



CITY COUNCIL MEETING AGENDA

February 18, 2016

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro-Temp
Patricia A. Baribeau, Council Member
Ralph B. Blasier, Council Member
Michael R. Sattem, Council Member

James V. O'Toole, City Manager
Robert S. Richards, CMC City Clerk
Ralph B. K. Peterson, City Attorney

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting

Thursday, February 18, 2016, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE - Pastor Jason Janich of New Life Assembly of God Church
APPROVAL/CORRECTION(S) TO MINUTES - Regular Meeting – February 4, 2016
APPROVAL/ADJUSTMENTS TO THE AGENDA
CONFLICT OF INTEREST DECLARATION(S)
BRIEF PUBLIC COMMENT(S)
PUBLIC HEARING(S)

1. Public Hearing – Citizen Participation – 2016/17 Fiscal Year Budget Preparation.

Explanation: Each year Council holds public hearings to facilitate input from its citizens for the City's next fiscal year budget. This is the second of five (5) scheduled public hearings.

NEW BUSINESS

1. First Reading – Payment in Lieu of Taxes Ordinance No. 1166 – Excel Realty Group Deal 24, LDHA LP.

Explanation: Mr. Peter Jobson, President of Excel Realty Group, Deal 24, LDHA LP is requesting the City Council re-authorize a Payment in Lieu of Taxes Ordinance, which would allow him to seek funding from the State of Michigan Tax Credit Program for the renovation and upgrading of property located at 223 Ludington Street and 216 1st Avenue South. Administration is recommending the City Council set March 3, 2016 as the second reading, public hearing, and approval date.

2. Approval – Three Year Auditing Services Agreement – Controllers Office.

Explanation: Administration is seeking Council approval to retain the Rehmann Group of Traverse City, Michigan, in an amount not to exceed \$22,500 for mandated audit services through 2019. This item is included in the current fiscal year budget.

3. Approval – Resolution to Terminate the City of Escanaba Economic Development Administration (EDA) Revolving Loan Fund (RLF) – Treasurers Office.

Explanation: Administration is seeking Council approval of a resolution to voluntarily terminate the City EDA RLF with the federal Economic Development Administration.

4. Approval – Electrical Distribution Replacement Poles – Electric Department.

Explanation: Administration is seeking Council approval to retain MJ Electric of Greenville, WI to provide labor and equipment to install forty-five (45) new electrical distribution poles in an amount not to exceed \$86,000. This item is included in the current fiscal year budget.

5. Approval – North Substation Re-closer(s) Purchase – Electric Department.

Explanation: Administration is seeking Council approval to purchase four (4) substation re-closers from RESCO, of Middleton, WI in an amount not to exceed \$103,500. This item is included in the current fiscal year budget.

6. Approval – ATC Project Commitment Agreement – Electric Department.

Explanation: Administration is seeking Council approval of a project commitment agreement between the City of Escanaba and the American Transmission Company which commits both parties in the construction of the new North substation to be located on City-owned property.

APPOINTMENTS

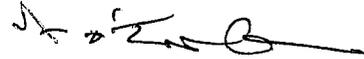
BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

Respectfully Submitted



James V. O'Toole

City Manager

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, February 4, 2016**

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, City Department Heads, media, and members of the public.

Pastor Chris Johnson of Christ the King Lutheran Church, gave the invocation and led Council in the Pledge of Allegiance.

Blasier moved, Beauchamp seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting Minutes from January 21, 2016, and Special Meeting Minutes from January 13, 2016, and January 27, 2016, as submitted.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Baribeau seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS – None

NEW BUSINESS

Approval - Aronson Island Beach House - Rental of Space.

Administration sought Council approval of a proposal submitted by MISH Watersports, Wells, Michigan to operate their water sport rental business out of the Aronson Island Beach House facility for the 2016 and 2017 summer season(s).

NB-1 Blasier moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve of a proposal submitted by MISH Watersports, Wells, Michigan to operate their water sport rental business out of the Aronson Island Beach House facility for the 2016 and 2017 summer season(s).

Approval – Service Contract – City Telephone Services.

Administration sought Council approval to retain TelNet Worldwide for continued telephone line service in the City Hall/Library Complex through 2019 in an amount not to exceed \$19,000. This item was included in the current fiscal year budget.

NB-2 Beauchamp moved, Sattem seconded, to approve to retain TelNet Worldwide for continued telephone line service in the City Hall/Library Complex through 2019 in an amount not to exceed \$19,000.

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Sattem, Blasier, Baribeau, Tall

Nays: None

MOTION CARRIED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Mayor Tall, with Council consensus, made the following appointments to the Recreation Advisory Board:

Valarie Norman, term ending June 1, 2019;

Karen Moore, term ending June 1, 2018.

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 7:06 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor

James V. O'Toole
City Manager



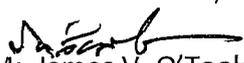
NB#1
cc 2/18/16
410 Ludington Street
Escanaba, Michigan 49829
Phone (906)786-0240

MEMORANDUM

February 10, 2016

TO: Escanaba City Council Members

COPY: Melissa Becotte, City Controller
Daina Norden, City Assessor

FROM:  James V. O'Toole, City Manager

SUBJECT: Payment in Lieu of Taxes Request – 223 Ludington Street

The Excel – Deal 24 LDHA LP is requesting the City of Escanaba re-authorize a Payment in Lieu of Taxes Ordinance, which would allow them to seek funding for renovation and upgrading of the building located at 223 Ludington Street and 126 1st Avenue South.

According to the developer, the Michigan Economic Development Corporation is requiring changes to the following sections of the Ordinance for the reasons stated:

- Section 26-63: The “existence of a mortgage loan requirement” is used when there is direct MSHDA lending involved. Not the case here. This would be financed with 9% tax credits.
- Section 26-67: The termination potential is not acceptable to MSHDA as they believe it to be too subjective.
- Section 26-67: Duration: mortgage related language eliminated. Also, PILOT duration linked to development’s service of low-mod income households under Section 42 program. Finances are underwritten for this purpose.

Under conditions as set forth in a revised Ordinance (Ordinance No. 1166), the City will receive an annual service charge equal to four (4) percent of the difference between the annual shelter rents actually collected and utilities.

Attached, please find the PILT – Property Tax Analysis spreadsheet.

Mission Statement:

Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.

Excel-Deal 24 LDHA LP
3690 Orange Place #517
Beachwood, OH 44122
Office: 216.440-378-9610 | Fax: 216.378.9611

received
2/5/16
JTO.

City Of Escanaba
410 Ludington St
Escanaba, MI 49829

2/4/16

To Whom It May Concern:

RE: Revised Pilot - Ludington

This letter is a request for the City of Escanaba to consider the revised pilot for the Ludington redevelopment. Please place this matter on the City Council agenda.

Please do not hesitate to contact me if you have any questions.

Thank You

Excel-Deal 24 LDHA LP
3690 Orange Pl #517, Beachwood, OH 44122
BY: Excel-Deal 24 LLC, General Partner



Peter Jobson, Manager

*AMEND
REQUEST*

1166

ORDINANCE NO.

**AN ORDINANCE TO AMEND CHAPTER 26 - TAXATION
OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA**

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Chapter 26 - Taxation of the Escanaba Code of Ordinances is hereby amended by adding Division 5, House of Ludington Downtown Residence, to read as follows:

CHAPTER 26 - TAXATION

**ARTICLE III, SERVICE CHARGE IN LIEU OF PROPERTY TAXES
FOR HOUSING DEVELOPMENT**

DIVISION 5, HOUSE OF LUDINGTON DOWNTOWN RESIDENCE

Sec. 26-60. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide elderly/senior affordable housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et seq, MSA Section 116.114(l) et seq.). The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such elderly/senior housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuation of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The City acknowledges that EXCEL-DEAL 24 LDHA LP has offered subject to receipt of the allocation under the LIHTC Program by the Michigan State Housing Development Authority to construct, own and operate an elderly/senior housing project known as the House of Ludington Downtown Residence on certain property located at:

Land situated in the City of Escanaba, County of Delta, State of Michigan, described as follows: Lots 8 thru 14 and the West 1/2 of Lot 7 of Block 4 of the Original Plat

Consisting of up to 34 units and associated parking and grounds in the city to serve as affordable elderly/senior housing, and that the sponsor has offered to pay the City on account of this housing development an annual service charge for public service in lieu of taxes.

Sec. 26-61. Definitions.

All terms not herein defined shall have the meanings given them in the State Housing Development Authority Act of 1966, being Public Act of 1966, of the State of Michigan, as amended.

1. *Act* means the State Housing Development Authority Act, being Michigan Public Act of 1966, as amended.
2. *Annual shelter rent* means the total collections, including rental subsidy, during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, late fees, or other utilities furnished to the occupants.
3. *Authority* means the Michigan State Housing Development Authority.
4. *Elderly/Senior housing* means a household consisting of one (1) single person who is fifty-five (55) years of age or older or a household which at least one (1) member is 55 years of age and all other members are at least fifty (50) years of age.
5. *Housing development* means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.
6. *Low Income or Moderate Income Persons* means families and persons at or below 60% of the area median income adjusted for family size.

7. *Federally-Aided Mortgage* means a mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development (HUD) or United States Department of Agriculture – Rural Development (USDA-RD); a mortgage receiving interest credit reduction payments provided by the HUD or USDA-RD; a Housing Development to which the Authority allocates low income housing tax credits under Section 42b of the Act; or a mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.
8. *Sponsor* means person(s) or entities which have applied to the authority for a mortgage loan or for an allocation under the Low Income Housing Tax Credit Program to finance an elderly/senior housing development.
9. *Utilities* mean fuel, water, sanitary sewer service and/or electrical service which are paid by the elderly/senior housing development.

