

Allegan, Michigan

January 14, 2013

Call to Order Mayor McDaniel called the regular meeting of the Allegan City Council to order at 7:00 PM.

Pledge of Allegiance

Roll Call

Present: Councilmembers: Clark, Day, Ingalsbee, Leverage, McKenzie, Tripp, Mayor McDaniel

Absent: None

Others

Present: City Manager R. Hillard, Deputy City Clerk L. Vander Clay

Approval of Minutes Councilmember Clark, supported by Councilmember Ingalsbee, made a motion to approve the Special City Council meeting minutes of December 17, 2012. Motion passed by acclamation.

Mayor's Report Mayor McDaniel talked about the recent riverfront design meetings and how much excitement these meetings have generated. She stated the facilitators from Michigan State University will be coming back in March to present further design concepts, based on comments received. She encouraged everyone to attend the concerts at the Presbyterian Church on the second Sunday of each month. These concerts are a fundraising effort made possible by the church for different non-profits in Allegan.

City Manager's Report City Manager R. Hillard thanked all that participated in the Riverfront Redesign Meetings. He announced that Subway has decided not to purchase the city owned property located on Sherman Street, but he is very pleased that they are going to stay in their current location within Allegan.

Petitions and Public Comment Clarence Miller, 1745 30th Street, wondered about the expansion of Essential Properties, as quoted by Mr. Miller, "this business is in my backyard". City Manager R. Hillard explained that the proposed expansion will be to the North and West of Mr. Miller's property.

Communications City Manager R. Hillard announced that a donation from The Perrigo Charitable Foundation for the benefit of the Allegan Sports Complex was received as well as a donation from Allegan Township that will be coming in the near future.

Mayor McDaniel announced the 2013 Strategic Planning Session for the City Council will be held on Saturday, January 19th from 9:00am~4:00pm at the Griswold Auditorium. Councilmember Day, supported by Councilmember Ingalsbee, made a motion to approve the request received from the Allegan Area Arts Council for the waiver of fees at the Griswold Auditorium during their Children's Art Camp~August 12-16, 2013. Motion passed with Councilmember Clark abstaining.

Hearings Mayor McDaniel opened the Public Hearing at 7:13pm for the Application for Industrial Facilities Exemption Certificate for Essential Properties located at 959 Industrial Drive. There was no public comment. Councilmember Day, supported by Councilmember Clark, made a motion to close the public hearing at 7:14pm. Motion passed by acclamation. Councilmember Day, supported by Councilmember Clark, made a motion to approve the Exemption Certificate as presented, for 959 Industrial Drive. Motion passed by acclamation.

Programs

Resolutions

RESOLUTION NO. 13.01

A RESOLUTION TO GRANT TAX EXEMPT STATUS TO BRIDGEPORT DEVELOPMENT AND TO SET THE SERVICE CHARGE FOR PUBLIC SERVICES TO BE PAID IN LIEU OF TAXES

WHEREAS, the Michigan State Housing Development Authority Act of 1966, Public Act 346 of 1966, as amended, MCL 125.140 *et seq.* ("Act 346") and the City of Allegan Housing Development Authority Tax Exemption Ordinance, Sections 27-36 through 27-44, as amended, (the "Ordinance") authorize the City Council to adopt resolutions which grant tax exempt status to certain housing developments in the City described in -Act 346 and the Ordinance; and

WHEREAS, Act 346 and the Ordinance authorize the City Council to establish an annual service charge to be paid by the owner of housing developments granted tax exempt status for the public services the housing development receives from the City each year; and

WHEREAS, Bridgeport Development, Inc., plans to renovate a low income housing development which will provide housing for citizens of low income on the property now known as the Bridgeport Apartments (the "Bridgeport Development"); and

WHEREAS, the City Council recognizes these plans as a housing development described in Act 346 and in Ordinance Section 27-38(d), and acknowledges that the developer has established the economic feasibility of the housing development and the development's reliance on the continuing effect of the tax exemption, the qualification of the development for exemption from all property taxes, and eligibility for a payment in lieu of taxes established in the Ordinance.

WHEREAS, housing developments for citizens of low income are a public necessity, which will benefit and improve the City, and the encouragement of such housing

developments by providing a certain real estate tax exemption for such developments is a valid public purpose.

