and Governor Snyder.

**APPROVAL OF MINUTES:** Motion by Urban, seconded by Campbell, to approve the January 22, 2013 Regular Meeting Minutes as presented. Upon a roll call vote, motion carried 6 to 0.

\* **CONSENT AGENDA:** Mayor Pro Tem Reid asked Councilmember Pearson to read the Consent Agenda. Councilmember Pearson asked that item F.1, Donation Box Ordinance Amendment, be removed from the Consent Agenda. Councilmember Randall asked that item F.4, Board of Review – Information Only, be removed from the Consent Agenda. Motion by Pearson, seconded by Urban, to approve the Consent Agenda motions as read. Upon a voice vote, motion carried 6 to 0.

\* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF FEBRUARY 12, 2013:** Motion by Pearson, seconded by Urban, to approve the Accounts Payable Register of February 12, 2013. Upon a voice vote, motion carried 6 to 0.

### **PUBLIC HEARINGS:**

**STRYKER CORPORATION, PA 198 TAX ABATEMENT:** Mayor Pro Tem Reid asked City Manager Evans to review the requested abatement. Mr. Evans recognized the representatives from Stryker and Southwest Michigan First present in the audience. He then provided an overview of the project and the requested abatement. Carole Mendez spoke on behalf of Stryker and provided a status update of the project and expressed appreciation for being able to continue to invest in the community.

Mayor Pro Tem Reid opened the public hearing. There being no comments, motion by Campbell, seconded by Urban to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by Sackley, seconded by Campbell, to adopt Resolution No. 4-13, approving the Industrial Facilities Exemption Certificate for Stryker Corporation, Instruments Division, at 4100 East Milham Avenue for six years on the real property and three years on the personal property in the total amount of \$5.64 million; and approve the tax abatement agreement and affidavit between the City of Portage and Stryker Corporation, Instruments Division. Councilmember Sackley and Mayor Pro Tem

Reid expressed support for the project and the importance of such investment in the community. Upon a roll call vote, motion carried 6 to 0.

**REPORTS FROM THE ADMINISTRATION:**

**DONATION BOX ORDINANCE AMENDMENT:** Councilmember Pearson reviewed the rationale behind the ordinance amendment and highlighted specific provisions contained therein. Councilmember Sackley requested that consideration be given to modifying the proposed ordinance by changing the name “Donation Box” to “Collection Box.” He then stated that he would like to see a provision added which would prohibit advertising on the boxes. Councilmember Pearson inquired if these changes would need to return to the Planning Commission for consideration. City Attorney Brown opined that these changes would not necessitate a return to Planning Commission and recommended that these changes be made at the public hearing on March 12<sup>th</sup>. Councilmember Sackley stated that he would like to see a provision to specifically address advertising in order to avoid any interpretation that such advertising is permitted. Discussion followed. Attorney Brown said that he would go ahead with making the changes provided there was a consensus among City Council. Mayor Pro Tem Reid stated that, hearing no dissent, she believed there was consensus and asked Attorney Brown to proceed accordingly.

Councilmember Urban inquired if the proposed fees associated with the ordinance amendment recover the actual cost of the program and opined that the entire cost to the City should be covered by the fees. Councilmember Urban then expressed concern with the “Revocation of permit, removal of donation boxes and liability” provision. He highlighted the section regarding the costs of removal of a box and that those costs would be born by the property owner. He stated that his concern is that a property owner may have difficulty getting an owner of a box to actually remove it and still be held responsible. Councilmember Urban then asked about why a differentiation cannot be made between for-profit and not-for-profit boxes. Attorney Brown provided three reasons. The first, he said, is that the boxes look the same regardless of owner and raise an issue of equal treatment. Second, he said there are some elements related to zoning, and a zoning type ordinance does not differentiate between not-for-profit and for-profit. The final reason provided was that to make such a differentiation would require additional staff resources to determine whether the organization is for profit or not.

Councilmember Sackley asked if a middle-ground could be found to address the issue of liability of the property owner and offered some suggestions. Discussion followed.

Motion by Pearson, seconded by Campbell, to accept the Donation Box Ordinance Amendment for first reading and set a public hearing for March 12, 2013 at 7:30 p.m. or as soon thereafter as may be heard; and, subsequent to the public hearing, consider approving the Donation Box Ordinance Amendment as recommended by the Planning Commission and City Administration. Upon a roll call vote, motion carried 6 to 0.

**\* DEVELOPMENT PROJECT AGREEMENT FOR WESTFIELD PARK**

**RENOVATIONS:** Motion by Pearson, seconded by Urban, to resolve to accept the Development Project Agreement from the Michigan Department of Natural Resources for Westfield Park playground renovations and authorize the City Manager to execute all documents related to this action on behalf of the city. Upon a voice vote, motion carried 6 to 0.

**NEGOTIATING DISTRICT COURT CONSOLIDATION AGREEMENT:** City Manager Evans reviewed the status of the efforts related to the court consolidation and highlighted a letter from County Administrator Battani, a meeting with Judge Santoni, Judge Bridenstine and other County officials and an additional meeting with Mr. Battani and County Legal Counsel, Thom Canny. Mr. Evans informed City Council that the court would be moving out of the facility on March 1<sup>st</sup> and would cease all operations by June 1<sup>st</sup>. Mr. Evans then highlighted the fiscal impact of the court closing and that there is still some uncertainty in this regard. Mr. Evans then stated that he would like to

continue discussions with the County Administrator and would seek guidance from City Council once positions and options are defined. Following a question from Mayor Pro Tem Reid, Mr. Evans assured City Council that he would be coming back with a report.

Councilmember Urban questioned whether the \$40,500 would no longer be paid to the City because the Agreement will not be going away. He also stated that, until recently, it was understood that the Agreement meant that the court would remain in perpetuity. Councilmember Urban stated that if the Agreement remains in force, the City would be entitled to receive the rent. City Manager Evans agreed with the assessment of Councilmember Urban but stated that negotiations need to continue with County officials.

City Attorney Brown emphasized that his office would support City Administration in negotiations and that it would be best if the City Manager could report back to City Council.

Councilmember Campbell confirmed with the City Manager that the Agreement was in perpetuity, the Court is closing February 28<sup>th</sup> and the negotiations are to address financial obligations from March onward.

Councilmember Pearson reviewed the history of the Court in Portage. He stated that the City has a lease and the Court is the tenant and continued by pointing out that while the Court may realize a savings, the City stands to take a financial hit. Mr. Pearson concluded by stating that City Council needs to see what the City Manager comes back with following additional negotiations and that, just because negotiations are authorized, does not mean City Council supports breaking the lease.

Motion by Urban, seconded by Sackley, to authorize the City Manager to proceed in negotiating modification terms to the District Court Consolidation Agreement with Kalamazoo County. Upon a roll call vote, motion carried 6 to 0.

**BOARD OF REVIEW INFORMATION:** Councilmember Randall stated that the Communication on the agenda proves the City is still not meeting the needs of the taxpayer. Councilmember Randall then highlighted areas that she felt the City was doing right and areas where the City is falling short. In particular, she focused on the plan to have legal counsel attend Board of Review sessions and stated that such a presence would be intimidating for a citizen, irregular as compared with other cities, detrimental to the process, and an unnecessary expense at a cost of approximately \$18,000. She then reviewed and summarized the planned “recap and debriefing” outlined in the Communication and that she believed this to be a conflict of interest for Assessing Office staff and provided the reasons why. Councilmember Randall then emphasized the need and value of the Board of Review process.

City Manager Evans responded and stated that the independent legal counsel and recap/debriefing was a result of the direction given by City Council at the January 8<sup>th</sup> City Council Meeting. He then reviewed the rationale for the planned recap and emphasized it was not meant to intimidate anyone but as a way to identify what was done right and what was done wrong. Mr. Evans continued by stating that an attorney at the Board of Review sessions would serve as a “referee” to identify state guidelines.

Councilmember Pearson said that what has been planned is different than he envisioned, in particular the cost; and, that it will be daunting to have three Board of Review members serving as a type of jury, a representative of the Assessor’s Office serving as secretary and an attorney which has been hired by the City to be in the room. He then emphasized the perception associated with having hired legal counsel in the room and suggested that Board of Review members be given access to hired legal counsel when needed.

City Manager Evans provided the rationale for the recommendation and stated that the goal is consistency and continuity between the two boards and would appreciate the direction of City Council on this topic.

Councilmember Campbell stated that some of the problems experienced last year were a result of board composition and expressed her belief that the composition of the boards this year is more balanced and will help promote consistency and continuity. With regard to an attorney being present, she stated her belief that this would be stifling for a resident and could cause discomfort for Board of

Review members. She concluded by stating that she would like to see how the Board of Review does this year.

Councilmember Urban stated that he respectfully disagreed with his colleagues and that the reason to have an attorney present is to put Board of Review members under the microscope. He continued by stating that the attorney is needed to ensure the law is followed. Councilmember Urban then expressed concern that a Board of Review member missed the training on legal issues involved in the Board of Review and questioned whether or not the legal training should be mandatory.

Councilmember Sackley stated that he had a conversation with a member of the Board of Review and that the member expressed support for having additional resources present. Mr. Sackley expressed support for the implementation of the compliance checklist and reviewed the value of having an attorney present. He emphasized that this is a legal process and that attorneys can get involved. He stated that this may not be something done indefinitely and reviewed the steps that have been made to improve and enhance the Board of Review process over the past few years.

Councilmember Randall agreed that resources should be made available but do not have to be on site. She reviewed when decisions are reached by the Board of Review and there are ample opportunities for legal counsel to review a case. Councilmember Randall then reviewed practices of other municipalities and the multiple legal resources available. She then questioned where the support for the citizen comes into play and spoke of her personal experience in going through the Board of Review process. She concluded by stating that the Board of Review process cannot be undermined.

Mayor Pro Tem Reid shared that she is supportive of the increased training and of having legal counsel present at the Board of Review. She continued by stating that she believes attorneys do not have to be intimidating and that an attorney would be able to help give direction when needed. She stated that the discrepancies that have been experienced in past Boards of Review are problematic and need to be addressed. She emphasized that the rules surrounding the Board of Review process come from the State of Michigan and legal counsel can help everyone understand the process.

Councilmember Campbell reiterated her belief that having legal counsel available if needed can accomplish the goal.

Councilmember Urban stated that one of the reasons for the attorney present is to prevent the errors that have been occurring. He reiterated his support for the measures outlined in the Communication from the City Manager. Moved by Urban, seconded by Sackley, to receive the communication from the City Manager regarding the 2013 Board of Review as information only. Motion by Randall, seconded by Pearson to amend the motion "to accept the Communication from the City Manager adopting both the additional training for the Board of Review, the compliance checklist, but not hiring outside legal counsel to oversee the Board of Review on a day-to-day basis but on a call as-needed basis." Discussion followed on the proposed amended motion. Upon a roll call vote, motion to amend the original motion failed 3 to 3. Discussion followed on the original motion.

City Manager Evans interjected and emphasized that this is the City Council's Board of Review and that City Council came up with ideas to address problems with the Board of Review. He continued by stating that he believes with the training, and perhaps legal counsel, the Board of Review will get back on track. He recommended that City Council get together and review this topic at a meeting and that he would prefer not to have City Council split 3 to 3 on this matter. Councilmember Urban withdrew his motion, Councilmember Sackley consented to the withdrawal and asked City Administration to consult Board of Review members to obtain their thoughts. Motion by Sackley, seconded by Pearson, to table any action on the Communication from the City Manager regarding the 2013 Board of Review. Upon a roll call vote, motion carried 6 to 0.

**PORTAGE PUBLIC SCHOOLS BILLBOARD PROPOSAL:** Mayor Pro Tem Reid asked City Manager Evans to provide an overview. Mr. Evans highlighted various aspects of the Portage Public Schools (PPS) billboard proposal. He also indicated that there are legal arguments that can be made both in support and against the zoning code as it pertains to the proposal but that he would not be making any legal arguments at the meeting tonight. He emphasized that the City does have an ordinance

governing non-accessory signs in one-family residential areas and that such signs as those proposed would be prohibited. Mr. Evans emphasized that the Michigan Department of Transportation (MDOT) has jurisdiction over freeway signs and the signs are subject to the Highway Advertising Act. He continued by saying that he believes these proposed signs would be in violation of this Act.

Mayor Pro Tem Reid read a written statement from Mayor Strazdas in which the Mayor thanked citizens for their interest in the issue, stated that he believes in public dialogue before action by a governing body, that the proposed signs do not meet City zoning requirements and that his opinion is that all properties should be treated fairly and equitably and, as such, the sign ordinance should be followed by all.

State Senator Tonya Schuitmaker and State Representative O'Brien rose to speak on the issue. State Senator Schuitmaker informed the audience that she has been in contact with MDOT about the issue and that a written response to her inquiries had been received. She then read the response. Based on the information provided in the MDOT response, Senator Schuitmaker stated that it is her understanding that MDOT would not grant approval of the billboards.

Mr. Mike Spray, 3517 Wedgewood Drive, spoke in opposition to any of the proposed billboards and highlighted his concern with the light that would be emitted from such billboards.

Mr. Mike Kenny, 3765 Fleetwood Drive, thanked the City Manager for his report. He then stated that he believed the State Superintendent of Schools should focus on educating children and not on commercial enterprise. He inquired how the Agreement between PPS and the City regarding billboards came to be. City Manager Evans responded that the proposed agreement is no longer on the table and that discussions had ceased.

Ms. Teri Novaria, 3489 Whistling Lane, inquired specifically how the proposed Agreement between PPS and the City came about. City Manager Evans stated that, at the time of discussions, the City was trying to protect local streets from having billboards erected while understanding that MDOT would come into play and had authority with the Highway Advertising Act.

Councilmember Pearson corrected some information shared at a recent meeting of the Portage School Board regarding a discussion that occurred on September 21<sup>st</sup> between City Administration and PPS. He stated that the Portage City Council was not involved in those discussions and had, in fact, only recently been in position to provide the City Manager with feedback.

Councilmember Sackley spoke at length on the topic and stated that he appreciates that the number of proposed billboards has been dwindling but that the correct number is zero. He then expressed his disappointment that the matter has escalated to its current status and that he is hopeful that this matter can be put behind the community. He stated that he hopes the matter won't involve the legal system but that the City has a Code of Ordinances much of which is designed to deal with quality of life issues. He stated that this Code of Ordinances has served the City and its residents well for many years. He then expressed sympathy for the schools and their financial circumstances and asked the community to support the School Board members. He concluded by stating that the Zoning Code of Ordinances must stand for something and that it should apply to everyone fairly and equitably.

Councilmember Urban supported the comments of Councilmember Sackley and expressed a wish that this had happened differently and that the schools would have approached the City much earlier. Had this happened, he stated, perhaps a compromise could have been reached that would not have violated so many facets of the Code of Ordinances. He next pointed out that he learned, based on the information shared by State Senator Schuitmaker, that any part of the National Highway System is subject to the Highway Advertising Act and subsequently reviewed a multitude of streets in Portage that are part of the National Highway System.

Councilmember Pearson stated that when he first read about the matter, he did not think it was a good idea and thanked the community for raising their voices to the School Board and City Council. He concluded that he was pleased with the discussion and with where the matter seems to be headed.

Motion by Sackley, seconded by Randall, to receive the communication from the City Manager regarding the Portage Public Schools billboard proposal as information only. Upon a voice vote, motion carried 6 to 0.

**UNFINISHED BUSINESS:**

\* **ZONING BOARD OF APPEALS APPOINTMENTS:** Motion by Pearson, seconded by Urban, to appoint D. Glenn Smith (current Alternate) and Michael Robbe (current Alternate) to terms ending February 28, 2016, and appoint Robert Soltis as Alternate with unfulfilled term ending February 28, 2014 and James White as Alternate with unfulfilled term ending February 28, 2015, to the Zoning Board of Appeals. Upon a voice vote, motion carried 6 to 0.

**BOARD OF REVIEW APPOINTMENTS:** Mayor Pro Tem Reid stated that six members have been appointed to the Board of Review but that City Council must appoint three members to one board and three to another. She also stated that the goal of the appointments is to have two boards that are as balanced as possible.

Councilmember Pearson suggested appointments that he believes would help to balance the experience of each of the boards.

Councilmember Urban inquired if it was still appropriate to appoint Bill Fries as he missed the legal training. Councilmember Urban continued by stating that this training is very important and expressed his concern that a member of the Board of Review missed it.

Mayor Pro Tem Reid inquired if this training can yet be obtained and City Manager Evans stated that an inquiry would be made of the State Tax Commission.

Councilmember Sackley shared the concerns of Councilmember Urban but stated that Mr. Fries would be placed on the Board with the most experienced Board of Review member and that, depending on future discussions, legal counsel might be available. Councilmember Sackley expressed support for seeking additional training depending on training availability and the availability of Mr. Fries.

Councilmember Pearson stated his support for those who volunteer their time to serve on the Board of Review. He continued by stating that requiring training for Board of Review members would be a new requirement which was added after the appointments were made. Councilmember Pearson concluded by stating that Mr. Fries is a well-meaning citizen who is willing to serve and thanked him accordingly.

Motion by Pearson, seconded by Randall, to appoint Michael Simon, Bill Fries and Richard Ford to Board of Review No. 1 and Wesley Mazurek, Michael Quinn and William Brandt to Board of Review No. 2 with terms ending January 31, 2014. Upon a roll call vote, motion carried 6 to 0.

\* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes for the following boards and commissions:

Portage Public Schools Board of Education Special of December 14, Regular of December 17, Organizational of January 7 and Special of January 14, 2013.

Portage Park Board of January 9, 2013.

Portage Youth Advisory Committee of January 14, 2013.

Portage Human Services Board of January 16, 2013.

**AD HOC COMMITTEE REPORTS:**

**COMMUNICATION FROM COUNCILMEMBER CAMPBELL REGARDING ACTIVITIES AND RECOMMENDATIONS OF THE AD HOC PROPERTY COMMITTEE:** Councilmember Campbell, Chair of the Property Committee, reviewed the Property Committee report. Councilmember Campbell reviewed the status of the property 117 East Centre Avenue and that no final action is recommended at this time.

Councilmember Campbell next reviewed the property located at 10244 Portage Road, Outlot A of Norton's Subdivision. She reviewed the status of the property and stated that no action is necessary.

The third property, 732 East Centre Avenue, was reviewed and Councilmember Campbell stated that the property was offered for sale to the City, a review was conducted by various City departments and that the determination that there was no public use for the property was made. Motion by Campbell, seconded by Randall to respectfully decline the offer to purchase the property located at 732 East Centre. Mayor Pro Tem Reid inquired how the determination was made that there was no public use. Councilmember Campbell replied that a thorough review by various City departments was conducted. Discussion followed. Upon a voice vote, motion carried 6 to 0.

Councilmember Campbell stated that the Committee asked for a review of City-owned residential properties and focused on potentially buildable lots: 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue were identified. Councilmember Campbell stated that there is no proof of ownership of the property located at 1600 Friendly and that a title search is necessary prior to commencing an appraisal on that lot. Discussion followed. Motion by Campbell, seconded by Sackley, to order a title search to provide proof of ownership for 1600 Friendly Avenue and, after title search paperwork is received, obtain appraisals on 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue and that, should the City not own the property, 1600 Friendly Avenue be excluded from the appraisals. Upon a roll call vote, motion carried 6 to 0.

Councilmember Campbell next stated the Property Committee is recommending that, subsequent to the appraisals, the above residential three properties be first offered to the adjacent property owners and that, after a reasonable period of time, if the adjacent property owners do not purchase, the properties will be listed on the open market. Councilmember Campbell informed City Council that the matter will be brought back to City Council following the appraisal with the recommended sale price. Councilmember Campbell emphasized that the Property Committee is looking to get these properties back on the tax rolls. Discussion followed on what might be the best use of the properties.

Councilmember Campbell then reviewed the property located at 10323 Archwood Drive and the rationale for the recommendation of the Property Committee. Discussion followed and Councilmember Campbell clarified that the purchase of the property would require the buyer to, at a minimum, have a building permit within 12 months of purchase. Motion by Campbell, seconded by Urban that City Council accept the recommendations of the Property Committee with regard to the property located at 10323 Archwood Drive. Upon a roll call vote, motion carried 5 to 0 with Councilmember Sackley abstaining.

Motion by Sackley, seconded by Urban to receive the report of the Property Committee for 117 East Centre and 10244 Portage Road, Outlot A of Norton's Subdivision. Upon a roll call vote, motion carried 6 to 0.

**PRESENTATION BY COUNCILMEMBER SACKLEY REGARDING ACTIVITIES OF THE SIGN ORDINANCE COMMITTEE:** Councilmember Sackley shared that the topic of signs is one that has been discussed at length over the past few years by Portage City Council and complimented Community Development Director Vicki Georgeau, City Manager Evans, the Zoning Board of Appeals and the Planning Commission for supporting the process. Councilmember Sackley then provided a detailed report on the activities of the Sign Ordinance Committee and highlighted a planned public forum which would include a comprehensive discussion on signs in the City of Portage. Councilmember Sackley then reviewed details surrounding the proposed forum such as publicity, who would be invited, how to facilitate the discussion, topics to be discussed, etc. Councilmember Pearson invited the public to come to the event and bring their ideas.

Motion by Pearson, seconded by Campbell, to receive the report by Councilmember Sackley, Chair of the Sign Ordinance Committee, regarding the committee's recent activity. Upon a voice vote, motion carried 6 to 0.

**NEW BUSINESS:**

**PUNCH CARDS AT MILLENIUM PARK ICE RINK:** Councilmember Randall introduced the topic of expired punch passes at the City ice rink. Councilmember Randall stated that the issue was raised by former State Senator Tom George and expressed a desire to have the issue of the punch passes addressed immediately and not at a later date by another committee. Councilmember Randall expressed the belief that honoring expired passes is the right thing to do and will garner goodwill from the community. Motion by Randall, seconded by Campbell, to honor all past ice rink passes to the Portage ice rink. Mayor Pro Tem Reid asked if there should be a sunset provision that would cause the card to expire. Discussion followed and City Manager Evans stated that he is supportive of asking the Park Board to review the matter.

Councilmember Sackley stated that he agrees that the expiration date is printed in extremely small font and asked if Councilmember Randall would accept a friendly amendment to her motion. Councilmember Sackley suggested the motion be amended so that expired cards are accepted through the end of this season. The Park Board would then address the matter further. Councilmember Randall and Councilmember Campbell accepted the amendment with the revised motion being “to honor all past ice rink passes to the Portage ice rink through the end of this season.” Councilmember Pearson expressed support for the revised motion and asked that the Park Board look into whether expirations at the end of the year are necessary and that a recommendation from the Park Board be obtained. Discussion followed. Upon a roll call vote, motion carried 6 to 0.

**OTHER CITY MATTERS:**

**STATEMENTS OF CITY COUNCIL AND CITY MANAGER:** Councilmember Campbell updated the score of the Michigan State v. Michigan basketball game. Spartans were ahead by 14 at halftime.

Councilmember Sackley discussed his appointment on the Kalamazoo County Public Art Commission and an item that was recently discussed by that body. Councilmember Sackley went on to share that the Park Board, under the previous guidance of Mike Zajac, put together a plan for a “Recycled Art in the Park” competition and that the project is coming to fruition. The Park Board, Councilmember Sackley stated, is moving along on the project and the Kalamazoo County Public Art Commission will be working to support the competition.

Mayor Pro Tem Reid shared that February is Healthy Heart Month and the American Heart Association is focused on increasing knowledge of heart disease, especially for women. She encouraged residents to think about their own health and to take steps to be heart healthy.

**ADJOURNMENT:** Mayor Pro Tem Reid adjourned the meeting at 10:12 p.m.

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Adam Herringa, Deputy City Clerk

\*Indicates items included on the Consent Agenda.



**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Accounts Payable Register

**SUPPORTING PERSONNEL:** Daniel Foecking, Director of Finance

**ACTION RECOMMENDED:** That City Council approve the Accounts Payable Register of February 26, 2013 as presented.

**EXECUTIVE SUMMARY:**

Bi-weekly the City Council reviews and approves the Accounts Payable Register that includes checks issued to vendors and the electronic funds transfer register. The time period noted totals \$427,914.54 for checks issued to vendors and \$195,524.54 for electronic transfers or a total of \$623,439.08.

**BACKGROUND INFORMATION:**

Attached please find the Accounts Payable Register for the period February 3, 2013 through February 17, 2013, which is recommended for approval.

**FUNDING:** N/A

**Attachments:** Accounts Payable Register

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
02/06/2013	284060	INFORM ARCHITECTURE, PLC	4847	190.00
02/06/2013	284061	MC ELROY, GAIL L	999999	371.12
02/06/2013	284062	SHORELINE TOURS & TRAVEL	1727	3,165.92
02/15/2013	284063	AT&T	4373	11,600.00
02/15/2013	284064	AT&T	849	5,983.31
02/15/2013	284065	ADVANTAGE PROPERTY RENOVATIONS	4837	1,210.00
02/15/2013	284066	AGRO SALES NORTH LLC	3943	182.19
02/15/2013	284067	AIRGAS GREAT LAKES	106	75.13
02/15/2013	284068	ALLEGRA PRINT & IMAGING	533	337.31
02/15/2013	284069	ALLEN EDWIN HOMES	999999	14.00
02/15/2013	284070	AMERICAN PLANNING ASSOCIATION	804	1,440.00
02/15/2013	284071	AMERICAN VILLAGE BUILDERS	999999	1,215.00
02/15/2013	284072	AMERICAN VILLAGE DEVELOPMENT	999999	462.17
02/15/2013	284073	APOLLO FIRE EQUIPMENT COMPANY	1253	615.06
02/15/2013	284074	AQUATIC SERVICES, INC	744	800.00
02/15/2013	284075	ARROWHEAD SCIENTIFIC, INC.	3744	139.68
02/15/2013	284076	ADP, INC.	3305	852.65
02/15/2013	284077	BALKEMA EXCAVATING, INC.	130	787.50
02/15/2013	284078	BESCO WATER TREATMENT, INC.	3339	22.50
02/15/2013	284079	BEST WAY DISPOSAL, INC.	142	375.00
02/15/2013	284080	BORGESS HEALTH ALLIANCE	151	524.00
02/15/2013	284081	BREAKAWAY BICYCLES	1356	307.96
02/15/2013	284082	BRINK'S, INC	153	277.89
02/15/2013	284083	BRONSON HEALTHCARE GROUP	4813	400.00
02/15/2013	284084	BRONSON METHODIST HOSPITAL	156	8,525.00
02/15/2013	284085	BUILDING RESTORATION, INC.	160	3,400.00
02/15/2013	284086	BYERS, BRIAN	999999	154.32
02/15/2013	284087	BYHOLT INC.	68	1,808.80
02/15/2013	284088	C B C INNOVIS INC	2887	5.15
02/15/2013	284089	C T S TELECOM, INC.	4768	674.17
02/15/2013	284090	CADWELL APPARELL	1845	220.00
02/15/2013	284091	CAMPBELL AUTO SUPPLY	437	52.28
02/15/2013	284092	CARLETON EQUIPMENT CO.	168	296.54
02/15/2013	284093	CHARTER COMMUNICATIONS	3080	273.12
02/15/2013	284094	CHICAGO TITLE OF MICHIGAN	999999	78.82
02/15/2013	284095	CITY OF KALAMAZOO (TRANS MILLA	4649	821.99
02/15/2013	284096	CITY OF KALAMAZOO TREASURER	540	26.86
02/15/2013	284097	CITY OF PORTAGE	177	5,402.58
02/15/2013	284098	CLEAN EARTH ENVIRONMENTAL SERV	1821	379.60
02/15/2013	284099	COMFORT INN MT PLEASANT	999999	382.50
02/15/2013	284100	CONSUMERS ENERGY	743	39,518.82
02/15/2013	284102	CONSUMERS ENERGY-BILL PMT CNT	189	55,012.01
02/15/2013	284103	CONVERSE MANAGEMENT	999999	260.73
02/15/2013	284104	COSTAR REALTY INFORMATION, INC	4620	294.68
02/15/2013	284105	CPS HR CONSULTING	999999	365.20
02/15/2013	284106	CROSSROADS CAR WASH	195	8.00
02/15/2013	284107	DANIEL L. MOHR	999999	25.00
02/15/2013	284108	DEPATIE FLUID POWER CO., INC.	211	3,246.22
02/15/2013	284109	Evans, Maurice	532	72.53
02/15/2013	284110	ED & TED'S EXCELLENT ADVENTURE	3315	33,069.00
02/15/2013	284111	EHLERT, TONI	999999	120.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	CHECK AMOUNT
02/15/2013	284112	EMERGENCY VEHICLE PRODUCTS	2948		1,863.08
02/15/2013	284113	FIRST AMERICAN TITLE INS	999999		83.72
02/15/2013	284114	GORDON FOOD SERVICE	502		51.21
02/15/2013	284115	GORDON WATER SYSTEMS	517		260.75
02/15/2013	284116	GREATER KALAMAZOO SKATING ASSO	4514		140.00
02/15/2013	284117	GRIFFIN PEST CONTROL, INC.	598		65.00
02/15/2013	284118	B L HARROUN & SON INC.	124		352.97
02/15/2013	284119	HAVENS, ELAINE	999999		100.00
02/15/2013	284120	HOLLAND SUPPLY INC.	3594		500.62
02/15/2013	284121	HOME DEPOT	691		157.44
02/15/2013	284122	HOMETOWN URGENT CARE AND WORKC	4752		940.00
02/15/2013	284123	HSBC BANK USA	999999		16.23
02/15/2013	284124	THE IRRIGATOR	2047		125.00
02/15/2013	284125	J & J LOCKSMITHS	1778		54.00
02/15/2013	284126	J-AD GRAPHICS, INC	4444		139.00
02/15/2013	284127	KALAMAZOO CO TREASURER'S ASSOC	999999		10.00
02/15/2013	284128	KALAMAZOO COUNTY TREASURER	514		6,304.48
02/15/2013	284129	KALAMAZOO OIL COMPANY	4511		117.91
02/15/2013	284130	KALAMAZOO REG'L EDUC SVS AGENG	721		2,161.04
02/15/2013	284131	KALAMAZOO ROD & GUN CLUB	999999		60.00
02/15/2013	284132	KALAMAZOO VALLEY COMMUNITY COL	230		1,531.70
02/15/2013	284133	KBDWC INVESTMENT LLC	999999		343.45
02/15/2013	284134	KCMHSAS SERVICES FOR YOUTH &	999999		75.00
02/15/2013	284135	KEALA, TRICIA	532		50.00
02/15/2013	284136	KELLY RADIATOR & AUTO REPAIR	4591		2,136.78
02/15/2013	284137	KENDALL ELECTRIC, INC.	231		70.89
02/15/2013	284138	KLOSTERMAN DISTRIBUTING	3805		30.36
02/15/2013	284139	KUIPER BROTHERS MOVING INC.	1066		295.53
02/15/2013	284140	KZOO TIRE COMPANY	564		1,022.00
02/15/2013	284141	LACOSTA FACILITY SUPPORT SERVI	4838		3,625.00
02/15/2013	284142	LAKE MICHIGAN MAILERS, INC.	682		139.38
02/15/2013	284143	LANDIS, BONNIE	999999		120.00
02/15/2013	284144	LAWSON PRODUCTS, INC	240		746.18
02/15/2013	284145	LEMEN OIL CO.	2595		35,680.87
02/15/2013	284146	LONG LAKE LAKE BOARD	1720		1,269.00
02/15/2013	284147	LOWE'S HOME CENTER	2630		29.97
02/15/2013	284148	M & M CUSTOM FABRICATING INC.	4576		137.06
02/15/2013	284149	M S U EXTENSION	2309		240.00
02/15/2013	284150	MAIL MANAGEMENT	2130		223.00
02/15/2013	284151	MARTIN SPRING & DRIVE, INC.	2124		355.96
02/15/2013	284153	MAURER'S TEXTILE RENTAL SERVIC	4746		314.95
02/15/2013	284154	MCDONALD'S TOWING & RESCUE, IN	728		356.00
02/15/2013	284155	MICH AMATEUR SOFTBALL ASSOC	1435		1,800.00
02/15/2013	284156	MICH COM DEV DIRECTOR ASSOC	1029		125.00
02/15/2013	284157	MICH MUNICIPAL POLICE & FIRE R	4777		390.09
02/15/2013	284158	MICHIGAN ASSESSOR'S ASSOC.	763		56.25
02/15/2013	284159	MICHIGAN STATE TAX COMMISSION	2848		500.00
02/15/2013	284160	MIDWEST SPORTS SUPPLY	4512		563.70
02/15/2013	284161	MLIVE MEDIA GROUP	89		19.40
02/15/2013	284162	MOTION PICTURE LICENSING CORP.	3045		254.22
02/15/2013	284163	MULDERS LANDSCAPE SUPPLIES INC	286		16,834.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
02/15/2013	284164	NEW FRESH CLEANING SERVICE	4351	1,380.00
02/15/2013	284165	A NEW LEAF	635	85.00
02/15/2013	284166	NORMAN CAMERA CO.	233	1,573.35
02/15/2013	284167	OAKLAND POLICE ACADEMY	999999	175.00
02/15/2013	284168	OBERLIN, CARIN	999999	1,050.00
02/15/2013	284169	OFFICE DEPOT, INC.	1721	2,486.87
02/15/2013	284170	OFFICEMAX INCORPORATED	301	98.00
02/15/2013	284171	PAPER CENTRAL	2623	832.00
02/15/2013	284172	PATTERSON, DEBORAH	999999	77.68
02/15/2013	284173	PEERLESS, INC.	1171	90.00
02/15/2013	284174	PETERS, BILL	999999	48.00
02/15/2013	284175	PHILLIPS, GLEN AND CONNIE	999999	120.00
02/15/2013	284176	POLDERMAN'S FLOWER SHOP	4157	46.95
02/15/2013	284177	PORTAGE CLEANERS & LAUNDRY	1415	1,125.30
02/15/2013	284178	PORTAGE DISTRICT LIBRARY	810	994.18
02/15/2013	284179	PORTAGE PUBLIC SCHOOLS	530	4,416.52
02/15/2013	284180	PURE FISHING, INC.	4622	47.31
02/15/2013	284181	RATHCO SAFETY SUPPLY, INC.	327	795.04
02/15/2013	284182	RCR DISBURSEMENT CO	999999	40.00
02/15/2013	284183	REFRIGERATION SERVICES	4527	2,173.00
02/15/2013	284184	RENEWED EARTH, INC.	4686	7,916.66
02/15/2013	284185	REPUBLIC SERVICES OF WEST MICH	4443	43,136.23
02/15/2013	284186	RIDGE AUTO NAPA	438	3,331.60
02/15/2013	284187	ROBERTS, ART AND BETTY	999999	120.00
02/15/2013	284188	ROOT SPRING SCRAPER CO.	344	5,144.00
02/15/2013	284189	ROWLEY BROTHERS, INC.	346	1,933.30
02/15/2013	284190	RUTH STODDARD	999999	522.50
02/15/2013	284191	SCHAEFFER MANUFACTURING COMPAN	4635	811.40
02/15/2013	284192	SCOTT, JOANN	999999	48.00
02/15/2013	284193	SIMMONS FORD	2064	110.25
02/15/2013	284194	SIMUNITION	999999	1,190.00
02/15/2013	284195	SOIL & MATERIALS ENGINEERS, INC	1423	6,250.00
02/15/2013	284196	STAP BROTHERS	999999	1,601.20
02/15/2013	284197	STAPERT, BRETT	532	204.28
02/15/2013	284198	STATE INDUSTRIAL PRODUCTS CORP	2010	1,084.00
02/15/2013	284199	STATE SYSTEMS RADIO, INC	369	2,407.28
02/15/2013	284200	STEENSMAN LAWN & POWER EQUIPMEN	3222	350.74
02/15/2013	284201	T D S METROCOM, LLC	4539	3,058.11
02/15/2013	284202	T-MOBILE USA INC	3665	29.99
02/15/2013	284203	TBC CORPORATION	999999	8.02
02/15/2013	284204	TELVENT DTN, INC.	4667	585.75
02/15/2013	284205	JOHANNA THOMPSON	4682	2,907.40
02/15/2013	284206	TRACTOR SUPPLY CORP.	2817	70.37
02/15/2013	284207	TRUCK & TRAILER SPECIALTIES	639	1,160.76
02/15/2013	284208	TRUGREEN	390	57.00
02/15/2013	284209	TUCKER, MARIE	999999	70.00
02/15/2013	284210	U S BANK	3497	850.00
02/15/2013	284211	U S POSTMASTER	391	7,000.00
02/15/2013	284212	U S POSTMASTER	392	2,801.00
02/15/2013	284213	UNITED PARCEL SERVICE	545	26.06
02/15/2013	284214	VANGUARD FIRE & SUPPLY CO., IN	3996	454.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
02/15/2013	284215	VARNUM, RIDDERING, SCHMIDT & H	402	2,345.25
02/15/2013	284217	VERIZON WIRELESS SERVICES, LLC	4653	2,034.54
02/15/2013	284218	WALL STREET JOURNAL	408	309.40
02/15/2013	284219	WELLER TRUCK	1594	83.78
02/15/2013	284220	WELLS FARGO HOME MORTGAGE	999999	1,493.64
02/15/2013	284221	WEST SHORE FIRE, INC.	419	16,000.00
02/15/2013	284222	WESTERN MICHIGAN INT'L TRUCKS	4306	3,216.79
02/15/2013	284223	WIGHTMAN & ASSOCIATES, INC.	425	1,265.00
02/15/2013	284224	WIGHTMAN ENVIRONMENTAL INC	4524	4,000.00
02/15/2013	284225	WILSON, J RODNEY	999999	186.98
02/15/2013	284226	WINDEMULLER ELECTRIC, INC.	3061	5,209.10
02/15/2013	284227	WINDER POLICE EQUIPMENT, INC.	429	881.00
02/15/2013	284228	WOLVERINE LAWN SERVICE, INC.	1089	6,755.52
02/15/2013	284229	WOLVERINE POWER SYSTEMS	4322	1,083.20
02/15/2013	284231	XEROX CORPORATION	2684	1,118.74
02/15/2013	284232	ZIEGER, DALE & GAIL	999999	357.00

