

COUNCIL AGENDA

May 5, 2014
Council Chamber

5:00 P.M. COMMITTEE OF THE WHOLE MEETING

ROLL CALL:

REPORTS FROM MANAGER:

Management Update:

1. Overview of the Fiscal Year 2014-2015 Proposed Budget.

ADJOURN:

6:30 P.M. REGULAR MEETING

PRAYER AND PLEDGE OF ALLEGIANCE:

ROLL CALL:

ANNOUNCEMENTS:

1. Proclamation presented to recognize Michigan State Police Trooper, Liz Hunt.
2. Tim Ninemire, Director of Recipient Rights and Customer Service, of the Saginaw County Community Mental Health Authority to receive Proclamation designating May 2014 as "National Mental Health Month."

PUBLIC HEARINGS:

1. Request for an Industrial Facilities Tax Exemption Certificate for Custom Foods, Inc. at 634 Kendrick Street.
2. Request for an Industrial Facilities Tax Exemption Certificate for Hausbeck Pickle Company at 1626 Hess Avenue.
3. Request to transfer an Obsolete Property Rehabilitation Certificate at 2115 Rust Avenue from Central Property Development to CDSF, Ltd., LLC.

PERSONAL APPEARANCES:

(A list will be provided following submittal deadline)

REMARKS OF COUNCIL:

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REPORTS FROM MANAGER:

Management Update:

CONSENT AGENDA:

1. Approve the April 21, 2014 regular Council meeting minutes.
2. Approve a \$40,000 increase to blanket purchase order no. 049031, approved by Council on August 13, 2012 for FY 2013 and FY 2014, to Ace-Saginaw Paving Company for FY 2014 to purchase additional hot and cold asphalt for street repairs and repairs at the City's Compost Site.
3. Approve the contract agreement with Etna Supply Company for \$472,786.50 for the Commercial and Wholesale Water Meter Replacement Project.
4. Approve the Grass Cutting Agreement with CSX Transportation for a term of two years.
5. Approve the reimbursement of \$23,695.20 to the Department of Energy in unspent funds from the American Recovery and Reinvestment Grant from the Department of Energy's Energy Efficiency Conservation Block Grant program and Consumers Energy's Business Solution credits.
6. Approve the amendment to the Purchase and Development Agreement with SSP Associates, Inc. for 314 and 406 N. Hamilton Street.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND APPOINTMENT OF BOARD AND COMMISSION MEMBERS:

1. Consideration of appointing Dean Emerson to the Saginaw Transit Authority Regional Services to fill a vacancy with a term to expire December 31, 2014.
2. Consideration of appointing Richard O. Goedert to the Hospital Finance Authority to fill a vacancy with a term to expire June 30, 2018.
3. Consideration of reappointing Wasyl F. Czerewko to the Saginaw Riverfront Development Commission with a term to expire April 1, 2019.
4. Consideration of reappointing Glenn Fitkin to the Saginaw Riverfront Development Commission with a term to expire April 1, 2019.
5. Consideration of reappointing Patrick S. Hengesbach to the Saginaw Riverfront Development Commission with a term to expire April 1, 2019.

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6. Consideration of reappointing Thomas J. Miller to the Saginaw Riverfront Development Commission with a term to expire April 1, 2019.
7. Consideration of reappointing Ana Hidalgo to the Historic District Commission with a term to expire May 5, 2017.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Adopt resolution to approve Industrial Facilities Tax Exemption Certificate for Custom Foods, Inc., at 634 Kendrick Street.
2. Adopt resolution to approve Industrial Facilities Tax Exemption Certificate for Hausbeck Pickle Company at 1626 Hess Avenue.
3. Adopt resolution to transfer an Obsolete Property Rehabilitation District located at 2115 Rust Avenue from Central Property Development to CDSF, Ltd., LLC.
4. Adopt resolution to extend Renaissance Zone time duration for SSP Associates, Inc. at 314 and 406 N. Hamilton Street.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

ADJOURN:

Tim Morales
City Manager

IF YOU ARE DISABLED AND NEED ACCOMMODATION TO PROVIDE YOU WITH AN OPPORTUNITY TO PARTICIPATE OR OBSERVE IN PROGRAMS, SERVICES, OR ACTIVITIES, PLEASE CALL THE SAGINAW CITY CLERK, 1315 S. WASHINGTON AVENUE, 989.759.1480.