Section 26-62, Class of housing development.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments which are financed or assisted pursuant to the act. It is further determined that the elderly/senior development is of this class.

Section 26-63. Establishment of annual service charge.

The housing development known as the House of Ludington Downtown Residence and the property on which it is constructed shall be exempt from all property taxes as of or effective on the December 31st of the year the certified notification of exemption was filed with the City Assessor prior to November 1st. The city acknowledging that the sponsor and the authority have established the economic feasibility of the elderly/senior housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for the exemption from all property taxes and a payment in lieu of taxes as established in this article, and in consideration of the sponsor's offer, subject to existence of a mortgage loan and proper certificate of exemption filed, to own and operate the apartment complex, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four (4) percent of the difference between the annual shelter rents actually collected and utilities.

Section 26-64. Limitation on the payment of the annual service charge.

Notwithstanding Section 26-63, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income elderly persons or families shall be equal to the full amount of the taxes which shall be paid on that portion of the elderly/senior housing development if the housing development were not tax exempt.

Section 26-65. Contractual effect of this article.

Notwithstanding the provisions of (Section 15(a)(5)) of the act to the contrary, a contract between the city and the sponsor, with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article.

Section 26-66. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the city except that the annual payment shall be paid on or before May 31 of each year.

Section 26-67. Duration.

This article shall remain in effect and shall not terminate so long as the authority has any interest in the property; or the elderly/senior housing development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, this Ordinance shall terminate if this Project ceases to serve low to moderate income elderly persons, or the Sponsor does not acquire the Project and begin rehabilitation on or before November 1, 2018.

CHAPTER II
SAVINGS CLAUSE

If any section, subsection, sentence, clause or phrase of the within Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

CHAPTER III
REPEALING CHAPTER

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

CHAPTER IV
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED:

APPROVED:

Ralph B.K. Peterson, City Attorney

Marc D. Tall, Mayor

ATTEST:

Robert S. Richards, CMC/City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Regular Meeting held on the ____ day of _____, 2016, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on _____, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Robert S. Richards, CMC/City Clerk

PREVIOUS ORD.

No. 1164
w/ MINUTES.

ORDINANCE NO. 1164

AN ORDINANCE TO AMEND CHAPTER 26 - TAXATION
OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Chapter 26 - Taxation of the Escanaba Code of Ordinances is hereby amended by adding Division 5, House of Ludington Downtown Residence, to read as follows:

CHAPTER 26 - TAXATION

ARTICLE III, SERVICE CHARGE IN LIEU OF PROPERTY
TAXES FOR HOUSING DEVELOPMENT

DIVISION 5, HOUSE OF LUDINGTON DOWNTOWN RESIDENCE

Sec. 26-60. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide elderly/senior affordable housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et seq, MSA Section 116.114(1) et seq.). The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such elderly/senior housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuation of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The City acknowledges that EXCEL-DEAL 24 LDHA LP has offered subject to receipt of the allocation under the LIHTC Program by the Michigan State Housing Development Authority to construct, own and operate an elderly/senior housing project known as the House of Ludington Downtown Residence on certain property located at

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Consisting of up to 34 units and associated parking and grounds in the city to serve as affordable elderly/senior housing, and that the sponsor has offered to pay the City on account of this housing development an annual service charge for public service in lieu of taxes.

Sec. 26-61. Definitions.

All terms not herein defined shall have the meanings given them in the State Housing Development Authority Act of 1966, being Public Act of 1966, of the State of Michigan, as amended.

1. Act means the State Housing Development Authority Act, being Michigan Public Act of 1966, as amended.

2. *Annual shelter rent* means the total collections, including rental subsidy, during an agreed annual period from all occupants of a housing development representing rent or occupancy charges exclusive of charges for gas, electricity, heat, late fees or other utilities furnished to the occupants.
3. *Authority* means the Michigan State Housing Development Authority.
4. *Elderly/Senior housing* means a household consisting of one single person who is fifty-five (55) years of age or older or a household which at least one (1) member is 55 years of age and all other members are at least fifty (50) years of age.
5. *Housing development* means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.
6. *Low Income or Moderate Income Persons* means families and persons at or below 60% of the area median income adjusted for family size.
7. *Federally-Aided Mortgage* means a mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development (HUD) or United States Department of Agriculture - Rural Development (USDA-RD); a mortgage receiving interest credit reduction payments provided by the HUD or USDA-RD; a Housing Development to which the Authority allocates low income housing tax credits under Section 42b of the Act; or a mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.
8. *Sponsor* means person(s) or entities which have applied to the authority for a mortgage loan or for an allocation under the Low Income Housing Tax Credit Program to finance an elderly/senior housing development.
9. *Utilities* mean fuel, water, sanitary sewer service and/or electrical service which are paid by the elderly/senior housing development.

Section 26-62, Class of housing development.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments which are financed or assisted pursuant to the act. It is further determined that the elderly/senior development is of this class.

Section 26-63. Establishment of annual service charge.

The housing development known as the House of Ludington Downtown Residence and the property on which it is constructed shall be exempt from all property taxes as of or effective on the December 31st of the year the certified notification of exemption was filed with the City Assessor prior to November 1st. The city acknowledging that the sponsor and the authority have established the economic feasibility of the elderly/senior housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for the exemption from all property taxes and a payment in lieu of taxes as established in this and in consideration of the sponsor's offer, subject to ~~existence of a mortgage~~

loan and proper certificate of exemption filed, to own and operate the apartment complex, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four (4) percent of the difference between the annual shelter rents actually collected and utilities.

Section 26-64. Limitation on the payment of the annual service charge.

Notwithstanding Section 26-63, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which shall be paid on that portion of the elderly/senior housing development if the housing development were not tax exempt.

Notwithstanding Section 26-63, The service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

Section 26-65. Contractual effect of this article.

Notwithstanding the provisions of (Section 15(a)(5)) of the act to the contrary, a contract between the city, and the sponsor, with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article.

Section 26-66. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the City except that the annual payment shall be paid on or before May 31 of each year.

Section 26-67. Duration.

This article shall remain in effect and shall not terminate so long as ~~the authority's mortgage loan remains outstanding and unpaid or~~ the authority has any interest in the property; or the elderly/senior housing development remains subject to income and rent restrictions pursuant to Section 42 of the Internal Revenue Code of 1986, as amended. Notwithstanding the foregoing, this Ordinance shall terminate if (i) ~~the owner fails to rehabilitate the existing Project as presented to the City of Escanaba, Michigan Economic Development Corporation and Michigan State Housing Development Authority;~~ (ii) this Project ceases to serve low to moderate income elderly persons, or that the Sponsor does not acquire the Project and begin rehabilitation on or before November 1, 2018. ~~The service charge in lieu of taxes as determined under this Ordinance, shall remain in effect as long as the Federally-aided or Authority-aided mortgage is outstanding, but no more than thirty-five (35) years.~~

**CHAPTER II
SAVINGS CLAUSE**

If any section, subsection, sentence, clause or phrase of the within Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

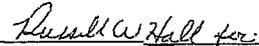
**CHAPTER III
REPEALING CHAPTER**

AU ordinances or - parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

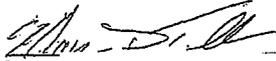
CHAPTER IV
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication.

APPROVED:


Ralph B.K. Peterson, City Attorney

APPROVED:


Marc

ATTEST:


Robert S. Richards, CMC/City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Special Meeting held on the 24th day of September, 2015, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on September 30, 2015, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Robert S. Richards, CMC/City Clerk

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Special Council Meeting
Thursday, September 24, 2015**

Pursuant to a meeting notice posted on September 18, 2015, the meeting was called to order by the Honorable Mayor Marc D. Tall at 6:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Patricia A. Baribeau, Ronald J. Beauchamp, Ralph B. Blasier, and Michael R. Sattem.

Absent: None

Also Present: City Manager James V. O'Toole, City Department Heads, media, and members of the public.

APPROVAL OF AGENDA

Blasier moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Second Reading – Payment in Lieu of Taxes Ordinance No. 1164 – Excel Realty Group Deal 24, LDHA LP.

Mr. Peter Jobson, President of Excel Realty Group, Deal 24, LDHA LP requested the City Council authorize a payment in lieu of taxes Ordinance No. 1164 which would allow them to seek funding from the State of Michigan Tax Credit Program for the renovation and upgrading of property located at 223 Ludington Street and 216 1st Avenue South.

City Manager stated the PILT was designed to provide an incentive for a developer to invest in a community by assisting in making the project financially feasible. Under the terms and conditions of the proposed project at 223 Ludington Street, approval of a PILT was needed in order for the Developer to apply for and receive any funding consideration being applied for through the State or through the Low Income Housing Tax Credit program. It was Manager O'Toole's understanding that without a PILT in place, the application for funding would not be looked upon favorably by the various funding authorities.

Under the concept of the proposed PILT Ordinance and proposed Municipal Services Agreement, the Developer, instead of paying a millage rate based on the

City Council Minutes
September 24, 2015 – cont.

property's assessed value, would pay the City and the other taxing entities 4% of the annual shelter rents actually collected. For the City, this is estimated to be \$2,316.97. This coupled with a Municipal Services fee of \$1,708.16 would require the developer to pay a total of \$4,025.13 to the City of Escanaba for municipal services. This was equal to what the City portion would be under the original tax bill without a Payment In Lieu of Taxes Agreement. In simple terms, the City would be made financially whole under the terms of the proposed PILT and Municipal Services Agreement. However, other taxing entities would collectively lose approximately \$3,600 annually in revenue. Additionally, under the terms of the proposed Municipal Services Agreement, the Developer would pay the City of Escanaba an annual increase of 3% as part of the Municipal Services Agreement for the life of the PILT as long as there is a federally-aided or MSHDA aided mortgage with an outstanding balance, but no more than 35 years.