DATE RANGE TOTAL \* 427,914.54 \*

FROM: 02/03/2013 TO: 02/17/2013

PAYMENT VENDOR		TRANSFER		TRACE		EFT		BANK	
NO	NO NAME	DATE	AMOUNT	NUMBER	BATCH	NUMBER	BATCH	CODE	CODE
1740	AMERICAN SAFETY & FIRST AID	02/15/2013	229.36	072000320000001	0000001	0000001	0000001	00	00
1741	ANIMAL REMOVAL SERVICE, LLC	02/15/2013	295.00	072000320000002	0000001	0000001	0000001	00	00
1742	ARISTA TRUCK SYSTEMS	02/15/2013	1,134.05	072000320000003	0000001	0000001	0000001	00	00
1743	B & B YARDSCAPE	02/15/2013	5,275.00	072000320000004	0000001	0000001	0000001	00	00
1744	C M P DISTRIBUTORS, INC.	02/15/2013	517.40	072000320000005	0000001	0000001	0000001	00	00
1745	CARRIER & GABLE	02/15/2013	2,199.00	072000320000006	0000001	0000001	0000001	00	00
1746	CONTINENTAL LINEN SUPPLY CO.	02/15/2013	88.64	072000320000007	0000001	0000001	0000001	00	00
1747	ENGINEERED PROTECTION SYSTEMS, INC.	02/15/2013	218.25	072000320000008	0000001	0000001	0000001	00	00
1748	GRAINGER INC, W W	02/15/2013	881.81	072000320000009	0000001	0000001	0000001	00	00
1749	GREAT LAKES CHLORIDE, INC.	02/15/2013	4,713.76	072000320000010	0000001	0000001	0000001	00	00
1750	INDUSCO SUPPLY CO., INC.	02/15/2013	525.97	072000320000011	0000001	0000001	0000001	00	00
1751	J B PRINTING COMPANY	02/15/2013	625.00	072000320000012	0000001	0000001	0000001	00	00
1752	KEHOE, EDWARD J	02/15/2013	180.00	072000320000013	0000001	0000001	0000001	00	00
1753	MCCARTHY SMITH LAW GROUP, PLC	02/15/2013	5,136.50	072000320000014	0000001	0000001	0000001	00	00
1754	PACIFIC TELEMGT SERV, JAROTH INC	02/15/2013	303.00	072000320000015	0000001	0000001	0000001	00	00
1755	PLEUNE SERVICE COMPANY	02/15/2013	306.24	072000320000016	0000001	0000001	0000001	00	00
1756	POULIOT, GRETCHEN	02/15/2013	60.00	072000320000017	0000001	0000001	0000001	00	00
1757	PRECISION PRINTER SERVICES INC	02/15/2013	1,192.13	072000320000018	0000001	0000001	0000001	00	00
1758	ROAD EQUIPMENT PARTS CENTER	02/15/2013	695.51	072000320000019	0000001	0000001	0000001	00	00
1759	SHULTS EQUIPMENT	02/15/2013	404.27	072000320000020	0000001	0000001	0000001	00	00
1760	SUBURBAN MECHANICAL	02/15/2013	234.30	072000320000021	0000001	0000001	0000001	00	00
1761	THOMPSON, HELENE	02/15/2013	209.00	072000320000022	0000001	0000001	0000001	00	00
1762	UNITED WATER ENVIRONMENTAL SERVICES	02/15/2013	167,775.40	072000320000023	0000001	0000001	0000001	00	00
1763	360 SERVICES, INC.	02/15/2013	2,324.95	072000320000024	0000001	0000001	0000001	00	00

GRAND TOTAL:

195,524.54 NO. OF CHECKS:

24

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Summit Polymers, Inc. – PA 198 Tax Abatement

**SUPPORTING PERSONNEL:** Victoria Georgeau, Director of Community Development

**ACTION RECOMMENDED:** That City Council adopt Resolution No. 3-13 setting a public hearing on the issuance of the Industrial Facilities Exemption Certificate for Summit Polymers, Inc. for real and personal property in the estimated amount of \$2.99 million at 6715 Sprinkle Road, Industrial District No. 56, for March 12, 2013.

**EXECUTIVE SUMMARY:**

City Council has an economic development goal to “*demonstrate a commitment to quality economic growth and development.*” Consistent with this goal, Council adopted PA 198 Tax Abatement Policy to assist corporations with the application process filed under the provisions of this Act. In accordance with this Policy, Summit Polymers, Inc., has filed an Act 198 application for an Industrial Facilities Exemption Certificate in the amount of \$2,986,989. This includes proposed investments of \$1,194,619 for real property and \$1,792,370 for personal property for Summit’s facility at 6715 Sprinkle Road located in Industrial District No. 56. Summit will be constructing a 37,500 square foot building addition to increase manufacturing capacity due to the company having been awarded new business. Seventeen new jobs are anticipated to be created with this new project with an average salary of approximately \$25,000 and 231 existing jobs will be retained. Summit is seeking the maximum abatement period as outlined in Council’s Policy of six years on real property and three years on personal property.

**BACKGROUND INFORMATION:**

Summit Polymers, Inc. has submitted a PA 198 Tax Abatement application for \$2.99 million in building improvements, together with machinery and equipment, which involves the construction of a 37,500 square foot building addition on the east side of the manufacturing building at 6715 Sprinkle Road. Seventeen new jobs will be created and 231 existing jobs will be retained as part of the project. The project is located within the boundaries of existing Industrial Development District (IDD) No. 56, which was established by City Council in October 1989.

The process to receive a tax abatement is typically initiated with the filing of a request to establish or expand an industrial development district. The City Council then holds a public hearing on the application to expand the district. In the instance of the Summit Polymers project, as noted above the project is located within the boundaries of IDD No. 56, so this step is unnecessary. The second step in the process involves the submission of the application for the industrial facilities exemption certificate. Pursuant to the established City Council Industrial Tax Abatement Policy, the maximum abatement period available is six years on real property and three years on personal property.

As required by the state since 1994, the city may approve a new industrial facilities exemption certificate with a written agreement between the city and the owner of the industrial facility, which must be formally filed with the Michigan Department of Treasury. Also, the State Tax Commission (STC) requires an affidavit, executed by the local unit of government and the applicant, which states that there are no additional payments or similar charges other than the required application fee. The tax abatement agreement is considered by the Council when the industrial facilities exemption certificate is reviewed and will incorporate provisions related to the jobs created or retained, the facility to be constructed and related issues. The necessary affidavit regarding fees will also be considered. The tax abatement procedure concludes when, within 60 days of the date of filing, City Council approves the resolution approving the application for an industrial facilities exemption certificate. The application materials for the certificate and related information are forwarded to the STC and the agreement is submitted to the Department of Treasury. If City Council adopts a resolution disapproving the application for the certificate, the applicant may still proceed and file the application with the STC, which renders final approval or disapproval of the industrial facilities exemption certificate.

PA 198 has also been amended to permit an eligible industry which received an abatement after December 31, 1995, for a period shorter than the maximum 12 years, to apply for another industrial facilities exemption certificate. Per the State Tax Commission and the statute, the local jurisdiction must permit, by resolution, the additional certificate application and the application must be submitted by the applicant within the final year in which the original certificate is effective. If the local jurisdiction disapproves an application, then the applicant has no right of appeal. The total period of the tax abatement cannot exceed the maximum 12 years established in the statute.

### **Preliminary Environmental Analysis**

A preliminary planning and environmental investigation of the proposed industrial activity has been completed. Water and sewer services are available and the facility is connected to these municipal facilities. All state and federal regulations pertaining to hazardous material handling, storage and disposal will be met. The company facility is situated within the Sprinkle Road Industrial Corridor that is identified for continued industrial development in the City of Portage Comprehensive Plan.

### **Project Impact Analysis**

A project impact analysis has been prepared for the project. As noted in the attached impact analysis, the proposed investment consists of \$1,194,619 of real property and \$1,792,370 of personal property. Assumptions utilized in the analysis are detailed on page one of the report. Sample calculations are included on the following pages and a summary table organizes the results of these calculations for City Council reference.

Through the analysis, and consistent with the adopted policy of the City Council, with a six-year 50 percent abatement of real property and a three-year 50 percent abatement of personal property, the proposed project will result in cumulative revenue to the city of \$26,688 over the twenty years of the impact analysis. The direct General Fund abatement cost to the city varies between \$5,298 for the first year and \$2,240 for the sixth year with the General Fund total abatement cost to the city

approximating \$21,506. With the 17 new jobs anticipated, the development would generate an estimated \$495,000 of additional economic benefits to the community. As additional information, a table has been provided that estimates taxes to be garnered by other taxing units for a 20-year period due to the development project and investment by the applicant.

### **Property Tax Analysis**

An estimate of property taxes has also been prepared. With no abatement and the property taxed at the full 57.08 mill rate and personal property taxed at the reduced manufacturer rate of 33.08 mills, the estimated annual taxes generated for all taxing units would total \$854,825. If the application for a six-year real and three-year personal property tax abatement is approved, the foregone revenue for all local units of government would total \$125,759. Specifically, the City of Portage would forego a total of \$31,947; Portage District Library would forego \$4,247; Kalamazoo County would forego \$19,140; KRESA would forego \$13,780; and KVCC would annually forego \$7,967. Portage Public Schools' revenue is subject to the 1994/95 school aid legislation and is largely provided by the State. The total tax abatement valuation percentage approved by the Council with the inclusion of this application would equal 2.65 percent. This figure reflects the active industrial tax abatements that have been approved by the Council as a percentage of the total city State Equalized Value.

### **Conclusion**

The application is consistent with the adopted industrial tax abatement policy and the building improvements are located within the existing Industrial Development District boundaries. Also, the facility is connected to municipal utilities and is situated in an industrial area that is in conformance with the Comprehensive Plan.

**FUNDING:** Not applicable.

**Attachments:** PA 198 application from Summit Polymers, Inc.  
Project Impact Analysis  
Resolution 3-13



SUMMIT POLYMERS, INC.  
6715 Sprinkle Road  
Portage, MI 49002

Molded & Decorated Plastic Systems

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January 25, 2013

Mayor Peter Strazdas and Portage City Council  
City of Portage  
7900 S. Westnedge Ave.  
Portage, MI 49002

Subject: Request for Tax Abatement

Honorable Mayor Strazdas and Members of the Portage City Council:

Summit Polymers, Inc. is increasing its manufacturing capacity at its plants located at 6715 and 6717 S. Sprinkle Road and is requesting an abatement of real property taxes for a period of 6 years and abatement of personal property taxes for a period of 3 years. The increase in manufacturing capacity is due to Summit Polymers having been awarded new business.

We are estimating that 17 new jobs will be added at our site over the next two years as a result of this project. The annual salaries of these jobs will be approximately \$25,000.

The equipment shown on the attached schedule is new equipment and is not presently owned by Summit Polymers.

Enclosed with our application for tax abatement is a check in the amount of \$1,800 for this application for Tax Abatement on Summit Polymers' Sprinkle Road properties.

Should you require any additional information, please feel free to contact me at (269) 324-9330.

Sincerely,

Reed Kendall  
Vice President of Business Planning

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk 	Date received by Local Unit <u>January 25, 2013</u>
STC Use Only	
Application Number	Date Received by STC

## APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Summit Polymers, Inc.</b>		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3089</b>	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>6715 and 6717 S. Sprinkle Road, Portage, MI 49002</b>		1d. City/Township/Village (indicate which) <b>City</b>	1e. County <b>Kalamazoo</b>
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located <b>Portage</b>	3b. School Code <b>39140</b>
4. Amount of years requested for exemption (1-12 Years) <b>6 years real property, 3 years personal property</b>			

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Manufacture of thermoplastic parts via injection molding, which parts are subsequently decorated or assembled. Project is to increase manufacturing capacity as a result of new business. The capacity expansion includes the addition of 37,500 square feet on the east end of the building and the molding equipment shown on the attachment.

6a. Cost of land and building improvements (excluding cost of land) .....	<b>\$1,194,619.00</b>
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures .....	<b>\$1,792,370.00</b>
* Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs .....	<b>\$2,986,989.00</b>
* Round Costs to Nearest Dollar	Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	<u>11/19/12</u>	<u>11/19/14</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements	<u>2/15/13</u>	<u>11/19/14</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.  Yes     No

9. No. of existing jobs at this facility that will be retained as a result of this project. **231**

10. No. of new jobs at this facility expected to create within 2 years of completion. **17**

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....

b. TV of Personal Property (excluding inventory) .....

c. Total TV .....

12a. Check the type of District the facility is located in:  
 Industrial Development District     Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)  
**10/10/89**

12c. Is this application for a speculative building (Sec. 3(8))?  
 Yes     No

**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name David Stachel	13b. Telephone Number (269) 324-9330	13c. Fax Number (269) 324-9311	13d. E-mail Address dstachel@summitpolymers.co
14a. Name of Contact Person David Stachel	14b. Telephone Number (269) 324-9330	14c. Fax Number (269) 324-9311	14d. E-mail Address dstachel@summitpolymers.co
▶ 15a. Name of Company Officer (No Authorized Agents) Reed Kendall			
15b. Signature of Company Officer (No Authorized Agents) <i>Reed Kendall</i>		15c. Fax Number (269) 324-9311	15d. Date JANUARY 23, 2013
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 6715 S. Sprinkle Road, Portage, MI 49002		15f. Telephone Number (269) 324-9300	15g. E-mail Address rkendall@summitpolymers.co

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission  
Michigan Department of Treasury  
P.O. Box 30471  
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal



SUMMIT POLYMERS, INC.  
6715 Sprinkle Road  
Portage, MI 49002

Molded & Decorated Plastic Systems

---

January 25, 2013

Mayor Peter Strazdas and Portage City Council  
City of Portage  
7900 S. Westnedge Ave.  
Portage, MI 49002

Subject: Request for Tax Abatement

Honorable Mayor Strazdas and Members of the Portage City Council:

Summit Polymers, Inc. is in compliance with applicable environmental regulations and is not under any enforcement action by the Michigan Department of Environmental Quality or the U.S. Environmental Protection Agency.

Should you require any additional information, please feel free to contact me at (269) 324-9330.

Sincerely,

A handwritten signature in black ink that reads "Reed Kendall". The signature is written in a cursive style with a large, sweeping initial 'R'.

Reed Kendall  
Vice President of Business Planning

TRUDY YOST  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF VAN BUREN  
MY COMMISSION EXPIRES Oct 6, 2014  
ACTING IN COUNTY OF *Kalamazoo*

*Trudy Yost*

*1/24/2013*

**Industrial Facility Tax Abatement  
Machinery & Equipment / Personal Property List**

Summit Polymers, Inc.  
6715 and 6717 S. Sprinkle Road  
Portage, MI 49002

Project Start Date: November 19, 2012  
Project End Date: November 19, 2014

**6715 S. Sprinkle Road**

<u>Equipment Description</u>	<u>Cost</u>	<u>Expected Installation Date</u>
Coordinate Measuring Machine	\$207,929	3-29-13

**6717 S. Sprinkle Road**

<u>Equipment Description</u>	<u>Cost</u>	<u>Expected Installation Date</u>
5 Injection Molding Machines	\$ 1,130,190	3-29-13
Rigging and Installation of 5 molding machines	\$ 250,922	3-29-13
5 Robots for Molding Machines	\$ 38,500	3-29-13
5 Magnetic Platens for Molding Machines	\$ 86,279	3-29-13
Side Load System	\$ 10,295	3-29-13
5 Die Heater	\$ 10,775	3-29-13
5 Transformers	\$ 4,500	3-29-13
3 Maquire Blenders	\$ 33,000	3-29-13
Receivers for Maquire Blenders	\$ 2,910	3-29-13
2 Vacuum Pumps & Cyclone Filters	\$ 17,070	3-29-13
<b>Total Equipment Cost</b>	<b>\$1,792,370</b>	

**Industrial Facility Tax Abatement  
Real Property List**

Summit Polymers, Inc.  
6715 and 6717 S. Sprinkle Road  
Portage, MI 49002

Project Start Date: November 19, 2012  
Project End Date: November 19, 2014

**6717 S. Sprinkle Road**

<u>Property Description</u>	<u>Cost</u>	<u>Expected Installation Date</u>
35,700 square foot plant expansion	\$ 893,780	2-15-13
Fire Protection System	\$ 55,000	2-15-13
Electrical Systems	\$ 200,000	2-15-13
Installation of Crane Runway	\$ 45,839	2-15-13
<b>Total Equipment Cost</b>	<b>\$1,194,619</b>	

1-7-13

DATE

PORTAGE, MICHIGAN

PERMIT No.

# BUILDING PERMIT

THIS PERMIT MUST BE POSTED ON THE SITE

PROJECT DESCRIPTION

Summit

Polymer

Location 6717 S Sprinkle

Owner Summit Polymers

Contractor Cornerstone Construction

CONTRACTORS MUST CALL 329-4466 FOR THE FOLLOWING INSPECTIONS:

These Permits Must Be Obtained Separately

BUILDING	ELECTRICAL	PLUMBING	MECHANICAL
FOOTINGS/WALLS	UNDERGROUND	UNDERGROUND	UNDERGROUND
FRAME/ROOF	ROUGH-IN	ROUGH-IN	ROUGH-IN
FIREPLACES	SERVICE	SEWER	FINAL
DRYWALL/PLASTER	FINAL	FINAL	
FINAL			

*Paul Howard*

Department of Community Development

FAILURE TO COMPLY WILL RESULT IN BEING DENIED AN OCCUPANCY PERMIT & CONTRACTORS BEING SUBJECT TO FINE.



Department of Community Development
7900 South Westnedge Avenue • Portage, Michigan 49002 • (269) 329-4477

PAID

NOV 2012 Date Issued

CITY OF PORTAGE, TREAS.

Parcel Number . . . . . 00012-115-C
Tenant nbr, name . . . . . 6-6-F SUMMIT POLYMERS
Subdivision Name . . . . .
Property Zoning . . . . . NEEDS ZONING
Application valuation . . . . . 0

Owner
SUMMIT POLYMERS INC
6715 S SPRINKLE RD
PORTAGE MI 49002

Contractor
CORNERSTONE CONSTRUCTION
450 W CENTRE
SUITE 210
PORTAGE MI 49002
(269) 321-0200

Contractor Requirements
CONTRACTORS LICENSE EXEMPT 12/31/13
WORKERS COMP. CARRIER MICHIGAN INS CO
FED. I.D. 38 3199847
MISC 1231840
REASON FOR EXEMPTION

Structure Information FOUNDATION ONLY

Permit . . . . . FOOTINGS AND FOUNDATION PERMIT
Additional desc . . . . . FOUNDATION
Sub Contractor . . . . .
Permit Fee . . . . . 60.00 Plan Check Fee . . . . . .00
Issue Date . . . . . Valuation . . . . . 0

Quantity Unit Charge Per Extension
BASE FEE 60.00

Other Fees . . . . . PLAN REVIEW - MIN. FEE 200.00

Table with 5 columns: Fee summary, Charged, Paid, Credited, Due. Rows include Permit Fee Total, Plan Check Total, Other Fee Total, and Grand Total.

Special Notes and Comments

- \*\*\*\*\*
1. NO FORM EXECUTED BY THIS DEPARTMENT IMPLIES OR PROVIDES EXEMPTION FROM ANY CODE OR ORDINANCE REQUIREMENT.  
\*\*\*\*\*
  2. APPLICANT IS RESPONSIBLE FOR BEING SUFFICIENTLY FAMILIAR WITH, AND HAVE A WORKING KNOWLEDGE OF MATERIALS, CODES AND ORDINANCES OF THE CITY OF PORTAGE TO ENSURE COMPLIANCE WITH SAME.  
\*\*\*\*\*
  3. IT IS THE APPLICANT'S RESPONSIBILITY TO CALL FOR NECESSARY INSPECTIONS.  
\*\*\*\*\*
  4. EXPIRATION: PERMIT SHALL EXPIRE AND BECOME NULL AND VOID IF THE BUILDING OR WORK AUTHORIZED IS NOT COMMENCED WITHIN 180 DAYS FROM THE DATE OF ISSUANCE, OR IF THE BUILDING OR WORK AUTHORIZED IS SUSPENDED OR ABANDONED FOR A PERIOD OF 180 DAYS.  
\*\*\*\*\*
  5. STATE LAW ACT 53: THREE WORKING DAYS BEFORE YOU DIG -- CALL TOLL FREE MISS DIG 1-800-482-7171.  
\*\*\*\*\*
  6. FOLLOW-UP INSPECTIONS NECESSITATED BY NONCOMPLIANCE OF CODES MAY BE SUBJECT TO RE-INSPECTION FEES.  
\*\*\*\*\*
  7. SECTION 23A OF THE STATE CONSTRUCTION CODE ACT OF 1972, ACT NO. 230 OF PUBLIC ACTS OF 1972, BEING SECTION 125.1523A OF THE MICHIGAN COMPILED LAWS, PROHIBITS A PERSON FROM CONSPIRING TO CIRCUMVENT THE LICENSING REQUIREMENTS OF THIS STATE RELATING TO PERSONS WHO PERFORM WORK ON A RESIDENTIAL BUILDING OR A RESIDENTIAL STRUCTURE. VIOLATORS OF SECTION 23A ARE SUBJECT TO CIVIL FINES.  
\*\*\*\*\*

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Required Inspections

Seq	Insp Code	Description	Initials	Date
1000	100	FOOTINGS AND FOUNDATIONS		____/____/____

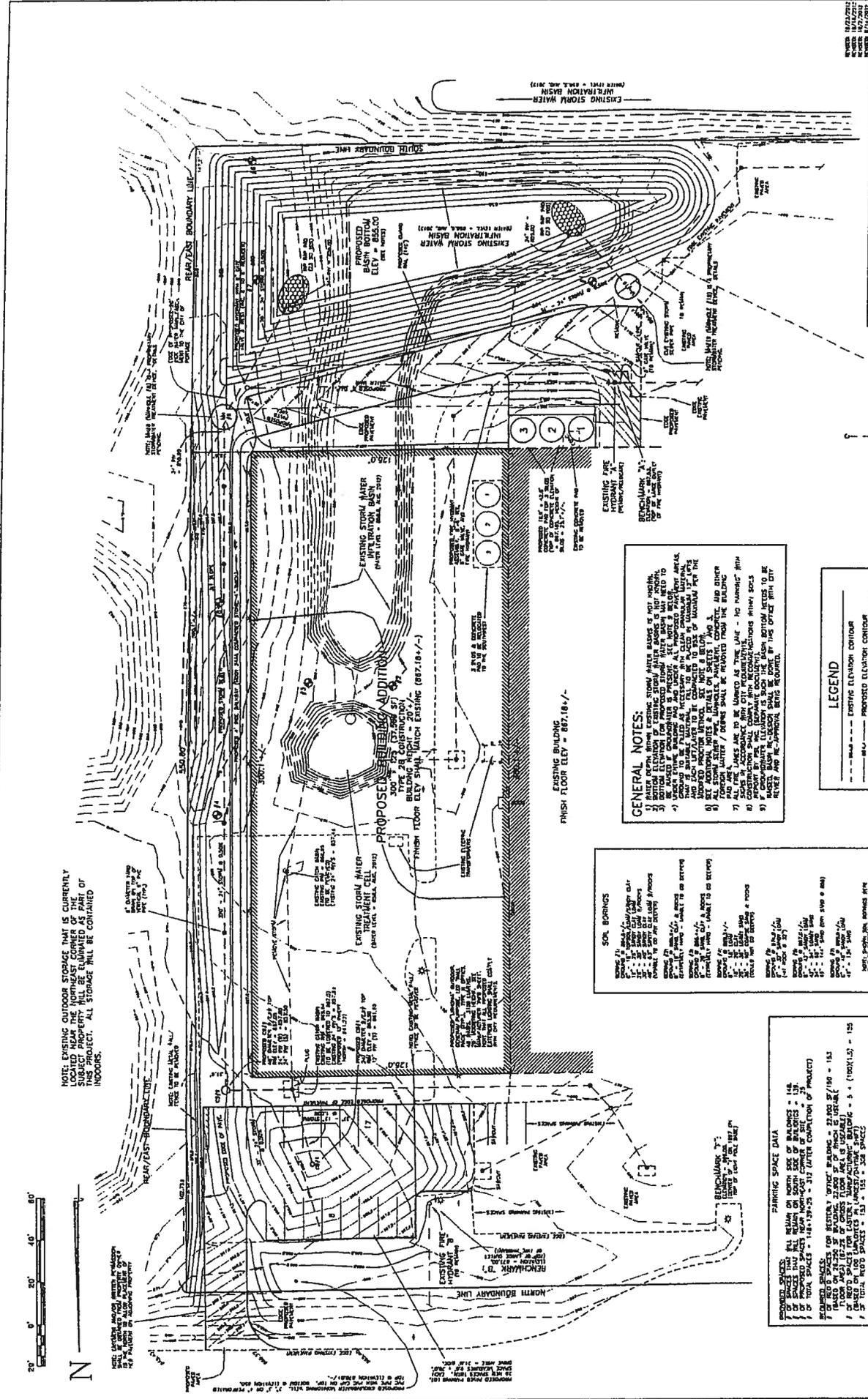
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N

NOTE: EXISTING OUTDOOR STORAGE THAT IS CURRENTLY SUBJECT PROPERTY WILL BE ELIMINATED AS PART OF THIS PROJECT. ALL STORAGE WILL BE CONTAINED INDOORS.



**GENERAL NOTES:**

- 1) WATER PUMP, PUMP, EXISTING STORM WATER BASINS IS NOT NEARBY.
- 2) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 3) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 4) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 5) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 6) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 7) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 8) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.
- 9) EXISTING STORM WATER INFILTRATION BASIN IS NOT NEARBY.

**SOIL BORINGS**

SOIL BORING LOGS ARE ATTACHED TO THIS SHEET. SEE SHEET FOR DETAILS OF BORINGS. BORINGS ARE TO BE MADE AT THE LOCATIONS SHOWN ON THIS SHEET. BORINGS ARE TO BE MADE AT THE LOCATIONS SHOWN ON THIS SHEET. BORINGS ARE TO BE MADE AT THE LOCATIONS SHOWN ON THIS SHEET.

**PARKING SPACE DATA**

NUMBER OF SPACES: 114  
 TOTAL AREA: 148,754.25 - 317 (TOTAL COLLECTION OF PRODUCT)  
 TOTAL SPACES: 148,754.25 - 317 (TOTAL COLLECTION OF PRODUCT)  
 TOTAL SPACES: 148,754.25 - 317 (TOTAL COLLECTION OF PRODUCT)

**LEGEND**

- EXISTING ELEVATION CONTOUR
- - - - - PROPOSED ELEVATION CONTOUR
- 2" x 4" PAVEMENT AREAS
- 4" x 8" PAVEMENT AREAS
- 8" x 12" PAVEMENT AREAS
- 12" x 18" PAVEMENT AREAS
- 18" x 24" PAVEMENT AREAS
- 24" x 36" PAVEMENT AREAS
- 36" x 48" PAVEMENT AREAS
- 48" x 72" PAVEMENT AREAS
- 72" x 108" PAVEMENT AREAS
- 108" x 144" PAVEMENT AREAS
- 144" x 180" PAVEMENT AREAS
- 180" x 216" PAVEMENT AREAS
- 216" x 252" PAVEMENT AREAS
- 252" x 288" PAVEMENT AREAS
- 288" x 324" PAVEMENT AREAS
- 324" x 360" PAVEMENT AREAS
- 360" x 396" PAVEMENT AREAS
- 396" x 432" PAVEMENT AREAS
- 432" x 468" PAVEMENT AREAS
- 468" x 504" PAVEMENT AREAS
- 504" x 540" PAVEMENT AREAS
- 540" x 576" PAVEMENT AREAS
- 576" x 612" PAVEMENT AREAS
- 612" x 648" PAVEMENT AREAS
- 648" x 684" PAVEMENT AREAS
- 684" x 720" PAVEMENT AREAS
- 720" x 756" PAVEMENT AREAS
- 756" x 792" PAVEMENT AREAS
- 792" x 828" PAVEMENT AREAS
- 828" x 864" PAVEMENT AREAS
- 864" x 900" PAVEMENT AREAS
- 900" x 936" PAVEMENT AREAS
- 936" x 972" PAVEMENT AREAS
- 972" x 1008" PAVEMENT AREAS
- 1008" x 1044" PAVEMENT AREAS
- 1044" x 1080" PAVEMENT AREAS
- 1080" x 1116" PAVEMENT AREAS
- 1116" x 1152" PAVEMENT AREAS
- 1152" x 1188" PAVEMENT AREAS
- 1188" x 1224" PAVEMENT AREAS
- 1224" x 1260" PAVEMENT AREAS
- 1260" x 1296" PAVEMENT AREAS
- 1296" x 1332" PAVEMENT AREAS
- 1332" x 1368" PAVEMENT AREAS
- 1368" x 1404" PAVEMENT AREAS
- 1404" x 1440" PAVEMENT AREAS
- 1440" x 1476" PAVEMENT AREAS
- 1476" x 1512" PAVEMENT AREAS
- 1512" x 1548" PAVEMENT AREAS
- 1548" x 1584" PAVEMENT AREAS
- 1584" x 1620" PAVEMENT AREAS
- 1620" x 1656" PAVEMENT AREAS
- 1656" x 1692" PAVEMENT AREAS
- 1692" x 1728" PAVEMENT AREAS
- 1728" x 1764" PAVEMENT AREAS
- 1764" x 1800" PAVEMENT AREAS
- 1800" x 1836" PAVEMENT AREAS
- 1836" x 1872" PAVEMENT AREAS
- 1872" x 1908" PAVEMENT AREAS
- 1908" x 1944" PAVEMENT AREAS
- 1944" x 1980" PAVEMENT AREAS
- 1980" x 2016" PAVEMENT AREAS
- 2016" x 2052" PAVEMENT AREAS
- 2052" x 2088" PAVEMENT AREAS
- 2088" x 2124" PAVEMENT AREAS
- 2124" x 2160" PAVEMENT AREAS
- 2160" x 2196" PAVEMENT AREAS
- 2196" x 2232" PAVEMENT AREAS
- 2232" x 2268" PAVEMENT AREAS
- 2268" x 2304" PAVEMENT AREAS
- 2304" x 2340" PAVEMENT AREAS
- 2340" x 2376" PAVEMENT AREAS
- 2376" x 2412" PAVEMENT AREAS
- 2412" x 2448" PAVEMENT AREAS
- 2448" x 2484" PAVEMENT AREAS
- 2484" x 2520" PAVEMENT AREAS
- 2520" x 2556" PAVEMENT AREAS
- 2556" x 2592" PAVEMENT AREAS
- 2592" x 2628" PAVEMENT AREAS
- 2628" x 2664" PAVEMENT AREAS
- 2664" x 2700" PAVEMENT AREAS
- 2700" x 2736" PAVEMENT AREAS
- 2736" x 2772" PAVEMENT AREAS
- 2772" x 2808" PAVEMENT AREAS
- 2808" x 2844" PAVEMENT AREAS
- 2844" x 2880" PAVEMENT AREAS
- 2880" x 2916" PAVEMENT AREAS
- 2916" x 2952" PAVEMENT AREAS
- 2952" x 2988" PAVEMENT AREAS
- 2988" x 3024" PAVEMENT AREAS
- 3024" x 3060" PAVEMENT AREAS
- 3060" x 3096" PAVEMENT AREAS
- 3096" x 3132" PAVEMENT AREAS
- 3132" x 3168" PAVEMENT AREAS
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EXECUTIVE COMMITTEE

**Doug Rothwell**  
Chair  
MEDC Executive Committee  
President & CEO, Business  
Leaders for Michigan, Detroit

**Jeff Noel**  
Vice Chair  
MEDC Executive Committee  
Corporate Vice President,  
Communications and Public  
Affairs, Whirlpool Corporation  
Benton Harbor

**Lizabeth Ardisana**  
ASG Renaissance

**David B. Armstrong**  
GreenStone Farm Credit Services

**Mary Lou Benecke**  
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**Stephen R. D'Arcy**  
Detroit Medical Center and  
Partner, Quantum Group LLC

**Haifa Fakhouri, Ph.D.**  
Arab American and  
Chaldean Council (ACC)

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University of Michigan

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Brdman PLC

**Kirk J. Lewis**  
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**Chris MacInnes**  
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**Christopher L. Rizik**  
Renaissance Venture Capital Fund

**Ann Marie Sastry, Ph.D.**  
Sakti3

**Marilyn Schlack, Ph.D.**  
Kalamazoo Valley  
Community College

**Dayne Walling**  
City of Flint

August 3, 2012

**Mr. David Stachel**  
Materials Specialist - Systems  
Summit Polymers, Inc.  
6715 S. Sprinkle Road  
Portage, MI 49002-9707

Dear Mr. Stachel:

Thank you for giving the Michigan Economic Development Corporation (MEDC) and Southwest Michigan First the opportunity to site Summit Polymers, Inc.'s expansion projects in Portage, Sturgis and Vicksburg. Michigan is the best choice for your investment. You will find easy access to a large pool of talented workers, a business-friendly climate, and a well-established transportation system that will allow you to get your products to market quickly and cost-effectively.