CITY OF SAGINAW PROCLAMATION

WHEREAS, Michigan State Trooper Liz Hunt has served with the Michigan State Police Force since 2000. State Trooper Hunt played a key role in establishing “Light Up the City,” a city-wide initiative to build strong, sustainable neighborhoods; and

WHEREAS, State Trooper Hunt has also served with the computer crimes investigative unit and as a Trooper Investigator. Liz was recently selected as a Specialist Detective Trooper for the Computer Crimes Unit for the Flint Computer Unit office. After this experience, she will be promoted to the position of Specialist Detective Sergeant; and

WHEREAS, State Trooper Hunt has partnered with the Michigan Youth Leadership Academy which allows hundreds of youth to experience a week-long stay at the Michigan State Police Training Academy in Lansing; and

WHEREAS, State Trooper Hunt has also been involved with the Child Advocacy Centers and the Child Abuse and Neglect Council for both Bay and Saginaw counties for several years. Liz was instrumental in the research, selection, and implementation of the child safety identification system, EZ Child ID, to provide identification cards for children and their parents; and

WHEREAS, State Trooper Hunt is an instructor at Delta College, where she has been involved with training students at the Delta Police Academy for over 11 years; and

WHEREAS, State Trooper Hunt has received the Michigan State Police Bravery Award for her actions involving an armed subject assaulting police officers in Bay County. Most recently, she was recognized as one of the top “Law Enforcement Officers of the Year” by the Saginaw Exchange Club for her many community endeavors including Light Up the City, Healthy Kids Healthy Start, Coffee with a Cop, and a partnership with United Way of Saginaw County;

NOW, THEREFORE BE IT RESOLVED, that I, Dennis D. Browning, Mayor of the City of Saginaw, hereby urge all citizens of Saginaw to recognize, honor, and celebrate the outstanding achievements and contributions that Michigan State Trooper Liz Hunt has made to the City of Saginaw.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Saginaw to be affixed this 5th day of May in the year of our Lord two thousand fourteen.



Dennis D. Browning, Mayor

Councilpersons

*Amos O’Neal, Mayor Pro Tem
Michael D. Balls, Annie Boensch,
Larry Coulouris, Daniel Fitzpatrick,
Floyd Kloc, Brenda F. Moore, and
Demond L. Tibbs*



May 5, 2014

Timothy Morales, City Manager

CITY OF SAGINAW PROCLAMATION

WHEREAS, mental health is essential to everyone's overall physical health and emotional well-being; and

WHEREAS, mental illness will strike one in five adults and children in a given year regardless of age, gender, race, ethnicity, religion or economic status; and

WHEREAS, people who have mental illnesses can recover and lead full, productive lives; and

WHEREAS, an estimated two-thirds of adults and young people who have mental health disorders are not receiving the help they need; and

WHEREAS, the cost of untreated and mistreated mental illnesses and addictive disorders to American businesses, governments and families has grown to \$113 billion annually; and

WHEREAS, community-based services that respond to individual and family needs are cost-effective, and beneficial to consumers and the community; and

WHEREAS, the National Mental Health Association and its national partners observe Mental Health Month every May to raise awareness and understanding of mental health and illness; now

THEREFORE, I, Dennis D. Browning, Mayor of the City of Saginaw, on behalf of my fellow Councilmembers, do hereby proclaim May 2014 as

“Mental Health Month”

in the City of Saginaw. I urge all citizens, government agencies, public and private institutions, businesses and schools in our community to commit to increasing awareness and the understanding of mental health, diagnosis and treatment, and the need for appropriate and accessible services for all people with mental illnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Saginaw to be affixed this 5th day of May in the year of our Lord two thousand fourteen.



Dennis D. Browning, Mayor

Councilpersons

*Amos O'Neal, Mayor Pro Tem
Michael D. Balls, Annie Boensch,
Larry Coulouris, Daniel Fitzpatrick,
Floyd Kloc, Brenda F. Moore, and
Demond L. Tibbs*



May 5, 2014

Timothy Morales, City Manager

REGULAR MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD MONDAY, APRIL 21, 2014, AT 6:30 P.M. IN THE COUNCIL CHAMBER OF CITY HALL.

PRAYER AND PLEDGE OF ALLEGIANCE

Council Member Fitzpatrick offered a prayer and led the pledge of allegiance.

ROLL CALL

Mayor Browning called the meeting to order. Council Members present: Dan Fitzpatrick, Annie Boensch, Mayor Pro Tem Amos O'Neal, Larry Coulouris, Brenda Moore, Michael Balls, Floyd Kloc and Mayor Dennis Browning - 8. Council Members absent: Demond Tibbs - 1.

ANNOUNCEMENTS

Deputy City Clerk Lynnette Hagen announced:

- The Fire Department received 10,000 10-year sealed battery smoke detectors available for installation in City homes. Residents in need of smoke detectors are urged to call the Fire Department to arrange for installation.
- The Waste Convenience Station will be open May 10, 2014 from 10:00 a.m. to 2:00 p.m.
- Consent Agenda item 12 has been changed to reflect today's pricing.

Mayor Pro Tem O'Neal read a proclamation celebrating "Arbor Day" on April 25, 2014. Linda Mitlying accepted the proclamation and thanked Council.

Council Member Kloc read a proclamation designating May 1, 2014 as "Law Day". Christopher Enge, Saginaw County Bar Association, accepted the proclamation and thanked Council.

Council Member Tibbs entered the meeting at 6:47 p.m.