Inasmuch as this was a public hearing, Mayor Tall asked for comments from the Council and audience relative to the setting of the Payment in Lieu of Taxes Ordinance No. 1164, first from any taxing entities, City residents, and then from Non-City residents.

No comments were heard from other taxing Authorities.

Kevin Chown, who advised spent most of the time in California, and kept his voting registration current in the City of Escanaba, felt the House of Ludington was a historic monument and should be preserved. Mr. Chown understood the reality of the proposed development, but he and others wished it could be developed historically to attract business into the community, not just what was being proposed. If approved, the proposed development would change other future development in the downtown.

Marquette Lawyer Steve Pence, who was presenting the Eisenbergs, advised the property has been for sale quietly for years, but a buyer could not be found. They believed the proposed development from Excel Realty Group Deal 24, LDHA LP, fits the City Master Plan would preserve the building, and bring individuals to the community. In the end, the proposed project was good for the community and neighborhood.

City resident, Lisa Anderson, 218 Lake Shore Drive, stated there was always a fear of change, but the proposed project would be good for the community. The property was in need of rehabilitation, and you do not get buyers like this every day. The project was a great opportunity for the City of Escanaba.

Hearing no further comment, Mayor Tall closed the Public Hearing.

PH-1 "By Council Member Beauchamp, seconded, by Council Member Blasier;

Resolved, That Ordinance No. 1164, an Ordinance to Amend Chapter 26 – Taxation of the Code of Ordinance of the City of Escanaba, given its second reading and public hearing at this meeting, be and it is hereby adopted, and that it be published in accordance with the requirements of State law and the City Charter."

Upon a call of the roll, the vote was as follows:

Ayes: Beauchamp, Blasier, Baribeau, Sattem, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

Herewith Ordinance No. 1164, adopted by title:

AN ORDINANCE TO AMEND CHAPTER 26 – TAXATION OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA.

Full text in Ordinance Record "K."

NEW BUSINESS

Approval – "Cured in Place" Sanitary Pipe Relining Project(s).

Administration sought Council approval of a contract with Visu-Sewer, Inc. of Pewaukee, WI to furnish and install all labor and material to reline a portion of sanitary pipe from the 23rd Avenue South Lift Station to Lakeshore Drive and a portion of sanitary pipe on South 19th Street, 200 feet +/- north of 8th Avenue South to 10th Avenue South in an amount not to exceed \$104,025. These projects were budgeted items in the current fiscal year budget.

Water/WasteWater Superintendent Jeff Lampi briefly reviewed the proposal. The proposed Asset Management program would determine the age of the pipe, and stated repairs could last 50 years.

NB-1 Blasier moved, Sattem seconded, to approve of a contract with Visu-Sewer, Inc. of Pewaukee, WI to furnish and install all labor and material to reline a portion of sanitary pipe from the 23rd Avenue South Lift Station to Lakeshore Drive and a portion of sanitary pipe on South 19th Street, 200 feet +/- north of 8th Avenue South to 10th Avenue South in an amount not to exceed \$104,025.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Sattem, Beauchamp, Baribeau, Tall
Nays: None

MOTION CARRIED.

Approval – Centrex Contract Renewal – Telephone Services.

Administration sought Council approval of a one year contract with AT&T Centrex Service, Michigan, in an amount not to exceed \$11,000 for continued telephone services.

City Council Minutes
September 24, 2015 – cont.

City Controller Melissa Becotte briefly reviewed the contract.

NB-2 Sattem moved, Baribeau seconded, to approve of a one year contract with AT&T Centrex Service, Michigan, in an amount not to exceed \$11,000 for continued telephone services.

Upon a call of the roll, the vote was as follows:

Ayes: Sattem, Baribeau, Beauchamp, Blaiser, Tall

Nays: None

MOTION CARRIED.

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS – None

Hearing no further public comment, the Council adjourned at 6:26 p.m.

Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____

Marc D. Tall, Mayor

Excel – Deal 24 LDHA LP

3690 Orange Place, Suite 517 Beachwood, OH 44122
Ph. 216-378-9610 Fax 216-378-9611

9-9-2015

City Council of Escanaba
Mr. Jim O'Toole, City Manager
410 Ludington Street
Escanaba, MI 49829

Dear Council,

Excel- Deal 24 LDHA LP hereby requests a Payment in Lieu of Taxes (PILOT) Ordinance and Municipal Services Agreement for the House of Ludington re-development.

The reason for this request is that 1) it is necessary for the economic feasibility of the re-development and 2) without the passage of such ordinances the re-development will not score competitively enough to obtain the tax credit.

From an economic standpoint, residents living in "tax credit" communities are provided with a newly constructed or rehabilitated rental home and they pay less than the rental rate typically charged in the area. This restricted income level of the property makes it infeasible for a tax credit property to pay normal property taxes.

Therefore, the PILOT approach was developed and is used throughout the State of Michigan for affordable housing properties.

We appreciate the Council's consideration of our request and look forward to the re-development of one of Michigan's most historic buildings.

Sincerely,

Peter Jobson
Peter Jobson
Excel-Deal 24 LLC
General Partner

CITY OF ESCANABA

PILT Analysis - House of Ludington (Excel Realty)

Assumptions: Tax revenue is from 2014 (Summer & Winter) Tax Bills
 Includes one parcel
 Annual Rent Receipts \$190,176
 MSA Amount reimburses 100% of City taxes and PTAF

	<u>2014 Taxes</u>	<u>4% of Rents</u>	
		<u>Revenue</u>	<u>Loss</u>
DC Central Dispatch	\$68.77	\$40.89	(27.88)
Bay De Noc CC Debt	229.24	136.29	(92.95)
Bay De Noc CC Operating	529.00	314.50	(214.50)
Community Action Agency	137.54	81.77	(55.77)
DATA	137.54	81.77	(55.77)
ISD	546.75	325.06	(221.69)
EAPS Debt	1,088.92	647.39	(441.53)
EAPS Operating	3,424.95	2,036.21	(1,388.74)
DC Road Patrol	206.32	122.66	(83.66)
SET (State)	1,375.48	817.75	(557.73)
Delta County	1,153.50	685.78	(467.72)
City of Escanaba	<u>3,897.19</u>	<u>2,316.97</u>	<u>(1,580.22)</u>
Total Taxes	12,795.20	\$7,607.04	(5,188.16)
PTAF (City)	<u>127.94</u>	<u>0.00</u>	(127.94)
Totals	<u>\$12,923.14</u>	\$7,607.04	(5,316.10)
Municipal Services Agreement		<u>1,708.16</u>	<u>1,708.16</u>
Total Cost to PK Housing		<u>\$9,315.20</u>	
Total Savings to PK Housing		<u>\$3,607.94</u>	<u>\$3,607.94</u>

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)

Act 346 of 1966

125.1415a Exemption of housing project from taxes; filing certified notification of exemption with local assessing authority; annual service charge; amount; duration of exemption; distribution of payments for public services; exceptions; payment of service charge equal to full amount of taxes; reduced housing charges; "low income persons and families" defined; rules; reimbursement prohibited.

Sec. 15a. (1) If a housing project owned by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association is financed with a federally-aided or authority-aided mortgage or advance or grant from the authority, then, except as provided in this section, the housing project is exempt from all ad valorem property taxes imposed by this state or by any political subdivision, public body, or taxing district in which the project is located. The owner of a housing project eligible for the exemption shall file with the local assessing officer a notification of the exemption, which shall be in an affidavit form as provided by the authority. The completed affidavit form first shall be submitted to the authority for certification by the authority that the project is eligible for the exemption. The owner then shall file the certified notification of the exemption with the local assessing officer before November 1 of the year preceding the tax year in which the exemption is to begin.

(2) The owner of a housing project exempt from taxation under this section shall pay to the municipality in which the project is located an annual service charge for public services in lieu of all taxes. Subject to subsection (6), the amount to be paid as a service charge in lieu of taxes shall be for new construction projects the greater of, and for rehabilitation projects the lesser of, the tax on the property on which the project is located for the tax year before the date when construction or rehabilitation of the project was commenced or 10% of the annual shelter rents obtained from the project. A municipality, by ordinance, may establish or change, by any amount it chooses, the service charge to be paid in lieu of taxes by all or any class of housing projects exempt from taxation under this act. However, the service charge shall not exceed the taxes that would be paid but for this act.

(3) The exemption from taxation granted by this section shall remain in effect for as long as the federally-aided or authority-aided mortgage or advance or grant from the authority is outstanding, but not more than 50 years. The municipality may establish by ordinance a different period of time for the exemption to remain in effect.

(4) Except as otherwise provided in this subsection, any payments for public services received by a municipality in lieu of taxes under this section shall be distributed by the municipality to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. For payments in lieu of taxes collected after June 30, 1994, the distribution to the several units shall be made as if the number of mills levied for local school district operating purposes were equal to the number of mills levied for those purposes in 1993 minus the number of mills levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, for the year for which the distribution is calculated. For tax years after 1993, the amount of payments in lieu of taxes to be distributed to a local school district for operating purposes under this subsection shall not be distributed to the local school district but instead shall be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(5) Notwithstanding subsection (1), a municipality may provide by ordinance that the tax exemption established in subsection (1) shall not apply to all or any class of housing projects within its boundaries to which subsection (1) applies. If the municipality makes that provision, the tax exemption established in subsection (1) shall not apply to the class of housing projects designated in the ordinance. If the ordinance so provides, the ordinance shall be effective with respect to housing projects for which an exemption has already been granted on December 31 of the year in which the ordinance is adopted, but not before. A municipality that has adopted an ordinance described in this subsection may repeal that ordinance, and the repeal shall become effective on the date designated in the repealing ordinance.