Based on the estimated project parameters provided by Summit Polymers, Inc. on July 25, 2012, which includes \$9.3 million in qualified capital investment and the creation of at least 74 new jobs over three years, we are pleased to provide an economic development package of state and local incentives totaling up to an estimated \$1.8 million. Please see the attached "Incentives Profile for Summit Polymers, Inc." for a more-detailed description of the incentives being offered. **This letter replaces the letter dated July 20, 2012.**

In addition to the offer above, a Michigan location is cost competitive for your company based on the changes to our tax system. Michigan has replaced the Michigan Business Tax (MBT) with a six percent corporate income tax (CIT) levied on C corporations only. The CIT brings simplicity and certainty to companies operating in Michigan. Other entities, such as partnerships, sole-proprietorships, limited liability companies, and S corporations not classified as C corporations for federal tax purposes are exempt, resulting in significant tax relief. For example, it is estimated that Michigan companies will receive up to an 80% savings under the new tax system.

This offer includes up to \$370,000 in funding from the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan or other economic assistance to qualified businesses that make qualified investments or create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund ("MSF"), recommendations for awards under the Program are presented by the MEDC to the MSF.

Under the MBDP, qualified new jobs are in addition to jobs already located in Michigan. Based on the projected number of jobs and investment anticipated by this project, the MEDC is interested in further exploration of a possible recommendation to the MSF for approval of a performance-based grant.

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

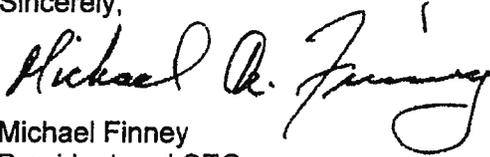
Mr. David Stachel  
August 3, 2012  
Page 2

If you decide to accept these proposed incentives, please sign and date this letter in the space designated below, and return it to the MEDC. Your signature constitutes acceptance of the terms and requirements of this proposed incentive package. These incentives remain subject to a business integrity review, background check process, and other general due diligence as may be necessary or required; the results of which must be satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities. The MEDC must receive your written acceptance by September 17, 2012; otherwise these proposed incentives and services may be subject to renegotiation. Upon acceptance, the offer will remain active for 90 days while due diligence is conducted and the Michigan Strategic Fund Board considers approval.

In summary, the state of Michigan is committed to supporting and growing the manufacturing industry in our state. Summit Polymers, Inc.'s manufacturing project is an important project and we welcome the opportunity to help your company.

If you have any questions or concerns, please do not hesitate to contact Susan Novakoski directly, either by phone at (517) 719-0393 or email to [novakoskis@michigan.org](mailto:novakoskis@michigan.org). Ms. Novakoski is available to coordinate all aspects of your company's project.

Sincerely,



Michael Finney  
President and CEO  
Michigan Economic Development Corporation

Attachments

cc: Susan Novakoski, MEDC  
Josh Hundt, MEDC  
Jennifer Owens, Southwest Michigan First  
Matthew Crawford, Village of Vicksburg  
Michael Hughes, City of Sturgis  
Maurice Evans, City of Portage

The undersigned agrees to accept the above incentives and services as proposed by the MEDC subject to the conditions stated in this letter.

\_\_\_\_\_  
David Stachel, Materials Specialist - Systems

Date: \_\_\_\_\_

**Please Return Written Acceptance to the MEDC:**

**Mail:** Attn: Susan Novakoski, 300 North Washington Square, Lansing, Michigan 48913  
**Fax:** (517) 335-1762 | **Email:** [novakoskis@michigan.org](mailto:novakoskis@michigan.org)

# Incentives Profile for Summit Polymers, Inc.

Incentive	Estimated Values		
	Portage PA 198 6 Yrs Real 3 Yrs Personal	Vicksburg PA 198 12 Yrs Real 6 Yrs Personal	Sturgis PA 198 12 Yrs Personal
Michigan Business Development Program*	\$370,000		
Michigan Works! Training Resources**	\$180,000		
PA 198 Property Tax Abatement (Real and Personal Property; figures represent 13 year timeframe, the duration of each individual abatement varies)	\$323,000	\$240,000	\$49,000
6 Mill State Education Tax Abatement (Portage 7 years, Vicksburg & Sturgis 13 years)	\$68,000	\$45,000	\$0
<b>Other Tax Savings</b>			
Industrial Personal Property Tax Relief (13 years)	\$150,000	\$78,000	\$74,000
Sales Tax Exemptions (Initial Qualified Investment)	\$126,000	\$60,000	\$60,000
<b>Total Value of Proposed Incentives</b>	<b>\$1,823,000</b>		

(\*)

**Project Assumptions:**

*\$9.3 million in qualified capital investment and creation of at least 74 new jobs over three years.*

*\*The \$370,000 Michigan Business Development Program grant required the creation of 74 new jobs, which can be located at all three locations. The actual requirements of a "new job" will be specified in the term sheet and final grant agreement.*

*\*\*Michigan Works! resources total \$180,000 and may be used at any of the three facilities and need not be dispersed evenly. The funding and services per location will depend upon the training and recruitment needs of the respective facility.*

*Acceptance of this incentive package is subject to a business integrity review, background check process, and other general due diligence as required, the results of which are satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities.*

*Proposed incentives are dependent on availability of funds each year through the legislative budget process. Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.*

***Proposed package is available until close of business on September 17, 2012.***

# Programs and Incentives

## Financial Programs and Incentives

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### **Michigan Business Development Program**

One of the 21st Century Jobs Fund's economic incentive programs in Michigan administered by the MEDC is the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund (MSF), recommendations for awards under the Program are presented by the MEDC to the MSF Board.

Under the program, qualified new jobs are an addition to jobs already located in Michigan.

Any incentive awarded under the Program is contingent upon several factors, including:

- (i) submission by the Company of a completed application and all other documentation required under the Program;
- (ii) satisfactory community support;
- (iii) available MSF funding;
- (iv) completion of financial review, business integrity review, required background checks, and other business and legal review and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF Board, and as applicable, the Chief Compliance Officer;
- (v) approval of an award by the MSF Board;
- (vi) execution of a final agreement between the Company and the MSF Board containing established milestones and reporting requirements, and all other detailed terms and conditions, required by the MSF Board.

Any funds disbursed to the Company will be subject to a repayment provision, including if the jobs are eliminated.

## Workforce Development

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The Michigan Economic Development Corporation is ready and able to provide an extensive workforce development package through our Talent Enhancement program. Talent Enhancement services are coordinated by a designated Talent Advisor that specializes in your industry that will work closely with the leadership team of your company to create and implement a custom Talent Enhancement strategy.

### **Talent Identification**

- Job posting and talent outreach services on the Michigan Job Portal
- Ability to search thousands of highly accomplished resumes
- Feature opportunities in e-newsletters that reach 5000+ job seekers each week.
- Launch a robust social media campaign that includes FaceBook, LinkedIn and Twitter.
- Host senior-level invitation only career networking events.
- Arrange with Michigan college and university placement offices for on-campus interviewing
- Contact candidates and schedule interviews at a variety of local area office locations or at the company's workplace.

**Talent Screening:** Talent Enhancement will screen candidates based on a company's specifications and screening questions in partnership with local Michigan Works! offices.

**Talent Interviewing:** Talent Enhancement can contact candidates and schedule interviews at a variety of office locations or at the company's workplace.

**Salary & HR Consulting:** Talent Enhancement can provide salary data and labor market information relevant to your industry.

## Property Tax Incentives

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### Property Tax Exemptions

Various property tax exemptions in Michigan help reduce the tax liability for companies. Available tax exemptions are outlined below. A company should discuss these tax exemptions with its tax preparer, CPA, or tax attorney, as needed.

#### **Pollution Control Equipment Property Tax Exemption**

The Water Pollution Control Exemption, PA 451 of 1994, Part 37, as amended, affords a 100% property and sales tax exemption to facilities that are designed and operated primarily for the control, capture, and removal of industrial waste from the water.

The Air Pollution Control Exemption, PA 451 of 1994, Part 59, as amended, affords a 100% property and sales tax exemption to facilities that are designed and operated primarily for the purpose of controlling or disposing of air pollution that, if released, would render the air harmful or inimical to the public health or property within this state.

After review by the Property Services Division, a recommendation is made to the State Tax Commission (STC) regarding the qualification of any application submitted to receive either of these exemptions. The STC is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

#### **Special Tooling Property Tax Exemption**

Michigan exempts special tooling from all property taxes. "Special Tooling" includes tools, dies, jigs, fixtures, and patterns that are used to manufacture a product which could not be used to manufacture another product without substantial modification to the device. A business may claim the special tooling exemption on its personal property tax statement filed with the local property tax assessor each year.

#### **Property Tax Abatement under PA 198 of 1974**

Local units of government have the ability to reduce property taxes on new investment by 50% for manufacturers and high-tech businesses. These abatements can last up to 12 years and can provide relief on both real and personal property taxes. The local unit of government is responsible for approving these abatements and their duration.

#### **State Education Tax Abatement**

The MEDC can abate half or all of the 6-mill State Education Tax on new investment when the project presents significant economic benefits to Michigan, and when the project receives a property tax abatement under PA 198 of 1974.

#### **Industrial Personal Property Tax Relief**

Michigan automatically reduces the personal property tax burden on a company's industrial personal property anywhere in the state. This automatic reduction includes the 6-mill State Education Tax and the 18-mill local school property tax, and the savings will be realized on both new and existing industrial personal property. This property tax relief will remain in effect

beyond the number of years specified in the incentives matrix, contingent upon the statutory authority remaining in place.

## **Other Tax Incentives**

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### **Inventory Tax**

No inventory tax—no matter where a company locates in Michigan. All inventory is exempt from state and local property taxes.

### **Sales Tax Exemptions**

The 6% state sales tax is not levied on the purchase of machinery and equipment used in manufacturing.

## **Corporate Income Tax (CIT)**

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Michigan has a new, simpler and more competitive corporate income tax. The new structure will tax C Corporations at 6% on federal taxable income apportioned in Michigan. Other entities – S Corporations, individuals, partnerships, LLCs, etc. – would have income flow to the owners' personal income tax. The personal income tax remains 4.35% and is scheduled to decline to 4.25% in 2013.

The new, simplified tax system provides a significant broad-based reduction in business taxes and eliminates a laundry list of credits and deductions currently included in the MBT. Furthermore, the alternative business income tax for small business remains intact and other economic development tools are still available.

### **What Will Stay the Same with the New Tax Structure?**

- Michigan's property tax system retains all exemptions and abatement programs. The automatic 24-mill reduction on industrial personal property and automatic 12-mill reduction on commercial personal property will continue. In addition, firms may still apply for property tax abatements under the Plant Rehabilitation and Industrial Development Districts Act (PA198) and the New Personal Property Tax Exemption (PA328) through their local unit of government.
- Commercial and industrial property rehabilitation incentives are still available for community redevelopment projects. Obsolete property may garner property tax incentives under the Obsolete Property Redevelopment Act (OPRA), the Commercial Rehabilitation Act (PA210), the Commercial Redevelopment Act (PA255) or the Plant Rehabilitation and Industrial Development Districts Act (PA198), depending on the details of the project.
- Property tax exemptions for inventory, special tooling and pollution control equipment, and energy used in manufacturing are still available.

## CITY OF PORTAGE

## RESOLUTION NO. 2

## DESIGNATING PORTAGE INDUSTRIAL DEVELOPMENT DISTRICT NO. 56

## SUMMIT POLYMERS, INC.

Minutes of a regular meeting of the City Council of the City of Portage, Michigan held on October 10, 1989, at 7:30 p.m. local time at the City Hall in the City of Portage, Michigan.

PRESENT: Overlander, Brown, Jean, Schreur, Shugars, Vavra, Zull

ABSENT: None

The following resolution was offered by Councilmember Jean and supported by Councilmember Vavra.

WHEREAS, the City Council has met in public hearing as heretofore resolved and noticed for the purpose of reviewing the request of SUMMIT POLYMERS, INC. that a certain described area located at 6600 Sprinkle Road in the City of Portage, Michigan, be established as an Industrial Development District, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq.; and

WHEREAS, such application and designation meet all of the prerequisites of the cited Act;

NOW, THEREFORE, BE IT RESOLVED that the following described property be designated Portage Industrial Development District No. 56:

Commencing at the South 1/4 post of Section 12, Town 3 South, Range 11 West and running thence North 0 degrees, 00'-04" West along the North and South 1/4 line of said Section, 1,272.70 feet for the place of beginning of the land hereinafter described; thence continuing North 0 degrees, 00'-04" West along said North and South 1/4 line, 550.00 feet; thence North 89 degrees, 21'-53" East parallel to the East and West 1/4 line of said Section, 795.00 feet; thence South 0 degrees, 00'-04" East parallel to the North and South 1/4 line of said Section, 550.00 feet; thence South 89 degrees, 21'-53" West; 795.00 feet to the place of beginning. Subject to an easement for Sprinkle Road recorded in Liber 711 on Page 327 in the office of the Register of Deeds for Kalamazoo County, Michigan.

AYES: Councilmembers Overlander, Brown, Jean, Schreur, Shugars, Vavra, Zull

NAYS: None

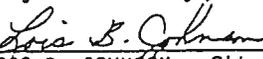
ABSENT: None

RESOLUTION DECLARED ADOPTED:

  
LOIS B. JOHNSON, City Clerk

## CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Portage, Michigan, Kalamazoo County, held on the 10th day of October, 1989, the original of which is in the official proceedings of the City Council.

  
LOIS B. JOHNSON, City Clerk



Imagery: March 2009

Vicinity Map  
 IDD #56  
 6715 Sprinkle Road

1 inch = 150 feet

**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

Assumptions used in the following calculations:

Market value of property to be added (including rail spur):	
Real property.....	\$1,194,619
Personal property.....	\$1,792,370
Percentage tax abatement requested: (consistent with City Council policy)	
Real property.....	50.00%
Personal property.....	50.00%
Years of abatement requested:	
Real property.....	6
Personal property.....	3
Non-recoverable City share costs of requested:	
Roadway improvements.....	\$0
Drainage improvements.....	\$0
Sanitary sewer improvements.....	\$0
Water delivery improvements.....	\$0
Number of new employees.....	17
Average annual income of each new employee.....	\$25,000
Percentage of new employees assumed to be residents.....	32.30%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%
County income multiplier.....	2.00
Percentage of new employees constructing new homes.....	20.00%
Value of new home as a factor of annual income.....	2.00
Number of members per household (2010 census).....	2.40
Population, 2010 (Bureau of Census).....	46,292
General Fund expenditures net of certain offsetting revenues:	
i.e., user charges and fees, grants, reimbursements .....	\$19,071,167
Current General Fund millage rate.....	7.5000
Per capita state revenue sharing to General Fund.....	\$69.56
Average annual inflation rate (2007 to 2012).....	2.03%
Annual increase in industrial real property value.....	0.00%
Annual increase in residential real property value.....	0.00%

**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

CALCULATION OF ECONOMIC BENEFITS TO THE COMMUNITY:

Equation 1-Calculation of additional payroll generated

Number of new employees	Average annual income	Total new annual payroll
17	\$25,000	\$425,000

Equation 2-Calculation of primary economic benefit to the community from payroll income

Percentage of new employees assumed to be residents.....	32.30%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%

	Distribution of labor force	Average annual income	Propensity to consume locally	Primary economic benefit	
Resident employees.....	5	\$25,000	60.00%	\$75,000	
Non-resident employees.....	12	\$25,000	50.00%	\$150,000	
				\$225,000	\$225,000

Equation 3-Calculation of secondary economic benefit to the community from payroll income

	Total primary benefit	County income multiplier	Propensity to consume locally	Secondary economic benefit	
	\$225,000	2.00	60.00%	\$270,000	\$270,000
—ADDITIONAL ECONOMIC BENEFITS TO THE COMMUNITY.....					\$495,000

**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND REVENUE:

Equation 4-Calculation of gross taxes to be generated from new project

Market value of property to be added:				
	Real property.....			\$1,194,619
	Personal property.....			\$1,792,370
	Current General Fund millage rate			7.50
	First year property SEV	Millage rate		First year property taxes
Real	\$597,310	7.50		\$4,480
Personal	\$815,528	7.50		\$6,116
				\$10,596

Equation 5-Calculation of additional property tax from new residents

	Percentage of new employees constructing new homes.....				20.00%
	Value of new home as a factor of annual income.....				2.00
	Number of new homes	Avg market value of each new home	Total SEV of new homes	General Fund millage rate	First year property taxes
	3	\$50,000	\$75,000	7.50	\$563
					\$563

Equation 6-Calculation of additional state revenue sharing to the General Fund

	Number of members per household.....				2.40
	Per capita state revenue sharing to General Fund.....				\$70
	Number of new resident employees	Number of members per household	Number of new residents	Per capita state revenue sharing	Additional state revenue sharing
	5	2.40	12	\$70	\$835
					\$835
	---ADDITIONAL GENERAL FUND REVENUE.....				\$11,994

**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND COSTS:

Equation 7-Annual tax abatement costs

Percentage tax abatement requested:					
	Real property.....			50.00%	
	Personal property.....			50.00%	
Years of abatement requested:					
	Real property.....			6	
	Personal property.....			3	
	First year General Fund property tax	Requested abatement rate		First year tax abatement	
Real	\$4,480	50.00%		\$2,240	
Personal	\$6,116	50.00%		\$3,058	\$5,298

Equation 8-Additional service costs

Population, 2010 (Bureau of Census).....					46,292	
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements .....					\$19,071,167	
	Costs of services	Number of residents	Cost per resident	Number of new residents	Additional cost for new residents	
	\$19,071,167	46,292	\$412	12	\$4,944	\$4,944

Equation 9-Public facilities cost, non-recoverable City share

	Road improvements	Drainage improvements	Sanitary sewer improvements	Water delivery improvements	Total improvements	
	\$0	\$0	\$0	\$0	\$0	\$0

---TOTAL ADDITIONAL GENERAL FUND COSTS..... \$10,242

CALCULATION OF RELATIVE COMPARISON FACTOR

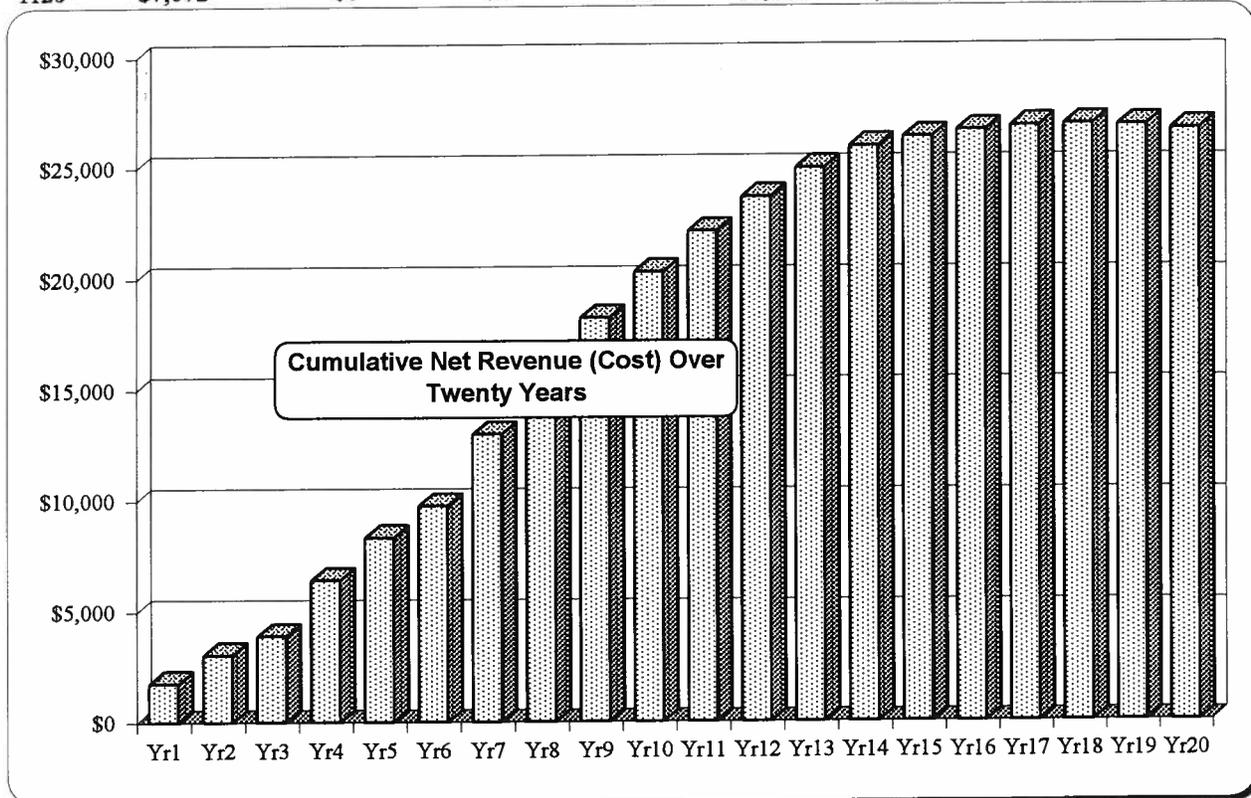
Equation 10-Relative comparison investment factor/initial cost per job created

Additional revenues	Additional (costs)	Net additional (cost)/revenue	Number of jobs created	(Cost)/revenue per job created
\$11,994	(\$10,242)	\$1,752	17	\$103

**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

Long term comparison of increased revenues to increased costs  
reflecting the effects of inflation on property values and General Fund expenditures  
and the decreasing value of personal property due to depreciation

Year	Revenue	Infrastructure costs	General Fund real property tax abatement	General Fund personal prop. tax abatement	General Fund service costs	Expenditures	Net annual (cost)/revenue	Cumulative (cost)/revenue
Yr1	\$11,994	\$0	\$2,240	\$3,058	\$4,944	(\$10,242)	\$1,752	\$1,752
Yr2	\$11,272	\$0	\$2,240	\$2,689	\$5,044	(\$9,973)	\$1,300	\$3,052
Yr3	\$10,550	\$0	\$2,240	\$2,319	\$5,147	(\$9,706)	\$844	\$3,896
Yr4	\$10,029	\$0	\$2,240	\$0	\$5,251	(\$7,491)	\$2,538	\$6,434
Yr5	\$9,509	\$0	\$2,240	\$0	\$5,357	(\$7,597)	\$1,912	\$8,346
Yr6	\$9,125	\$0	\$2,240	\$0	\$5,466	(\$7,706)	\$1,419	\$9,765
Yr7	\$8,808	\$0	\$0	\$0	\$5,577	(\$5,577)	\$3,231	\$12,996
Yr8	\$8,491	\$0	\$0	\$0	\$5,690	(\$5,690)	\$2,801	\$15,797
Yr9	\$8,241	\$0	\$0	\$0	\$5,805	(\$5,805)	\$2,436	\$18,233
Yr10	\$7,992	\$0	\$0	\$0	\$5,923	(\$5,923)	\$2,069	\$20,302
Yr11	\$7,878	\$0	\$0	\$0	\$6,043	(\$6,043)	\$1,835	\$22,137
Yr12	\$7,697	\$0	\$0	\$0	\$6,166	(\$6,166)	\$1,531	\$23,668
Yr13	\$7,584	\$0	\$0	\$0	\$6,291	(\$6,291)	\$1,293	\$24,961
Yr14	\$7,404	\$0	\$0	\$0	\$6,418	(\$6,418)	\$986	\$25,947
Yr15	\$6,956	\$0	\$0	\$0	\$6,549	(\$6,549)	\$407	\$26,354
Yr16	\$6,978	\$0	\$0	\$0	\$6,681	(\$6,681)	\$297	\$26,651
Yr17	\$7,001	\$0	\$0	\$0	\$6,817	(\$6,817)	\$184	\$26,835
Yr18	\$7,024	\$0	\$0	\$0	\$6,955	(\$6,955)	\$69	\$26,904
Yr19	\$7,048	\$0	\$0	\$0	\$7,096	(\$7,096)	(\$48)	\$26,856
Yr20	\$7,072	\$0	\$0	\$0	\$7,240	(\$7,240)	(\$168)	\$26,688



**PROJECT IMPACT ANALYSIS - Summit Polymers, Inc.**

**TAXES TO BE COLLECTED AFTER SUMMIT POLYMERS 2012 TAX ABATEMENT EXPIRES**

(or what do the other taxing jurisdictions have to gain from a tax abatement granted by the city)

Mills:	1.5000	6.7596	4.8666	2.8135	6.0000	18.0000	5.8000
Jurisdiction:	LIBRARY	COUNTY	KRESA	KVCC	State ED	SCHOOL	School debt

Abatement period 1 through 6

Year							
7	\$1,460.56	\$6,581.87	\$4,738.64	\$2,739.53	\$3,583.86	Schools	\$5,647.50
8	\$1,393.35	\$6,278.98	\$4,520.57	\$2,613.45	\$3,583.86	are	\$5,387.61
9	\$1,339.58	\$6,036.66	\$4,346.12	\$2,512.60	\$3,583.86	funded	\$5,179.69
10	\$1,285.80	\$5,794.35	\$4,171.66	\$2,411.74	\$3,583.86	through	\$4,971.78
11	\$1,258.92	\$5,673.19	\$4,084.44	\$2,361.31	\$3,583.86	the	\$4,867.82
12	\$1,218.59	\$5,491.46	\$3,953.60	\$2,285.67	\$3,583.86	school	\$4,711.88
13	\$1,191.71	\$5,370.30	\$3,866.37	\$2,235.24	\$3,583.86	aid	\$4,607.93
14	\$1,151.38	\$5,188.57	\$3,735.53	\$2,159.60	\$3,583.86	fund	\$4,451.99
15	\$1,057.28	\$4,764.52	\$3,430.23	\$1,983.10	\$3,583.86	based	\$4,088.14
16	\$1,057.28	\$4,764.52	\$3,430.23	\$1,983.10	\$3,583.86	on	\$4,088.14
17	\$1,057.28	\$4,764.52	\$3,430.23	\$1,983.10	\$3,583.86	enrollment	\$4,088.14
18	\$1,057.28	\$4,764.52	\$3,430.23	\$1,983.10	\$3,583.86		\$4,088.14
19	\$1,057.28	\$4,764.52	\$3,430.23	\$1,983.10	\$3,583.86		\$4,088.14
20	<u>\$1,057.28</u>	<u>\$4,764.52</u>	<u>\$3,430.23</u>	<u>\$1,983.10</u>	<u>\$3,583.86</u>		<u>\$4,088.14</u>
Total years 7 to 20	\$16,643.55	\$75,002.48	\$53,998.32	\$31,217.74	\$50,174.00		\$64,355.04

Assumes that personal property tax IS taxable after the abatement expires

Assumes no growth in real property value

Assumes that the tax rates stay constant

**CITY OF PORTAGE, MICHIGAN  
RESOLUTION NO. 3-13  
TO SET THE PUBLIC HEARING ON A FACILITIES TAX  
EXEMPTION CERTIFICATE FOR SUMMIT POLYMERS, INC.  
INDUSTRIAL DEVELOPMENT DISTRICT NO. 56**

Minutes of a regular meeting of the City Council of the City of Portage, Michigan held on \_\_\_\_\_, 2013 at 7:30 p.m., local time in the City Hall in the City of Portage.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by Councilmember \_\_\_\_\_, and supported by: Councilmember \_\_\_\_\_.

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq., the City Council has established Industrial Development District No.56;

WHEREAS, SUMMIT POLYMERS, INC., owner of the realty located within said District, has applied for an Industrial Facilities Exemption Certificate under the provisions of 1974 PA 198, Sec. 5(1);

WHEREAS, 1974 PA 198 Sec. 5(2) provides that before acting upon an application for an Industrial Facilities Certificate, the City Council shall afford the applicant, the assessor, and a representative of the affected taxing units an opportunity for a hearing;

NOW THEREFORE, BE IT RESOLVED as follows:

(1) That the application of SUMMIT POLYMERS, INC., for an Industrial Facilities Exemption Certificate shall remain on file in the office of the City Clerk.

(2) That the City Council shall meet at the City Hall on \_\_\_\_\_, 2013 at 7:30 p.m., local time, or as soon thereafter as may be heard, and shall provide to the City Assessor and a representative of each of the taxing units an opportunity to be heard on the question of SUMMIT POLYMERS, INC., application for an Industrial Facilities Exemption Certificate with regard to proposed new facility and installation of equipment and machinery within said Industrial Development District.

(3) That the City Clerk immediately inform, by letter, the City Assessor, and the legislative body of each taxing unit which levies ad valorem taxes in the City of Portage on the property located within said Industrial Development District, as follows:

(a) The City of Portage has established Summit Polymers, Inc., Industrial Development District No.56 and has now received and will consider an application for a Facilities Exemption Certificate for building construction and the installation of equipment and machinery within said district.

(b) That the City Council shall meet on \_\_\_\_\_, 2013, at the City Hall at 7:30 p.m., local time, or as soon thereafter as may be heard, to afford the City Assessor and a representative of each said taxing unit an opportunity to be heard with regard to the said application.

(c) That, as to Summit Polymers, Inc., Industrial Development District No. 56, the Facilities Exemption Certificate would be in the amount of \$ \_\_\_\_\_, for expenditures in the amount of \$ \_\_\_\_\_.

(4) All resolutions or parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

ADOPTED: AYES: Councilmember \_\_\_\_\_

NAYS: Councilmember \_\_\_\_\_

ABSENT: Councilmember \_\_\_\_\_

\_\_\_\_\_  
James R. Hudson, City Clerk

#### CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Portage, Michigan, Kalamazoo County, held on the day of \_\_\_\_\_, 2013, the original of which is in the official proceedings of the City Council.

\_\_\_\_\_  
James R. Hudson, City Clerk

Prepared by:  
Randall L. Brown  
Portage City Attorney  
1662 East Centre Avenue  
Portage, MI 49002  
(269) 323-8812

Approved as to Form:

Date: 2/4/13

By: [Signature]

City Attorney

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Mann+Hummel USA, Inc.

**SUPPORTING PERSONNEL:** Victoria Georgeau, Director of Community Development

**ACTION RECOMMENDED:** That City Council adopt Resolution No. 3-13 setting a public hearing on the issuance of the Industrial Facilities Exemption Certificate for Mann+Hummel USA, Inc. for personal property in the estimated amount of \$15.89 million at 6400 Sprinkle Road, Industrial District No. 48, for March 12, 2013.

**EXECUTIVE SUMMARY:**

Mann+Hummel USA, Inc. has filed a PA 198 application for an Industrial Facilities Exemption Certificate in the amount of \$15.89 million for new machinery and equipment for its manufacturing facility at 6400 South Sprinkle Road. This facility is located in Industrial District No. 48. The new personal property purchases referenced are needed as Mann+Hummel will launch new programs to supply air induction systems and intake manifolds to General Motors, Toyota and/or Ford. The company anticipates 50 new jobs with an average salary of \$30,000 will be created as a result of this investment. Further, this project also allows the company to retain 377 existing jobs over the next three years.