PERSONAL APPEARANCES

The following persons addressed the Council: Josiah Battel, Joyce Buriel, Sarah Rogan, Thomas Mudd, Johnny Sanders, Debbie Melkonian, Joyce Seals, Monique Sylvia, Tyonna McIntyre, Peter Barry, John Humphreys, Timothy Price, Eve Perry, Leo Romo, Chris Lauckner, James Benjamin, Sheryl Gregory, Trevor Belger, Kyle Kreager, William Heminghaus, Pastor Todd Ousley, Alice Schiesswohl, Jeff Liebmann, Emily Dievendorf, Tana Michaels, Pastor Ron McTaggart, Alberto Jiminez, Jennifer Romanelli, Dawn Goodrow, Michael Cox, Martha Humphreys, Hurley Coleman, Jr., Herbert Morris, Jr., Michael Clinesmith, Alvernis Johnson, Alex Danks and Charles Coleman.

REMARKS OF COUNCIL

Remarks were heard from the following Council Members: Mayor Pro Tem O'Neal, Boensch, Tibbs, Fitzpatrick, Kloc, Balls, Moore and Mayor Browning.

REPORTS FROM CITY MANAGERManagement Updates

City Manager Tim Morales reported on meetings and events he attended and announced the City of Saginaw Downtown Zone had been selected by Delta College for their new Saginaw Center.

Mayor Browning left the meeting at 8:52 p.m. and returned at 8:55 p.m.

John Stemple, Chief Inspector, gave a presentation on the Neighborhood Quadrant Code Enforcement Program.

Council Member Kloc left the meeting at 8:56 p.m. and returned at 9:01 p.m.

Mayor Pro Tem O'Neal left the meeting at 9:03 p.m. and returned at 9:09 p.m.

Council Member Boensch left the meeting at 9:15 p.m. and returned at 9:20 p.m.

Council member Kloc left at 9:20 p.m. and returned at 9:22 p.m.

Acting Fire Chief Chris Van Loo presented information on the existing Fire Department fleet and the purchase of a new fire truck.

Council Member Moore left the meeting at 9:48 p.m. and returned at 10:00 p.m.

Phil Karwat, Director of Public Services, presented information on the existing Public Services Department fleet and the purchase of a new front end loader and two pickup trucks for the Streets Division as well as a future purchase of 3 plow trucks.

Consent Agenda

1. Approve the April 7, 2014 regular Council meeting minutes.
2. Approve Petition 14-02 from Pulse 3 Foundation to erect a banner located at Court Street from August 22 through September 10, 2014 to promote the "Run for Your Heart" Race.
3. Approve Petition 14-03 from Saginaw County Community Mental Health to erect banners located at Court Street and West Genesee Avenue from May 1 through May 31, 2014 to promote May as "Mental Health Awareness Month."
4. Approve the one-year telephone equipment maintenance agreements with I.T.I., Inc. and issue a purchase order for \$18,217.25 for the maintenance of telephone equipment at City Hall, the Police Department, Public Works, and Water Treatment Plants.
5. Approve a purchase order to Howard Technology Solutions for \$3,603 for renewal of the City's VMware license fees to operate the computer servers for the City.

6. Approve an emergency purchase order to Wobig Construction Co., Inc. for \$2,266 for the emergency repair of the top of the junction chamber under Remington Street for the Maintenance and Services Division.
7. Approve a budget adjustment for FY 2014 to increase the Major Streets Fund – Reimbursements Account No. 202-0000-676.000 from \$10,000 to \$29,311, a \$19,311 increase, for the funds received from Progressive Insurance for accident damage to the Center Street Bridge railing and guardrail. This increase in revenues will be offset by an increase to the Major Streets Fund – Bridge Projects Division's Engineering Services Account No. 202-4616-802.000 by the same amount.
8. Approve the Ojibway Island User Agreement with La Union Civica Mexicana.
9. Approve to increase blanket purchase orders issued to various vendors by a total amount of \$24,700 for additional purchases of various vehicle parts, supplies, and services for the Garage Division.
10. Approve the Professional Services Agreement with Surveying Solutions, Inc. for \$67,500 for FY 2014 and \$139,000 for FY 2015 for survey services for the Streets Division.
11. Approve the Personal Services Agreement with contractor Deepak Gupta for \$15,840 to provide technical and administrative support from April 22, 2014 through June 30, 2014 to the Engineering section of the Right of Way Division.
12. Approve the contract agreement with Interstate Gas Supply, Inc. to provide natural gas to 45 service accounts for City facilities utilizing natural gas at set fixed rates through March 31, 2016.

Council Action:

Moved by Council Member Coulouris, seconded by Council Member Boensch to approve consent agenda items 1 through 9, 11 and 12 as presented. 9 ayes, 0 nays, 0 absent. Motion approved.

Moved by Council Member Balls, seconded by Council Member Moore to approve consent agenda item 10 as presented. 9 ayes, 0 nays, 0 absent. Motion approved.

Motion was made by Council Member Kloc, seconded by Council Member Moore to approve the contracts as described in the resolution authorizing the installment purchase contracts of a fire truck for Community Public Safety – Fire and for various vehicles and equipment for the Department of Public Services. 9 ayes, 0 nays, 0 absent. Motion approved.