(6) Notwithstanding subsection (2), the service charge to be paid each year in lieu of taxes for that part of a housing project that is tax exempt under subsection (1) and that is occupied by other than low income persons or families shall be equal to the full amount of the taxes that would be paid on that portion of the project if the project

were not tax exempt. The benefits of any tax exemption granted under this section shall be allocated by the owner of the housing project exclusively to low income persons or families in the form of reduced housing charges.

(7) For purposes of this section only, "low income persons and families" means, with respect to any housing project that is tax exempt, persons and families eligible to move into that project. For purposes of this subsection, the authority may promulgate rules to redefine low income persons or families for each municipality on the basis of conditions existing in that municipality.

(8) This state shall not reimburse any unit of government for a tax exemption granted to any housing project under this section.

History: Add. 1968, Act 334, Imd. Eff. July 14, 1968;—Am. 1969, Act 109, Imd. Eff. July 24, 1969;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1982, Act 534, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 217, Imd. Eff. Nov. 16, 1983;—Am. 1994, Act 363, Imd. Eff. Dec. 27, 1994.

Compiler's note: Section 2 of Act No. 363 of the Public Acts of 1994 provides:

"The provisions of this amendatory act, providing that the exemption from taxes provided in section 15a of this act be limited to ad valorem property taxes, are curative expressing the original intent of the legislature that the exemption extends only to ad valorem property taxes and does not apply to the other taxes levied under Michigan law."

Administrative rules: R 125.101 et seq. of the Michigan Administrative Code.

Table Of Contents

125.1415a	Exemption of housing project from taxes; filing certified notification of exemption with local assessing authority; annual service charge; amount; duration of exemption; distribution of payments for public services; exceptions; payment of service charge equal to full amount of taxes; reduced housing charges; "low income persons and families" defined; rules; reimbursement prohibited.	2
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CITY OF ESCANABA

PILT Analysis - House of Ludington (Excel Realty)

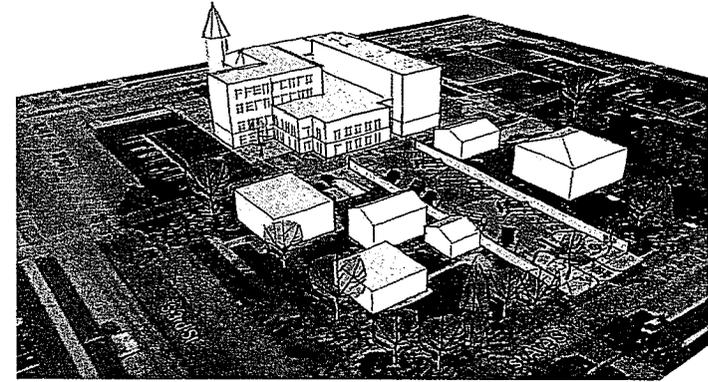
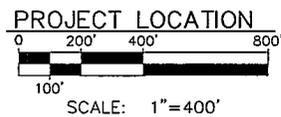
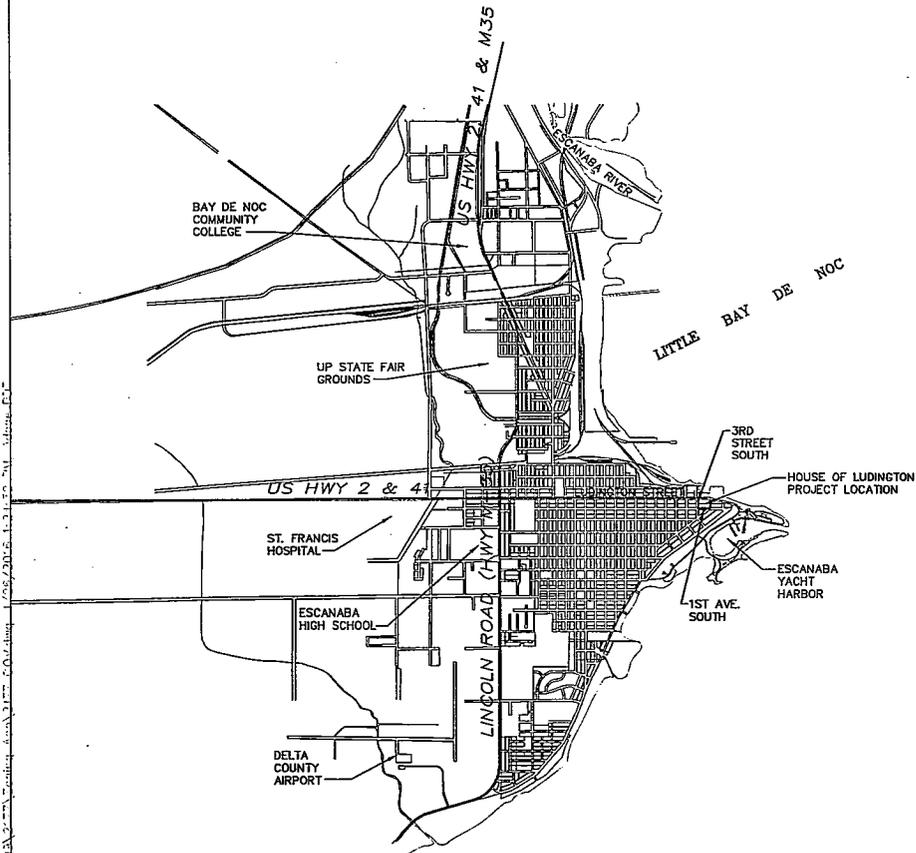
Assumptions: Tax revenue is from 2014 (Summer & Winter) Tax Bills
 Includes one parcel
 Annual Rent Receipts \$190,176
 MSA Amount reimburses 100% of City taxes and PTAF

	<u>2014 Taxes</u>	<u>4% of Rents</u>		<u>Loss %</u>
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Totals	<u>\$12,923.14</u>	\$7,607.04	(5,316.10)	
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Total Cost to Excel Realty		<u>\$9,315.20</u>		
Total Savings to Excel Realty		<u>\$3,607.94</u>	<u>\$3,607.94</u>	

~~\$4,025.13~~ = City share of original tax bill without PILOT
~~\$2,316.97~~ = Amount the City will receive in taxes
~~\$1,708.16~~ = Amount of Municipal Services Agreement
 \$0.00 = Loss to the City

REVISED AND APPROVED SITE PLAN.

HOUSE OF LUDINGTON PROPOSED SITE IMPROVEMENTS CITY OF ESCANABA, MICHIGAN



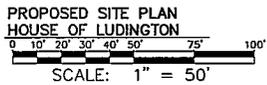
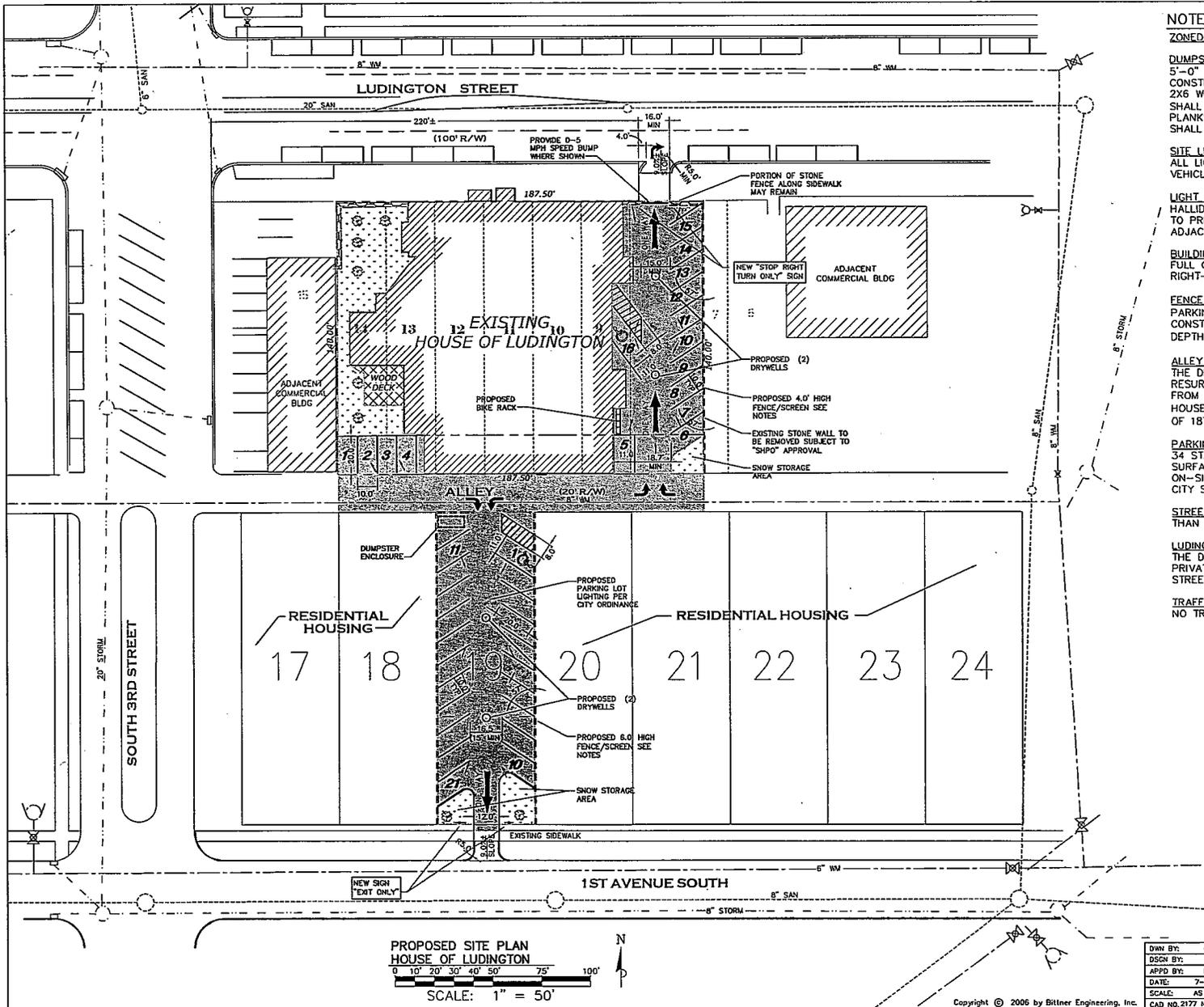
PROPOSED HOUSE OF LUDINGTON REMODEL