City Council has an economic development goal to “*demonstrate a commitment to quality economic growth and development.*” Consistent with this goal, Council adopted PA 198 Tax Abatement Policy to assist corporations with the application process filed under the provisions of this Act. It should be noted Mann+Hummel is seeking a six year tax abatement for the noted personal property that will be purchased. As outlined in the Council policy, a maximum abatement for personal property is three years, but PA 198 was amended so as to allow applicants to apply for another exemption should an abatement be granted for a period shorter than the maximum 12 years permitted by this Public Act.

**BACKGROUND INFORMATION:**

Mann+Hummel USA, Inc. submitted a PA 198 Tax Abatement application for a \$15.89 million investment in machinery and equipment within the manufacturing building located at 6400 Sprinkle Road. Fifty new jobs will be created and 377 existing jobs will be retained as a part of the project. The project is located within the boundaries of existing Industrial Development District (IDD) No. 48, which was established by City Council in November 1987.

The process to receive a tax abatement is typically initiated with the filing of a request to establish or expand an industrial development district. The City Council then holds a public hearing on the application to expand the district. In the instance of the Mann+Hummel project, as noted above, the project is located within IDD No. 48, so this step is unnecessary. The second step in the process involves the submission of the application for the industrial facilities exemption certificate.

Pursuant to the established City Council Industrial Tax Abatement Policy, the maximum abatement period available is six years on real property and three years on personal property.

As required by the state since 1994, the city may approve a new industrial facilities exemption certificate with a written agreement between the city and the owner of the industrial facility, which must be formally filed with the Michigan Department of Treasury. Also, the State Tax Commission (STC) requires an affidavit, executed by the local unit of government and the applicant, which states that there are no additional payments or similar charges other than the required application fee. The tax abatement agreement is considered by the Council when the industrial facilities exemption certificate is reviewed and will incorporate provisions related to the jobs created or retained, the facility to be constructed and related issues. The necessary affidavit regarding fees will also be considered. The tax abatement procedure concludes when, within 60 days of the date of filing, City Council approves the resolution approving the application for an industrial facilities exemption certificate. The application materials for the certificate and related information are forwarded to the STC and the agreement is submitted to the Department of Treasury. If City Council adopts a resolution disapproving the application for the certificate, the applicant may still proceed and file the application with the STC, which renders final approval or disapproval of the industrial facilities exemption certificate.

PA 198 has also been amended to permit an eligible industry which received an abatement after December 31, 1995, for a period shorter than the maximum 12 years, to apply for another industrial facilities exemption certificate. Per the State Tax Commission and the statute, the local jurisdiction must permit, by resolution, the additional certificate application and the application must be submitted by the applicant within the final year in which the original certificate is effective. If the local jurisdiction disapproves an application, then the applicant has no right of appeal. The total period of the tax abatement cannot exceed the maximum 12 years established in the statute.

### **Preliminary Environmental Analysis**

A preliminary planning and environmental investigation of the proposed industrial activity has been completed. Water and sewer services are available and the facility is connected to these municipal facilities. All state and federal regulations pertaining to hazardous material handling, storage and disposal will be met. The company facility is situated within the Sprinkle Road Industrial Corridor that is identified for continued industrial development in the City of Portage Comprehensive Plan.

### **Project Impact Analysis**

Project impact analyses have been prepared for the project, which includes a proposed investment of \$15,896,163 in personal property. Assumptions utilized in the attached analyses are detailed on page one of the report. Calculations are included on the following pages and a summary table organizes the results of these calculations for City Council reference.

The analyses show the impact on the city of an abatement approved consistent with the City Council-adopted policy (three-year, 50 percent abatement on personal property) and with an expanded abatement period as requested by the applicant (six-year, 50 percent abatement on personal property). The following table shows the cumulative impacts:

	<u>3 -Year Abatement</u>	<u>6 -Year Abatement</u>
Direct General Fund Abatement Cost	\$71,533	\$119,520
Cumulative Revenue to the City (20 years)	\$77,258	\$29,271
Primary/Secondary Community Economic Benefits (based on the expected 50 new jobs)	\$1,755,600	\$1,755,600

As indicated, the direct General Fund abatement cost to the city would increase by \$47,987 with the abatement period extended from three years to six years. In addition, the cumulative net revenue to the city from the investment would be reduced by the same amount (\$47,987) with an extended six-year abatement in comparison to a three-year abatement. With regard to the primary/secondary community economic benefits as a result of the project, the benefit to Portage does not change with an extended abatement period. Finally, as additional information, a table has been provided that estimates taxes to be garnered by other taxing units for a 20-year period due to the development project and investment by the applicant.

### **Property Tax Analysis**

An estimate of property taxes has also been prepared. With no abatement and the personal property taxed at a reduced manufacturer rate of 33.08 mills, the estimated taxes generated for all taxing units would total \$610,030 over a three-year personal property tax abatement period. Over a 6-year period, if no abatement were granted, the estimated taxes generated for all taxing units would total \$1,058,481. The table below provides detail regarding the total tax revenue foregone over the period of the requested personal property tax abatement and compares a three-year and six-year personal property tax abatement period:

	<u>3-year abatement</u>	<u>6-year abatement</u>
City of Portage	\$104,027	\$177,114
Portage District Library	\$13,830	\$23,546
Kalamazoo County	\$62,322	\$106,109
KVCC	\$25,941	\$44,166
KRESA	\$44,689	\$76,393

Portage Public Schools revenue is subject to the 1994/95 school aid legislation and is largely provided by the State. The total tax abatement valuation percentage approved by the Council with the inclusion of this application would equal 3.025 percent. This figure reflects the active industrial tax abatements that have been approved by the Council as a percentage of the total city State Equalized Value.

### **Conclusion**

The application is consistent with the adopted industrial tax abatement policy, with the exception of the six-year period that has been requested. The personal property improvements are or will be located within the boundaries of the existing Industrial Development District. Also, the facility is connected to municipal utilities and is situated in an industrial area that is in conformance with the Comprehensive Plan.

**FUNDING:** Not Applicable

**Attachments:** PA 198 application from Mann+Hummel USA, Inc.  
Project Impact Analysis  
Resolution 3-13

# MANN+HUMMEL



MANN+HUMMEL USA, INC.  
6400 S. Sprinkle Road  
Portage, MI 49002-9706, USA

Phone: (269) 329-3900  
Fax: (269) 329-5000

January 28, 2013

City of Portage  
Department of Development  
7900 South Westnedge Avenue  
Portage, MI 49002

Dear Mayor and City Council:

MANN+HUMMEL USA, INC is requesting an Industrial Tax Abatement under P.A. 198 for the installation of new machinery and equipment in our Portage plant.

Investments of \$15.9 million in new equipment through the end of 2014 are planned by MANN+HUMMEL USA, INC. This equipment is required to launch many new programs that will reside within the Portage manufacturing facility to supply Air Induction systems, and Intake Manifolds to General Motors and/or Ford.

As a result of the new business that has been awarded to MANN+HUMMEL USA, INC. we fully expect to maintain our current employment levels (377) over the next three years. MANN+HUMMEL will also add 50 new jobs in our Portage facility with an average salary of \$30,000 for a total of \$1,500,000 annual base compensation.

The facility, housing MANN+HUMMEL's North American Headquarters, is located at 6400 South Sprinkle Road, within the Industrial Development District #48. MANN+HUMMEL USA, INC. is ISO 14001: 2004 certified. All activities proposed under this request will be in compliance with regulations established by the Environmental Protection Agency (EPA) and the Michigan Department of Environmental Quality (DEQ). Additionally, we have never had any penalties or enforcement actions implemented by the DEQ or the EPA.

MANN+HUMMEL USA, INC. is a subsidiary of the MANN+HUMMEL Group, a worldwide manufacturer of industrial equipment and products, air, oil, fuel and cabin filters, oil modules, air cleaners, composite intake manifolds, manifold modules, and complete induction systems. MANN+HUMMEL has over 41 manufacturing and sales locations worldwide, and employ approximately 12,400 people.

Please feel free to contact Christina Carroll at (269) 329-3947 if you have any additional questions. We appreciate your consideration and look forward to your timely response.

Sincerely,

Handwritten signature of William Liacone in black ink.

William Liacone  
Chief Financial Officer

Handwritten signature of Kurk Wilks in black ink.

Kurk Wilks  
Director of Operations

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 188 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

**APPLICANT INFORMATION**  
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>MANN+HUMMEL USA, INC.</b>	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3714</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>6400 S. SPRINKLE RD.</b>	▶ 1d. City/Township/Village (Indicate which) <b>PORTAGE</b>	▶ 1e. County <b>KALAMAZOO</b>
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))	▶ 3a. School District where facility is located <b>PORTAGE</b>	▶ 3b. School Code <b>39140</b>
		4. Amount of years requested for exemption (1-12 Years) <b>6</b>

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

This project will involve the installation of new Machinery & Equipment totaling \$15.9M. This equipment will allow MANN +HUMMEL to produce manifolds, and air intake systems for Ford, Toyota and GM.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ _____
* Attach list of improvements and associated costs.	
* Also attach a copy of building permit if project has already begun.	
6b. Cost of machinery, equipment, furniture and fixtures .....	▶ <b>\$15,896,163.00</b>
* Attach itemized listing with month, day and year of beginning of installation, plus total	
6c. Total Project Costs .....	▶ <b>\$15,896,163.00</b>
* Round Costs to Nearest Dollar	
<b>Total of Real &amp; Personal Costs</b>	

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>	
Real Property Improvements ▶ _____	_____	_____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶ _____	<b>9/1/12</b>	<b>12/31/14</b>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.  Yes  No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. <b>377</b>	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. <b>50</b>
---	--

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....	_____
b. TV of Personal Property (excluding inventory) .....	_____
c. Total TV .....	_____

▶ 12a. Check the type of District the facility is located in:  
 Industrial Development District       Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit) <b>11/24/87</b>	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	---

**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name <b>Christina Carroll</b>	13b. Telephone Number <b>(269) 329-3947</b>	13c. Fax Number <b>(269) 329-7272</b>	13d. E-mail Address
14a. Name of Contact Person <b>Christina Carroll</b>	14b. Telephone Number <b>(269) 329-3947</b>	14c. Fax Number <b>(269) 329-7272</b>	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents) <b>Francisco Gomes Neto</b>			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date <b>1-28-13</b>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>6400 S. Sprinkle Rd., Portage, MI 49002</b>		15f. Telephone Number	15g. E-mail Address

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission  
Michigan Department of Treasury  
P.O. Box 30471  
Lansing, MI 48909-7971**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

MANN+HUMMEL USA, INC.  
 Application for Industrial Facilities Exemption Certificate  
 Itemized List of Machinery and Equipment  
 1/28/2013

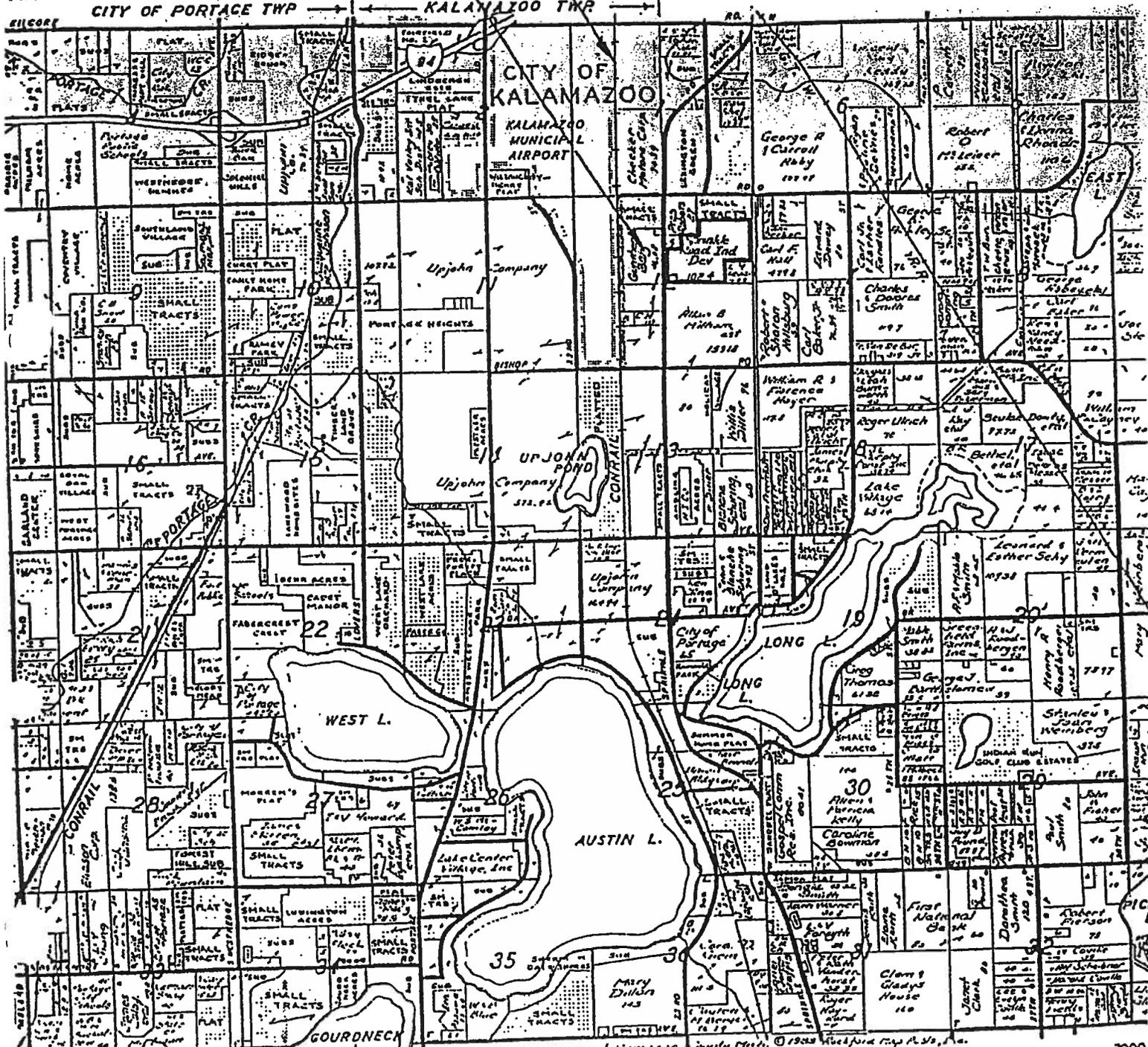
PROGRAM	DESCRIPTION	AMOUNT
FOR1193	MOLDING MACHINE CIP	\$ 488,000.00
	2012 TESTING EQUIPMENT CIP (Down Payment)	\$ 100,000.00
	2012 MANUFACTURING EQUIPMENT (CIP)	\$ 212,000.00
GM1381	ASSY EQUIPMENT	\$ 199,000.00
TOY1043-3	COMMON MACHINE BASES	\$ 190,000.00
FOR1217-09	PRESSES & ASSY EQUIPMENT	\$ 1,500,000.00
FOR1323	PRESSES & ASSY EQUIPMENT	\$ 1,100,000.00
FOR1334	PRESSES & ASSY EQUIPMENT	\$ 650,000.00
FOR1123	PRESSES & ASSY EQUIPMENT	\$ 3,500,000.00
FOR1331	PRESSES & ASSY EQUIPMENT	\$ 3,000,000.00
FOR1217-17	PRESSES & ASSY EQUIPMENT	\$ 1,500,000.00
FOR1074	BLOW MOLDER	\$ 343,000.00
FOR1074	WELDER	\$ 189,000.00
	2012 MANUFACTURING EQUIPMENT OCT-DEC 12 PLACED IN SERVICE	\$ 202,963.00
	2013 MANUFACTURING EQUIPMENT	\$ 110,000.00
	2013 VIBRATION WELDER	\$ 200,000.00
	2013 SERVER ROOM (REDUNDENT TO SUPPORT MANUFACTURING)	\$ 300,000.00
	2013 MMS PORTAGE	\$ 225,000.00
	2013 TESTING EQUIPMENT 2013	\$ 233,000.00
	2013 METROLOGY AND MAINTENANCE 2013	\$ 115,000.00
	2014 MMS PORTAGE	\$ 225,000.00
	2014 TESTING EQUIPMENT	\$ 439,200.00
	2014 VIBRATION WELDER	\$ 200,000.00
	2014 PRESSS REPLACEMENT	\$ 500,000.00
	2014 HOT PLATE WELDER	\$ 175,000.00
		\$ 15,896,163.00

Location of Property

Conrail

PORTAGE COMMERCE PARK

# SOUTH PART KALAMAZOO T. 3 S.-R. 1 W. PAVILION



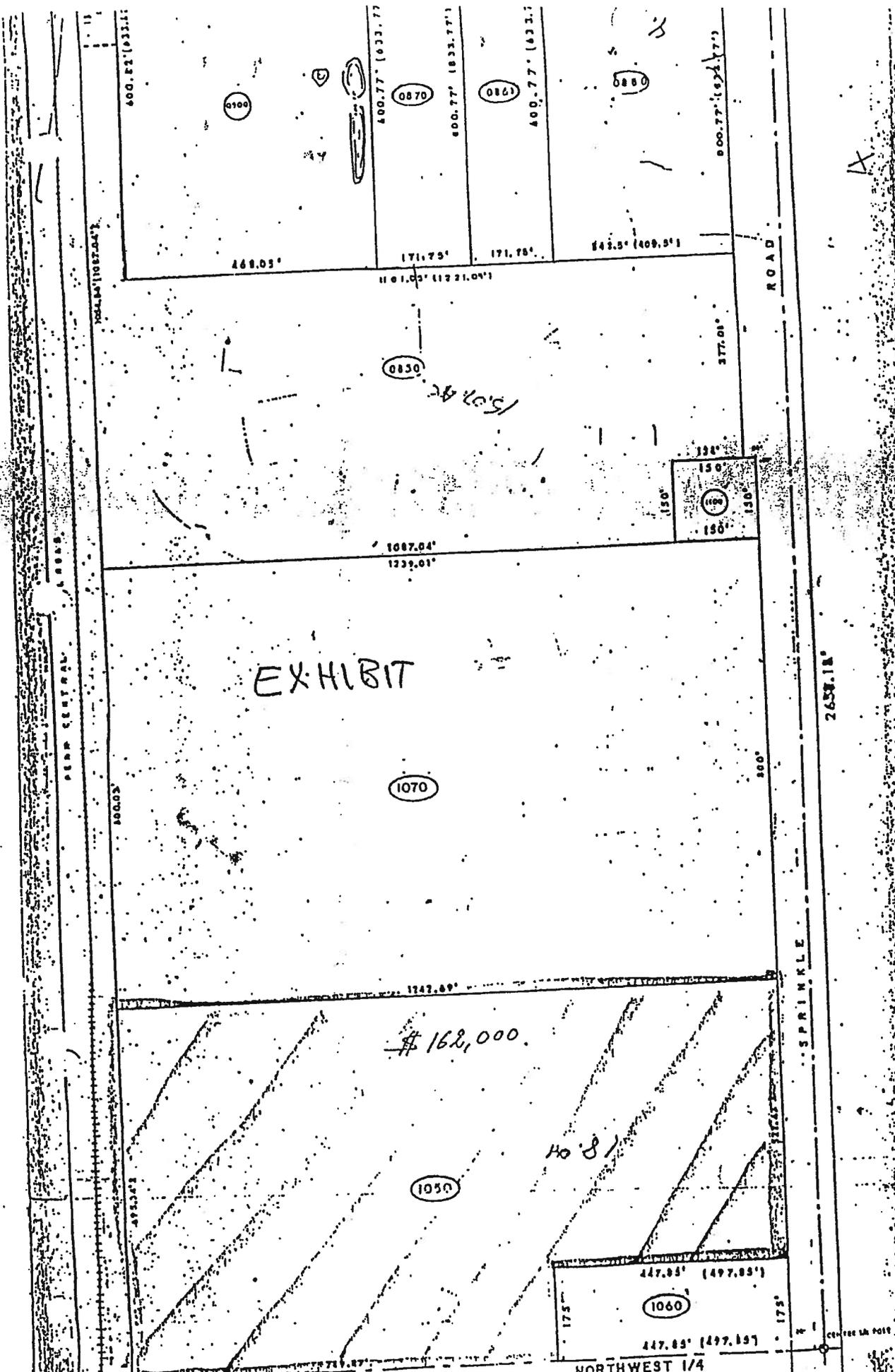
SEE PAGE 9

1200E

5000E

6000E

7000



EXHIBIT

\$162,000

No 8

REVISIONS				
DATE	PAR OR LOT	LN	PG	BY
26 JAN 79	10 60	1034	976	YT

NORTHWEST 1/4 SECTION 12

SCALE 1" = 200'

OCT 19 1978  
AUG 22 1977

## CITY OF PORTAGE

## RESOLUTION NO. 2

## DESIGNATING PORTAGE INDUSTRIAL DEVELOPMENT DISTRICT NO. 48

GEIGER PLASTICS USA, INC.

Minutes of a regular meeting of the City Council of the City of Portage, Michigan held on November 24, 1987, at 7:30 p.m. local time at the Library Building in the City of Portage, Michigan.

PRESENT: Overlander, Brown, Jean, Schreur, Shugars, Vavra, Zull

ABSENT: None

The following resolution was offered by Councilmember Shugars and supported by Councilmember Brown.

WHEREAS, the City Council has met in public hearing as heretofore resolved and noticed for the purpose of reviewing the request of GEIGER PLASTICS USA, INC. that a certain described area owned by GEIGER PLASTICS USA, INC., LOCATED AT 6200 Sprinkle Road in the City of Portage, Michigan, be established as an Industrial Development District, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq.;

WHEREAS, such application and designation meet all of the prerequisites of the cited Act;

NOW, THEREFORE, BE IT RESOLVED that the following described property be designated Portage Industrial Development District No. 48:

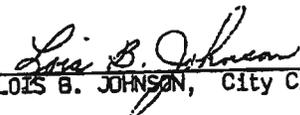
A parcel of land located in the Northwest 1/4, Section 12, T 3 S, R 11 W, City of Portage, Kalamazoo County, Michigan, being more particularly described as follows: Commencing at the North 1/4 post of said Section; thence West along the North line of said Section 50.0 feet to the West line of Sprinkle Road; thence South 00°-41'-50" West thereon and parallel to the North and South 1/4 line, 1,960.73 feet for the place of beginning of the land hereinafter described; thence continuing South 00°-41'-50" West along said West line, 522.37 feet; thence North 89°-54'-30" West parallel with the South line of said Section, 447.85 feet; thence South 00°-41'-50" West parallel with the North and South 1/4 line, 175.0 feet to said South line; thence North 89°-54'-30" West thereon, 798.02 feet to the East line of the Pennsylvania Railroad right-of-way (formerly G.R. & I.R.R.); thence North 00°-57'-40" East along said Railroad right-of-way, 695.42 feet to a point that is 1,960.86 feet Southerly of the North line of said Section as measured along said Railroad right-of-way; thence East parallel to the North line of said Section, 1,242.69 feet to the West line of Sprinkle Road and the place of beginning. The parcel contains 18.0913 Acres.

AYES: Overlander, Brown, Jean, Schreur, Vavra, Zull, Shugars

NAYS: None

ABSENT: None

RESOLUTION DECLARED ADOPTED:

  
LOIS B. JOHNSON, City Clerk



Imagery: March 2009

Vicinity Map  
 IDD #48  
 6400 Sprinkle Road

1 inch = 200 feet

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

Assumptions used in the following calculations:

Market value of property to be added (including rail spur):	
Real property.....	\$0
Personal property.....	\$15,896,163
Percentage tax abatement requested: (consistent with City Council policy)	
Real property.....	50.00%
Personal property.....	50.00%
Years of abatement requested:	
Real property.....	0
Personal property.....	3
Non-recoverable City share costs of requested:	
Roadway improvements.....	\$0
Drainage improvements.....	\$0
Sanitary sewer improvements.....	\$0
Water delivery improvements.....	\$0
Number of new employees.....	50
Average annual income of each new employee.....	\$30,000
Percentage of new employees assumed to be residents.....	32.30%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%
County income multiplier.....	2.00
Percentage of new employees constructing new homes.....	20.00%
Value of new home as a factor of annual income.....	2.00
Number of members per household (2010 census).....	2.40
Population, 2010 (Bureau of Census).....	46,292
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements .....	
	\$19,071,167
Current General Fund millage rate.....	7.5000
Per capita state revenue sharing to General Fund.....	\$69.56
Average annual inflation rate (2007 to 2012).....	2.03%
Annual increase in industrial real property value.....	0.00%
Annual increase in residential real property value.....	0.00%



**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND REVENUE:

Equation 4-Calculation of gross taxes to be generated from new project

Market value of property to be added:				
	Real property.....			\$0
	Personal property.....			\$15,896,163
Current General Fund millage rate				7.50
	First year property SEV	Millage rate		First year property taxes
Real	\$0	7.50		\$0
Personal	\$7,232,754	7.50		\$54,246
				\$54,246

Equation 5-Calculation of additional property tax from new residents

Percentage of new employees constructing new homes.....					20.00%
Value of new home as a factor of annual income.....					2.00
	Number of new homes	Avg market value of each new home	Total SEV of new homes	General Fund millage rate	First year property taxes
	10	\$60,000	\$300,000	7.50	\$2,250
					\$2,250

Equation 6-Calculation of additional state revenue sharing to the General Fund

Number of members per household.....					2.40
Per capita state revenue sharing to General Fund.....					\$70
	Number of new resident employees	Number of members per household	Number of new residents	Per capita state revenue sharing	Additional state revenue sharing
	16	2.40	38	\$70	\$2,643
					\$2,643
---ADDITIONAL GENERAL FUND REVENUE.....					\$59,139

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND COSTS:

Equation 7-Annual tax abatement costs

Percentage tax abatement requested:				
	Real property.....			50.00%
	Personal property.....			50.00%
Years of abatement requested:				
	Real property.....			0
	Personal property.....			3
	First year General Fund property tax	Requested abatement rate		First year tax abatement
Real	\$0	50.00%		\$0
Personal	\$54,246	50.00%		\$27,123
				\$27,123

Equation 8-Additional service costs

Population, 2010 (Bureau of Census).....					46,292
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements .....					\$19,071,167
	Costs of services	Number of residents	Cost per resident	Number of new residents	Additional cost for new residents
	\$19,071,167	46,292	\$412	38	\$15,656
					\$15,656

Equation 9-Public facilities cost, non-recoverable City share

	Road improvements	Drainage improvements	Sanitary sewer improvements	Water delivery improvements	Total improvements
	\$0	\$0	\$0	\$0	\$0
					\$0

---TOTAL ADDITIONAL GENERAL FUND COSTS..... \$42,779

CALCULATION OF RELATIVE COMPARISON FACTOR

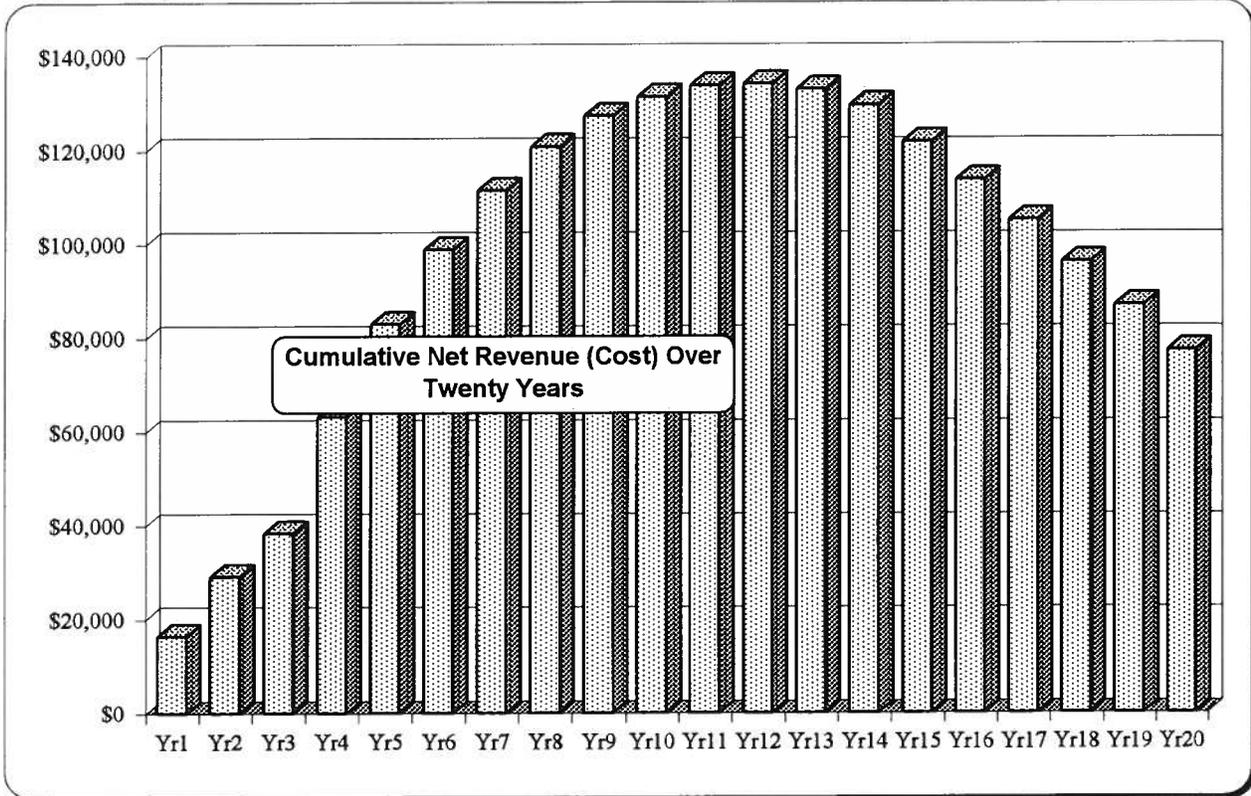
Equation 10-Relative comparison investment factor/initial cost per job created

	Additional revenues	Additional (costs)	Net additional (cost)/revenue	Number of jobs created	(Cost)/revenue per job created
	\$59,139	(\$42,779)	\$16,360	50	\$327

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

Long term comparison of increased revenues to increased costs  
reflecting the effects of inflation on property values and General Fund expenditures  
and the decreasing value of personal property due to depreciation

Year	Revenue	Infrastructure costs	General Fund real property tax abatement	General Fund personal prop. tax abatement	General Fund service costs	Expenditures	Net annual (cost)/revenue	Cumulative (cost)/revenue
Yr1	\$59,139	\$0	\$0	\$27,123	\$15,656	(\$42,779)	\$16,360	\$16,360
Yr2	\$52,635	\$0	\$0	\$23,844	\$15,973	(\$39,817)	\$12,818	\$29,178
Yr3	\$46,132	\$0	\$0	\$20,566	\$16,297	(\$36,863)	\$9,270	\$38,448
Yr4	\$41,419	\$0	\$0	\$0	\$16,628	(\$16,628)	\$24,791	\$63,239
Yr5	\$36,708	\$0	\$0	\$0	\$16,965	(\$16,965)	\$19,743	\$82,982
Yr6	\$33,189	\$0	\$0	\$0	\$17,309	(\$17,309)	\$15,880	\$98,862
Yr7	\$30,268	\$0	\$0	\$0	\$17,660	(\$17,660)	\$12,608	\$111,470
Yr8	\$27,348	\$0	\$0	\$0	\$18,018	(\$18,018)	\$9,330	\$120,800
Yr9	\$25,026	\$0	\$0	\$0	\$18,384	(\$18,384)	\$6,642	\$127,442
Yr10	\$22,704	\$0	\$0	\$0	\$18,757	(\$18,757)	\$3,947	\$131,389
Yr11	\$21,576	\$0	\$0	\$0	\$19,137	(\$19,137)	\$2,439	\$133,828
Yr12	\$19,853	\$0	\$0	\$0	\$19,525	(\$19,525)	\$328	\$134,156
Yr13	\$18,727	\$0	\$0	\$0	\$19,921	(\$19,921)	(\$1,194)	\$132,962
Yr14	\$17,007	\$0	\$0	\$0	\$20,325	(\$20,325)	(\$3,318)	\$129,644
Yr15	\$12,904	\$0	\$0	\$0	\$20,737	(\$20,737)	(\$7,833)	\$121,811
Yr16	\$12,975	\$0	\$0	\$0	\$21,158	(\$21,158)	(\$8,183)	\$113,628
Yr17	\$13,047	\$0	\$0	\$0	\$21,587	(\$21,587)	(\$8,540)	\$105,088
Yr18	\$13,121	\$0	\$0	\$0	\$22,024	(\$22,024)	(\$8,903)	\$96,185
Yr19	\$13,197	\$0	\$0	\$0	\$22,471	(\$22,471)	(\$9,274)	\$86,911
Yr20	\$13,274	\$0	\$0	\$0	\$22,927	(\$22,927)	(\$9,653)	\$77,258



**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

**TAXES TO BE COLLECTED AFTER MANN+HUMMEL 2012 TAX ABATEMENT EXPIRES**

(or what do the other taxing jurisdictions have to gain from a tax abatement granted by the city)

Mills:	1.5000	6.7596	4.8666	2.8135	6.0000	18.0000	5.8000
Jurisdiction:	LIBRARY	COUNTY	KRESA	KVCC	State ED	SCHOOL	School debt

Abatement period 1 through 3

Year							
4	\$7,272.49	\$32,772.77	\$23,594.88	\$13,640.78			\$28,120.31
5	\$6,318.72	\$28,474.70	\$20,500.47	\$11,851.82			\$24,432.40
6	\$5,603.40	\$25,251.15	\$18,179.66	\$10,510.11			\$21,666.47
7	\$5,007.29	\$22,564.86	\$16,245.66	\$9,392.01	Industrial	Schools	\$19,361.53
8	\$4,411.19	\$19,878.57	\$14,311.65	\$8,273.91	personal	are	\$17,056.58
9	\$3,934.30	\$17,729.53	\$12,764.44	\$7,379.44	property	funded	\$15,212.63
10	\$3,457.42	\$15,580.50	\$11,217.24	\$6,484.96	is	through	\$13,368.67
11	\$3,218.97	\$14,505.98	\$10,443.64	\$6,037.72	tax	the	\$12,446.70
12	\$2,861.31	\$12,894.20	\$9,283.23	\$5,366.86	exempt	school	\$11,063.73
13	\$2,622.87	\$11,819.69	\$8,509.63	\$4,919.62	for	aid	\$10,141.75
14	\$2,265.20	\$10,207.91	\$7,349.23	\$4,248.77	State	fund	\$8,758.79
15	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Education	based	\$5,531.86
16	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Tax	on	\$5,531.86
17	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Purposes	enrollment	\$5,531.86
18	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43			\$5,531.86
19	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43			\$5,531.86
20	<u>\$1,430.65</u>	<u>\$6,447.10</u>	<u>\$4,641.62</u>	<u>\$2,683.43</u>			<u>\$5,531.86</u>
Total years 4 to 20	\$55,557.09	\$250,362.47	\$180,249.42	\$104,206.58			\$214,820.75