REPORTS FROM BOARDS; COMMISSIONS AND COMMITTEES, AND
APPOINTMENT OF BOARD AND COMMISSION MEMBERS

Motion was made by Mayor Browning, seconded by Council Member Boensch to approve the City Manager's reappointment of Glenn Fitkin to the Brownfield Redevelopment Authority with a term to expire December 31, 2016. 9 ayes, 0 nays, 0 absent. Motion approved.

CONSIDERATION AND PASSING OF ORDINANCES

Moved by Mayor Pro Tem O'Neal, seconded by Council Member Kloc to adopt an Ordinance to add "Low Income Housing Tax Exemption for Finlay Brookwood Park Limited Dividend Housing Association Limited Partnership," to the Table of Special Ordinances, VIII, of the City of Saginaw Code of Ordinances, O-1. 9 ayes, 0 nays, 0 absent. Motion approved.

Moved by Council Member Boensch, seconded by Council Member Tibbs to adopt an Ordinance to add "Human Rights," to Chapter 93, "Non-Discrimination," of Title IX, "General Regulations," of the City of Saginaw Code of Ordinances, O-1. Discussion held.

Moved by Mayor Pro Tem O'Neal, seconded by Council Member Fitzpatrick to postpone indefinitely the adoption of an Ordinance to add "Human Rights," to Chapter 93, "Non-Discrimination," of Title IX, "General Regulations," of the City of Saginaw Code of Ordinances, O-1. Discussion held.

Mayor Browning asked the Deputy City Clerk to conduct a roll call vote.

Ayes: Moore, Balls, Kloc, Fitzpatrick, Tibbs, Mayor Pro Tem O'Neal and Coulouris

Nays: Boensch and Mayor Browning

Absent: None

Abstain: None

Motion Approved.

RESOLUTIONS

Moved by Council Member Coulouris, seconded by Council Member Moore to adopt a resolution to enter into installment purchase contracts for the purchase of a fire truck for Community Public Safety – Fire, and for various vehicles and equipment for the Department of Public Services. 9 ayes, 0 nays, 0 absent. Motion approved.

ADJOURNMENT

Moved by Council Member Boensch, seconded by Council Member Moore to adjourn the meeting at 11:00 p.m. 9 ayes, 0 nays, 0 absent. Motion approved.

Lynnette A. Hagen
Deputy City Clerk

From: Timothy Morales, City Manager
Subject: 2014 Ace-Saginaw Asphalt Purchase Order Increase – ROW Division
Prepared by: Beth London, Public Services Department

Manager’s Recommendation:

I recommend that the blanket purchase order no. 049031 in the amount of \$32,000, approved by Council on August 13, 2012 for FY 2013 and FY 2014, to Ace-Saginaw Paving Company be increased by \$40,000 for FY 2014 to purchase additional hot and cold asphalt for street repairs and repairs at the City’s Compost Site.

Justification:

On August 13, 2012, Ace-Saginaw Paving Company submitted the only bid for asphalt materials for FY 2013 and FY 2014. The Streets Section requires hot and cold asphalt for temporary and permanent repairs of City streets. To date, the Streets Section has purchased \$32,000 of asphalt materials in FY 2014, and they will require an additional \$30,000 worth of materials for the remainder of this fiscal year in order to continue making temporary and permanent road repairs. In addition, \$10,000 of hot mix is necessary to repair the entry, drive and stockpile pads at the Compost Site. The items as bid that will be used are cold patch at \$87.50 per ton and hot mix asphalt at \$55.00 per ton, with a not to exceed amount of \$40,000. The increase in asphalt materials required in FY 2014 can be attributed to the number of freeze thaw cycles from this winter and the wet spring.

Ace-Saginaw Paving Company meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "General Provisions," of the Saginaw Code of Ordinances, O-1.

Funds for this purchase are budgeted in the Major Streets Fund – Routine Maintenance Division’s, Street and Road Material Account No. 202-4651-743.000 (\$15,000), Local Streets Fund - Routine Maintenance Division’s, Street and Road Materials Account No. 203-4651-743.000 (\$15,000), and Rubbish Fund – Compost Division’s, Streets and Road Materials Account No. 226-4587-743-000 (\$10,000).

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation of the City Manager.

From: Timothy Morales, City Manager
Subject: Commercial and Wholesale Water Meter Replacement Project
Prepared by: Beth London, Public Services Department

Manager's Recommendation:

I recommend that the low bid from Etna Supply Co., Grand Rapids, MI, for the Commercial and Wholesale Water Meter Replacement project (C-1617) be accepted and a contract awarded to them in the amount of \$472,786.50. Contract documents, forwarded herein, have been signed by the contractor. The contract has been approved by me as to substance and the City Attorney as to form.

Justification:

On April 15, 2014, the City received bids for the Commercial and Wholesale Water Meter Replacement project. The bid is for the replacement of 48 meters varying in diameter from 2 inches to 10 inches. The replacement of these meters is necessary due to the lack of available replacement parts and a change in the Federal No Lead Law passed in January of 2014. The law requires that the lead content in any brass part be less than twenty five percent (25%). The replacement parts for the existing meters no longer meet this requirement and cannot be used to repair the existing meters. The new meters are in compliance with current law and also meet the American Water Works Associations requirements.