DRAWING INDEX

- C-1 PROPOSED SITE PLAN
- PR-1 PARKING LOT DETAILS

BITNER ENGINEERING, INC.
 113 SOUTH 10th STREET
 ESCANABA, MICHIGAN 49829
 Phone: 906-789-1511
 Email: bitnrengring@bitnrengring.com

C:\and\recs\2007\93\277\Zoning App\1177\1177.dwg: 7/23/2012 12:21:11 PM, Adite "D"



NOTES

ZONED: COMMERCIAL DISTRICT "C"

DUMPSTER ENCLOSURE:

5'-0" X 6'-0" X 6'-0" HIGH DUMPSTER ENCLOSURE SHALL BE CONSTRUCTED WITH TREATED 6X6 WOOD CORNER POSTS, TREATED 2X6 WOOD RAILS AND TREATED VERTICAL PLANKS. TREATED POSTS SHALL BE EMBEDDED IN CONCRETE TO A DEPTH OF 48". TREATED PLANKS SHALL BE SIDE BY SIDE WITHOUT ANY GAP BETWEEN AND SHALL BE MOUNTED TO THE EXTERIOR SIDE OF THE TREATED RAILS.

SITE LIGHTING:

ALL LIGHTING WILL BE DIRECTED TO THE PARKING AREAS AND VEHICLE TRAVEL AREAS

LIGHT POLES WILL BE 20FT TALL AND WILL INCLUDE A METAL HALLIDE LAMP WITH FULL CUT-OFF LENSE AND HOUSE SIDE SHIELDS TO PREVENT LIGHT GLARE TO PUBLIC RIGHT-OF-WAYS AND ADJACENT PROPERTIES.

BUILDING WALL FIXTURES WILL INCLUDE A METAL HALLIDE LAMP WITH FULL CUT-OFF LENSE TO PREVENT LIGHT GLARE TO PUBLIC RIGHT-OF-WAYS AND ADJACENT PROPERTIES.

FENCE/SCREENING:

PARKING LOT SCREENING SHALL BE 6.0' ABOVE GRADE, CONSTRUCTED OF VINYL FENCING EMBEDDED IN CONCRETE TO A DEPTH OF 42".

ALLEY PAVEMENT (187.5'):

THE DEVELOPER SHALL PAY FOR THE REHABILITATION AND RESURFACING OF THE ALLEY SOUTH OF THE HOUSE OF LUDINGTON, FROM THE HOUSE OF LUDINGTON EAST PROPERTY LINE TO THE HOUSE OF LUDINGTON WEST PROPERTY LINE AS SHOWN, (A TOTAL OF 187.5'). PER CITY SPECIFICATIONS.

PARKING AREA:

34 STALLS REQUIRED PER CITY VARIANCE, 37 SHOWN. ALL PARKING SURFACES SHALL BE ASPHALT PAVED AND SLOPED TO DRAIN ON-SITE. WITH NO NEW SURFACE RUN OFF ENTERING THE ALLEY OR CITY STREETS.

STREET ACCESS: ALL DRIVEWAYS AND OR RAMPS SHALL BE LESS THAN 20% SLOPE.

LUDINGTON STREET ACCESS:

THE DEVELOPER SHALL PAY FOR AND INSTALL A SPEED BUMP ON PRIVATE PROPERTY BEFORE THE SIDEWALK ENTERING LUDINGTON STREET.

TRAFFIC SIGNS:

NO TRAFFIC SIGN SHALL BE LOCATED IN THE PUBLIC RIGHT OF WAY.

LEGEND

PROPOSED NEW ASPHALT PAVEMENT

TRAFFIC FLOW

SLOPE ASPHALT: NEW 2" ASPHALT OVER 6" GRAVEL GRADED SLOPE

DRAFT

REV 5 1-18-16	EXIT TO 1ST AVE/ADD SPEED BUMP
REV 4 11-2-15	MODIFY STREET PARKING
REV 3 9-2-15	PER CITY REVIEW COMMENTS
REV 2 8-27-15	SHOW PROPOSED PARKING LOT
REV 1 8-19-15	PER MTG: 8-18-15 COMMENTS



BITTNER ENGINEERING, INC.
113 SOUTH 10th STREET
ESCANABA, MICHIGAN 49829
Phone: 906-789-1511
Email: bittnerengineering@bittnerengineering.com

PROPOSED HOUSE OF LUDINGTON - REMODEL

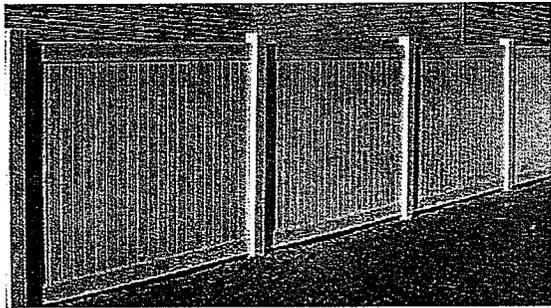
DRAWING NUMBER:
C-1

PROPOSED SITE PLAN

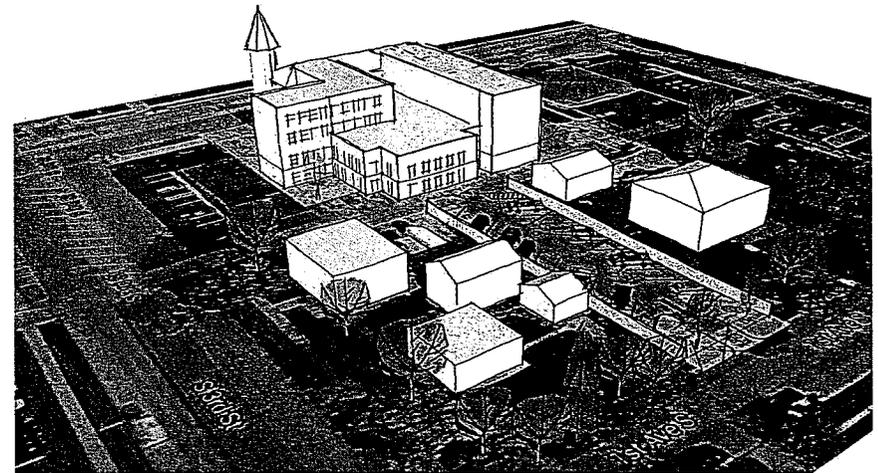
PROJECT #:
15-99-2177
SHT 1 OF 1 | REV. 5

DRAWN BY:	CHB
DESIGN BY:	BCI
APPROVED BY:	DBB
DATE:	7-30-15
SCALE:	AS NOTED
CAD NO.	2177 MSITE REV5

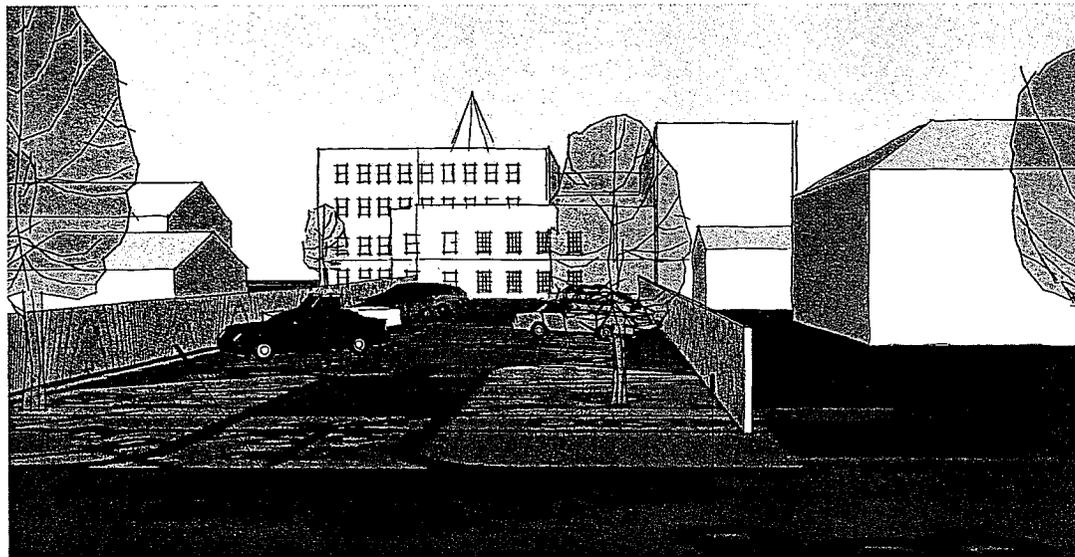
Copyright © 2006 by Bittner Engineering, Inc.