Assumes that personal property tax IS taxable after the abatement expires

Assumes that the tax rates stay constant

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

Assumptions used in the following calculations:

Market value of property to be added (including rail spur):	
Real property.....	\$0
Personal property.....	\$15,896,163
Percentage tax abatement requested: (consistent with City Council policy)	
Real property.....	50.00%
Personal property.....	50.00%
Years of abatement requested:	
Real property.....	0
Personal property.....	6
Non-recoverable City share costs of requested:	
Roadway improvements.....	\$0
Drainage improvements.....	\$0
Sanitary sewer improvements.....	\$0
Water delivery improvements.....	\$0
Number of new employees.....	50
Average annual income of each new employee.....	\$30,000
Percentage of new employees assumed to be residents.....	32.30%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%
County income multiplier.....	2.00
Percentage of new employees constructing new homes.....	20.00%
Value of new home as a factor of annual income.....	2.00
Number of members per household (2010 census).....	2.40
Population, 2010 (Bureau of Census).....	46,292
General Fund expenditures net of certain offsetting revenues:	
i.e., user charges and fees, grants, reimbursements .....	\$19,071,167
Current General Fund millage rate.....	7.5000
Per capita state revenue sharing to General Fund.....	\$69.56
Average annual inflation rate (2007 to 2012).....	2.03%
Annual increase in industrial real property value.....	0.00%
Annual increase in residential real property value.....	0.00%

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

CALCULATION OF ECONOMIC BENEFITS TO THE COMMUNITY:

Equation 1-Calculation of additional payroll generated

Number of new employees	Average annual income	Total new annual payroll
50	\$30,000	\$1,500,000

Equation 2-Calculation of primary economic benefit to the community from payroll income

Percentage of new employees assumed to be residents.....				32.30%	
Propensity for resident employees to consume locally.....				60.00%	
Propensity for non-resident employees to consume locally.....				50.00%	
	Distribution of labor force	Average annual income	Propensity to consume locally	Primary economic benefit	
Resident employees.....	16	\$30,000	60.00%	\$288,000	
Non-resident employees.....	34	\$30,000	50.00%	\$510,000	
				\$798,000	\$798,000

Equation 3-Calculation of secondary economic benefit to the community from payroll income

	Total primary benefit	County income multiplier	Propensity to consume locally	Secondary economic benefit	
	\$798,000	2.00	60.00%	\$957,600	\$957,600
---ADDITIONAL ECONOMIC BENEFITS TO THE COMMUNITY.....					\$1,755,600

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND REVENUE:

Equation 4-Calculation of gross taxes to be generated from new project

Market value of property to be added:				
	Real property.....			\$0
	Personal property.....			\$15,896,163
Current General Fund millage rate				7.50
	First year property SEV	Millage rate		First year property taxes
Real	\$0	7.50		\$0
Personal	\$7,232,754	7.50		\$54,246
				\$54,246

Equation 5-Calculation of additional property tax from new residents

Percentage of new employees constructing new homes.....					20.00%
Value of new home as a factor of annual income.....					2.00
	Number of new homes	Avg market value of each new home	Total SEV of new homes	General Fund millage rate	First year property taxes
	10	\$60,000	\$300,000	7.50	\$2,250
					\$2,250

Equation 6-Calculation of additional state revenue sharing to the General Fund

Number of members per household.....					2.40
Per capita state revenue sharing to General Fund.....					\$70
	Number of new resident employees	Number of members per household	Number of new residents	Per capita state revenue sharing	Additional state revenue sharing
	16	2.40	38	\$70	\$2,643
					\$2,643
---ADDITIONAL GENERAL FUND REVENUE.....					\$59,139

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

CALCULATION OF ADDITIONAL GENERAL FUND COSTS:

Equation 7-Annual tax abatement costs

Percentage tax abatement requested:				
	Real property.....		50.00%	
	Personal property.....		50.00%	
Years of abatement requested:				
	Real property.....		0	
	Personal property.....		6	
	First year General Fund property tax	Requested abatement rate	First year tax abatement	
Real	\$0	50.00%	\$0	
Personal	\$54,246	50.00%	\$27,123	\$27,123

Equation 8-Additional service costs

Population, 2010 (Bureau of Census).....					46,292	
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements .....					\$19,071,167	
	Costs of services	Number of residents	Cost per resident	Number of new residents	Additional cost for new residents	
	\$19,071,167	46,292	\$412	38	\$15,656	\$15,656

Equation 9-Public facilities cost, non-recoverable City share

	Road improvements	Drainage improvements	Sanitary sewer improvements	Water delivery improvements	Total improvements	
	\$0	\$0	\$0	\$0	\$0	\$0

---TOTAL ADDITIONAL GENERAL FUND COSTS..... \$42,779

CALCULATION OF RELATIVE COMPARISON FACTOR

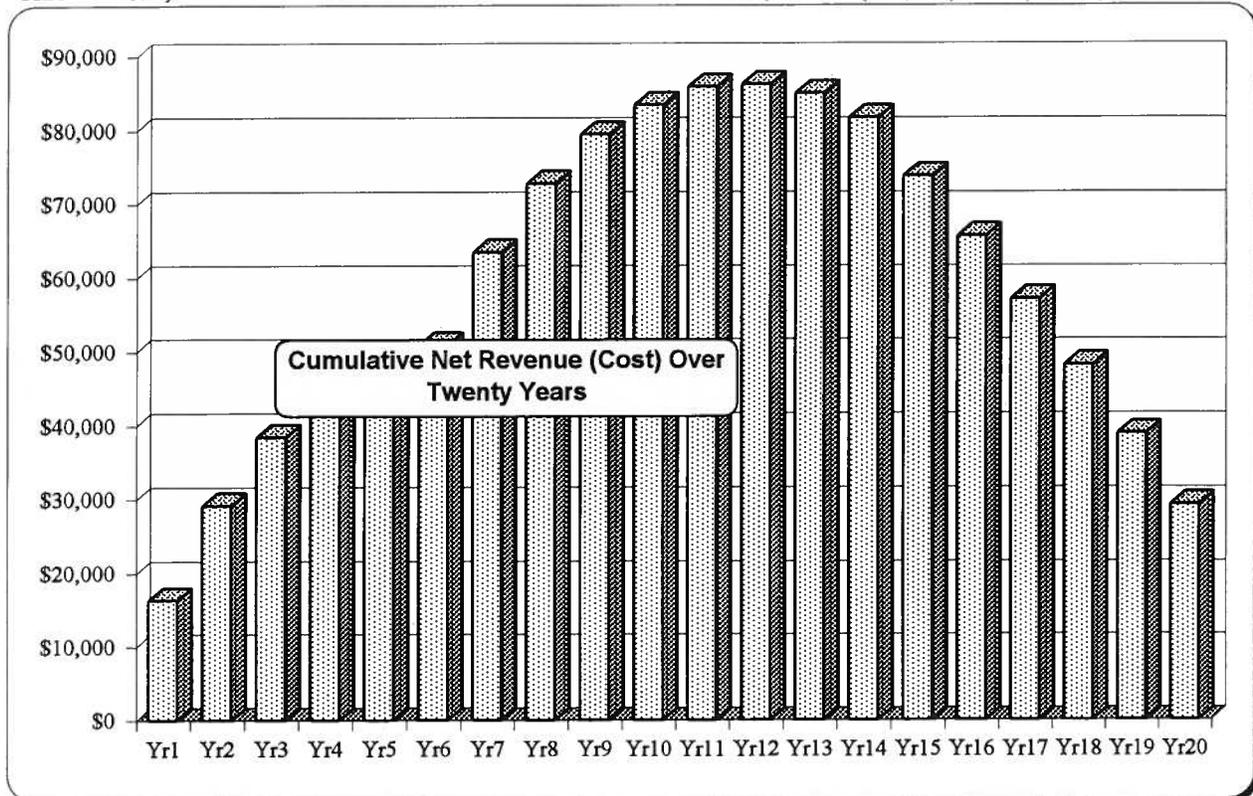
Equation 10-Relative comparison investment factor/initial cost per job created

Additional revenues	Additional (costs)	Net additional (cost)/revenue	Number of jobs created	(Cost)/revenue per job created
\$59,139	(\$42,779)	\$16,360	50	\$327

**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

Long term comparison of increased revenues to increased costs  
reflecting the effects of inflation on property values and General Fund expenditures  
and the decreasing value of personal property due to depreciation

Year	Revenue	Infrastructure costs	General Fund real property tax abatement	General Fund personal prop. tax abatement	General Fund service costs	Expenditures	Net annual (cost)/revenue	Cumulative (cost)/revenue
Yr1	\$59,139	\$0	\$0	\$27,123	\$15,656	(\$42,779)	\$16,360	\$16,360
Yr2	\$52,635	\$0	\$0	\$23,844	\$15,973	(\$39,817)	\$12,818	\$29,178
Yr3	\$46,132	\$0	\$0	\$20,566	\$16,297	(\$36,863)	\$9,270	\$38,448
Yr4	\$41,419	\$0	\$0	\$18,181	\$16,628	(\$34,809)	\$6,610	\$45,058
Yr5	\$36,708	\$0	\$0	\$15,797	\$16,965	(\$32,762)	\$3,946	\$49,004
Yr6	\$33,189	\$0	\$0	\$14,009	\$17,309	(\$31,318)	\$1,872	\$50,875
Yr7	\$30,268	\$0	\$0	\$0	\$17,660	(\$17,660)	\$12,608	\$63,483
Yr8	\$27,348	\$0	\$0	\$0	\$18,018	(\$18,018)	\$9,330	\$72,813
Yr9	\$25,026	\$0	\$0	\$0	\$18,384	(\$18,384)	\$6,642	\$79,455
Yr10	\$22,704	\$0	\$0	\$0	\$18,757	(\$18,757)	\$3,947	\$83,402
Yr11	\$21,576	\$0	\$0	\$0	\$19,137	(\$19,137)	\$2,439	\$85,841
Yr12	\$19,853	\$0	\$0	\$0	\$19,525	(\$19,525)	\$328	\$86,169
Yr13	\$18,727	\$0	\$0	\$0	\$19,921	(\$19,921)	(\$1,194)	\$84,975
Yr14	\$17,007	\$0	\$0	\$0	\$20,325	(\$20,325)	(\$3,318)	\$81,657
Yr15	\$12,904	\$0	\$0	\$0	\$20,737	(\$20,737)	(\$7,833)	\$73,824
Yr16	\$12,975	\$0	\$0	\$0	\$21,158	(\$21,158)	(\$8,183)	\$65,641
Yr17	\$13,047	\$0	\$0	\$0	\$21,587	(\$21,587)	(\$8,540)	\$57,101
Yr18	\$13,121	\$0	\$0	\$0	\$22,024	(\$22,024)	(\$8,903)	\$48,198
Yr19	\$13,197	\$0	\$0	\$0	\$22,471	(\$22,471)	(\$9,274)	\$38,924
Yr20	\$13,274	\$0	\$0	\$0	\$22,927	(\$22,927)	(\$9,653)	\$29,271



**PROJECT IMPACT ANALYSIS - Mann+Hummel USA, Inc.**

**TAXES TO BE COLLECTED AFTER MANN+HUMMEL 2012 TAX ABATEMENT EXPIRES**

(or what do the other taxing jurisdictions have to gain from a tax abatement granted by the city)

Mills:	1.5000	6.7596	4.8666	2.8135	6.0000	18.0000	5.8000
Jurisdiction:	LIBRARY	COUNTY	KRESA	KVCC	State ED	SCHOOL	School debt

Abatement period 1 through 6

Year							
7	\$5,007.29	\$22,564.86	\$16,245.66	\$9,392.01	Industrial	Schools	\$19,361.53
8	\$4,411.19	\$19,878.57	\$14,311.65	\$8,273.91	personal	are	\$17,056.58
9	\$3,934.30	\$17,729.53	\$12,764.44	\$7,379.44	property	funded	\$15,212.63
10	\$3,457.42	\$15,580.50	\$11,217.24	\$6,484.96	is	through	\$13,368.67
11	\$3,218.97	\$14,505.98	\$10,443.64	\$6,037.72	tax	the	\$12,446.70
12	\$2,861.31	\$12,894.20	\$9,283.23	\$5,366.86	exempt	school	\$11,063.73
13	\$2,622.87	\$11,819.69	\$8,509.63	\$4,919.62	for	aid	\$10,141.75
14	\$2,265.20	\$10,207.91	\$7,349.23	\$4,248.77	State	fund	\$8,758.79
15	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Education	based	\$5,531.86
16	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Tax	on	\$5,531.86
17	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43	Purposes	enrollment	\$5,531.86
18	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43			\$5,531.86
19	\$1,430.65	\$6,447.10	\$4,641.62	\$2,683.43			\$5,531.86
20	<u>\$1,430.65</u>	<u>\$6,447.10</u>	<u>\$4,641.62</u>	<u>\$2,683.43</u>			<u>\$5,531.86</u>
Total years 4 to 20	\$36,362.47	\$163,863.85	\$117,974.41	\$68,203.88			\$140,601.56

Assumes that personal property tax IS taxable after the abatement expires

Assumes that the tax rates stay constant

**CITY OF PORTAGE, MICHIGAN  
RESOLUTION NO. 3-13  
TO SET THE PUBLIC HEARING ON A FACILITIES TAX  
EXEMPTION CERTIFICATE FOR MANN + HUMMEL USA, INC.  
INDUSTRIAL DEVELOPMENT DISTRICT #48**

Minutes of a regular meeting of the City Council of the City of Portage, Michigan held on \_\_\_\_\_, 2013 at 7:30 p.m., local time in the City Hall in the City of Portage.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by

Councilmember \_\_\_\_\_, and supported by: Councilmember \_\_\_\_\_.

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551, et seq., the City Council has established Industrial Development District No. 48;

WHEREAS, MANN + HUMMEL USA, INC., sole owners of the realty located within said District, has applied for an Industrial Facilities Exemption Certificate under the provisions of 1974 PA 198, Sec. 5(1);

WHEREAS, 1974 PA 198 Sec. 5(2) provides that before acting upon an application for an Industrial Facilities Certificate, the City Council shall afford the applicant, the assessor, and a representative of the affected taxing units an opportunity for a hearing;

NOW THEREFORE, BE IT RESOLVED as follows:

(1) That the application of MANN + HUMMEL USA, INC., for an Industrial Facilities Exemption Certificate shall remain on file in the office of the City Clerk.

(2) That the City Council shall meet at the City Hall on \_\_\_\_\_, 2013 at 7:30 p.m., local time, or as soon thereafter as may be heard, and shall provide to the City Assessor and a representative of each of the taxing units an opportunity to be heard on the question of MANN + HUMMEL

USA, INC.'S application for an Industrial Facilities Exemption Certificate with regard to proposed new equipment within said Industrial Development District.

(3) That the City Clerk immediately inform, by letter, the City Assessor, and the legislative body of each taxing unit which levies ad valorem taxes in the City of Portage on the property located within said Industrial Development District, as follows:

(a) The City of Portage has established MANN + HUMMEL USA, INC.'s Industrial Development District No. 48 and has now received and will consider an application for a Facilities Exemption Certificate for the installation of equipment within said district.

(b) That the City Council shall meet on \_\_\_\_\_, 2013, at the City Hall at 7:30 p.m., local time, or as soon thereafter as may be heard, to afford the City Assessor and a representative of each said taxing unit an opportunity to be heard with regard to the said application.

(c) That, as to MANN + HUMMEL USA, INC., Industrial Development District No. 48, the Facilities Exemption Certificate would be in the amount of \$ \_\_\_\_\_, for expenditures in the amount of \$ \_\_\_\_\_.

ADOPTED: AYES: Councilmember \_\_\_\_\_

NAYS: Councilmember \_\_\_\_\_

ABSENT: Councilmember \_\_\_\_\_

\_\_\_\_\_  
James R. Hudson, City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Portage, Michigan, Kalamazoo County, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, the original of which is in the official proceedings of the City Council.

\_\_\_\_\_  
James R. Hudson, City Clerk

Prepared by:  
Randall L. Brown  
Portage City Attorney  
1662 East Centre Avenue  
Portage, MI 49002

Approved as to Form:  
Date: 2/5/13  
By: [Signature]  
City Attorney

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Michigan Department of Transportation Contract – Forest Drive (Lovers Lane to Portage Road)

**SUPPORTING PERSONNEL:** W. Christopher Barnes, Director of Transportation and Utilities

**ACTION RECOMMENDED:** That City Council:

- a. approve Contract 13-5011 between the Michigan Department of Transportation and the City of Portage concerning funding for street improvements on Forest Drive (Lovers Lane to Portage Road);
  - b. amend an engineering services contract with Wightman & Associates, Incorporated, for construction inspection and administration of street improvements on Forest Drive (Lovers Lane to Portage Road) in the not to exceed amount of \$94,500;
  - c. adopt a Resolution authorizing the City Manager to sign Contract 13-5011; and
- authorize the City Manager to sign all other documents related to the Michigan Department of Transportation and the consultant contracts for this project on behalf of the city.

**EXECUTIVE SUMMARY:**

The planned reconstruction of Forest Drive from Lovers Lane to Portage Road will take place in 2013. This project, at an estimated cost of \$1,148,000, will include water main replacement, storm sewer installation, and new pavement and sidewalk improvements. Maximum federal funding for this project is \$310,000 with the city's share being \$838,400. In order to further advance the project, the contract with MDOT, an engineering contract and a resolution that authorizes the signing of the contracts requires Council approval.

**BACKGROUND INFORMATION:**

On January 31, 2013, the City Administration received a proposed contract between the Michigan Department of Transportation (MDOT) and the City of Portage concerning planned reconstruction on Forest Drive from Lovers Lane to Portage Road. The planned construction includes water main replacement, storm sewer installation, new pavement and sidewalk improvements to include American With Disabilities Act upgrades.

The Transportation Improvement Plan (TIP) is administered by the Kalamazoo Area Transportation Study (KATS). The 2011 – 14 TIP includes the Forest Drive project as part of the 2013 Major Street Reconstruction Program. Forest Drive was reconstructed in 1978 – 1980 as part of a sanitary sewer installation project and was last resurfaced in 1994.

It has been MDOT's policy over the years to submit cost sharing agreements to local municipalities

once the project has been advertised for construction bids. MDOT cannot award a construction contract without a signed cost sharing agreement from the local municipality. The city share of expenses is based on estimated construction costs developed by the consulting engineer and refined by MDOT staff engineers.

Once the contract is awarded by MDOT, construction of this project will commence in the spring of 2013. Subsequent to contract award by MDOT, the project is turned over to the city for construction inspection and administration. Due the narrow right-of-way and extensive water main and storm sewer installation, the street will be closed to through traffic for the duration of construction.

On April 24, 2012, City Council awarded a design engineering contract to Wightman & Associates, Incorporated, to prepare the necessary plans, specifications and a MDOT program application for this project on behalf of the city. To maintain continuity from design to construction inspection and administration, city staff requested a cost proposal from the same consultant to perform necessary construction inspection, administration and reporting, as required by MDOT and the Federal Highway Administration. The cost proposal in the amount of \$94,500 was received and is considered to be reasonable and appropriate for the required work. The performance of Wightman & Associates, Incorporated, has been excellent on other recently completed city projects. Funds for this work have been budgeted in the Fiscal Year 2012-13 Capital Improvement Program.

It is recommended that City Council approve Contract 13-5011 between the Michigan Department of Transportation and the City of Portage for street improvements on Forest Drive (Lovers Lane to Portage Road); amend an engineering services contract with Wightman & Associates, Incorporated, in the not to exceed amount of \$94,500; adopt a Resolution authorizing the City Manager to sign Contract 13-5011 and authorize the City Manager to sign all other documents related to the Michigan Department of Transportation and consultant contracts for this project on behalf of the city.

**FUNDING:** Both KATS and MDOT have approved the Forest Drive project (Lovers Lane to Portage Road) for federal funding. The cost of all planned improvements related to the Forest Drive project (Lovers Lane to Portage Road) is estimated at \$1,148,400 with a maximum federal funding contribution of \$310,000. The city share of the project cost is estimated at \$838,400 which will be funded through the Municipal Street fund and water utility bonds.

**Attachments:** Resolution - MDOT Contract 13-5011

**CITY OF PORTAGE  
RESOLUTION**

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the \_\_\_\_\_ day of \_\_\_\_\_, 2013 at 7:30 p.m., local time.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_.

RESOLVED, that the City Council for the City of Portage does hereby authorize the City Manager, Maurice S. Evans, to sign Contract 13-5011 between the City of Portage and the Michigan Department of Transportation. This contract is for water main replacement, storm sewer installation, new HMA pavement, sidewalk improvements and restoration on Forest Drive (Lovers Lane to Portage Road) located within the corporate limits of the city.

ADOPTED: YEAS:  
NAYS:  
ABSENT:

ATTEST AS TO COPY  
DATE 2/13/13  
[Signature]  
CITY CLERK

\_\_\_\_\_  
James R. Hudson, City Clerk

CERTIFICATION

I hereby certify this \_\_\_\_\_ day of \_\_\_\_\_, 2013 that the foregoing is a true and complete copy of the original on file in my office.

\_\_\_\_\_  
James R. Hudson, City Clerk

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Lexington Green Drainage Channel

**SUPPORTING PERSONNEL:** W. Christopher Barnes, Director of Transportation and Utilities

**ACTION RECOMMENDED:** That City Council adopt a resolution and endorse a petition to the Office of the Kalamazoo County Drain Commissioner to locate, establish and construct the Lexington Green channel as a County Drain and authorize the City Manager to execute the documents on behalf of the city.

**EXECUTIVE SUMMARY:**

Since 2011, the city has been working with the Kalamazoo County Drain Commissioner to have the Lexington Green drainage channel designated as a County Drain as this channel is part of a larger drainage area. Such designation is a lengthy process with the next step being a required resolution and endorsement of a petition to the County Drain Commissioner's Office. By having this channel designated as a County Drain it will put the entire drainage area under the auspices of the Drain Commissioner. As such, the Drain Commissioner is responsible for the construction and long term maintenance of the channel, including establishing an appropriate financing mechanism to address the construction and maintenance.

**BACKGROUND INFORMATION:**

The Lexington Green drainage channel serves a portion of the Lexington Green area, Lexington Green Park and areas east of Portage in Pavilion Township. The channel discharges into the Davis Olmstead Drain near the intersection of Sprinkle Road and Meredith Street. On August 9, 2011, City Council authorized submission of an application to designate the Lexington Green channel as a County Drain. In accordance with the application, the Office of the Drain Commissioner has completed a study of the practicality of the drain including the drainage route, type and cost estimate. A drainage district has been established and affirmed by the Drain Commissioner and placed on file in the Office of the Drain Commissioner. A copy of the drainage district map is attached. The next step to establish the Lexington Green channel as a County Drain is submission of a petition to "locate, establish and construct a county drain" by the city.

Once the petition is received by the Office of the Drain Commissioner, the Drain Commissioner will convene a Board of Determination for the proposed drain. The attached flow chart, details the entire procedure for establishing a drain. Establishing a County Drain would provide uniform jurisdiction throughout the drainage area and provide a sustainable financial mechanism for drain improvements.

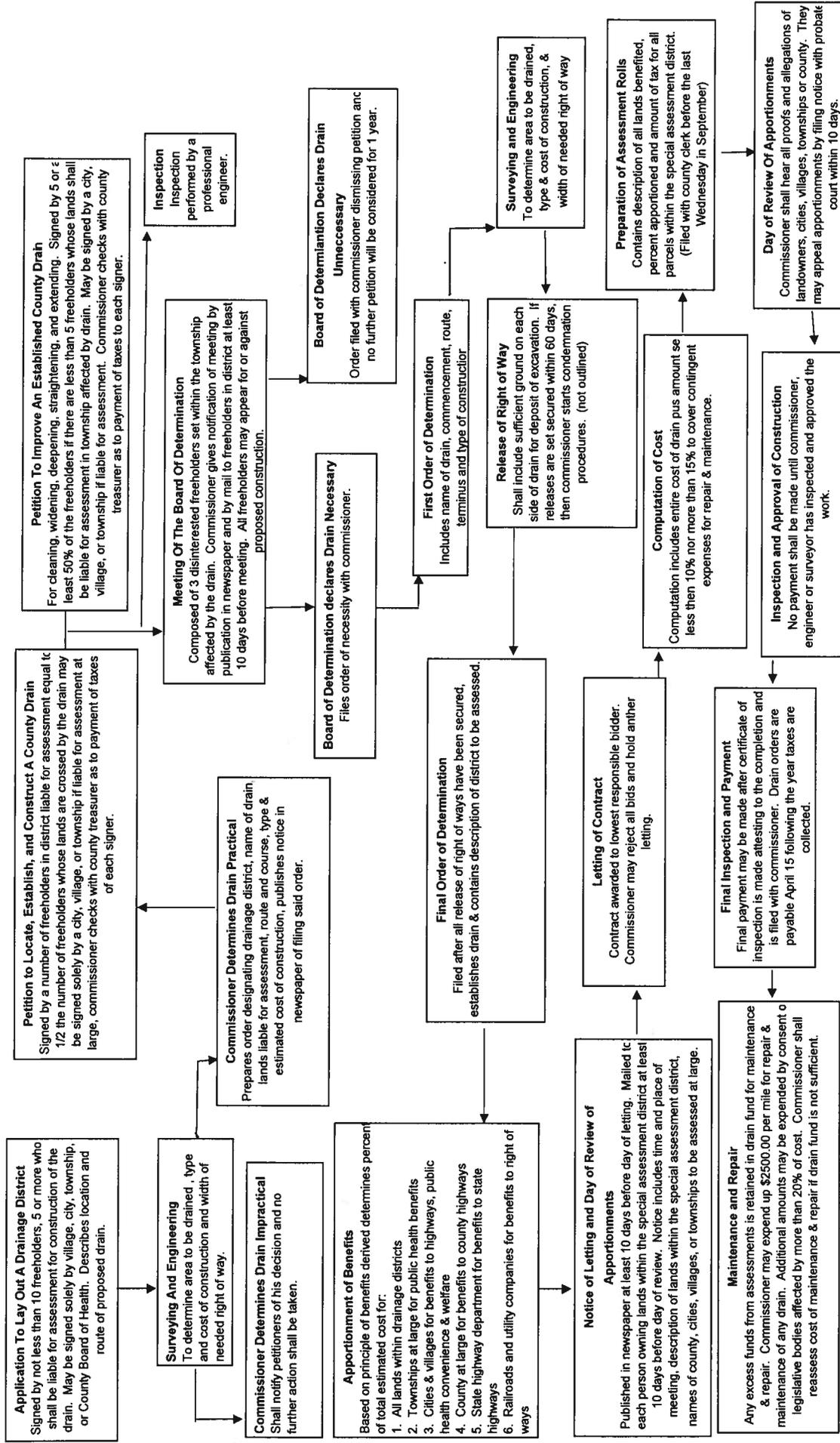
It is recommended that the City Council adopt a resolution and endorse a petition to the Office of the Kalamazoo County Drain Commissioner to locate, establish and construct the Lexington Green channel as a County Drain and authorize the City Manager to execute the documents on behalf of the city.

**FUNDING:** Not applicable at this time; however, \$100,000 is programmed for FY 2015-16 in the current 2012-13 Capital Improvement Program (CIP).

**Attachments:** County Drainage District Map – Lexington Green Area  
Resolution for Lexington Green Drainage Ditch  
Petition for Lexington Green Drainage Ditch  
Drain Establishment Flow Chart



PROCEDURE FOR ESTABLISHING AND/OR IMPROVING A COUNTY DRAIN



**CITY OF PORTAGE  
RESOLUTION**

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the \_\_\_\_\_ day of \_\_\_\_\_, 2013 at 7:30 p.m., local time.

PRESENT: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

The following resolution was offered by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_.

WHEREAS, a portion of the Lexington Green Drain is located in the City of Portage, Kalamazoo County, Michigan.

WHEREAS, residents have contacted the City of Portage Administration requesting that the Council petition the Kalamazoo Office of the Drain Commissioner for remediation and extension of the drain, as necessary.

WHEREAS, the City Council recognizes that the Lexington Green Drain may need to be cleaned out, reconstructed, extended or otherwise improved; and

WHEREAS, City Council is willing to petition, on behalf of its residents affected, the Kalamazoo County Drain Commissioner to investigate and determine the necessity of repair and alteration of the Lexington Green Drain.

BE IT HEREBY RESOLVED that the City of Portage does hereby petition the Kalamazoo County Drain Commissioner to investigate and determine the necessity of repair, alteration and modification of the Lexington Green Drain specifically described hereinafter:

BEGINNING AT THE CENTERLINE OF THE DAVIS CREEK AT A POINT 987.78 FEET NORTH AND 1,836.36 FEET WEST OF THE EAST ¼ CORNER, SECTION 1, PORTAGE TOWNSHIP, T3S, R11W, KALAMAZOO COUNTY MICHIGAN; THENCE SOUTH 20°41'17" EAST 67.06 FEET; THENCE SOUTH 30°29'36" EAST 384.09 FEET; THENCE SOUTH 03°30'03" EAST 192.10 FEET; THENCE SOUTH 04°45'53" EAST 406.55 FEET; THENCE SOUTH 11°05'41" EAST 190.60 FEET; THENCE SOUTH 04°57'17" EAST 190.62 FEET; THENCE SOUTH 20°57'50" EAST 81.50 FEET; THENCE SOUTH 76°35'56" EAST 90.57 FEET; THENCE SOUTH 83°45'08" EAST 85.55 FEET; THENCE SOUTH 79°29'29" EAST 98.31 FEET; THENCE SOUTH 60°34'00" EAST 308.02 FEET; THENCE SOUTH 89°01'27" EAST 902.85 FEET; THENCE SOUTH 00°18'50" WEST 580.61 FEET;

THENCE SOUTH 44°35'03" EAST 56.16 FEET TO THE EAST LINE OF SAID SECTION 1; THENCE, CONTINUING SOUTH 44°35'03" EAST 481.67 FEET INTO SECTION 6, PAVILION TOWNSHIP, T3S, R10W; THENCE SOUTH 11°50'02" EAST 193.30 FEET; THENCE SOUTH 20°47'43" EAST 98.15 FEET; THENCE SOUTH 02°05'51" EAST 371.06 FEET; THENCE SOUTH 00°09'22" EAST 389.52 FEET TO THE SOUTH LINE OF SAID SECTION 6; THENCE, CONTINUING SOUTH 00°09'22" EAST 511.80 FEET INTO SECTION 7, T3S, R10W AND ENDING AT A POINT 520.13 FEET SOUTH AND 442.43 FEET EAST OF THE NORTHWEST CORNER OF SECTION 7, PAVILION TOWNSHIP, T3S, R10W. THE TOTAL LENGTH OF THE LEXINGTON GREEN DRAIN IS 5,680.08 FEET. BEARINGS BASED ON THE MICHIGAN STATE PLANES COORDINATE SYSTEM (ZONE 2113).

IT IS FURTHER RESOLVED, that the City Council does hereby authorize the City Manager, Maurice S. Evans, to sign a petition and any other documents necessary to effectuate the purpose of this Resolution.

YEAS: Councilmembers \_\_\_\_\_

NAYS: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

RESOLUTION DECLARED ADOPTED: \_\_\_\_\_

\_\_\_\_\_  
James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN     )  
  )  
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified 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 \_\_\_\_\_, 2013, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this \_\_\_ day of \_\_\_\_\_ 2013.

APPROVED AS TO FORM:  
DATE 2/13/13  
[Signature]  
CITY ATTORNEY

\_\_\_\_\_  
James R. Hudson, City Clerk

**PETITION FOR LOCATING, ESTABLISHING AND CONSTRUCTING  
A DRAIN OR DRAINS OR ANY PORTION THEREOF FOR A MUNICIPALITY**

To the County Drain Commissioner of the County of Kalamazoo:

The undersigned petitioner is a municipality in the Drainage District as Laid Out and Designated in the order of filing in the City of Portage County of Kalamazoo, State of Michigan, in which the Lexington Green Drain, being applied for, is to be located, established and constructed.

The petitioner is the City of Portage and this petition has been authorized by its governing body, as evidenced by the attached resolution. The petitioner is a municipality which will be liable to assessments at large for at least a percentage of the total amount to be assessed for the cost of the proposed drain.

The locating, establishing and constructing of said drain or drains, or any part thereof, is necessary and conducive to the public health, convenience or welfare.

The undersigned petitioner therefore makes petition, and asks you to locate, establish and construct a drain or drains, or any portion thereof, which will properly drain the lands in the district, under the provision of Act No. 40 of the Public Acts of 1956, as amended. The location of the drain or drains, or any portion thereof, are as given in your Order for Laying Out and Designating the Lexington Green Drainage District, to be substantially as follows:

Beginning at the centerline of the Davis Creek at a point 987.78 feet North and 1,836.36 feet West of the East ¼ Corner, Section 1, Portage Township, T3S, R11Ww, Kalamazoo County Michigan; thence South 20°41'17" East 67.06 feet; thence South 30°29'36" East 384.09 feet; thence South 03°30'03" East 192.10 feet; thence South 04°45'53" East 406.55 feet; thence South 11°05'41" East 190.60 feet; thence South 04°57'17" East 190.62 feet; thence South 20°57'50" East 81.50 feet; thence South 76°35'56" East 90.57 feet; thence South 83°45'08" East 85.55 feet; thence South 79°29'29" East 98.31 feet; thence South 60°34'00" East 308.02 feet; thence South 89°01'27" East 902.85 feet; thence South 00°18'50" West 580.61 feet; thence South 44°35'03" East 56.16 feet to the East line of said Section 1; thence, continuing South 44°35'03" East 481.67 feet into Section 6, Pavilion Township, T3S, R10W; thence South 11°50'02" East 193.30 feet; thence South 20°47'43" East 98.15 feet; thence South 02°05'51" East 371.06 feet; thence South 00°09'22" East 389.52 feet to the South line of said section 6; thence, continuing South

00°09'22" East 511.80 feet into Section 7, T3S, R10W and ending at a point 520.13 feet South and 442.43 feet East of the Northwest corner of section 7, Pavilion Township, T3S, R10W. The total length of the Lexington Green Drain is 5,680.08 feet. Bearings based on the Michigan State Planes Coordinate System (Zone 2113).