The following is a tabulation of the bids received:

<u>Vendor</u>	<u>Cost</u>
Etna Supply Company Grand Rapids, MI	\$472,786.50
Michigan Meter Technology Group Grand Rapids, MI	\$482,545.00 *
Geiersbach Construction, Inc. Grand Rapids, MI	\$662,715.00 *

*Corrected bid

Etna Supply Company meets all the requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing", of Title I, "General Provisions," of the Saginaw Code of Ordinances, O-1.

Funds are budgeted and available in the FY 2014 Water Operations and Maintenance Fund – Water Refunding Bonds Division’s Repairs and Replacements Account No. 591-4741-974.000 (\$472,786.50).

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation of the City Manager.

From: Timothy Morales, Interim City Manager

Subject: CSX Transportation Agreement – Parks & Facility Maintenance

Prepared by: Bruce Caradine, Public Services Department

Manager’s Recommendation:

I recommend that the Grass Cutting Agreement (“Agreement”) with CSX Transportation (“CSXT”) be approved. The Agreement has been approved by me as to substance and the City Attorney as to form. I further recommend that the Director of Public Services or his designee be authorized to execute this Agreement and any other related documents on behalf of the City of Saginaw. The term of the Agreement is two years and will terminate on December 31, 2016.

Justification:

The City annually cuts the grass and picks up trash on CSXT vacant lots. CSXT is an absent landowner and does not hire anyone to cut the grass or pick up trash on their vacant properties. Whenever the City cuts the grass or picks up trash on CSXT lots, it sends CSXT an invoice, which the company immediately pays. Pursuant to the terms of the Agreement, CSXT authorizes the City to cut the grass and pick up trash and it will pay the City for its services. Furthermore, the Agreement contains a mutual indemnification clause. The clause states that if someone is injured on the property, that both parties will indemnify and hold each other harmless for actions committed by their respective employees.

CSXT has had an Agreement with the City of Saginaw (“City”) for the past two years to provide grass cutting services for CSXT vacant properties. Based upon the City’s prior performance, the parties have agreed to extend this Agreement an additional two years for the City to provide services for calendar year 2014 and 2015 grass cutting seasons. Historically, the season begins April 15 of each year and ends October 31 contingent upon the weather.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation of the City Manager.

From: Timothy Morales, City Manager
Subject: Department of Energy Reimbursement
Prepared by: Phil Karwat, Public Services Director

Manager’s Recommendation:

I recommend that the City refund \$23,695.20 in unspent funds from the American Recovery and Reinvestment Grant from the Department of Energy’s (DOE) Energy Efficiency Conservation Block Grant (EECBG) program and Consumers Energy’s Business Solution credits per the request of DOE’s letter dated April 14, 2014.

Justification:

The City received an American Recovery and Reinvestment Grant from the Department of Energy’s (DOE) Energy Efficiency Conservation Block Grant (EECBG) program in the amount of \$566,000 to expend between September 8, 2009 and September 7, 2012.

The City expended \$564,971 of the \$566,200 grant funds within the performance period on approved activities on various City facilities and streetlights leaving an unspent balance of \$1,229.

In conjunction with facility improvements related to EECBG activities, the City applied for and received \$23,535 in incentives from Consumers Energy’s Business Solutions Program for qualifying energy efficiency upgrades. The incentives were received in two separate checks: July 26, 2012 (\$16,380) and September 20, 2013 (\$7,155).

The City expended the incentive funds totaling \$23,535 along with City funds in the amount of \$24,238 for a street lighting project completed on July 16, 2013. An audit of EECBG activities by DOE on August 23, 2013, determined that the incentive funds are considered “credits” according to OMB Circular A-87. Also, DOE determined that the installation of the street lights was not an approved activity for the grant funds and was not completed within the performance period of the grant.

The DOE has requested the return of \$1,229 in unspent EECBG funds and \$22,466.20 of Consumers Energy credits. The total amount to be returned to DOE will be \$23,695.20.

Funds for this reimbursement are available in the Energy Coalition Fund – Clean Energy Coalition Division’s Construction Projects Account No. 230-1795-822.000 (\$23,695.20).

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation of the City Manager.

From: Timothy Morales, City Manager

Subject: Amendment of Purchase and Development Agreement for North Hamilton Street Project

Prepared by: Tom Miller, Jr., VP Urban Development and Special Initiatives Project Development, Saginaw Future

Manager's Recommendation:

I recommend approval of the Amendment to the Purchase and Development Agreement with SSP Associates, Inc. ("SSP") with regard to the property at 314 and 406 N. Hamilton Street, and that the City Manager or his designee be authorized to execute all related documents. This Amendment has been approved by the City Manager as to substance and the City Attorney to form.