PROPOSED FENCE PRODUCT



BIRD'S EYE VIEW



6' HIGH VINYL FENCE

VIEW FROM 1ST AVE

DRAFT

PRELIMINARY
NOT FOR
CONSTRUCTION

PARKING LOT DETAILS
EXCEL REALTY
HOUSE OF LUDINGTON
223 Ludington St, Escanaba, MI 49829

PR-1

Project #: **P11556**
Date: 1/26/2016

NB# 2
cc 2/78/16

MEMORANDUM

February 8th, 2016

TO: Jim O'Toole, City Manager
Robert Richards, City Clerk

FROM: Melissa Becotte MB

SUBJECT: Auditors

Last year (Fiscal Year 2014/15) represented the end of our contract with our auditors, Anderson, Tackman & Company. Accordingly, we need to make provisions for this year's audit. As this is considered a professional service, auditing services are one of the exceptions to the bid requirement. However, it has been recommended that I put the audit out for bid this year.

We received 4 responses to the RFP. I used the attached scoring sheet to rate each of the proposals. I also had the Assistant Controller score the proposals independently. Both score sheets are reflecting the same outcome.

I believe that Rehmann out of Traverse City is the best choice for the City of Escanaba at this time. They offer many services to their clients in addition to doing audits. They will minimize the time spent on-site by sending a team of employees who specialize in governmental audits and by using a portal where we can upload some of our reports so they can complete preliminary work at their office.

I've spoken to other local clients of Rehmann and they were happy with the process that is used and the finished product. Both local clients have renewed their contracts.

It is my recommendation that the Council approve a three year audit agreement with Rehmann at the next regularly scheduled City Council meeting (Thursday, February 18th).

Please contact me with any questions or concerns.

AUDIT PROPOSAL RATING SYSTEM WORKSHEET

Purpose: This evaluation system is designed to accurately appraise potential selection of a vendor to provide audit services for the next 3 years. The evaluation and scoring rating system is designed to provide a realistic assessment of the proposed vendors.

Name of Firm	Avg. 3 Year Price (1-4)	Government Audit Experience (1-3)	Hours on Site (1-3)	Local Knowledge and Community Presence (1-3)	Additional Fees Related to Audit (1-2)	Timeline of Job (1-2)	Additional Services Available (1-3)		Total Points (20 possible)
Anderson Tackman	1 <i>32,000</i>	3	1	3	2	2	2	=	14
Schneider Larche	3 <i>29,333</i>	3	2	3	1	2	2	=	16
Rehmann	4 <i>22,500</i>	3	3	2	2	2	2	=	18
Gabridge	2 <i>29,547</i>	3	3	1	1	2	1	=	13

Rating/Scoring System:

Avg. 3 Year Price: Rating (1-4)

- 4 - The proposed vendor has the lowest average price.
- 3 - The proposed vendor has the 3rd highest average price.
- 2 - The proposed vendor has the 2nd highest average price.
- 1 - The proposed vendor has the highest average price.

Government Audit Experience: Rating (1-3)

- 3 - The proposed project has shown many examples of similar type work.
- 2 - The proposed vendor has shown several examples of similar types work.
- 1 - The proposed vendor has shown few, if any, examples of similar types work.

Hours on Site: Rating (1-3)

- 3 - The proposed vendor estimates 200-250 hours on site.
- 2 - The proposed vendor estimates 250-300 hours on site.
- 1 - The proposed vendor estimated more than 300 hours on site.

Local Knowledge and Community Presence: Rating (1-3)

- 3 - There is a good understanding of the local area and local issues. A team can identify basic facts and circumstances about the City based on first-hand experience.
- 2 - There is general understanding of the local area and local issues.
- 1 - There is little, if any, understanding of local area and local issues.

Additional Fees Related to Audit: Rating (1-2)

- 2 - The proposed vendor has included all portions of the audit in their annual fee.
- 1 - The proposed vendor has additional fees associated with completing portions of the audit.

Timeline of Job: Rating (1-2)

- 2 - The proposed vendor is able to follow the timeline as required in the RFP.
- 1 - The proposed vendor cannot commit to the timeline as required in the RFP.

Additional Services Available: Rating (1-3)

- 3 - The proposed vendor offers additional services free of charge.
- 2 - The proposed vendor offers additional services for a fee.
- 1 - The proposed vendor does not offer any additional services.

PROPOSAL STRENGTHS AND WEAKNESSES (+ OR -):

AT: + local, long-term relationship, familiar w/ city processes & history
 - highest avg. fee

SL: + local, lowest local fee
 - none

R: + uses technology to full advantage for audit prep, minimizes on-site time, offers most additional services, offers free training to clients, lowest price, great reviews from other local clients

G: + ?
 - not local, additional fee for single audit

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PROPOSAL STRENGTHS AND WEAKNESSES (+ OR -):

NB# 3
CC 2-18-16

MEMORANDUM

FEBRUARY 10, 2016

TO: JIM O'TOOLE

FROM: BOB VALENTINE

RE: TERMINATION OF THE EDA RLF

I am asking that the Council consider a resolution to terminate the City's EDA Revolving Loan Fund. As we have discussed previously, the Federal Economic Development Administration (EDA) has advised that our EDA RLF no longer meets the agency's criteria for a continuing activity. Accordingly, they have advised us that they intend to pursue a "Termination for Cause," which is, in effect, a forced termination of the fund.

The issues we face are 1.) We have an unacceptably high default rate. We have only two active loans, Donalway and Michigan Meats, both of which are in default with little chance of recovery. Together, the outstanding value of the loans is approximately \$600,0000, which is more than 25% of the value of the Fund. 2.) The Fund has also been underutilized, and has a cash balance exceeding \$1.5 million. Various Federal initiatives require that such idle funds be put to use in other programs.

EDA has offered us the option of a "Voluntary Termination," in lieu of a forced termination of the Fund. The Voluntary Termination has certain advantages, whereby we retain eligibility for future use of other EDA programs and funds. If we are terminated for cause, we have a black mark, of sorts, against us, and our ability to participate in other EDA programs will be restricted. For this reason, I am recommending that opt for the Voluntary Termination.

The process to voluntarily terminate the Fund is relatively straight forward and requires only that the Council pass a resolution to that effect. Once a resolution is passed, we are required to execute a termination agreement, yet to be drafted, and return EDA's portion of the funds to them. The City is entitled to retain its local match of \$166,750, along with the earnings, less loan losses, attributable to that match. The final calculation has not yet been made, but I expect that we will retain approximately \$375,000 of the \$1.5 million cash balance.

The Loan Administration Board supports termination of the EDA RLF, and at its January 21st meeting, the Board took action recommending that the Council pursue termination of the RLF.

A RESOLUTION

**AUTHORIZING THE CITY MAYOR TO TAKE CERTAIN ACTIONS CONCERNING THE EDA TITLE IX
REVOLVING LOAN FUND GRANT NO. 06-19-02071**

WHEREAS: In April 1989, the City of Escanaba received a grant, number 06-19-02071, in the amount of \$504,806 from the Economic Development Administration for the purpose of establishing a Revolving Loan Fund (RLF) to promote business development, and

WHEREAS: The grant was 75% Federal Funds and 25% was local funds, and

WHEREAS: The City's RLF is currently out of compliance with EDA guidelines, and

WHEREAS: The City Council voluntarily requests that the grant be terminated for convenience, and

WHEREAS: the City Council voluntarily agrees to return 75% of the funds in the Revolving Loan Fund bank accounts to the Economic Development Administration,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

The City Council hereby authorizes its Mayor to execute and submit to EDA an offer to Terminate Grant Agreement Number 06-19-02071 for Convenience, and

BE IT FURTHER RESOLVED THAT:

The City of Escanaba will voluntarily return 75% of the Revolving Loan Funds to the Economic Development Administration as per the date of termination.

RESOLUTION DECLARED ADOPTED

I the undersigned, being duly qualified and acting City Clerk of the City of Escanaba, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Escanaba City Council at a regular Meeting held on Thursday, February 18, 2016, and that said meeting was conducted, and public notice was given, pursuant to, and in full compliance with, the Open Meetings Act, Act 267, Public Acts of Michigan, and that the minutes of said meeting are, and have been, made available as required by said Act.

Robert S. Richards, CMC, City Clerk

**LOAN ADMINISTRATION BOARD MEETING MINUTES
JANUARY 21, 2016**

Pursuant to public notice, a scheduled meeting of the Escanaba Loan Administration Board was held on Thursday, January 21, 2016, at 8:00 a.m. at City Hall, Room C102, 410 Ludington Street, Escanaba, MI.

Board Members Present: Boardmembers Roni Beaudoin, Holly Thomma, and Chris Economos

Also Present: City Treasurer Robert Valentine, City Attorney Russ Hall, and Executive Assistant Buffy Smith

Absent: Boardmember Jeanine Dagenais and Chairman Tim Kobasic

Vice - Chairperson Chris Economos called the meeting to order at 8:10 a.m.

Approval/Adjustments to the Agenda

None.

Approval of Minutes from February 2, 2015

A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, to accept the October 15, 2015 meeting minutes as submitted. Motion was approved unanimously.

NEW BUSINESS

1. Quarterly Loan Review

Bob Valentine stated two (2) of the EDA loans, Michigan Meats and Donalway Golf, are still an issue. Donalway Golf continues to pay \$150 per week. Per Russ Hall, a judgment has been taken against the guarantors in each of the two cases. Attorney Hall agreed that he would perform a new debtor's exam on each of the guarantors to determine if there have been any changes to the financial status of the parties.

Bob Valentine reviewed the only outstanding CDBG loan, the House of Ludington, and reported that the borrower is paying as agreed.