Dated: \_\_\_\_\_

(CITY OF Portage)

By: \_\_\_\_\_

Its: \_\_\_\_\_

As Authorized by its governing body on

\_\_\_\_\_, 20\_\_

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager

*Mys (for M. Evans)*

**SUBJECT:** Fiscal Year 2013-2014 Proposed Budget Review Schedule

**SUPPORTING PERSONNEL:** Daniel Foecking, Director of Finance

**ACTION RECOMMENDED:** That City Council establish April 30 and May 7, 2013 from 4:30 to 8:30 p.m. as the dates for review of the proposed Fiscal Year 2013-2014 Budget.

**EXECUTIVE SUMMARY:**

A schedule for the Council work sessions for the proposed 2013-2014 Fiscal Year budget is presented for approval. In addition the dates of the public hearing and proposed budget adoption are also provided.

**BACKGROUND INFORMATION:**

Council will receive the proposed Fiscal Year 2013-2014 Budget on April 9, 2013. The budget review schedule has been developed to permit review of all budget aspects. Budget review sessions are proposed for April 30 and May 7 scheduled to begin at 4:30 p.m. on each of the proposed dates in Conference Room One of Portage City Hall. A tentative schedule of 2013-2014 budget review activity is attached.

Please note, the schedule for the 2013-2014 review differs from previous years due to a conflict between CDBG program application deadlines and the City Council meetings scheduled in May. In order to allow ample time for application submission, the CDBG Program budget and Annual Action Plan are slated to be reviewed in the first budget session for Fiscal Year 2013-2014.

Further, a public hearing on the proposed budget will be held during the May 14, 2013 regular meeting of City Council, with formal adoption scheduled for May 28, 2013. As in the past, the review sessions, public hearing and other Council meetings will provide ample opportunity for public comment and analysis.

**FUNDING:** N/A

**Attachments:** Proposed Schedule

## TENTATIVE FISCAL YEAR 2013-2014 BUDGET REVIEW ACTIVITY SCHEDULE

### Tuesday, April 30

Budget Overview	4:30 - 4:40 p.m.
Employee Development	4:40 - 5:00
Legislative/Human Services	5:00 - 5:30
Community Development	5:30 - 5:50
	(30 minute break 5:50 - 6:20 p.m.)
Transportation & Utilities	6:20 - 6:40
Parks, Recreation & Public Services	6:40 - 7:30
Public Safety	7:30 - 8:30

### Tuesday, May 7

Purchasing	4:30 - 4:50 p.m.
Benefit Services	4:50 - 5:10
City Clerk	5:10 - 5:30
Information/Technology Services	5:30 - 5:50
	(30 minute break 5:50 - 6:20 p.m.)
City Assessor	6:20 - 6:40
City Manager	6:40 - 7:00
Finance & Other Fund Activities	7:00 - 7:30
Capital Improvement Program	7:30 - 8:30

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Portage Senior Center Fee

**SUPPORTING PERSONNEL:** William Deming, Director of  
Parks, Recreation and Public Services

**ACTION RECOMMENDED:** That City Council amend the 2013 fee schedule to include a \$3.00 drop-in fee for the Portage Senior Center.

**EXECUTIVE SUMMARY:**

The Senior Citizens Advisory Board is recommending a \$3.00 drop-in fee for inclusion in the 2013 fee schedule for the Portage Senior Center (PSC). This fee would be applicable to those patrons who are not currently dues-paying members of the PSC but regularly attend social and recreational programs offered at this facility. The drop-in fee will not be applicable to fee based programs, with funding generated being used to support social and recreational programs. The collection of the drop-in fee will be administered through a new web-based participant registration and program management system named *MySeniorCenter*.

**BACKGROUND INFORMATION:**

During the month of March, the Portage Senior Center (PSC) will launch a new web-based participant registration and program management system designed specifically for senior centers. The system, suitably named *MySeniorCenter™*, will replace the outdated and inefficient paper and pen registration process. Senior Center participants will now sign in using a self-service touch screen kiosk. While participating seniors are encouraged to become members of the PSC, there are still some patrons who wish to participate regularly in social and recreational programs without paying a membership fee. Consequently, the Senior Citizens Advisory Board recommends that the city establish a \$3.00 per visit drop-in fee for non-members regularly attending social and recreational programs (letter attached). Social and recreational activities include crafting and fine arts, music, billiards, cards, games and more.

As background, the PSC is open to all individuals 50 years of age and older. Membership fees have been implemented in order to limit city funded support. The annual membership dues are \$25 for residents and \$35 for non-residents. Annual membership fees have become a vital income strategy for the city to sustain the nearly 100 programs and services now offered at the PSC. A scholarship program managed by the Friends of the Portage Senior Center is available to anyone who financially qualifies for annual membership assistance.

The drop-in fee would not pertain to a program or service that has a fee beyond membership dues such as fitness classes, dancing and lifelong learning courses where paid instructors are used. Nor would the fee pertain to activities provided by community service providers for seniors, such as tax preparation, preventive health and wellness workshops. These programs and services are advertised

in the PSC newsletter as open to the public. New participants would be given a pass for three free visits to the PSC prior to payment of the drop-in fee or annual membership. The City Administration supports the Senior Citizens Advisory Board proposal.

It is recommended that City Council amend the 2013 fee schedule to include a \$3.00 per visit drop-in fee for non-members at the PSC.

**FUNDING:** N/A

**Attachments:** Senior Citizen Advisory Board Letter

February 15, 2013

Dear Honorable Mayor and City Council,

At the January 16<sup>th</sup> Senior Citizens Advisory Board meeting, the board members unanimously approved to recommend to the City Council the creation of a \$3/per visit "drop-in" fee for non-members of the Portage Senior Center. This new fee would be integrated into a new computer membership registration system to be implemented in early March.

While we believe that everyone should contribute to the sustainability of the senior center by paying an annual membership fee, we recognize that not all citizens wish to become a member. We believe the drop-in fee is only fair to the members who are paying annual dues and a reasonable alternative to those who are not inclined to join organizations.

Members of the Advisory Board continue to support opportunities for individuals to visit a class or activity at the senior center at no cost prior to joining the organization. Scholarships are also available to seniors of low income.

The annual membership fee is a vital income strategy for us to continue to sustain the nearly 100 programs and services currently offered at the senior center. The new drop-in fee provides income to the center, while hopefully providing an incentive to join the organization.

The Advisory Board would recommend that the City Council consider the implementation of the new \$3/per visit drop-in fee.

Sincerely,

A handwritten signature in black ink that reads "Lawrence M. Smith". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Lawrence M. Smith,  
Chairperson  
Senior Citizens Advisory Board  
Portage Senior Center

**TO:** Portage City Council

**FROM:** Mayor Peter J. Strazdas

**SUBJECT:** Water/Sewer (Utility) Rate Committee Vacancy

**ACTION RECOMMENDED:** That the City Council fill the recently vacated citizen position on the Water/Sewer (Utility) Rate Committee by appointing Mr. Nasim Ansari.

**BACKGROUND INFORMATION:**

In December 1985, the City Council adopted an Action Plan establishing a Council/Citizen Committee to work with the City Administration to review and revise City of Portage water and sewer rates as needed. This effort culminated in the Water/Sewer (Utility) Rate Committee, which meets on an annual basis with the responsibility of reviewing and recommending to the full Council the yearly water and sanitary sewer rates and fees. The committee last convened on March 19, 2012 and is due to meet again next month to review the rates for fiscal year 2013-14.

The Water/Sewer (Utility) Rate Committee is composed of three City Councilmembers and two citizen-at-large representatives. The Councilmembers are assigned as part of the annual City Council committee appointments, while the Mayor has historically appointed citizen members. The 2013 Utility Rate Committee currently includes Councilmembers Sackley (chair), Campbell, and Mayor Pro Tem Reid, as well as citizen-at-large representative Mr. Ted Vliek, Sr. However, the second citizen-at-large member, Mr. Jeff Breneman, recently resigned due to relocation and will not be able to further serve. As such, one citizen-at-large vacancy exists. With the annual budget preparation currently underway, it is imperative that this vacancy be filled in a timely manner. Former Councilmember Nasim Ansari has subsequently expressed an interest in offering his time and expertise to serve on the committee.

It is, therefore, recommended that City Council appoint Mr. Nasim Ansari to the Water/Sewer (Utility) Rate Committee to serve as the second citizen-at-large member.

**FUNDING:** N/A

**Attachments:** N/A

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** January 2013 Environmental Activity Report

**SUPPORTING PERSONNEL:** W. Christopher Barnes, Director of  
Transportation and Utilities

**EXECUTIVE SUMMARY:**

City Council has a quality of environment goal to “*enhance environmental quality and protect natural resources.*” As a result, a monthly informational report with updates is provided to the Council that addresses numerous environmental projects and/or activities.

**BACKGROUND INFORMATION:**

Attached please find the January 2013 Summary Environmental Activity Report from Department of Transportation & Utilities Director, W. Christopher Barnes. New material, or material of specific interest to City Council is presented in italics.

The summary report is intended for informational purposes to comply with the goals and objectives adopted by City Council emphasizing the need to enhance environmental quality and protect natural resources. This report also serves to keep the Council, Planning Commission and Environmental Board apprised of current environmental issues.

**FUNDING:** N/A

**Attachments:** January 2013 Environmental Activity Report

## SUMMARY ENVIRONMENTAL ACTIVITY REPORT

January 2013 (*updates in italics*)

<u>Project/Activity</u>	<u>Description</u>	<u>Status</u>
Portage City Landfill	Ongoing groundwater monitoring of former municipal landfill.	-City Council awarded a 3 year contract to American Hydrogeologic Corporation (AHC) on February 23, 2010 to perform annual groundwater sampling. The site groundwater data will continue to be monitored to confirm continuation of the natural attenuation process. Sampling shows continued improvement in groundwater quality. Sampling completed in April 2010. Annual report submitted to MDNRE in June 2010. General groundwater quality continues to improve, but site will require monitoring for the foreseeable future. 2011 sampling completed in March. 2011 annual report submitted to MDEQ, with moderate groundwater quality improvements. Investigation into methane gas presence in the groundwater is underway. First round of sampling completed in April 2012. Second round of sampling completed in June 2012. Initial results indicate no off-site impact. Annual report submitted to MDEQ. Review meeting held September 21, 2012 with MDEQ with follow-up in October. <i>AHC currently compiling MDEQ sampling requirement costs necessary for closure at the former landfill site.</i>
Site Inspection/Development Project Review	Review of existing business & industries and review of proposed business and industrial development projects for environmental protection purposes and/or building plans completed.	-Coordination with property owners and City or State agencies ongoing. -Review of 4 site/building plans and/or plats completed in January 2012.
Sewer Connection Program	Groundwater protection program requiring residential/business hookup to the sanitary sewer where available.	-Sanitary sewer hookup permits issued in January 2012: 4 residential; 2 commercial.
West Lake Management Program	Special assessment district designed to maintain/improve lake conditions. <i>Special emphasis on weed control and non-point source pollution reduction.</i>	-Five Year Lake Management Assessment District process was approved by City Council on March 23, 2010. Construction began on the Austin Dam reconstruction in December 2006 and new structure completed in March 2007. Filtration system construction was substantially completed in July 2008. Lake Association has completed 2012 plan and lake treatment completed in May 2012. Review of program completed by Lakeshore Environmental Consultants. <i>Permitting underway for the 2013 season.</i> Association has chosen to use Restorative Lake Services for consulting sources for 2013.
Retention Basin Sampling Program (Groundwater Elevation)	Investigation regarding potential impact of retention basins on groundwater levels.	-Historical monitoring continues to show minor impacts at most basins. From 1993 through 2009 the monitoring program showed stable groundwater impacts due to stormwater infiltration. Alternative road salt practices continue to be

	<p>considered and evaluated. On March 23, 2010, City Council awarded a four-year contract to Wightman Environmental. Program will focus primarily on groundwater level information. The 2011 annual report received. The 2012 report received and groundwater levels, especially on the east side of Portage, have decreased as a result of seasonal rainfall deficiencies. Typical groundwater table elevations drop is one to three feet. Storm water quality remains consistent with past years.</p>
<p>Wellhead Protection Program (WHPP)</p>	<p>Development of program to protect City well fields and surrounding area from contamination resulting from improper land use.</p> <p>-Wellhead Protection Grant award received from MDEQ on August 30, 1999 and Council accepted the grant on October 5, 1999. Council also awarded contract to Earth Tech to complete WHPP. Earth Tech completed the final wellhead protection plan and MDEQ submittal was made on October 14, 2000. Plan was reviewed by MDEQ with written approval received in March, 2001. Staff has met internally to discuss the future needs to update the plan pending grant opportunities. Plan implementation is ongoing.</p>
<p>Leaf Compost Monitoring Program</p>	<p>Monitoring and analysis of groundwater at the new Oakland Drive Leaf Compost site.</p> <p>-City Council awarded contract on August 21, 2001 to Soil &amp; Materials Engineers for monitoring and analysis of groundwater impact of the new compost operation. Drilling was completed in October 2001 and first sampling cycle was completed in February 2002. Semi annual sampling was performed from 2002 to 2011 in June and January. Sampling and analysis results continue to show no groundwater impacts from the leaf composting. Sampling schedule was reduced to annual sampling in 2009 with results showing continued minor impact on groundwater quality. Sampling completed in June 2012 with minimal groundwater impacts. Next sampling in June 2013.</p>
<p>National Pollution Discharge Elimination System (NPDES) permit implementation</p>	<p>Five year plan to implement the current NPDES stormwater permit.</p> <p>-Received NPDES general permit on August 15, 2001. Renewal Application submission was made to MDEQ on March 7, 2003. New permit received in 2004 mandates involvement in several county watershed groups. City staff completed the submission of a Stormwater Pollution Prevention Initiative (SWIPPI) as required by NPDES permit. SWIPPI submitted on October 21, 2005. New certificate of coverage permit was issued by MDEQ on September 30, 2009. New permit covers a 5 year timeframe with first work item (updating the Public Participation Plan) due December 11, 2009. Plan update completed with other local governments and submitted November 24, 2009. Staff completed an updated SWIPPI submittal to MDEQ. SWIPPI was submitted for MDEQ approval on June 25, 2010. Permit implementation is ongoing. Received a notice from MDEQ rescinding the 2008 permit due to a recent court case ruling. MDEQ reinstated the 2003 permit for implementation. Information on new permit requirement was received February 2011. MDEQ expected to issue new permit in 2014. City staff presented public information with other local agencies at the 2011 and 2012 Home Expo. Tour of Liberty Park Stormwater treatment was</p>

held September 6, 2011 for the Southwest Michigan Soil Control Association. 2010-11 annual report was submitted on January 20, 2012. Implementation is ongoing. Stormwater informational talk was given to Pfizer, Inc., employees on April 28, 2012. MDEQ scheduled an audit of the program for July 12, 2012. Audit completed with satisfactory results. *Several follow-up items with MDEQ were addressed by staff in December 2012.* Program implementation is ongoing.

National Pollution  
Discharge Elimination  
System (NPDES) permit  
implementation

Kalamazoo River Mainstem Watershed  
Management Plan

-First meeting was held September 17, 2004. Proposals for completing the watershed plan were received by Kalamazoo County on September 15, 2005 and a contract awarded to Kieser & Associates in November 2005. Draft watershed plan submitted to MDEQ on December 30, 2005. Review comments received from MDEQ and revised watershed plan due in December 2006. A letter not to revise the Watershed Plan was submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. Kalamazoo River Water Festival was held on August 14, 2010 with City of Portage participation. Preliminary grant request submitted September 16, 2010 for West Fork of Portage Creek storm water enhancements. Complete grant application was submitted on October 25, 2010. Notice received July 18, 2011 that grant application was not awarded. Kalamazoo River Watershed council completed a watershed update in November, 2011. No new developments.

Portage River Watershed Management  
Plan

-Public participation plan submitted June 28, 2004. Proposals for a Watershed Management Plan were received by the Kalamazoo County Road Commission and a contract awarded to the Kalamazoo County Conservation Service in November 2005. Draft watershed plan submitted to MDEQ on December 30, 2005. Follow-up meetings are held monthly to facilitate an implementation schedule. Portage River Watershed public meeting held in Vicksburg on April 11, 2006. Review comments received from MDEQ and revised watershed plan due November 2006. Revised Watershed Plan submitted November 30, 2006, follow up meetings to be held as necessary. A letter not to revise the Watershed Plan was submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. Based upon MDEQ comments, the plan was revised and resubmitted on December 21, 2009. Interest has been raised by local conservation groups to update the current Watershed Plan using grant funds. Meeting held on May 9, 2011 among stakeholders to determine interest in updating the current watershed plan. Second meeting held on June 20, 2011, and grant application submitted by Kalamazoo and Calhoun County Conservation District to update the Watershed Plan. Grant for watershed update was awarded to Calhoun County Conservation District. First kick-off meeting held December 13, 2012 to introduce working partners and information gathering. Next meeting scheduled for March 2013.

Plan to implement and maintain an Illicit Discharge Elimination Program (IDEP).

-On October 21, 2001, City Council awarded a contract to Fishbeck, Thompson, Carr and Huber for the Portage Creek element of the IDEP, which was completed in July 2002. On February 19, 2002, City Council approved a new ordinance as required by the NPDES permit titled "Storm Water Illicit Discharges and Connections". On April 28, 2004, City Council accepted a grant from the State of Michigan in the amount of \$152,264 and awarded a contract to Fishbeck, Thompson, Carr and Huber in the amount of \$184,264 for the remainder of the IDEP for the entire city. Program implementation is ongoing as funding allows. Continued outfall sampling is required by permit and will be budgeted accordingly. IDEP program was updated for submittal to MDEQ on June 25, 2010, and part of the SWIPPI. Implementation is ongoing. Two potential illicit discharges were investigated with MDEQ in 2012. *The 2013 program will start in June 2013.*

Storm Sewer Outfall Testing

On March 23, 2011, City Council awarded a four year contract to Wightman Environmental to perform testing of selected storm sewers which discharge to surface water. This work is required as part of the NPDES permit. 2011 annual report received with minor surface water impacts from the Woodland Avenue discharge. Testing will continue in November 2012. The 2012 report received with continuing minor impacts from the Woodland Avenue outfall. Testing results are reported to MDEQ.

Garden Lane Arsenic Removal Facility

Construction of a water treatment facility at the Garden Lane Wellfield to remove arsenic, iron and manganese from the groundwater.

Facility is in operation with ribbon cutting held August 2, 2010. The facility is producing approximately one million gallons of water per day. Staff conducted a tour of the facility on April 27, 2011 to the local Chapter of the National Society of Professional Engineers. Facility is in regular operation. Plant tour for Stryker Engineering group was held on June 19, 2012. City Staff in conjunction with the Environmental Board is working on a sustainable native planting landscape design with Native Connections Inc. for the facility. Regrading and installation of native landscaping seeding completed on November 16, 2012. Germination results in spring 2013 will determine if additional seeding is required.

Environmental Incident/Spill Clean Up Notification

Environmental Protection Program to assist Portage Police/Fire Departments with spill containment and spill cleanup.

*-The number of environmental incident/spill investigations performed in January 2013 – 0. Number of environmental cleanups in January – 0. Emergency spill response contract for 2013-14 with Terra Contracting has been renewed.*

Hampton Wetland Area Water Level

Assistance with the Inverness Condominium Association to Review Surface Water Levels

-Ongoing assistance with the Condominium Association to develop appropriate measures to regulate the rising water level in Hampton Wetlands Area located on the north side of West Centre Avenue and east of Angling Road. Met with

MDEQ staff to determine feasible method to lower water levels. Association currently working with MDEQ permit staff on February 26, 2010 to clarify permit requirements. Lower groundwater table elevation has reduced the concerns from the Condominium Association. Conference call with MDEQ held on December 8, 2010 to discuss permit submission updates. Condo Association discussing project with other property owners for support. Association submitted a letter to City Administration asking that the city consider the Wetland Water Level Regulation a municipal project. On March 22, 2011, city staff response recommending the Association consider governmental lake board. The Association is considering next steps. No new developments. Seasonal low water levels have reduced the urgency to control water levels.

Southwest Michigan Regional Sustainability Covenant Collaborative effort with local government, academic, and other stakeholders to lead toward environmental, economic and social sustainability.

-On May 12, 2009, City Council approved the Southwest Michigan Regional Sustainability Covenant. A sustainability work session was held April 14, 2010, to review elements of the covenant in cooperation with the City of Kalamazoo and the City of Battle Creek. A grant application was made to MDNRE for a greenhouse gas inventory study of the area. Notice received July 15, 2010 that the grant application was not successful. City staff attended a September 10, 2010 meeting in Grand Rapids to discuss sustainable economic, environment, and society programs. No new developments.

Jerry and Sherry Garrett  
10322 Archwood Drive  
Portage, MI 49002  
February 17, 2013

Portage City Council  
Mayor, Peter J. Strazdas  
City Manager, Maurice Evans  
City of Portage

Dear Portage City Council:

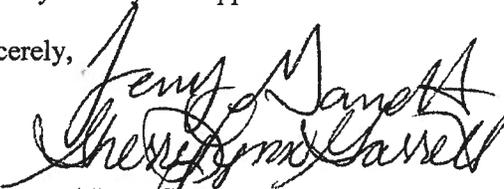
We are writing to request that you impose additional building stipulations on the sale of lot 10323 Archwood Drive. As members of the neighborhood, we have an invested interest in the type of building that would be allowed to be built on the site. It is discouraging that the Portage City Council did not include any additional building stipulations prior to indicating the sale of the lot. If additional building stipulations are not placed on the sale of the lot this may impact the neighborhood curb appeal and property values.

The original document (Declaration of the Restrictions Relating to the Plat of Oak Forest Park) created for Oak Forest Park included building restrictions to ensure that each lot included a building of similar construction. Although we realize that the document may no longer be in affect we live in the neighborhood and expect the same quality of homes to be built.

We expected that our public representatives would have supported us as they would want to be supported. We are requesting that additional building stipulations be included for the sale of the lot 10323 Archwood Drive. We would be happy to offer the council our thoughts for additional building stipulations.

Thank you for your support.

Sincerely,

  
Sherry and Jerry Garrett

**RECEIVED**

FEB 17 2013

CITY MANAGER'S OFFICE

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Sale Contingencies for 10323 Archwood Drive

**SUPPORTING PERSONNEL:** Victoria Georgeau, Director of Community Development

**ACTION RECOMMENDED:** That City Council:

- a) accept the communications from Sherry and Jerry Garrett regarding the sale of 10323 Archwood Drive;
- b) consider referral of the issue to the City Council Ad Hoc Property Committee for review and recommendation; and/or
- c) approve an additional contingency on the sale of 10323 Archwood Drive that no manufactured dwelling be constructed on the property.

**EXECUTIVE SUMMARY:**

On February 12, 2013 the Council approved a recommendation by the Council Property Committee to market the city-owned property at 10323 Archwood Drive for sale, with a listing price of \$18,000 and a contingency that a building permit for home construction be obtained within 12 months of the sale. On February 17<sup>th</sup>, a letter was received from Sherry and Jerry Garrett of 10322 Archwood Drive, requesting Council impose additional building stipulations on the sale of the property. A review of this matter indicates that existing Zoning Code regulations are generally more restrictive in comparison to the requested stipulations by Mr. and Mrs. Garrett. However, to ensure that any new house constructed is consistent with the type of construction and character of existing houses within the neighborhood, it is recommended that the sale of 10323 Archwood Drive include an additional contingency that no manufactured dwelling be constructed on the property.

**BACKGROUND INFORMATION:**

On February 12, 2013 the Council approved a recommendation by the Council Property Committee to market the city-owned property at 10323 Archwood Drive for sale, with a listing price of \$18,000 and a contingency that construction of a house occur within 12 months of the sale.

On February 17<sup>th</sup>, the attached letter and subsequent email communication was received from Sherry and Jerry Garrett of 10322 Archwood Drive, requesting Council to impose additional building stipulations on the sale of 10323 Archwood Drive. In particular, Mr. and Mrs. Garrett have requested the following restrictions on any buildings constructed on the property:

1. Single family residence of similar construction located within the Plat of Oak Forest Park (one or two story buildings with basement).

2. No temporary structures.
3. One story shall include not less than 1,400 square feet of usable, enclosed interior floor area, exclusive of porches, garages, breezeways, or other attachments to the principal residence.
4. Two stories or multiple levels or split construction shall include not less than 1,600 square feet of usable, enclosed interior floor area, exclusive of porches, garages, breezeways or other attachments to the principal residence.

As additional information, the property is zoned R-1C, one-family residential and the Zoning Code requires a minimum 1,600 square feet for a one-story home and a minimum 2,000 square feet for a two-story home (with or without a basement). The minimum floor area required for multiple level or split level dwellings applies to the area of floors at or above the street grade on the property. While the city has no authority to enforce deed restrictions, it is noted that the plat restrictions referenced by the Garrett's (which expired in 1979) are generally less restrictive than the requirements of the Zoning Code.

It is noted however, that Section 42-126, "Regulations applicable to all one-family dwellings," of the Zoning Code does permit manufactured dwellings outside of a manufactured home community. While this section of the Zoning Code does provide minimum standards for such manufactured homes, it is acknowledged that a manufactured home would not be consistent with the type of construction and character of existing houses within the neighborhood.

Based on the above, it is recommended that City Council provide an additional contingency on the sale of the property that prohibits the construction of a manufactured dwelling on the property.

**FUNDING:** Not applicable.

**Attachments:** February 17, 2013 letter from Sherry and Jerry Garrett  
February 18, 2013 email communication from Sherry Garrett

Jerry and Sherry Garrett  
10322 Archwood Drive  
Portage, MI 49002  
February 17, 2013

Portage City Council  
Mayor, Peter J. Strazdas  
City Manager, Maurice Evans  
City of Portage

Dear Portage City Council:

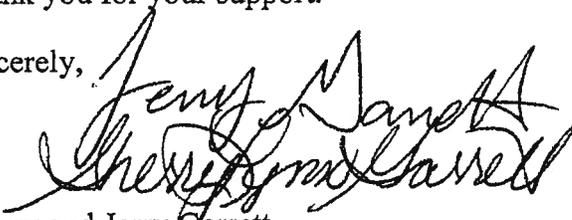
We are writing to request that you impose additional building stipulations on the sale of lot 10323 Archwood Drive. As members of the neighborhood, we have an invested interest in the type of building that would be allowed to be built on the site. It is discouraging that the Portage City Council did not include any additional building stipulations prior to indicating the sale of the lot. If additional building stipulations are not placed on the sale of the lot this may impact the neighborhood curb appeal and property values.

The original document (Declaration of the Restrictions Relating to the Plat of Oak Forest Park) created for Oak Forest Park included building restrictions to ensure that each lot included a building of similar construction. Although we realize that the document may no longer be in affect we live in the neighborhood and expect the same quality of homes to be built.

We expected that our public representatives would have supported us as they would want to be supported. We are requesting that additional building stipulations be included for the sale of the lot 10323 Archwood Drive. We would be happy to offer the council our thoughts for additional building stipulations.

Thank you for your support.

Sincerely,



Sherry and Jerry Garrett

**Victoria Georgeau - RE: 10323 Archwood Drive**

---

**From:** "Sherry Garrett" <sherry.l.garrett@charter.net>  
**To:** "'Victoria Georgeau'" <georgeav@portagemi.gov>  
**Date:** 2/18/2013 9:28 PM  
**Subject:** RE: 10323 Archwood Drive  
**CC:** "'Brian Bowling'" <bowlingb@portagemi.gov>, "'Maurice Evans'" <evansm@po...>

---

Dear Ms. Georgeau,

Thank you for your email. Our suggestions for building restrictions are as follows which are also mentioned in the plat of oak forest park restrictions document that I mentioned in my previous email.

1. Single family residence of similar construction located within the plat of oak forest park. (One or two story buildings with basement)
2. No temporary structures.
3. One story shall include not less than 1400 square feet of usable, enclosed interior floor area, exclusive of porches, garages, breezeways, or other attachments to the principal residence.
4. Two stories or multiple levels or split construction shall not include not less than 1600 square feet of usable, enclosed interior floor area, exclusive or porches, garages, breezeways or other attachments to the principal residence.

Best regards,

Sherry Garrett

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**From:** Victoria Georgeau [mailto:georgeav@portagemi.gov]  
**Sent:** Monday, February 18, 2013 12:00 PM  
**To:** sherry.l.garrett@charter.net  
**Cc:** Brian Bowling; Maurice Evans  
**Subject:** RE: 10323 Archwood Drive

Good morning Ms. Garrett,

I am in receipt of the letter you provided to City Manager Evans, the Mayor and City Council regarding the sale of 10323 Archwood Drive. In particular, you have requested consideration of placing additional building stipulations on the sale of the property as it relates to any new house constructed on the property.

It would be helpful to receive more specific information in regards to building stipulations that you feel are appropriate. Please provide a response at your earliest convenience in regard to this matter.

Sincerely,

Vicki Georgeau, AICP  
Director, Community Development  
City of Portage  
7900 South Westnedge Avenue  
Portage, MI 49002  
269-329-4480 (phone)  
269-329-4506 (fax)  
[georgeav@portagemi.gov](mailto:georgeav@portagemi.gov)

**Maurice Evans - Proposed Sale of 10323 Archwood Drive**

---

**From:** Jill Meyle <jtmeyle@charter.net>  
**To:** <evansm@portagemi.gov>, <peter.strazdas@portagemi.gov>, <campbell4portag...>  
**Date:** 2/26/2013 9:05 AM  
**Subject:** Proposed Sale of 10323 Archwood Drive  
**Attachments:** Archwood Letter.pdf

---

Dear Portage City Council,

It has come to our attention that the property at 10323 Archwood Drive is currently up for sale. As a neighborhood, we believe we have a vested interest in what the city will allow to be built on the site. It is discouraging that the Portage City Council did not include any building stipulations on the sale of this lot. If stipulations are not placed on the sale, the impact on the neighborhood and curb appeal would potentially decrease our property values.

The Declaration of the Restrictions Relating to the Plat of Oak Forest Park includes building restrictions to ensure that each lot has a building of similar construction. In referencing this document, we feel that the building stipulations originally outlined for this plat should be enforced on this sale.

In closing, we would expect that the city would have consulted the homeowners in this neighborhood prior to posting the sale of this property with little stipulation. It is in the city's best interest to work with its neighborhoods, rather than against them. We would be happy to work with the City Council in preparing stipulations relating to this property.

Thank you for your time and attention to this matter.

Sincerely,

David and Jill Meyle  
217 Cliffwood Ave  
269-321-9299

\*\*\*A PDF is attached for your records\*\*\*

*RECEIVED*

FEB 26 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

February 25, 2013

Portage City Council  
Mayor Peter J. Strazdas  
City Manager Maurice Evans  
City of Portage

RE: 10323 Archwood Drive

Dear Portage City Council,

It has come to our attention that the property at 10323 Archwood Drive is currently up for sale. As a neighborhood, we believe we have a vested interest in what the city will allow to be built on the site. It is discouraging that the Portage City Council did not include any building stipulations on the sale of this lot. If stipulations are not placed on the sale, the impact on the neighborhood and curb appeal would potentially decrease our property values.

The Declaration of the Restrictions Relating to the Plat of Oak Forest Park includes building restrictions to ensure that each lot has a building of similar construction. In referencing this document, we feel that the building stipulations originally outlined for this plat should be enforced on this sale.

In closing, we would expect that the city would have consulted the homeowners in this neighborhood prior to posting the sale of this property with little stipulation. It is in the city's best interest to work with its neighborhoods, rather than against them. We would be happy to work with the City Council in preparing stipulations relating to this property.

Thank you for your time and attention to this matter.

Sincerely,

David and Jill Meyle  
217 Cliffwood Ave  
269-321-9299

**Maurice Evans - Vacant Lot @ 10323 Archwood Dr.**

---

**From:** <mkrens@charter.net>  
**To:** <evansm@portagemi.gov>, <peter.strazdas@portagemi.gov>, <campbell4portag...>  
**Date:** 2/25/2013 9:13 PM  
**Subject:** Vacant Lot @ 10323 Archwood Dr.

---

Dear Council Members,

I am contacting you to please consider the concerns of the residents who live in the neighborhood with the vacant lot located at 10323 Archwood Dr. Many of us have just recently learned that the City Council voted to place the lot for sale, and with no restrictions other than a building permit be obtained within 12 months of the closing. As adjacent property owners, the action on the lot certainly affects our family. Although my husband and I realize the need for the City to sell the property, our concern is the lack of requirements on not only what could be built on the lot, but other possible issues like the time frame to complete the construction.

Of utmost concern though is the type of structure that could be placed on the lot. My first reaction as to why no stipulations would be placed on the property as to what could be built, is why would the City Council not assure the protection of the value of our neighborhood? If one of the goals in selling the property is to regain property taxes, if the attractiveness of the neighborhood declines, don't property values along with it and at some point property taxes? Is it not one of the main objectives of the City Council to keep Portage an attractive place to live? It seems very counterproductive not to assure neighborhoods stay cohesive and aesthetically pleasing.

When we moved into our home 10 years ago, you could see and feel the pride that existed in this neighborhood of quality, well-built homes. A few of the original homeowners were still here. We have gone from the existence of a beautiful family home next to us, to foreclosure, degradation of the property, flooding and ultimate demolition of the home. My husband, along with many of the neighbors then took it upon themselves to maintain the property, because we care what our neighborhood looks like. A caring neighbor spent substantial time and effort to research a community garden; our neighborhood has been close and most of us were excited and stepped up to get involved. To now this, the possibility that any type of structure could be placed on the lot.