Justification:

On March 6, 2005, the City executed a Purchase and Development Agreement with SSP for the sale and development of two parcels of property commonly known as 314 and 406 N. Hamilton Street. SSP agreed to obtain certificates of occupancy for the minimum 10 residential units and a certificate of occupancy for the 3,000 square feet of commercial space by December 31, 2006. Many activities supporting the project have occurred since the signing of the original agreement. On July 10, 2006, the parties amended the original agreement and extended the time for occupancy to December 31, 2008. Due to the downturn in the economy and high foreclosure rates, the project was delayed. In August 2008, the timeframe was extended to December 31, 2010. During that time, housing markets deteriorated further, which caused continue project delays. With the implementation of the Neighborhood Stabilization program around the hospitals, coupled with the construction of the Central Michigan University College of Medicine and the small improvement in the economy, SSP is prepared to move forward with the project. SSP has requested that the City of Saginaw extend the time of the Renaissance Zone as an incentive to potential residents of the development. City Council is now considering the request, and SSP is prepared to move forward with the project following Council action. The Renaissance Zone extension requires that a project begin within one year of the Michigan Strategic Fund approval.

Due to these circumstances, SSP has requested an Amendment to the Purchase and Development Agreement to extend the timeframe from December 31, 2012 to June 30, 2016 to complete construction of both the residential and commercial space and to obtain occupancy permits.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation of the City Manager.

INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE FOR CUSTOM FOODS, INC., 634 KENDRICK STREET

Moved by Council Member _____, seconded by Council Member _____ to adopt the following resolution:

WHEREAS: Custom Foods, Inc., did on March 10, 2014, submit an application for an Industrial Facilities Tax Exemption Certificate as provided by Act 198, P.A. of 1974, as amended, hereinafter referred to as the Act; and

WHEREAS: the Council has carefully considered said application and all information pertinent thereto.

NOW, THEREFORE, BE IT RESOLVED: that the Council hereby finds and determines as follows:

1. The Council of the City of Saginaw on April 7, 1997 on the petition of Custom Foods, Inc. did lawfully establish in the City of Saginaw, an Industrial Development District pursuant to the Act, said district comprising that certain parcels of land in the State of Michigan, County of Saginaw and City of Saginaw of which is on file in the City Clerk's Office.

2. Upon receipt of the above-mentioned application for an Industrial Facilities Tax Exemption Certificate from Custom Foods, Inc., the City Clerk did notify in writing the Assessor of the City of Saginaw and the legislative body of each taxing unit which levies ad valorem property taxes in the City of Saginaw, this being the governmental unit in which the facility for an Industrial Facilities Tax Exemption Certificate is sought to be located, said taxing units being the Public Libraries of Saginaw, Delta College, Saginaw Intermediate School District, Saginaw Board of Education, Saginaw County Board of Commissioners and Saginaw Transit Authority Regional Services, enclosing a copy of the above-described application for Industrial Facilities Tax Exemption Certificate and notifying each that it would be given an opportunity to be heard on this matter by the Council at its regular meeting on Monday, May 5, 2014 at 6:30 p.m. in the City Hall Council Chamber, 1315 S. Washington, Saginaw, Michigan.

3. The Council has on this date and earlier in this meeting afforded Custom Foods, Inc., the Assessor of the City of Saginaw, and a representative of each affected taxing unit an opportunity for a hearing on the above-mentioned application for Industrial Facilities Tax Exemption Certificate, and the Council has given due consideration to all information presented at said hearing.

4. The City Assessor has heretofore determined and furnished to the Council the value of the property to which the above-mentioned application pertains, the aggregate state equalized valuation of real and personal property which would be exempt from ad

valorem taxes under the Act in the City of Saginaw after granting the above-petitioned Industrial Facilities Tax Exemption Certificate and the sum of the state equalized valuation of the City of Saginaw and the aggregate state equalized valuation of real and personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

5. Construction of the facility, which is the subject of the above-mentioned application, was not begun earlier than 6 months before the filing of the application for the Industrial Facilities Tax Exemption Certificate.

6. The application filed for the certificate indicates that 13 current jobs will be retained in the City of Saginaw, this being the community in which the facility is situated.

7. The aggregate state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw after granting the Industrial Facilities Tax Exemption Certificate applied for will not exceed 5 percent of an amount equal to the sum of the state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

8. Granting of the Industrial Facilities Tax Exemption Certificate considered with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act. No. 255 of the Public Acts of 1978 shall not have the effect of substantially impeding the operation of local government or impairing the financial soundness of any unit of local government.

9. The aforementioned application complies in all respects with the applicable provisions of the Act, and all actions and proceedings necessary for the approval of said application by the Council of the City of Saginaw have been accomplished as required by said public act.

10. As part of the aforementioned application, Custom Foods, Inc. has entered into an Industrial Facilities Exemption Certificate Letter of Agreement with the City of Saginaw setting forth the terms and requirements of the company as part of the City's approval of the certificate.

BE IT FURTHER RESOLVED, that the Council of the City of Saginaw does hereby approve the above-described application of Custom Foods, Inc., 634 Kendrick Street, Saginaw, Michigan, for an Industrial Facilities Tax Exemption Certificate for a period of 12 years.