Bob Valentine reviewed the UDGA portfolio and advised that the only questionable loan is the Cashen/Wickert's Floral loan. Mr. Cashen stated in writing he will continue to send \$500 per month, he will provide Mr. Valentine a copy of the 2014 taxes, and he has been in re-negotiations with some of his vendors and creditors to free up more funding resources.

Bob Valentine stated the Lofts on Ludington continue to pay quarterly as agreed.

Bob Valentine stated the first Crispigna's loan was paid off in October 2015 and the second Crispigna's loan is receiving payments as committed.

2. Attorney Review of Donalway and Michigan Meats Loans

City Attorney Russ Hall advised that judgments against the guarantors for Donalway Golf and Michigan Meats are in place. Michigan Meats sold their equipment and the proceeds went to State Bank. The City has a second lien on the mortgage. A foreclosure has not been pursued because proceeds would not be available.

3. Update on Fleet Maintenance

Bob Valentine stated the project for Fleet Maintenance has come to an end due to environmental issues on their end.

4. Update on Status of EDA RLF Termination

Bob Valentine stated the EDA wants to terminate the EDA Revolving Loan fund due to 1) lack of utilization, and 2) a 100% default rate with the City. Bob Valentine recommends a voluntary termination or the EDA will force the City to terminate the program, causing the City to lose eligibility of participation in other EDA programs. Mr. Valentine is pursuing, with City Council approval, a RLF fund more flexible with reduced restrictions. A resolution will be going before City Council in February.

5. Write Off of EDA Balances

Bob Valentine stated the two (2) loan losses for Michigan Meats and Donalway Golf will not be shown as a valid receivable on the City's books. Both loans should be written off. This is his recommendation to the Board. The \$150 weekly payments provided by Donalway Golf would still be provided to the City into the RLF that has been seeded with the City's money.

A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to write off the Michigan Meats and Donalway Golf loans. Motioned approved unanimously.

A motion was made by Boardmember Beaudoin, seconded by Boardmember Thomma, per Mr. Valentine's recommendation, to recommend to City Council, termination of the EDA RLF. Motion approved unanimously.

6. Update on Outreach Efforts

Bob Valentine advised that November 2015 letters were sent to commercial lenders within the community seeking financial partnerships to help strengthen and grow local businesses.

7. Items From the Board

None.

General Public Comment

None.

Announcements

None.

Adjournment

A motion was made by Boardmember Thomma, seconded by Boardmember Beaudoin, to adjourn the meeting at 8:37 a.m. Motioned approved unanimously.

APPROVED:

TIM KOBASIC, CHAIRPERSON

BUFFY L. SMITH, RECORDER

NB# 4
CC 2-12-16

MEMORANDUM

To: Jim O'Toole

From: Mike Furmanski

Date: 11FEB16

Re: Pole Replacement Bid Recommendation

On January 26, 2016, the Electric Department received bids for labor and equipment to replace 45 wooden poles. Bids were sent to 5 pole replacement contractors and 4 bids were received. All 4 contractors that submitted bids are qualified to do this type of work. The bids were as follows:

Bidder	45 poles
MJ Electric	\$86,000
Fox Power	\$93,545
Hooper	\$109,684.51
Energis	\$110,094.90
Hydaker-Wheatlake	No Bid

I am recommending accepting the bid from MJ Electric of Greenville, WI to replace 45 poles for \$86,000. This is a budgeted item.

Official Bidder's Proposal

Date: 1-25-2016

City of Escanaba
Escanaba, MI 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan, labor and machinery or equipment, in accordance with the attached minimum specifications, which are part of this proposal, at the following prices:

Lump Sum for defined project: \$ 86,000

If possible, please provide a sum of the individual unit prices listed in Appendix A.

Hourly rates for Crews for additional work not defined in this proposal:

Digger/Derrick Truck and 2 or 3 person Crew \$ 260 ^{2man} or 355 ^{3man}

Bucket Truck and 2 or 3 person Crew \$ 260 or 355

Estimated Start Date: when you are ready for us

CERTIFIED CHECK, CASHIER'S CHECK, OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF:

\$ 10% bid bond
(Must be included to qualify)

M. J. Electric, LLC
N2023 Greenville Drive
Greenville, WI 54942

12/23/2015

SUBMITTED BY

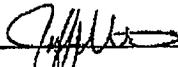
FIRM: M.J. Electric, LLC

ADDRESS: N2023 Greenville Dr

Greenville WI 54942

also located in Iron Mountain, MI

NAME (PRINT): Jeff Ulman

SIGNED: 

TITLE: General Manager

M. J. Electric, LLC
N2023 Greenville Drive
Greenville, WI 54942

Appendix A: Pole Replacement Priority & Identification			
Picture #	Pole Tag #	Approximate location	# / EA
	1	1662 Alley between 3 rd & 4 th Ave So. and 10 th & 11 th St	2060
	3	1873 Alley between 5 th & 6 th Ave. So. and 9 th & 10 th St	1910
	4	1907 Alley between 5 th & 6 th Ave. So. and 14 th & 15 th St	1730
	5	1920 6th Ave S & 17th St Intersection, SW corner	1715
	6	1922 Alley between 5 th & 6 th Ave. So. and 17 th & 18 th St	2045
	7	1925 6 th Ave. So. & 18 th St., Intersection, South	1650
	8	1994 Alley Between 5 th & 6 th Ave. So. and 19 th & 20 th St.	1875
	9	1961 Alley between 6 th & 7 th Ave. So. and Bay Street & 10 th St	2630
	14	1983 Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	1875
	12	1985 Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	1595
	11	1986 Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	1940
	10	1987 Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	1895
	13	1984 Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	2080
	15	2001 Alley between 6 th & 7 th Ave. So. and 17 th & 18 th Street	1430
	17	2012 Alley between 6 th & 7 th Ave. So. and 19 th & 20 th Street	1875
	18	2018 Alley between 6 th & 7 th Ave. So. and 19 th & 20 th Street	2210
	19	2030 7 th Ave. So. between 21 st St. and So. Lincoln Road	2500
	20	2032 Alley between 7 th & 8 th Ave. So. and Lake Shore Dr & So. 10th St	1365
	21	2037 Alley between 7 th & 8 th Ave. So. and Lake Shore Dr & So. 10th St	2045
	22	2042 915 8th Ave. So. (streetlight)	1650
	23	2197 Lake Shore Dr between 8 th & 9 th Ave. So.	1430
	25	2048 Lake Shore Dr between 7 th & 8 th Ave. So.	1630
	24	2052 Lake Shore Dr between 7 th & 8 th Ave. So.	1580
	25-1	2064 Alley between 7 th & 8 th Ave. So. and 12 th & 13 th St	2175
	26	2065 Alley between 7 th & 8 th Ave. So. and 12 th & 13 th St	1645
	27	2063 Alley between 7 th & 8 th Ave. So. and 11 th & 12 th Street	1785
	28	2059 Alley between 7 th & 8 th Ave. So. and 11 th & 12 th Street	1580
	32	2067 Alley between 7 th & 8 th Ave. So. and 13 th & 14 th St	1875
	32-1	2081 Alley between 7 th & 8 th Ave. So. And 14 th & 15 th St	3560
	31	2069 Alley between 7 th & 8 th Ave. So. and 13 th & 14 th St.	2210
	30	2068 Alley between 7 th & 8 th Ave. So. and 13 th & 14 th St.	1810
	29	2071 Alley between 7 th & 8 th Ave. So. and 13 th & 14 th St.	1680
	33	2083 Alley between 7 th & 8 th Ave. So. And 14 th & 15 th St	1830
	34	2103 Alley between 7 th & 8 th Ave. So. and 18 th & 19 th St	1885
	35	2106 Alley between 7 th & 8 th Ave. So. and 19 th & 20 th St	1875
	36	2108 Alley between 7 th & 8 th Ave. So. and 19 th & 20 th St	1940
	38	2118 Line runs along 8 th Ave. So. Between so. 20 th St. & So. Lincoln Road	1550
	37	2130 817 So. Lincoln Rd. (St. Anne's church property) line runs along east side of property	2630
	38-1	2143 So. 10 th St. between 8 th & 9 th Ave. So.	1450
	39	2159 9 th Ave. So. between 12 th & 13 th St. (mid-block)	1765
	40	2160 9th Ave S & 13th St	1765
	41	2162 Alley between So. 13 th & 14 th St. and 8 th & 9 th Ave. So.	2340
	42	2168 9 th Ave. So. Between 13 th & 14 th St	1550
	43	2170 918 So. 14 th St. (in back)	2005
	44	2172 9 th Ave. So. & 14 th St. intersection (N.W. corner)	2360

M. J. Electric, LLC
N2023 Greenville Drive
Greenville, WI 54942



QUANTA SERVICES COMPANY

M. J. ELECTRIC, LLC

301 West Frank Perry Drive • P.O. Box 100
Iron Mountain, Michigan 49801
Phone: 920-2655 • Fax: 920-2655
www.mjelectric.com



City of Escanaba
410 Ludington Street
Escanaba, MI 49829

January 25, 2016

Attn: Robert Richards / Mike Furmanski
Re: Pole Replacements

Our proposal includes the following clarifications...