The neighborhood children have put on plays, we have block picnics and get together. There are new generations of families who have moved in. It has been a wonderful place to live. Please help us keep it that way by including requirements that any future dwelling is compatible with and has the same requirements as the homes that already exist in the neighborhood.

Sincerely,

Margaret Krenselewski

**RECEIVED**

FEB 26 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

2/26/2013

**TO:** Honorable Mayor and City Council  
**FROM:** Maurice S. Evans, City Manager  
**SUBJECT:** 10323 Archwood Drive

*Mr. Evans*

**SUPPORTING PERSONNEL:** Victoria Georgeau, Director of Community Development

**ACTION RECOMMENDED:** Information Only

**EXECUTIVE SUMMARY:**

At the February 25, 2013 City Council preparatory meeting questions arose concerning the recommendation of the City Administration to add a contingency that precludes location/construction of a manufactured dwelling on the property at 10323 Archwood. The following information provides additional background in regard to manufactured dwellings, (which are recommended to be excluded) and modular dwellings, (which are recommended to be permissible). Manufactured dwellings are required to be constructed on a permanent chassis and may not be compatible with the existing neighborhood. Modular construction involves the on-site assembly of houses that are built in pieces at another location. Modular houses are given valuations similar to site built homes and would generally be considered compatible with the neighborhood.

Information is also provided in regard to the current square footage and estimated true cash value of houses currently located on Archwood Drive.

**BACKGROUND INFORMATION:**

The following information is provided in regard to the existing houses within the Oak Forest Park plat, and the differences between manufactured and modular house construction.

With regard to the existing houses within the Oak Forest Park plat, there are 10 existing houses on the 11 lots within the plat. The houses were built between 1964 and 1977 and range in style from one-story, 1 ½ story and/or split level, to two-story type construction. The existing houses have an average size of 1,943 square feet in area and have an estimated average value of \$156,059.

Property Address	Area of House	Year Built	Type of Construction	Estimated True Cash Value
10329 Archwood	1,823 square feet	1970	1 1/2 story	\$139,459
10322 Archwood	1,904 square feet	1969	2 story	\$166,257
10314 Archwood	2,402 square feet	1965	1 story	\$171,369
10303 Archwood	2,005 square feet	1969	1 1/2 story	\$129,936
10315 Archwood	2,110 square feet	1967	2 story	\$190,006
202 Cliffwood	1,732 square feet	1969	2 story	\$145,024
127 Cliffwood	1,985 square feet	1964	1 story	\$174,697
207 Cliffwood	1,810 square feet	1964	1 story	\$163,475

217 Cliffwood	1,656 square feet	1977	1 story	\$151,435
227 Cliffwood	2,005 square feet	1970	1 1/2 story	\$128,931
	<b>Average Size: 1,943 square feet</b>			<b>Average True Cash Value: \$156,059</b>

As you are aware, neighborhood residents have requested additional building stipulations be placed on the sale of the property at 10323 Archwood Drive. In particular, neighborhood residents have requested that any new house be of similar construction to the existing houses within the plat. In this regard, after reviewing the plat restrictions (which expired in 1979), the Zoning Code and the size and type of construction of existing houses within Oak Forest Park, it has been recommended that an additional restriction be placed on the sale of 10323 Archwood Drive, which prohibits construction of a manufactured dwelling on the property.

There are important differences between manufactured and modular house construction. In particular, manufactured dwellings are constructed in accordance to a code administered by the U.S. Department of Housing and Urban Development, and require the house be constructed on a permanent chassis. In addition, it is not uncommon for manufactured homes to lose value over time, and such homes have a finite life expectancy in comparison to modular and/or site built construction. While the Zoning Code does permit manufactured homes outside of a manufactured housing development, additional design requirements are provided to ensure the house is compatible with the surrounding neighborhood. With regard to modular home construction, such homes are built in pieces or modules, are transported from a factory to the site, and must be assembled and finished by a licensed contractor in accordance with the local and/or state building code. Modular (and panelized) homes appreciate and are given a valuation similar to site built homes.

For the reasons noted above, and in response to neighborhood concerns regarding new house construction on the city-owned property at 10323 Archwood Drive, it was recommended that while site built and modular home construction is appropriate, manufactured dwellings may not be compatible with the existing neighborhood, and are not of “similar construction” to existing houses in the plat.

**FUNDING:** Not applicable.

**Attachments:** General Program Information, What is a Manufactured Home”, U.S. Department of Housing and Urban Development  
“Manufactured Home”, Definition from 2009 International Residential Code

# General Program Information

What is a manufactured home?

A manufactured home (formerly known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

**What is the difference between manufactured and modular homes?** Manufactured homes are constructed according to a code administered by the U.S. Department of Housing and Urban Development (HUD Code). The HUD Code, unlike conventional building codes, requires manufactured homes to be constructed on a permanent chassis. Modular homes are constructed to the same state, local or regional building codes as site-built homes. Other types of systems-built homes include panelized wall systems, log homes, structural insulated panels, and insulating concrete forms.

**What are my options for financing the purchase of a manufactured home?** There are many alternatives for financing your home, including a growing number of lending institutions that are providing conventional and government-insured financing plans for prospective owners. The most common method of financing a manufactured home is through a retail installment contract, available through your retailer. Some lending institutions that offer conventional, long-term real estate mortgages may require the homes to be placed on approved foundations. Manufactured homes are eligible for government-insured loans offered by the **Federal Housing Administration (FHA)**, the **Veterans Administration (VA)**, and the **Rural Housing Services (RHS)** under the U.S. Department of Agriculture.

For additional assistance, you may wish to contact HUD's **Housing Counseling Clearinghouse**. HUD-approved housing counseling agencies provide housing counseling to renters, first-time buyers, and homeowners. Homeowners with problems that could result in default of their mortgage or foreclosure on their property need to contact a HUD-approved housing counseling agency immediately. HUD's Housing Counseling Clearinghouse operates a toll-free 24-hour-a-day automated voice response system that provides referrals to local housing counseling agencies, at (800) 569-4287. Referrals are also available to Spanish-speaking consumers.

Whom do I contact if my home was damaged during installation?

Retailers may contract with their customers for the installation of their homes, in which case the retailer is your first contact for installation-related problems. If the retailer does not arrange for the installation and you choose the installation contractor, you should contact the installer who performed the work. If you are not satisfied with the repair, contact the local authority/SAA having jurisdiction. It is important that all services related to the installation be listed separately in the contract.

What should I do if I'm having problems with my home and the Retailer and/or Manufacturer are no longer in business?

Contact your **SAA** or State agency that regulates manufactured home manufacturers or retailers. Your State may administer a bonding or recovery fund program for such instances.

**My home was built before June 15, 1976. I've made some modifications to my home and believe it meets the HUD Standards. Can someone come inspect my home to make sure it's in compliance with the Standards?**

HUD does not inspect homes. Homes built prior to June 15, 1976, even with modifications, do not meet the HUD standards and cannot be accepted as compliant with the HUD Code. As the homeowner, you may find a licensed engineer willing to inspect your home for compliance with your state's housing code. FHA does not insure mortgages on manufactured homes built prior to June 15, 1976. Most other mortgage insurance firms follow FHA's policy.

Will HUD issue certification labels (HUD tags) if my home was built before 1976?

No. The Department will not issue tags for a manufactured (mobile) home constructed prior to the enforcement of the Manufactured Home Construction and Safety Standards, effective June 15, 1976.

**What kind of financing is available for my manufactured home?**

HUD's FHA program insures two types of mortgages. **Title II** insures mortgages on qualifying manufactured homes sold with land and meeting other requirements. FHA's **Title I** program can provide information to consumers interested in obtaining HUD-insured loans. You may also want to contact lending institutions in your area (or the area where you want to purchase your home) for additional financing options.

What if HUD does not consider my home to meet its requirements for Title I or Title II insured loans? Are there still financing options available to me?

You may wish to consult with private lending institutions such as Freddie Mac or Fannie Mae to see if financial assistance is available to you.

**I'm interested in purchasing a mobile home park or building a mobile home park. Where can I go for assistance?**

You may contact the Office of Multifamily Housing at 202-708-2495 for assistance. Section 207, which is an FHA mortgage insurance program for HUD-approved lenders, promotes the creation of manufactured home communities by increasing the availability of affordable financing and mortgages.

**I live in a mobile home park and I'm having problems with my landlord. Can HUD help me?**

HUD does not regulate manufactured (mobile) home parks; however, most states have an association ([http://www.mobilehomeparkstore.com/mhp\\_associations.htm](http://www.mobilehomeparkstore.com/mhp_associations.htm)) that can assist manufactured (mobile) homeowners with problems they are encountering.

**I have a park model home and have made upgrades to my home. I was told I need a HUD label. How do I get one?**

Regardless of the upgrades made to your park model, it is not possible to obtain a HUD label on any

structure that was not produced and inspected as a manufactured home in accordance with HUD's Manufactured Home Construction and Safety Standards and Regulations during its original construction. You may contact the Recreational Park Trailer Industry Association

**(<http://www.rptia.com>)** for additional information and resources regarding park model homes.

**MAIN SEWER.** See “Public sewer.”

**MANIFOLD WATER DISTRIBUTION SYSTEMS.** A fabricated piping arrangement in which a large supply main is fitted with multiple branches in close proximity in which water is distributed separately to fixtures from each branch.

❖ A manifold is a multiple-opening header to which one or more branch lines connect. See Section P2903.8.

**MANUFACTURED HOME.** *Manufactured home* means a structure, transportable in one or more sections, which in the traveling mode is 8 body feet (2438 body mm) or more in width or 40 body feet (12 192 body mm) or more in length, or, when erected on site, is 320 square feet (30 m<sup>2</sup>) or more, and which is built on a permanent chassis and designed to be used as a *dwelling* with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein; except that such term shall include any structure that meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the secretary (HUD) and complies with the standards established under this title. For mobile homes built prior to June 15, 1976, a *label* certifying compliance to the Standard for Mobile Homes, NFPA 501, in effect at the time of manufacture is required. For the purpose of these provisions, a mobile home shall be considered a *manufactured home*.

❖ Appendix E of the IRC contains provisions for the use of manufactured housing as dwellings. Appendix E is applicable only if so specified in the adoption ordinance of the jurisdiction. The provisions of this appendix are limited to three areas: (1) the construction, alteration or repair of a foundation system used to support a manufactured home unit; (2) the construction, installation, addition, alteration, repair or maintenance of building services equipment necessary for connecting the manufactured home to water, fuel, power supplies or sewage systems; and (3) alterations, additions or repairs to existing manufactured homes.

The code describes a manufactured home as being transportable in one or more sections, sets forth minimum dimensions for the home and indicates that a manufactured home is constructed on a permanent chassis. Under the provisions of the IRC, a mobile home is a manufactured home.

**MANUFACTURER’S DESIGNATION.** An identification applied on a product by the manufacturer indicating that a product or material complies with a specified standard or set of rules. (See also “*Mark*” and “*Label*.”)

❖ Identification applied on a product by the manufacturer indicating that a product or material complies with a specified standard or set of rules.

**MANUFACTURER’S INSTALLATION INSTRUCTIONS.** Printed instructions included with *equipment* as part of the conditions of listing and labeling.

❖ A set of instructions provided by the manufacturer of a product that guides the user or installer through the

steps necessary to ensure a complying installation. These instructions help ensure that an installer does not violate the listing of a product.

**MARK.** An identification applied on a product by the manufacturer indicating the name of the manufacturer and the function of a product or material. (See also “Manufacturer’s designation” and “*Label*.”)

❖ Identification applied on a product by the manufacturer indicating the name of the manufacturer and the function of a product or material.

**MASONRY CHIMNEY.** A field-constructed chimney composed of solid masonry units, bricks, stones or concrete.

❖ Masonry chimneys can have one or more flues within them and are field-constructed of brick, stone, concrete, or fire-clay materials. Masonry chimneys can stand alone or be part of a masonry fireplace.

**MASONRY HEATER.** A masonry heater is a solid fuel burning heating *appliance* constructed predominantly of concrete or solid masonry having a mass of at least 1,100 pounds (500 kg), excluding the chimney and foundation. It is designed to absorb and store a substantial portion of heat from a fire built in the firebox by routing exhaust gases through internal heat exchange channels in which the flow path downstream of the firebox includes at least one 180-degree (3.14-rad) change in flow direction before entering the chimney and which deliver heat by radiation through the masonry surface of the heater.

❖ Masonry heaters are appliances designed to absorb and store heat from a relatively small fire and to radiate that heat into the building interior. They are thermally more efficient than traditional fireplaces because of their design. Interior passageways through the heater allow hot exhaust gases from the fire to transfer heat into the masonry, which then radiates into the building.

**MASONRY, SOLID.** Masonry consisting of solid masonry units laid contiguously with the joints between the units filled with mortar.

❖ In solid masonry construction, walls are made up of solid masonry units. The joints between the units are also solid because they must be filled with mortar. Solid masonry walls may be either single-wythe or multiple-wythe construction. Where multiple wythes are used, the space between the wythes is filled with mortar or grout.

**MASONRY UNIT.** Brick, tile, stone, glass block or concrete block conforming to the requirements specified in Section 2103 of the *International Building Code*.

❖ The IBC contains the material requirements for masonry units. Various materials are used to construct masonry units, including brick, tile, stone, glass and concrete.

**Clay.** A building unit larger in size than a brick, composed of burned clay, shale, fire clay or mixtures thereof.

❖ Clay masonry units are composed of burned clay, shale, fire clay or a combination of these materials. A clay masonry unit is somewhat larger than a brick.

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** 2013 Board of Review

**SUPPORTING PERSONNEL:** Robert Luders, Director of Financial Services

**ACTION RECOMMENDED:** Information Only.

**BACKGROUND INFORMATION:**

At the last Council meeting, the 2013 Board of Review report was tabled for any action. Further, the City Manager was asked to obtain input from Board of Review members in regard to legal counsel attending the Board of Review sessions and the recap/debriefing follow-up meeting. Responses from Board members are included for City Council review.

In addition, Council wanted to know whether there were any additional training opportunities provided by the State Tax Commission (STC) prior to the Board of Review sessions in March. Unfortunately, there are no other training sessions scheduled by the STC (information regarding the training is also included for review). However, there are training sessions offered by the Michigan Township Association (MTA) on February 26 and 28, 2013 as detailed on the provided MTA flyer.

**FUNDING:** N/A

- Attachments:**
1. February 12, 2013 City Council Agenda Item F.4 regarding the 2013 Board of Review
  2. February 14, 2013 e-mail from City Manager Evans to the 2013 Board of Review members
  3. February 19, 2013 e-mail response from BOR member William Brandt
  4. February 20, 2013 e-mail/letter response from BOR member Michael F. Simon
  5. February 21, 2013 letter response from BOR member Wesley Mazurek
  6. February 21, 2013 letter response from BOR member Bill Fries
  7. February 22, 2013 e-mail response from BOR member Michael Quinn
  8. 2013 Board of Review Convis Township State Tax Commission (STC) Training flyer
  9. February 20, 2013 e-mail from Kelli Sobel, State Tax Commission Executive Secretary
  10. 2013 Board of Review Training Michigan Townships Association (MTA) flyer

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** 2013 Board of Review

**SUPPORTING PERSONNEL:** Robert Luders, Director of Financial Services

**ACTION RECOMMENDED:** Information Only

**BACKGROUND INFORMATION:**

At the Special Meeting of the City Council held on January 8, 2013 to appoint members to the Board of Review (BOR), several items were assigned to the City Administration for follow up, specifically:

- **Training** – Four training sessions will be conducted, including one facilitated by Lewis Rogers, Supervisor for Districts 5 & 7 from the Assessment & Certification Division of the State Tax Commission. Mr. Rogers will cover the state laws and guidelines for Board of Reviews. All but one of the BOR members are scheduled to attend (see attached training schedule). The remaining training sessions dealing with customer service, review of operational procedures and training manual, and income property evaluation, have all BOR members slated to attend. Attached is the current 2013 Board of Review Member training schedule.
- **Independent Legal Counsel Attending BOR** – The attached proposal from Attorney Deb Ondersma of Varnum LLP, addresses the guidance to be provided at the BOR meetings. Further, the results of a brief survey regarding other communities and whether legal counsel is involved in the BOR process is also attached.
- **Recap/Debriefing** – As part of the BOR operational procedures and training manual, a BOR Summary Meeting will be conducted. The manual also details the following:

*“At the conclusion of the entire March 2013 Board of Review, a summary meeting will be held with all BOR members, professional support staff, and select City of Portage Assessing staff. The purpose of the meeting will be to review the BOR member compliance with the aforementioned State guidelines and laws so as to strengthen and improve the BOR process going forward. In addition, constructive suggestions may also be made by BOR panel members as to how the process might be improved.”*
- **Compliance Checklist** – The attached compliance checklist has been developed for use by the BOR.

In addition, a communication is attached from City Assessor Jim Bush for information summarizing the 2013 Board of Review improvement measures.

**FUNDING:** N/A

**Attachments:** 2013 Board of Review Member training schedule  
February 4, 2013 proposal from Attorney Deb Ondersma, Varnum LLP  
Summary Meeting excerpt from BOR Training Manual  
2013 March Board of Review - Compliance Checklist  
February 6, 2013 communication from City Assessor Jim Bush

## City of Portage 2013 Board of Review Member Training

BOR Members & Assessing Staff	STC BOR Training 2/11/2013 Marshall 6pm - 9pm	Customer Service Video 3/4/2013 Portage 9am - 10am	Joyce Foondle 3/4/2013 Portage 10am - 12pm	Income Property Valuation David Rice 3/4/2013 Portage 1pm - 4pm
Michael Simon	Registered	Registered	Registered	Registered
Bill Fries	Can not attend	Registered	Registered	Registered
Michael Quinn	Registered	Registered	Registered	Registered
Richard Ford	Registered	Registered	Registered	Registered
Wesley Mazurek	Registered	Registered	Registered	Registered
William Brandt	Registered	Registered	Registered	Registered
James Bush	Registered			
Beth Wilkerson	Registered			
Kristine Biddle	Registered			
Selena Rider	Registered			

**\*March 4th at 9:00 am is the Pre-Organizational Meeting**



BRIDGEWATER PLACE • POST OFFICE BOX 352  
GRAND RAPIDS, MICHIGAN 49501-0352

TELEPHONE 616/336-6000 • FAX 616/336-7000 • WWW.VARNUMLAW.COM

DEBORAH I. ONDERSMA

DIRECT DIAL 616/336-6561  
E-MAIL [diondersma@varnumlaw.com](mailto:diondersma@varnumlaw.com)

February 4, 2013

Mr. Robert Luders  
Director, Financial Services  
City of Portage  
7900 South Westnedge Avenue  
Portage, MI 49002

Re: City of Portage 2013 March Board of Review Proposal

Dear Mr. Luders:

You have asked Varnum LLP to submit a proposal regarding the provision of legal guidance to the City of Portage 2013 March Board of Review. Specifically, you have asked us for a quotation of legal fees for the following work:

- Produce opinion letter on the propriety of the 2013 Board of Review Operational Procedures;
- Attend the pre-organizational meeting on March 4, 2013 from 10:00 - 12:00;
- Attend the organizational meeting on March 11, 2013 from 10:00 - 12:00;
- Attend the Board of Review session on March 11, 2013 from 1:00 - 4:00;
- Attend the Board of Review session on March 12, 2013 from 9:00 - 4:00;
- Attend the Board of Review session on March 13, 2013 from 9:00 - 4:00;
- Attend the Board of Review session on March 14, 2013 from 1:00 - 4:00 and from 6:00 - 9:00;
- Attend the Board of Review session on March 15, 2013 from 10:00 - 4:00;
- Attend 4 Board of Review sessions the week of March 18, 2013 from 9:00 - 4:00;
- Attend the closing Board of Review session on March 26, 2013 from 9:00 - 4:00.

As we have previously discussed, I would not be available during 100% of the sessions; however, one of Varnum's legal assistants, Mr. Jon O'Connor, is available to assist in this process. Mr. O'Connor is based in our Kalamazoo office and has previously worked for the City of Portage in the property tax appeal matter of *Pharmacia v City of Portage*.

I would propose that both Mr. O'Connor and I attend the organizational meetings of March 4 & 11, 2013, as well as the initial Board of Review sessions during the afternoon of March 11, 2013. (This adds 9 hours to your original scope, as we are providing 2 people for these sessions.) Thereafter, either Mr. O'Connor or I will attend all of the remaining 9 sessions.

Mr. Robert Luders  
City of Portage  
February 4, 2013  
Page 2

We anticipate that I will attend at least 4 of those sessions, and Mr. O'Connor will also attend at least 4 of those sessions. Note that should any of the proposed Board of Review sessions be cancelled, your final invoice will be reduced by an appropriate amount.

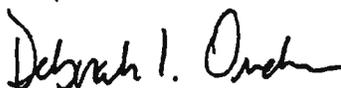
Our fee quotation for this work is \$17,775. Our quote is inclusive of preparation time in which Mr. O'Connor and I each will review the 2013 March Board of Review binder which your Assessor's Office will prepare (an estimated 4 hours of additional work), as well as all travel time and gas reimbursement.

However, if additional significant research is required (defined as research requiring more than 1 hour of work accomplished outside of the hours described above), that work would be billed in addition to the quoted amount above at my normal hourly rate of \$275 per hour.

Please feel free to contact me with any additional questions or concerns.

Very truly yours,

VARNUM



Deborah I. Ondersma

DIO/slg

ACCEPTED AND AGREED:

**CITY OF PORTAGE**

By \_\_\_\_\_

**Is an attorney involved in the Board of Review process?**

City of Grand Rapids	Yes	The City Attorney is put on notice during Board of Review in case he/she is needed. The Board of Review may hold a decision for Legal interpretation from the City Attorney.
Farmington Hills	No	
Kentwood	No	
City of Kalamazoo	No	
City of Battle Creek	No	
Novi	No	
Jackson	No	

**7. BOR SUMMARY MEETING**

**At the conclusion of entire March 2013 Board of Review, a summary meeting will be held with all BOR members, professional support staff, and select City of Portage Assessing staff. The purpose of the meeting will be to review BOR member compliance with the aforementioned State guidelines and laws so as to strengthen and improve the BOR process going forward. In addition, constructive suggestions may also be made by BOR panel members as to how the process might be improved.**

COMPLIANCE CHECKLIST

Petitioner Name: \_\_\_\_\_

Date \_\_\_\_\_

Appeal reference #: \_\_\_\_\_

1. Was written documentation or support provided by the **Petitioner** with the appeal?  
Yes \_\_\_ No \_\_\_
  
2. What did the **Petitioner** specifically indicate was the basis for the appeal?  
 \_\_\_ Comparable sales within the neighborhood  
 \_\_\_ Comparison to other Assessments  
 \_\_\_ Extraordinary Change in surrounding property: (such as heavy traffic, flood)  
 \_\_\_ Market Appraisal  
 \_\_\_ Home property characteristics  
 \_\_\_ Qualified error, Clerical error, Mutual mistake of fact  
 \_\_\_ Other: Specify \_\_\_\_\_
  
3. Did the **Petitioner** utilize "valid", "arms-length" comparable sales in accordance with  
STC guidelines?  
Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Sales not utilized by Petitioner for appeal)
  
4. Did the **Petitioner** utilize valid arms-length comparable sales that were within the STC  
one-year sales study period of October 1, 2011 through September 30, 2012 (appendix  
C)?  
Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Sales not utilized by Petitioner for appeal)
  
5. Did the **Petitioner** utilize valid arms-length sales that were contained on the approved  
"valid" sales list approved by the Kalamazoo County Equalization Department (appendix  
F)?  
Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Sales not utilized by Petitioner for appeal)  
 A.) If no, was the sale(s) reviewed by the BOR valid and arms-length, within the  
sales study period per STC guidelines (appendix C)?  
Yes \_\_\_ No \_\_\_
  
6. Did the **Petitioner** utilize Foreclosure, Financial Institution, Relocation or Sheriff's Deed  
sales?

Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Sales not utilized by Petitioner for appeal)

A.) If yes and accepted by the BOR, what exception was utilized by the BOR per  
STC Bulletin number 6, of 2007-foreclosures (appendix G)?

Specify exception: \_\_\_\_\_

7. Did the **Petitioner** indicate the specific property in which they utilized a comparison  
assessment as the basis for their appeal?

Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Comparison assessment not utilized)

A.) If yes, the address: \_\_\_\_\_

8. Did the **Petitioner** utilize a "market" appraisal?

Yes \_\_\_ No \_\_\_ N/A \_\_\_ ('market" appraisal not utilized)

A.) If yes, was the appraisal reviewed by the BOR to ensure that any comparable  
sales utilized were valid, arms-length sales, within the one-year sales period, and  
in accordance with STC Bulletin 6 of 2007-foreclosures (appendix G)?

Yes \_\_\_ No \_\_\_

B.) What was the purpose of the appraisal (i.e .refinance, etc.) \_\_\_\_\_

9. Did the **Petitioner** indicate that the basis for the appeal was incorrect home property  
characteristics?

Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Characteristics not utilized by Petitioner)

A.) If yes, was the petitioners claim verified with photographs or by inspection of  
home by the Assessor's office?

Yes \_\_\_ No \_\_\_

10. Did the **Petitioner** indicate a qualified error (also including clerical error/mutual mistake  
of fact) as the basis for the appeal?

Yes \_\_\_ No \_\_\_ N/A \_\_\_ (Qualified error not utilized for appeal)

A.) If yes, what specific qualified error/mutual mistake in fact/ clerical error was  
accepted by the BOR in accordance with STC Bulletin 16 of 2012 (appendix C)  
Specific error from Bulletin: \_\_\_\_\_

BOR Panel Member Compliance Initials:

BOR Compliance Initials:

Member 1: \_\_\_\_\_

Professional Staff: \_\_\_\_\_

Member 2: \_\_\_\_\_

Member 3: \_\_\_\_\_

# CITY OF PORTAGE

# COMMUNICATION

**TO:** Maurice S. Evans, City Manager

**DATE:** February 6, 2013 **RECEIVED**

**FROM:** James C. Bush, City Assessor 

FEB 06 2013

**SUBJECT:** 2013 Board of Review Improvement Measures

CITY MANAGER'S OFFICE  
PORTAGE, MI

In response to the January 8, 2013 City Council requests and suggestions to further improve the 2013 Board of Review function, the following meeting plans, training and other resources have been prepared:

The necessary arrangements have been made to conduct two Board of Review panels consisting of three members each. This year the BOR panels will have legal oversight provided by Varnum Law Firm. A service proposal detailing their level of guidance and supervision of all 2013 BOR activities has been negotiated with Varnum Law Firm for this purpose. A compliance checklist has been created which will be completed for every property assessment appeal and initialed by each BOR panel and professional staff member.

To better understand the property tax laws and STC guidelines regarding BOR conduct, the BOR Organizational Meeting Manual has been expanded and improved. The manual is a resource and training document which outlines property tax law and STC guidelines for the lawful and proper conduct of the BOR activity. The document outlines legal requirements, operational procedures and includes relevant state tax laws, STC Bulletins and related guidelines. Both the above described Organizational Meeting Manual and the Compliance Checklist have been reviewed by State Tax Commission officials as well as the Varnum Law Firm. The manual will be discussed in detail by Joyce Foondle of SW Michigan Government Consultants at the organizational meeting.

Regarding additional training, BOR members are currently registered to attend the 2013 BOR training session on February 11, 2013 sponsored by the STC. In addition, a one-hour customer service video will be presented to the BOR members, as well as a three-hour commercial and industrial property valuation training session that will be taught by David Rice, Property Manager for Edward Rose and Sons. The course will discuss industrial, office, retail and apartment property rents, increasing operating expenses and vacancy levels and their effects on valuation. Both of these activities will take place at the March 4<sup>th</sup> organizational meeting.

It is our belief that the training and reference resources as well as the BOR legal oversight will assure that property valuation decisions are made legally and that continuity exists between the BOR panels.

**Maurice S. Evans, City Manager**  
**February 6, 2013**  
**Page 2 of 2**

**I would be pleased to discuss this subject or the prepared resources further should you desire.**

**Attachments**

**C: Brian Bowling, Deputy City Manager**  
**Bob Luders, Director of Financial Services**

## Erica Eklov - Input Sought by City Council

---

**From:** Maurice Evans  
**To:** BOR  
**Date:** 2/14/2013 5:19 PM  
**Subject:** Input Sought by City Council  
**CC:** Erica Eklov  
**Attachments:** Pages from 2013 02 12 CC AgendaF.pdf - Adobe Acrobat Pro.pdf

---

Good evening Board of Review Members,

At the last Portage City Council meeting on Tuesday, February 12, discussion took place concerning a communication (attached) which I provided to the Council. This communication was generated at the direction of the Council as a result of dialogue that occurred at a Special Meeting of the Council on January 8, 2013. Of specific interest were items regarding legal counsel attending the Board of Review sessions and the BOR recap/debriefing follow-up meeting.

Mayor Strazdas and City Council want to obtain your thoughts on these items. Therefore, if you could e-mail or send a letter to my attention with your comments it would be greatly appreciated. I will be relaying what you provide to me in the next City Council agenda. In order to include your responses on the February 26th Council agenda packet, I will need your replies by **12 noon on Thursday, February 21**. If you have any questions, please contact me.

Thank you for your service to our community.

Respectfully,

Maurice S. Evans,  
City Manager  
City of Portage  
7900 South Westnedge Ave  
Portage, MI 49002  
Ph: 269-329-4400  
Fax: 269-324-9244  
Cell: 269-217-0455  
[evansm@portagemi.gov](mailto:evansm@portagemi.gov)  
Learner, Achiever, Positivity, Relator, Responsibility

*Note: hard copy of this message provided to member M. Simon (sent 2/15/13)*

**Maurice Evans - Request for BOR Member input**

---

**From:** <billbrandt@charter.net>  
**To:** <evansm@portagemi.gov>  
**Date:** 2/19/2013 10:37 AM  
**Subject:** Request for BOR Member input

---

Dear Mr. Evans,

As to having legal counsel attending the BOR sessions. I think having legal counsel available for advice before a questionable decision is made would be helpful. I am new to the BOR and I do not know if having counsel present during the BOR process is needed.

I strongly support having the BOR summary meeting. Reviewing the BOR process and obtaining new ideas should be very helpful to developing the process going forward.

Respectfully,

William Brandt  
Ph: 269-327-6522

*RECEIVED*

FEB 19 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

**Maurice Evans - Board of Review Member Input as Requested.**

---

**From:** "Michael F. Simon" <mfsimonlaw@charter.net>  
**To:** Maurice Evans <evansm@portagemi.gov>  
**Date:** 2/20/2013 5:49 PM  
**Subject:** Board of Review Member Input as Requested.  
**Attachments:** LT-Evans-13EB18.doc

---

Dear Mr. Evans,

Attached to this email is a two page letter containing my thoughts on the matters contained in your email to BOR dated February 14, 2013. I believe I have made myself clear as to those issues, but if you have any questions about the content, please do not hesitate to ask.

Sincerely,

Michael F. Simon

**RECEIVED**

FEB 21 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

2/21/2013

MICHAEL F. SIMON  
6305 APPLEWOOD STREET  
PORTAGE, MICHIGAN 49024-2374  
(269) 324-6054  
mfsimonlaw@charter.net

February 18, 2013

Maurice Evans  
Office of the City Manager  
7900 South Westnedge Avenue  
Portage, Michigan 49002

Dear Mr. Evans,

This will acknowledge receipt of your letter dated February 15, 2013 and the materials sent with it.

At the outset, I must tell you that I do indeed have an email address <mfsimonlaw@charter.net> and that it has been known to the personnel of the Assessors Office for a very long time. The City Clerk has never asked for that information.

As to the request from Mayor Strazdas and the City Council for my thoughts on the subject of having outside counsel attend all the sessions of the Board of Review, and on the subject of a BOR recap/de-briefing follow up meeting, I respond as follows:

A. I believe having outside counsel attend sessions of the BOR is a thoroughly bad idea.

First you would cost the taxpayers \$18,000 according to the proposal by the Varnum firm.

Second, it seems to me that having decided to appoint members to the Board of Review, you should allow them to carry out their responsibilities without interference. If you repent of your appointments, you may rescind them appoint those you find better in their place, or decline to reappoint them.

Third, Varnum's presence could have no effect on the actions of the BOR or its members for the reason that it is the Board, and no one else which has the statutory responsibility of hearing and deciding assessment appeals from property owners, and outside counsel is without authority to interfere. While the sessions of the Board are of course open meetings which anyone can attend, those who do attend are there as spectators and auditors only, and not as participants. Outside counsel's only course of effective action would be report to the Mayor and City Council on any perceived BOR member misconduct, leaving the City with no recourse but dismissing an offending member or declining to reappoint him/her. Further, due to the practice of recording sessions of the BOR, any misconduct could be detected without the participation of legal counsel.

Fourth, please note that your survey of seven other communities, selected by the City, reveals that none of them resort to outside counsel, and only one of them even has its own attorney on call to answer questions. The survey results demonstrate that other communities whose conduct of Boards of Review you think is suggestive of proper action by Portage, do not espouse the idea.

Page two

B. I believe that insistence on completion of a "Compliance Checklist" is impractical and ill-conceived.

First, is it envisioned that such a checklist be completed at the time of decision or each appeal, or at the conclusion of each day, or immediately prior to the Board's final adjournment? Any one of these alternatives would require Board members to expend time and effort needlessly. If after each individual appeal, fewer appointments could be scheduled each day, prolonging the duration of the Board, and the nearly \$1000 per day that would cost the City. If at the end of each day, or just before final adjournment, it is unrealistic to believe that Board members would remember the details of each of the appeals heard sufficiently to complete the Checklist, and/or be willing to attest to its correctness.

Second, it adds to the work of the Board of Review's members, beyond the scope of the work Board members to do at the time they accepted appointments.

Third, all of the information called for by the check list is already in the hands of the City's personnel by virtue of the recordings being made of the Board's sessions. Any one interested can view the tapes and discover the information called for by the Checklist, and complete it themselves without participation of Board members.