Ayes:
Nays:
Absent:
Abstain:

RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on May 5, 2014; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, CMC/MMC
City Clerk

INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE FOR HAUSBECK PICKLE COMPANY, INC., 1626 HESS AVENUE

Moved by Council Member _____, seconded by Council Member _____ to adopt the following resolution:

WHEREAS: Hausbeck Pickle Company, Inc. did on March 10, 2014, submit an application for an Industrial Facilities Tax Exemption Certificate as provided by Act 198, P.A. of 1974, as amended, hereinafter referred to as the Act; and

WHEREAS: the Council has carefully considered said application and all information pertinent thereto.

NOW, THEREFORE, BE IT RESOLVED: that the Council hereby finds and determines as follows:

1. The Council of the City of Saginaw on June 7, 2010, on the request of Hausbeck Pickle Company, Inc., and on the initiative by the City Council of the City of Saginaw did lawfully establish in the City of Saginaw, an Industrial Development District pursuant to the Act, said district comprising that certain parcels of land in the State of Michigan, County of Saginaw and City of Saginaw of which is on file in the City Clerk's Office.

2. Upon receipt of the above-mentioned application for an Industrial Facilities Tax Exemption Certificate from Hausbeck Pickle Company, Inc., the City Clerk did notify in writing the Assessor of the City of Saginaw and the legislative body of each taxing unit which levies ad valorem property taxes in the City of Saginaw, this being the governmental unit in which the facility for an Industrial Facilities Tax Exemption Certificate is sought to be located, said taxing units being the Public Libraries of Saginaw, Delta College, Saginaw Intermediate School District, Saginaw Board of Education, Saginaw County Board of Commissioners and Saginaw Transit Authority Regional Services, enclosing a copy of the above-described application for Industrial Facilities Tax Exemption Certificate and notifying each that it would be given an opportunity to be heard on this matter by the Council at its regular meeting on Monday, May 5, 2014 at 6:30 p.m. in the City Hall Council Chamber, 1315 S. Washington, Saginaw, Michigan.

3. The Council has on this date and earlier in this meeting afforded Hausbeck Pickle Company, Inc., the Assessor of the City of Saginaw, and a representative of each affected taxing unit an opportunity for a hearing on the above-mentioned application for Industrial Facilities Tax Exemption Certificate, and the Council has given due consideration to all information presented at said hearing.

4. The City Assessor has heretofore determined and furnished to the Council the value of the property to which the above-mentioned application pertains, the aggregate state equalized valuation of real and personal property which would be exempt from ad valorem taxes under the Act in the City of Saginaw after granting the above-petitioned Industrial Facilities Tax Exemption Certificate and the sum of the state equalized valuation of the City of Saginaw and the aggregate state equalized valuation of real and personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

5. Construction of the facility or installation of machine and equipment, which is the subject of the above-mentioned application, was not begun earlier than 6 months before the filing of the application for the Industrial Facilities Tax Exemption Certificate.

6. The application filed for the certificate indicates that 83 current jobs will be retained in the City of Saginaw, this being the community in which the facility is situated.

7. The aggregate state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw after granting the Industrial Facilities Tax Exemption Certificate applied for will not exceed 5 percent of an amount equal to the sum of the state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

8. Granting of the Industrial Facilities Tax Exemption Certificate considered with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act. No. 255 of the Public Acts of 1978 shall not have the effect of substantially impeding the operation of local government or impairing the financial soundness of any unit of local government.

9. The aforementioned application complies in all respects with the applicable provisions of the Act, and all actions and proceedings necessary for the approval of said application by the Council of the City of Saginaw have been accomplished as required by said public act.

10. As part of the aforementioned application, Hausbeck Pickle Company, Inc. has entered into an Industrial Facilities Exemption Certificate Letter of Agreement with the City of Saginaw setting forth the terms and requirements of the company as part of the City's approval of the certificate.

BE IT FURTHER RESOLVED, that the Council of the City of Saginaw does hereby approve the above-described application of Hausbeck Pickle Company, Inc., 1626 Hess Avenue, Saginaw, Michigan, for an Industrial Facilities Tax Exemption Certificate for a period of 12 years.

Ayes:
Nays:
Absent:
Abstain:

RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on May 5, 2014; the original thereof is on file in the records of the Office of the City Clerk; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, CMC/MMC
City Clerk

OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE TRANSFER TO CDSF, LTD., LLC, 2115 RUST AVENUE

Moved by Council Member _____, seconded by Council Member _____ to adopt the following resolution:

WHEREAS: the City of Saginaw Council approved the formation of an Obsolete Property Rehabilitation District at 2115 Rust Avenue, Tax ID 08 0917A01103, "the facility", on November 9, 2009, following a public hearing regarding district formation; and

WHEREAS: the City of Saginaw Council approved an Obsolete Property Exemption Certificate under Public Act 146 of 2000, to, the applicant, Central Property Development, Inc., following a public hearing regarding granting of the exemption certificate; and

WHEREAS: the property has been sold and transferred to CDSF, LTD., LLC; and

WHEREAS: the continued use of the facility will remain the same, which is, a viable commercial business building; and

WHEREAS: there are no delinquencies in any taxes related to the facility; and

WHEREAS: the continued rehabilitation of the facility is calculated to, and will at the time of transfer of the certificate, have the reasonable likelihood to increase commercial activity, create employment, prevent a loss of employment, and revitalize an urban area; and

WHEREAS: the certificate will continue to be in effect for the remainder of the initially approved twelve (12) year period (Beginning 12/31/2010 and ending 12/30/2022).