NOW, THEREFORE, it is resolved as follows:

1. The City shall grant tax exempt status, according to the Ordinance, to the Bridgeport Development as a housing development for citizens of low income.
2. The tax exempt status of the Bridgeport Development shall remain in effect so long as the development is regulated under Section 42 of the Internal Revenue Code and a Regulatory Agreement remains in effect, provided that renovation of the Bridgeport Apartments begins by December 31, 2013.
3. New Hope Property Development LLC shall pay to the City an annual service charge for public services in lieu of all taxes an amount equal to six percent (6.0%) of the annual shelter rents less utilities obtained by the Bridgeport Apartments for a period of thirty-five (35) years. The Annual Service fee percentage can be reviewed at the beginning of the sixteenth (16th) year to determine if the Bridgeport Development can support a higher annual service fee percentage. Any increase in the annual service fee percentage will be capped by the lesser of 1) an annual amount equal to ten percent (10.0%) of the annual shelter rents less utilities, 2) an annual amount that does not cause the debt service coverage ratio (DSCR) to be less than 1.25. The annual service fee percentage cannot be reduced below the original six percent (6.0%) rate as a result of this review.
4. Notwithstanding the foregoing, New Hope Property Development LLC, agrees to expend \$200,000.00 to construct a sidewalk and/or pathway connecting the Bridgeport Development to public spaces, open spaces, and adjacent development by providing at least three separate connections from the project to sidewalks or pathways in surrounding neighborhoods and natural areas in an attempt to meet the Enterprise Green Communities requirement for "Walkable Neighborhoods".
5. The annual service charge established pursuant to this resolution shall be paid to the City according to Section 27-42 of the Code of Ordinances for the City.
6. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

Councilmember Day, supported by Councilmember Tripp, made a motion to approve Resolution 13.01 as presented. Motion passed by Councilmember McKenzie voting nay.

Ordinances

Permits/Licenses/Agreements/Grants Councilmember Day, supported by Councilmember Clark, made a motion to approve the 2013 Equipment Rental Rates with Michigan Department of Transportation. Motion passed by acclamation.

Councilmember Day, supported by Councilmember Clark, made a motion to approve the sale of vacant property located on Weeks Street for \$1,580.00 to Margaret Cummings and Brian and Becky Corbett. Motion passed by acclamation.

Requests for Payments

Requests for Purchases, Services and Equipment

Reports/Minutes of City Boards Mayor McDaniel presented the following reports: Arts & Entertainment & Downtown Coordinator Activity Reports for October & November, 2012; Wastewater Treatment Plant Activity Reports for November & December, 2012; Water Treatment Plant Activity Report for November, 2012 and the Community Development Activity Report for December, 2012.

Councilmember Clark presented the Community Development Activity Reports for November, 2012.

DPW Director A. Haskin reviewed the Department of Public Works Activity Report for November, 2012.

Councilmember Tripp discussed the minutes from the Planning Commission meeting held on December 4, 2012.

Councilmember McKenzie reviewed the minutes from the Downtown Development Authority meeting held on December 5, 2012.

City Manager R. Hillard presented the minutes from the Allegan Area Economic Development meeting held on December 10, 2012.

Mayor McDaniel reviewed the minutes from the Public Works Committee meeting held on December 10, 2012.

Councilmember Tripp discussed the minutes from the Joint Township/City Planning Commission meeting held on December 11, 2012.

Mayor McDaniel reviewed the minutes from the Planning Commission meeting held on December 17, 2012.

DPW Director A. Haskin presented the Department of Public Works Activity Report for December, 2012.

Councilmember Clark discussed the minutes from the Airport Advisory Board meeting held on January 7, 2013.

DPW Director A. Haskin reviewed the minutes from the Parks Commission meeting held on January 7, 2013.

Appointments Councilmember Day, supported by Councilmember Leverage, made a motion to appoint Mayor McDaniel, Councilmember Tripp and DPW Director A. Haskin to the Parks Commission Selection Sub-committee. Motion passed by acclamation.

Unfinished Business

Approval of Payroll and Accounts Councilmember Day, supported by Councilmember Clark, made a motion to approve payroll in the amount of \$186,834.84 and accounts payable in the amount of \$938,513.56. Motion passed by acclamation.

Department Supervisors Report

Council Comments Councilmember Ingalsbee was very impressed with the individuals from MSU that are facilitating the Riverfront Redesign meetings.

Councilmember McKenzie thanked DPW Director A. Haskin for taking care of the sign replacement on Water Street.

Councilmember Tripp commented it was great to see so much of the community at the Riverfront meetings.

Allegan County Commissioner M. Thiele talked about the newly passed bidding law as reference in PA 517 of 2012 which takes effect on April 1, 2013. He also stated the jail construction is on schedule with a December 2013 opening.

The meeting was adjourned by Mayor McDaniel at 7:40pm.

Respectfully submitted,

Lori K. Vander Clay
Deputy City Clerk

The City of Allegan is an equal opportunity provider and employer