In light of the foregoing, if either the proposal by the Varnum firm is accepted, or if Board member completion of the contemplated Checklist is insisted upon, I would no longer wish to be a member of the City's BOR. If either of these contingencies should occur, you may treat this letter as my immediate resignation from the Board of Review.

Sincerely,

Michael F. Simon

February 21, 2013

Mr. Maurice S. Evans  
City Manager  
City of Portage  
7900 South Westnedge Avenue  
Portage, MI 49002

*RECEIVED*

FEB 21 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

Dear Mr. Evans,

In response to your request for input from Board of Review Members regarding legal counsel attending Board of Review sessions and BOR recap/debriefing follow-up meetings; I believe that it is imperative that Board of Review Members receive the education and training, fundamental in preparing them to function as an organized and informed body. This is not the setting where "on the job training" is the recommended method for one to gain insight on how to do the job.

Legal Counsel being present at Board of Review Sessions:

In my opinion, it is vitally important that Board of Review Members fully understand and have a working knowledge of the laws, rules, regulations and guidelines that govern their decisions. To me, how we get there isn't as important as gaining the knowledge we must possess to do the job responsibly. This is especially true if in the view of the city council; laws are being violated, misunderstood or ignored.

At the February 12th city council meeting, the city council discussed in detail the need to have legal counsel present during BOR appeals. At that time the council was unable to reach a consensus on that topic. In an effort to move forward, I would like to suggest three additional options that may work in addition to the recommendation that is currently being proposed, which hopefully, will assist the Board of Review in getting to where it needs to be. The Board could:

- Option 1: Undergo educational training on the laws applicable to the Board of Review. This could also include education on what is and is not allowed in a Board of Review session.
- Option 2: Have immediate access to legal counsel for consultation, advice and guidance.
- Option 3: Include the City Attorney in the Board of Review sessions.

With reference to BOR/recap/debriefing and a follow-up meeting; a constructive summary meeting is always a good idea and should be a built-in constant held yearly where ideas, problems, suggestions for improvement are shared and discussed, a history if you will, of what has taken place and a road map for the future.

The "Compliance Checklist" is an excellent tool and is a welcomed addition to the process. It provides consistency and documentation to the appeal process. More often than not, time is frequently a problem for the Board of Review, meaning that if an appeal should run longer than the allotted 15 minutes it is easy for a panel to get behind so in an effort to balance the process, sufficient time needs to be allotted to adequately complete the Compliance Checklist, otherwise, a panel could hurriedly fill out the form to get to the next appointment, which then, would defeat its purpose. But overall the checklist is an excellent beginning for a panel to be able to substantiate their decision and to insure that proper steps were followed in the decision making process.

Thank you for allowing my input on the above.

Respectfully submitted,

A handwritten signature in black ink that reads "Wesley J. Mazurek". The signature is written in a cursive style with a large, stylized 'W' and 'M'.

Wesley J. Mazurek  
Board of Review Member  
622 Larkspur Avenue,  
Portage, MI 49002



February 19, 2013

Maurice,

I take my role as a BOR member very seriously and have always strived to be a neutral party viewing the facts. I also became a certified residential builder last winter, in part, because I thought knowing codes, regulations, and rules of a builder would help me be a more informed BOR member.

I do not think having an attorney in the room would be beneficial for the BOR or for our citizens.

1. To have the assessing department critique our work for accuracy is odd.
2. To accuse us of wrong doing, yet not tell us what we did wrong, is unfair and eliminates the opportunity for learning.
3. The BOR is to be a peer based group, the last resort for a citizen when disagreeing with their assessment.
4. Most citizens are very nervous when coming before the BOR. Adding another person would be more intimidating.
5. If the attorney did not agree with the board's decision, does he/she have the authority to change it? Doesn't that defeat the entire purpose of the BOR? Maybe just have citizens go directly to the City hired attorney with their assessing issues?

Sincerely,

Bill Fries

**RECEIVED**

FEB 21 2013

CITY MANAGER'S OFFICE

PORTAGE MI

**From:** MICHAEL QUINN <mikedquinn@sbcglobal.net>  
**To:** <eklove@portagemi.gov>  
**Date:** 2/21/2013 5:50 PM  
**Subject:** Fw: Failure Notice

I don't know how to interpret this to know what went wrong. Here's what I had tried to send:

I think a recap/followup meeting could be a good idea.

I think the city putting a lawyer in the appeals meeting would be seen as an attempt to stack the deck against the appellants.

If the assessor is unhappy with the BoR decisions he should appeal them to the Michigan Tax Tribunal. If his appeals are successful, then he can make a case. The unspecific and untimely criticisms that were sprung on us at the interviews are unlikely to help us view his opinions more favorably. We did take issue with assessor's denial of proper depreciation and class of construction assignments last year. Would you like us to expand on that at the city council meeting?

Michael Quinn

---

----- Forwarded Message -----

From: "MAILER-DAEMON@yahoo.com" <MAILER-DAEMON@yahoo.com>  
To: mikedquinn@sbcglobal.net  
Sent: Thu, February 21, 2013 11:41:06 AM  
Subject: Failure Notice

Sorry, we were unable to deliver your message to the following address.

<eklove@portagemi.gov>:

Remote host said: 550 Message was blocked by server (GWAVA blocked:

ipreputation, reference ID:

str=0001.0A090204.51264DE4.0066:SCFMA18039127,ss=1,re=-4.000,recu=0.000,reip=0.000,cl=1,cld=1,fgs=1024)

[BODY]

--- Below this line is a copy of the message.

Received: from [98.139.44.97] by nm29.access.bullet.mail.sp2.yahoo.com with NNFMP; 21 Feb 2013 16:39:48 -0000

Received: from [98.139.44.91] by tm2.access.bullet.mail.sp2.yahoo.com with NNFMP; 21 Feb 2013 16:39:48 -0000

Received: from [127.0.0.1] by omp1028.access.mail.sp2.yahoo.com with NNFMP; 21 Feb 2013 16:39:48 -0000

X-Yahoo-Newman-Property: ymail-3

X-Yahoo-Newman-Id: 765190.64469.bm@omp1028.access.mail.sp2.yahoo.com

Received: (qmail 19607 invoked by uid 60001); 21 Feb 2013 16:39:48 -0000

DKIM-Signature: v=1; a=rsa-sha256; c=relaxed/relaxed; d=sbcglobal.net; s=s1024;

t=1361464788; bh=iMEGFNVG8LrFOJwyktRZO2MVa4qscZgsQKb4Oe68Dfc=;

h=X-YMail-OSG:Received:X-Rocket-MIMEInfo:X-Mailer:References:Message-ID:Date:From:Subject:To:Cc:In-Reply-To:MIME-Version:Content-Type;

b=nMzDqhg2K9x4SZc3hMg+nme0POzFTNaTJJIPcOsJzCTHsapL2wavlJzSJrQV4auB7DsnSRXtsJK3m/lfURPO5tqSEV0KxzQgRktT05y9GtwQ8MXo/WAWL3NLtiOXUULKU7RdaaEMRVB3SBFuxJ7ZPLGGzCH

**RECEIVED**

FEB 22 2013

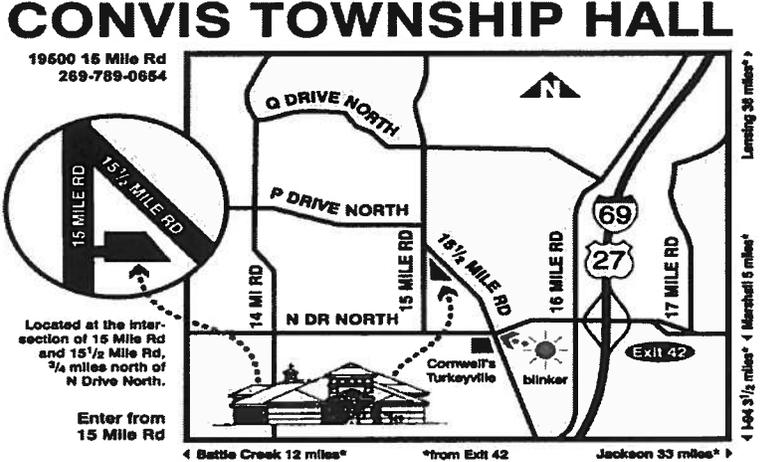
CITY MANAGER'S OFFICE  
PORTAGE, MI



**2013 Board of Review Training**  
**Monday, February 11, 2013**  
**6PM to 9PM**  
**Convis Township Hall**  
**19500 15 Mile Rd.**  
**Marshall, Michigan**

**Instructor Lewie Rogers, State Tax Commission**

If you wish to attend, please contact Marcia Bail at either 269-962-7959 or e-mail [m.a.bail@comcast.net](mailto:m.a.bail@comcast.net) with the number of persons attending. **Special attention to Assessors!** This training session counts toward 4 hours of continuing education.



Refreshments and cookies will be provided.

**Selena Rider - RE: Board of Review**

---

**From:** "Sobel, Kelli (Treasury)" <SobelK2@michigan.gov>  
**To:** 'Selena Rider' <Riders@portagemi.gov>  
**Date:** 2/20/2013 3:24 PM  
**Subject:** RE: Board of Review

---

Hi Selena

The STC does not offer any training directly. Check with your County ED to see if they know of any in the area or the MTA also offers training.

Kelli

---

**From:** Selena Rider [mailto:Riders@portagemi.gov]  
**Sent:** Wednesday, February 20, 2013 3:22 PM  
**To:** Sobel, Kelli (Treasury)  
**Subject:** Board of Review

Good Afternoon Kelli:

Could you tell me if the STC is offering any upcoming Board of Review Training?

Thank you and enjoy the rest of your day!



## 2013 Board of Review Training

To assist board of review members, alternates, township supervisors and assessors in preparing for 2013 board of review sessions, MTA is conducting half-day *Board of Review Training* workshops at 15 locations throughout the state:

- Feb. 1: Bavarian Inn Lodge, Frankenmuth
- Feb. 5: Franklin Square Inn, Houghton
- Feb. 6: Holiday Inn, Marquette
- Feb. 7: Little Bear East Arena, St. Ignace
- Feb. 8: Treetops Resort, Gaylord
- Feb. 12: Holiday Inn, Alpena
- Feb. 13: Tawas Bay Beach Resort, East Tawas
- Feb. 14: Comfort Suites Conference Center, Mt. Pleasant
- Feb. 18: Radisson Plaza, Kalamazoo
- Feb. 19: Hilton Airport, Grand Rapids
- Feb. 20: McGuire's Resort, Cadillac
- Feb. 21: Great Wolf Lodge & Conference Center, Traverse City
- Feb. 25: Black River Country Club, Port Huron
- Feb. 26: Holiday Inn near the University of Michigan, Ann Arbor
- Feb. 28: Ramada Inn, Lansing



Concurrent sessions offered at each location allow participants to choose the appropriate level and topics of interest. The **advanced session** is geared to experienced board of review members, while the **basic session** acquaints newer board of review members with their statutory duties and requirements. **Lunch is included for those attending either session.**

### AGENDA

Noon      Registration Check-in & Light Lunch  
1 to 4 p.m.      Concurrent Sessions (choose one)



#### Advanced Session

- What's new and in review
- Property classes
- Principal Residence Exemption audits
- Understanding exemptions
- Inflation rate multiplier
- Uncapping and transfers
- "Ghasing" sales
- Appeals after they leave the board of review

#### Basic Session

- Review of the assessment process
- Overview of the board of review's statutory authority
- Responsibilities of the assessor and township supervisor
- Understanding exemptions
- How to listen to and act on protests
- What's new this year

4 to 5 p.m.      Bonus hour for assessors seeking credit

#### Instructors:

Cindy Davis, MTA Member Information Specialist & Michigan Certified Assessing Officer  
Barbara Van Gelderen, Supervisor/Assessor, Manlius Township (Allegan Co.) & Michigan Advanced Assessing Officer (9)



SPECIAL DISCOUNT:

Members may purchase a 2013 edition of MTA's comprehensive and updated *Board of Review Guide*, at a discounted rate of \$31.50, when registering for the class. The books will be distributed at check-in.

#### Cancellation, Substitution & Switching Policy

Written cancellation requests received at the MTA office at least two weeks prior to the event date will receive a full refund. No refunds will be issued thereafter. You may switch workshop locations at no charge if you notify MTA of the change at least one week prior to the workshop; otherwise, a \$25/person fee will be assessed. You may substitute another individual for your registration at any time without incurring a charge; please notify MTA of the change.

## R E G I S T R A T I O N   F O R M

Please indicate which session EACH person will attend AND whether a book is desired.

TOWNSHIP _____	COUNTY _____
NAME & TITLE _____	Attending: <input type="checkbox"/> Advanced <input type="checkbox"/> Basic      Need a book? <input type="checkbox"/> Yes <input type="checkbox"/> No
NAME & TITLE _____	Attending: <input type="checkbox"/> Advanced <input type="checkbox"/> Basic      Need a book? <input type="checkbox"/> Yes <input type="checkbox"/> No
NAME & TITLE _____	Attending: <input type="checkbox"/> Advanced <input type="checkbox"/> Basic      Need a book? <input type="checkbox"/> Yes <input type="checkbox"/> No
NAME & TITLE _____	Attending: <input type="checkbox"/> Advanced <input type="checkbox"/> Basic      Need a book? <input type="checkbox"/> Yes <input type="checkbox"/> No
TELEPHONE _____	EMAIL ADDRESS (where confirmation will be sent) _____

#### Please check the workshop you will attend:

- |  |   |
|--|---|
| <input type="checkbox"/> Feb. 1, Frankenmuth   | <input type="checkbox"/> Feb. 18, Kalamazoo     |
| <input type="checkbox"/> Feb. 5, Houghton      | <input type="checkbox"/> Feb. 19, Grand Rapids  |
| <input type="checkbox"/> Feb. 6, Marquette     | <input type="checkbox"/> Feb. 20, Cadillac      |
| <input type="checkbox"/> Feb. 7, St. Ignace    | <input type="checkbox"/> Feb. 21, Traverse City |
| <input type="checkbox"/> Feb. 8, Gaylord       | <input type="checkbox"/> Feb. 25, Port Huron    |
| <input type="checkbox"/> Feb. 12, Alpena       | <input type="checkbox"/> Feb. 26, Ann Arbor     |
| <input type="checkbox"/> Feb. 13, East Tawas   | <input type="checkbox"/> Feb. 28, Lansing       |
| <input type="checkbox"/> Feb. 14, Mt. Pleasant |   |

REGULAR rate\*: \$99

\_\_\_\_\_ (# registered) x \$\_\_\_\_\_ (rate) = \$\_\_\_\_\_

\_\_\_\_\_ (# of books) x (\$31.50/book\*) = \$\_\_\_\_\_

AMOUNT ENCLOSED = \$\_\_\_\_\_

\*Rate applies to MTA members; non-members, contact MTA for rates.

#### PAYMENT INFORMATION:

Check enclosed (payable to MTA)

Charge to: (circle one) Discover American Express MasterCard VISA Card # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Exp. Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Print Card Holder's Name: \_\_\_\_\_ Card Holder's Signature: \_\_\_\_\_

Send your completed registration form with payment to MTA, P.O. Box 80078, Lansing, MI 48908-0078; fax: (517) 321-8908.  
Or register online at [www.michigantownships.org](http://www.michigantownships.org). Questions? Call (517) 321-8467.

**Erica Eklov - Fwd: Input Sought by City Council**

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**From:** Richard Ford <fordrichardj@gmail.com>  
**To:** <eklove@portagemi.gov>  
**Date:** 2/25/2013 4:55 PM  
**Subject:** Fwd: Input Sought by City Council  
**Attachments:** Richard J Ford\_Portage City Council Memo 2.20.pdf

---

**RECEIVED**

FEB 25 2013

CITY MANAGER'S OFFICE  
PORTAGE, MI

----- Forwarded message -----

**From:** **Richard Ford** <fordrichardj@gmail.com>  
**Date:** Wed, Feb 20, 2013 at 6:54 PM  
**Subject:** Re: Input Sought by City Council  
**To:** Maurice Evans <evansm@portagemi.gov>

Maurice:

Please see the attached pdf for my comments.

Thanks,

Rich

On Thu, Feb 14, 2013 at 5:19 PM, Maurice Evans &lt;evansm@portagemi.gov&gt; wrote:

Good evening Board of Review Members,

At the last Portage City Council meeting on Tuesday, February 12, discussion took place concerning a communication (attached) which I provided to the Council. This communication was generated at the direction of the Council as a result of dialogue that occurred at a Special Meeting of the Council on January 8, 2013. Of specific interest were items regarding legal counsel attending the Board of Review sessions and the BOR recap/debriefing follow-up meeting.

Mayor Strazdas and City Council want to obtain your thoughts on these items.

Therefore, if you could e-mail or send a letter to my attention with your comments it would be greatly appreciated. I will be relaying what you provide to me in the next City Council agenda. In order to include your responses on the February 26th Council agenda packet, I will need your replies by **12 noon on Thursday, February 21**. If you have any questions, please contact me.

Thank you for your service to our community.

Respectfully,

Maurice S. Evans,

City Manager

City of Portage

7900 South Westnedge Ave

Portage, MI 49002

Ph: 269-329-4400

Fax: 269-324-9244

Cell: 269-217-0455

evansm@portagemi.gov

Learner, Achiever, Positivity, Relator, Responsibility

Note: hard copy of this message provided to member M. Simon

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Richard J. Ford

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To: Honorable Mayor and City Council

CC: Maurice Evans

From: Richard Ford, Board of Review

Subject: Comments on Independent Legal Counsel

Date: 2/20/2013

**Memo**

In response to your request for input, I have provided my insight on the retention of Independent Legal Counsel for the BOR. As a major caveat to my comments, this is my first year serving as a BOR member, and thus, my opinion should be considered in that regard.

Given the fact that many other cities do not require an Independent Legal Counsel to be present, I don't see the need for the City of Portage to retain one. From my BOR training and the addition of the compliance checklist, appeals should be handled correctly at the BOR stage. Additional recourse is available for the taxpayer (tax tribunal) in the event a denial was inappropriate. Appeal to the tax tribunal is free for taxpayers with a homestead exemption, and that entity should be able to correct any improper denials made by the BOR.

In my opinion, the compliance checklist and trainings will help BOR members render proper decisions. On cases where the BOR feels a correct assessment been made, no Independent Legal Counsel would be necessary. I would guess this would be the majority of the appeals. On cases where the BOR feels a reduction is warranted, the checklist should help ensure conformity with the law and the BOR should be able to justify the reduction through the checklist (everything proper and petitioner does in fact have a valid reason for reduction). I'd suggest that both boards table all decisions with any major issues until the end of the week. At that point, the BOR can reconsider these appeals with a fresh set of eyes and see if an outcome can be reached. If major underlying legal issues still remain, then an Independent Legal Counsel could be used to assist the BOR.

On a side note, Lewis Rogers, who held the training on February 11th, mentioned that when six people are used for the BOR, both BOR's must remain independent from one another, i.e. members must remain on the same panel. An Independent Legal Counsel communicating between the two BORs may violate state statute or regulations. This document briefly mentions the independence on page 2: [http://www.michigan.gov/documents/treasury/BOR-Booklet-QandA\\_219368\\_7.pdf](http://www.michigan.gov/documents/treasury/BOR-Booklet-QandA_219368_7.pdf)

Please feel free to contact me if you have any other questions.

Richard J. Ford  
994 Rainbow Ave  
Portage, MI 49024  
(616) 560-8328

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager

*MSE (for M. Evans)*

**SUBJECT:** 2013 Board of Review - Revised Checklist

**SUPPORTING PERSONNEL:** Robert Luders, Director of Financial Services

**ACTION RECOMMENDED:** Information Only

**EXECUTIVE SUMMARY:**

At the February 25, 2013 City Council preparatory meeting, questions arose concerning the Compliance Checklist developed to assist the Board of Review in consideration of valuation appeals. The original Compliance Checklist provided in the February 12, 2013 City Council Agenda was modified to the attached version and e-mailed to Council by the City Manager on February 14, 2013.

Discussion was also undertaken in regard to having outside counsel available to assist at Board of Review sessions. Should Council determine outside counsel will not be provided, unless directed otherwise the City Administration will still have outside counsel available to provide assistance during the organizational training meeting of the Board of Review.

**BACKGROUND INFORMATION:**

At the Special Meeting of the City Council on January 8, 2013 for appointment of members to the Board of Review (BOR), several items were assigned to the City Administration for follow up. This included development of a Compliance Checklist for use by the BOR and the potential for independent legal counsel assistance. A copy of the Compliance Checklist, as modified and provided to the Council on February 14, 2013, is attached.

If it is decided that an attorney will not be present for the Board of Review sessions, the City Administration believes having the attorney present for the organizational training meeting would remain beneficial, most notably for newer members. This meeting is noted as a separate session without petitioners, where State Tax Commission (STC) guidelines and Michigan State Tax Laws are reviewed, among other items.

**FUNDING:** N/A

**Attachments:** 2013 Board of Review Checklist, v.2

Petitioner Name:

Appeal #:

Date:

1. Was written documentation or support provided by the **Petitioner** with the appeal? Yes  No

2. What did the **Petitioner** specifically indicate was the basis for the appeal?

*Check all that applies and fill out the corresponding sections below for each basis used.*

Comparable sales within the neighborhood (Go to #3)  
 Comparison to other assessments (Go to #4)  
 Extraordinary change in surrounding property such as heavy traffic, flood (Go to #5)  
 Market appraisal (Go to #6)  
 Home property characteristics (Go to #7)  
 Qualified error, clerical error, mutual mistake of fact (Go to #8)

3. Were comparable sales used by the **Petitioner**:

a. "Valid" and "arms-length" sales in accordance with STC guidelines? Yes  No

b. Within the STC one-year sales study period of October 1, 2011 through September 30, 2012 (appendix C)? Yes  No

c. Contained on the approved "valid" sales list approved by the Kalamazoo County Equalization Department (appendix F)? Yes  No

d. If not on the valid sales list (c.), was the sale(s) reviewed by the BOR valid and arms-length, within the sales study period per STC guidelines (appendix C)? Yes  No

e. Foreclosure, Financial institution, Relocation or Sheriffs deed sales? Yes  No

f. If yes (e.) and accepted by the BOR, what exception was utilized by the BOR per STC bulletin number 6, of 2007-foreclosures (appendix G)?  
Specify exception:

4. Did the **Petitioner** indicate the specific property in which they utilized a comparison assessment as the basis for their appeal? Yes  No

a. If yes, provide the address:

---

5. Was the extraordinary change in surrounding property (such as heavy traffic, flood), used by the **Petitioner** as the basis for appeal?

a. Substantiated by documentation? Yes  No

b. Specify cause of extraordinary change in surrounding property  
Cause:

---

6. Did the **Petitioner** utilize a market appraisal?:

a. If yes, was the appraisal reviewed by the BOR to ensure comparable sales utilized were valid, arms-length sales, within the one-year sales period, and in accordance with the STC bulletin 6 of 2007-foreclosures (appendix G)? Yes  No

b. What was the purpose of the "market" appraisal? (i.e. refinance, etc.)  
Purpose:

---

7. Did the **Petitioner** indicate that the basis for the appeal was incorrect property characteristics?

a. Verified with photographs? Yes  No

b. Verified by inspection of the home by the Assessor's office? Yes  No

---

8. Was the qualified error (also including clerical error/mutual mistake of fact) used by the **Petitioner** as the basis for appeal:

a. Accepted by the BOR in accordance with STC Bulletin 16 of 2012 (appendix C) specific error from bulletin? Yes  No

b. If yes, specify the qualified error/mutual mistake in fact/clerical error  
Specify Error:

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BOR Panel Compliance Initials

Member 1: \_\_\_\_\_

Member 2: \_\_\_\_\_

Member 3: \_\_\_\_\_

BOR Compliance Initials:

Professional Staff: \_\_\_\_\_

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Bid Recommendation – Street Sweeper Rental

**SUPPORTING PERSONNEL:** William Deming, Director of  
Parks, Recreation and Public Services

**ACTION RECOMMENDED:** That City Council approve a three-year contract with Bell Equipment Company for:

- a. rental of two street sweepers for four weeks each for a three year total of \$57,600 for spring sweeping of streets following hydrant flushing;
- b. rental of two street sweepers for six weeks each for a three year total of \$80,100 for fall street sweeping of streets following leaf pickup;

both with an option for three, one-year renewals, and authorize the City Manager to execute all documents related to this action on behalf of the city.

**EXECUTIVE SUMMARY:**

As a cost savings measure, bids were solicited for the rental of street sweepers used during the spring water hydrant flushing and fall leaf pickup programs. A three year contract with Bell Equipment Company of Lake Orion, Michigan, is being recommended with an option of three additional one-year renewals.

**BACKGROUND INFORMATION:**

Due to the high replacement and maintenance cost and excessive wear on street sweepers used in conjunction with the spring water hydrant flushing program and the Fall Leaf Pickup Program, in 2012 the city opted to sell two street sweepers that were beyond their serviceable life and proceed with rental of sweepers for these programs.

On February 5, 2013 sweeper rental bids were opened for sweeping of the city streets during the four-week spring hydrant flushing period and the six-week Fall Leaf Pickup Program period. Bell Equipment Company of Lake Orion, Michigan submitted a total three-year bid of \$57,600 for the rental of two street sweepers each spring and \$80,100 for rental of two street sweepers each fall. The bid was structured to allow an additional three yearly renewals upon the mutual agreement of both parties. Although only one vendor submitted a bid, few vendors have rental sweepers available and Bell Equipment Company is the regional provider of such equipment for the southwest Michigan area. Bell Equipment Company has previously provided rental sweepers to the city.

It is recommended that Council approve a three-year contract with Bell Equipment Company for the rental of two sweepers for spring street sweeping in the amount of \$57,600 and two sweepers for

fall street sweeping with an option for three, one-year renewals and authorize the City Manager to execute all documents related to this action on behalf of the city.

**FUNDING:** Funds have been budgeted to cover the cost of the spring sweeper rental in the FY 2012-13 Transportation & Utilities budget and are proposed in the FY 2013-14 Leaf Pickup Program budgets.

**Attachments:** Bid tabulation

**BID TABULATION  
FALL & SPRING STREEET SWEEPER LEASE**

<u>Bidder</u>	<u>Year/Make/Model of Equipment</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Three Year Seasonal Total</u>
<b>SPRING STREET SWEEPER - 2 SWEEPERS/4 WEEKS EACH</b> Bell Equipment Company 78 Northpointe Dr. Lake Orion, MI 48359	2012 Elgin Broom Bear 2012 Elgin Broom Badger	\$18,400.00	\$19,200.00	\$20,000.00	\$57,600.00
<b>FALL STREET SWEEPERS - 2 SWEEPERS/6 WEEKS EACH</b> Bell Equipment Company 78 Northpointe Dr. Lake Orion, MI 48359	2013 Elgin Whirlwind 2010 Elgin Megawind	\$25,500.00	\$26,700.00	\$27,900.00	\$80,100.00

**TO:** Honorable Mayor and City Council

**FROM:** Maurice S. Evans, City Manager 

**SUBJECT:** Vehicle Purchase Recommendation

**SUPPORTING PERSONNEL:** William Deming, Director  
Parks, Recreation and Public Services

**ACTION RECOMMENDED:** That City Council approve the purchase of four two-wheel drive Chevy Tahoe police pursuit vehicles through the State of Michigan Purchasing Program (MiDEAL) at a total cost not to exceed \$107,880 and authorize the City Manager to execute all documents related to these purchases on behalf of the city.

**EXECUTIVE SUMMARY:**

After an evaluation of vehicles available for replacement of high mileage police vehicles, it is being recommended that four, two-wheel drive Chevy Tahoe police pursuit vehicles be purchased through the State of Michigan Purchasing Program. The vehicles that will be replaced will be sold through the Kalamazoo County Intergovernmental Auction Program.

**BACKGROUND INFORMATION:**

Included for purchase in the City Council adopted 2012-2013 Capital Improvement Program (CIP) budget is the replacement of four two-wheel drive police pursuit vehicles. New vehicles will replace vehicles that have reached the end of serviceable life.

After evaluation of several different makes of police pursuit vehicles, the Chevy Tahoe was identified as the best choice/value based upon ergonomics, storage, capacity, versatility, commonality and safety. The vehicles identified can be purchased through the State of Michigan Purchasing Program Michigan Extending Agreements Locally (MiDEAL), at a total cost not to exceed \$107,880. The City of Portage has entered into the MiDEAL program to utilize the extended purchasing agreement service, as there is a significant economic advantage realized by the city when purchasing through this cooperative program. All vehicles being replaced will be sold at auction through the Kalamazoo County Intergovernmental Auction Program, with a total estimated auction value of \$25,000.

It is recommended that City Council approve the purchase of vehicles as noted above through the MiDEAL program and authorize the City Manager to execute all documents related to these purchases on behalf of the city.

**FUNDING:** Funds have been budgeted to cover the cost of vehicle purchase in the FY 2012-13 Public Safety - Police Department Capital Improvement Program fund.

**Attachments:** February 14, 2013 communication from Deputy City Manager Brian Bowling

## CITY OF PORTAGE

## COMMUNICATION

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**TO:** Maurice S. Evans, City Manager

**DATE:** February 14, 2013

**FROM:** Brian J. Bowling, Deputy City Manager



**SUBJECT:** Police Vehicle Fleet

As you know, the city budgets annually for the replacement of police vehicles that, because of extensive use, accumulate many road miles in a relatively short period of time. Over the years, mileage thresholds wherein vehicles are targeted for replacement have been increased from 65,000 miles to 95,000 to 100,000 miles. Roughly 1/3<sup>rd</sup> of the patrol vehicle portion of the police vehicle fleet is budgeted for replacement each year, with the amount varying based upon actual mileage experience at the time of budget development. The balance of the fleet of staff and detective vehicles are replaced less frequently.

The current police vehicle fleet consists of 29 vehicles including 16 marked vehicles in patrol, 7 un-marked (detective, parking enforcement, courier) vehicles, 4 staff vehicles and 2 unmarked vans. Of the 16 marked vehicles in patrol, 7 Chevrolet Tahoe's are in the 2013 fleet with the balance of vehicles being Ford sedans.

The composition of the patrol vehicle fleet is somewhat dictated by vehicle manufacturers. Most recently, Ford decided that the last police model they would make on the Crown Victoria platform was built in 2011. Discontinuation of the model necessitated consideration of alternative police vehicles prompting a move to the Chevy Tahoe. In evaluating options for currently budgeted police vehicle replacements, the Department of Public Safety once again studied the available pool of patrol vehicles with the overwhelming consensus being the Chevrolet Tahoe remaining the best option. The several factors leading to this conclusion are:

- Ergonomics – Ergonomics is very important due to the large quantity of equipment that needs to be carried inside the patrol vehicle. This equipment includes a mobile recording unit, camera, computer, instrument console (including siren box, speakers, overhead light box, radio, public address unit and microphone), printer, flashlight and holder. All these items are located in the driver's compartment, making space within the vehicle a premium consideration. The 2013 Model Year Police Vehicle Evaluation Program published by the Michigan Department of State Police scores the Tahoe the highest of all vehicles tested in the category of ergonomics.
- Storage capacity – A large number of items must also be stored in patrol vehicles, the largest of which is the gun vault used to store the urban patrol rifle and related gear. The configuration of the Tahoe makes all items stored in the rear of the vehicle easily accessible for officers.
- Versatility – The Tahoe has more rear seat room and hauling capacity than other available police pursuit vehicles. The additional space enables use for multiple individuals and extra gear for uses such as training.

- Commonality – As noted previously, Tahoes represent nearly 50 percent of the current marked patrol vehicle fleet. Keeping with this same vehicle platform will eventually enable reuse of equipment, drastically reducing the cost of vehicle retrofits over time. In addition, maintaining a consistent model patrol fleet reportedly assists officers in minimizing mistakes in times of crisis as the location of all gauges and mounted equipment is identical.
- Safety – The 2012 Tahoe carries a five-star (the best) crash rating.

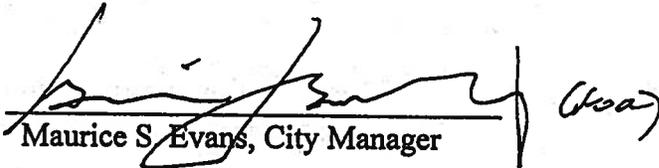
Three other reviewed vehicles, the Chevrolet Impala, Ford Interceptor and Dodge Charger were not selected due to interior space and visibility concerns. The Chevrolet Caprice was judged as the next best vehicle by Chief White, however, the quoted price for the Chevrolet Tahoe (\$26,970), compares favorably to that of the Chevrolet Caprice (\$26,865). Similarly, the combined fuel mileage of the Tahoe at 17 miles per gallon compares favorably with the Caprice at 18 miles per gallon. Finally, retrofit (changeover) cost of the Tahoe is estimated at \$9,902, which is slightly less than these costs for the Caprice at \$10,214. The total estimated cost for the Tahoe with equipment changeover is \$36,872 vs. the total estimated cost of the Caprice with equipment changeover at \$37,079.

Given the information provided, I believe an appropriate case has been developed to support continued purchase of Tahoes for police patrol purposes. Should you concur; a communication/recommendation will be developed for inclusion on the February 26, 2013 Council agenda for purchase of four (4) such vehicles at a cost not to exceed \$107,880. If you prefer to support acquisition of an alternative police vehicle, please let me know and an appropriate report will be developed.

**MATERIALS TRANSMITTED**

Friday, February 8, 2013

1. **Supplemental Information for Items H.1 and H.2 of the February 12, 2013 City Council Agenda:** Communication from the City Manager regarding the resumes of Board of Review Members and Zoning Board of Appeals Recommended Appointments.
2. **CONFIDENTIAL** communication from the City Attorney regarding a legal opinion.
3. Communication from the City Manager to Dr. Tom George regarding a current city program – Information Only.



Maurice S. Evans, City Manager

cc: Brian J. Bowling, Deputy City Manager



**MATERIALS TRANSMITTED**

Tuesday, February 12, 2013

1. Communication from the City Manager regarding the January 2013 Citizen Comment Card Summary – Information Only.

A handwritten signature in black ink that reads "Maurice S. Evans". The signature is written in a cursive style.

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Maurice S. Evans, City Manager

cc: Brian J. Bowling, Deputy City Manager