NOW, THEREFORE, BE IT RESOLVED: that the City of Saginaw Council approves the requested transfer of the Obsolete Property Rehabilitation Exemption Certificate, pursuant to Public Act 146 of 2000, as amended, for the eligible property legally described as:

2115 Rust Avenue
City of Saginaw, Saginaw County, Michigan

ASSESSORS FILE 08 0917A01103

THAT PART OF LOT 38, HOYTS SUBDIVISION OF THE JAMES RILEY RESERVE DESCRIBED AS FOLLOWS: COMG. AT POINT OF INTERSECTION ON ELY. LINE OF JEFFERSON AVE. & N. LINE OF RUST AVE., THENCE E. ALONG N. LINE OF RUST AVE. 1985.98 FT. TO POINT OF BEG., THENCE AT RIGHT ANGLES N. 320 FT., THENCE AT

RIGHT ANGLES W. 400 FT., THENCE AT RIGHT ANGLES S. 320 FT. TO N. LINE OF RUST AVE., THENCE E. ALONG N. LINE OF RUST AVE. 400 FT. TO POINT OF BEG., EXC. THAT PART TAKEN FOR RUST AVE.

to CDSF Ltd., LLC for the remainder of the initially approved twelve (12) year period (Beginning 12/31/2010 and ending 12/30/2022).

Ayes:
Nays:
Absent:
Abstain:

RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on May 5, 2014; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, CMC/MMC
City Clerk

**RESOLUTION TO EXTEND RENAISSANCE ZONE TIME DURATION
FOR SSP ASSOCIATES, INC. AT 314 AND 406 N. HAMILTON STREET**

Moved by Council Member _____, seconded by Council Member _____ to adopt the following resolution:

WHEREAS: Subzone #2, Central Business District South Renaissance Zone is currently designated as a Renaissance Zone pursuant to Public Act 376 of 1996; and

WHEREAS: this Renaissance Zone subzone is slated to expire in 2014; and

WHEREAS: the Michigan Renaissance Zone Act, 1996 PA 376, has been amended by 2006 PA 400 and 2008 PA 116 to permit extending the duration of time for one or more portions of a Renaissance Zone; and

WHEREAS: on April 27, 2012, the Michigan Strategic Fund approved a seven year extension to the Renaissance Zone; and

WHEREAS: on March 4, 2014, Public Act 27 of 2014 was signed into law providing for a fifteen year Renaissance Zone extension for this project, subject to Michigan Strategic Fund approval; and

WHEREAS: SSP Associates, Inc., a Michigan-based company, intends to construct a mixed use development project on approximately 2.4 acres of property, formerly known as 316 and 406 N. Hamilton Street, in mixed-use development including market rate condominiums and commercial space; and

WHEREAS: SSP Associates has requested that the Renaissance Zone on its proposed property/location be extended in duration by an additional 15 years from the date of the expiration of December 31, 2014, so that the new expiration date would be December 31, 2029; and

WHEREAS: the extension of the Renaissance Zone duration for SSP Associates is necessary to increase market rate housing, economic development, and expand business and employment opportunities in the City of Saginaw and the surrounding communities for years to come; and

WHEREAS: the City of Saginaw is the “qualified local governmental unit” that originally applied for the City of Saginaw Renaissance Zone designation; and

WHEREAS: the City of Saginaw requests that the City of Saginaw apply for a 15-year extension from the date of this application for the 2.4 acres of property that SSP Associates is currently acquiring in Sub Zone #2, Central Business District South with the following parcel number and legal description:

(314 N Hamilton)

Tax ID: 16 0191 00000

Tax Description

LOTS 3 & 7,BLK.24,CITY OF SAGINAW IN DIVISION NORTH OF CASS STREET

(406 N Hamilton)

Tax ID: 16 0221 00000

Tax Description

ENTIRE BLK.29,CITY OF SAGINAW IN DIVISION NORTH OF CASS STREET,THAT PART OF CLEVELAND ST.LYING BETWEEN BLKS.24 &29, CITY OF SAGINAW IN DIVISION NORTH OF CASS STREET,S.ELY.OF HAMILTON ST.&N.WLY.OF NIAGARA STREET ALSO LOTS 4 & 8, BLK 24, CITY OF SAGINAW IN DIVISION NORTH OF CASS STREET.

NOW, THEREFORE, BE IT RESOLVED: that the land described by the above legal description shall be granted a Renaissance Zone time extension with various state, local and county taxes being waived on the property for a period of 15 years, beginning January 1, 2015 through December 31, 2029.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on May 5, 2014; the original thereof is on file in the records of the office of City Clerk; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

Janet Santos, CMC/MMC
City Clerk