1. Access is assumed to all structures. We may need help w/ some customer's outages.
2. Any necessary forestry work to be done by others. Or negotiated separately.
3. Taxes are not included.
4. Restoration to include only black dirt and seed. Sod, concrete, blacktop or fence replacement is not included.
5. Riser transfers are assumed to reach. Splicing to be negotiated separately.
6. Material needed after initial pickup will be delivered to site by others. A semi trailer will be provided and staged near work. Poles will be picked up by MJ.
7. Any relocation of existing URD facilities negotiated separately. (Not risers)
8. Backfill with native soil included.
9. Standard traffic control included (signage). We plan on using a 3 man crew, any additional resources needed for flagging or traffic, if necessary, would be at cost +15%. (lane closures, reroutes, flagging)
10. Work area must be open. Parking restrictions may apply.
11. Potholing/Hydro-excavation work, if necessary, would be hourly.
12. Snow removal by others.
13. Delays caused by others to be hourly (outages, etc)
14. City of Escanaba to provide yard space for show up.
15. Only the poles (44) with supplied pictures are included in proposal, others negotiated separate.
16. Communications are based off photos supplied. Will be billed actual \$65/comm.
17. Rock excavation to be hourly if encountered.
18. Show up yard power to be supplied by City of Escanaba.

Any / all of our bid clarifications are open to discussion. We appreciate the opportunity to submit a proposal and look forward to working with you again.

If you have any question or concerns, feel free to call.

Sincerely,

Jeff Ulman

M. J. Electric, LLC
N2023 Greenville Drive
Greenville, WI 54942

Jeff Ulman - General Manager

920-841-2655 cell

Appendix C: Insurance and Conditions:

Insurance Requirements

The Contractor shall furnish proof of insurance establishing minimum coverage as follows:

Worker's Compensation

Coverage A	Statutory
Coverage B	\$100,000

Comprehensive General Liability

Per occurrence	\$1,000,000
General Aggregate	\$1,000,000
Products/completed operations	
General Aggregate	\$1,000,000

Comprehensive Automobile Liability

Combined Single Limits	\$1,000,000
------------------------	-------------

Except for the workers compensation coverage, the City of Escanaba shall be named "additional insured" on all certificates. All policies affording coverage required in this section shall further be endorsed to provide a ten (10) day notice to be delivered to the City before any coverage is either reduced or cancelled.

The Contractor shall furnish Performance and Payment Bonds, each in an amount at least equal to the contract price as security for the faithful performance and payment of all the Contractor's obligations under the contract. These bonds shall remain in effect at least until 6 months after the final payment.

where and to the extent permitted by applicable law, but only to the extent the loss in question is caused by the negligent act or omission of Contractor and only to the extent necessary to provide Owner with coverage for the Indemnity obligations expressly assumed by Contractor under this Contract, it being the express intent and understanding of the parties that the insurance and Indemnity obligations under this Contract are dependent upon one another and are not separate and distinct.

M. J. Electric, LLC
N2023 Greenville Drive
Greenville, WI 54942

Official Bidder's Proposal

Date: 1/25/16

City of Escanaba
Escanaba, MI 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan, labor and machinery or equipment, in accordance with the attached minimum specifications, which are part of this proposal, at the following prices:

Lump Sum for defined project: \$93,545.⁰⁰

If possible, please provide a sum of the individual unit prices listed in Appendix A.

Hourly rates for Crews for additional work not defined in this proposal:

Digger/Derrick Truck and 2✓ or 3 person Crew \$ 230.⁰⁰/hr.

Bucket Truck and 2✓ or 3 person Crew \$ 230.⁰⁰/hr.

Estimated Start Date: 3/7/16

CERTIFIED CHECK, CASHIER'S CHECK, OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF:

\$ 9,354.⁵⁰
(Must be included to qualify)

Fox Power INC.

Appendix A: Pole Replacement Priority & Identification				
Picture #	Pole Tag #	Approximate location		
	1	1662	Alley between 3 rd & 4 th Ave So. and 10 th & 11 th St	2310 5
	3	1879	Alley between 5 th & 6 th Ave. So. and 9 th & 10 th St	2310 5
	4	1907	Alley between 5 th & 6 th Ave. So. and 14 th & 15 th St.	1848 4
	5	1920	6 th Ave S & 17 th St Intersection, SW corner	1155 2.5
	6	1922	Alley between 5 th & 6 th Ave. So. and 17 th & 18 th St	1848 4
	7	1925	6 th Ave. So. & 18 th St., Intersection, South	1155 2.5
	8	1934	Alley Between 5 th & 6 th Ave. So. and 19 th & 20 th St.	2310 5
	9	1951	Alley between 6 th & 7 th Ave. So. and Bay Street & 10 th St	3224 7
	14	1989	Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	2310 5
	12	1985	Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	1155 2.5
	11	1986	Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	2310 5
	10	1987	Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	2310 5
	19	1984	Alley between 6 th & 7 th Ave. So. and 13 th & 14 th St	2310 5
	15	2001	Alley between 6 th & 7 th Ave. So. and 17 th & 18 th Street	924 2
	17	2012	Alley between 6 th & 7 th Ave. So. and 19 th & 20 th Street	2310 5
	18	2013	Alley between 6 th & 7 th Ave. So. and 19 th & 20 th Street	2772 6
	19	2030	7 th Ave. So. between 21 st St. and So. Lincoln Road	924 2
	20	2032	Alley between 7 th & 8 th Ave. So. and Lake Shore Dr & So. 10 th St	1386 3
	21	2037	Alley between 7 th & 8 th Ave. So. and Lake Shore Dr & So. 10 th St	1848 4
	22	2042	915 8 th Ave. So. (streetlight)	924 2
	23	2197	Lake Shore Dr between 8 th & 9 th Ave. So.	1386 3
	25	2048	Lake Shore Dr between 7 th & 8 th Ave. So.	924 2
	24	2052	Lake Shore Dr between 7 th & 8 th Ave. So	1848 4
	25-1	2064	Alley between 7 th & 8 th Ave. So. and 12 th & 13 th St	2310 5
	26	2065	Alley between 7 th & 8 th Ave. So. and 12 th & 13 th St	1848 4
	27	2063	Alley between 7 th & 8 th Ave. So. and 11 th & 12 th Street	1848 4
	28	2059	Alley between 7 th & 8 th Ave. So. and 11 th & 12 th Street	1848 4
	32	2067	Alley between 7 th & 8 th Ave. So. and 13 th & 14 St	2310 5
	32-1	2081	Alley between 7 th & 8 th Ave. So. And 14 th & 15 th St	9620 10
	31	2069	Alley between 7 th & 8 th Ave. So. and 13 th & 14 St.	2772 6
	30	2066	Alley between 7 th & 8 th Ave. So. and 13 th & 14 St	2310 5
	29	2071	Alley between 7 th & 8 th Ave. So. and 13 th & 14 St.	2310 5
	33	2089	Alley between 7 th & 8 th Ave. So. And 14 th & 15 th St	2310 5
	34	2109	Alley between 7 th & 8 th Ave. So. and 18 th & 19 th St	1848 4
	35	2105	Alley between 7 th & 8 th Ave. So. and 19 th & 20 th St	2310 5
	36	2108	Alley between 7 th & 8 th Ave. So. and 19 th & 20 th St	2310 5
	38	2118	Line runs along 8 th Ave. So. Between so. 20 th St. & So. Lincoln Road	1386 3
	37	2130	817 So. Lincoln Rd. (St. Anne's church property) line runs along east side of property	4620 10
	38-1	2143	So. 10 th St. between 8 th & 9 th Ave. So.	924 2
	39	2159	9 th Ave. So. between 12 th & 13 th St. (mid-block)	1848 4
	40	2160	9 th Ave S & 13 th St	1848 4
	41	2162	Alley between So. 13 th & 14 th St. and 8 th & 9 th Ave. So.	2772 6
	42	2168	9 th Ave. So. Between 13 th & 14 th St	1386 3
	43	2170	918 So. 14 th St. (in back)	2310 5
	44	2172	9 th Ave. So. & 14 th St. intersection (N.W. corner)	3696 8

\$93,545 CREW
202.5 HRS

4 MAN CREW - 5 WEEKS -

12/23/2015

SUBMITTED BY

FIRM:

Fox Power Inc.

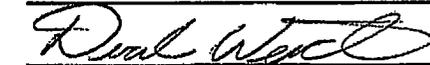
ADDRESS:

900 Superior Avenue
Gladstone MI 49837

NAME (PRINT):

Derek L. Weide

SIGNED:



TITLE:

President



January 26th 2016

Joshua Krajniak
City of Escanaba
Electric Department
1711 Sheridan Rd
Escanaba, MI 49829

RE: Distribution Pole Replacement Project

Dear Mr. Krajniak

Thank you for the opportunity to submit a proposal for the construction of this project. Our proposal is based on the documents provided as well as a thorough site inspection. Complete unit pricing can be found in the attached and completed Appendix A. The estimated costs provided are contingent with the attached Bid Clarifications document.

Hooper has the ability to start this work on or after February 8th and can be flexible with the project start date. The project duration would be eight weeks with a three man crew performing all of the proposed work.

Hooper has an experienced workforce with several years of distribution construction experience with availability to perform this project. We look forward to teaming with you to complete this project safely and cost effectively. If you should have any questions in response to our proposal please don't hesitate to call (608-268-2162).

Very truly yours,
Hooper Corporation

A handwritten signature in black ink, appearing to read 'Brad St. Germain', is written over the typed name.

Brad St. Germain
Project Manager

Encl.

12/23/2015

Official Bidder's Proposal

Date: January 25, 2016

City of Escanaba
Escanaba, MI 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan, labor and machinery or equipment, in accordance with the attached minimum specifications, which are part of this proposal, at the following prices:

Lump Sum for defined project: \$ 109,684.51

If possible, please provide a sum of the individual unit prices listed in Appendix A.

Hourly rates for Crews for additional work not defined in this proposal:

Digger/Derrick Truck and 2__ or 3__ person Crew \$ 353.20

Bucket Truck and 2__ or 3__ person Crew \$ 355.48

Estimated Start Date: 2/8/2016

CERTIFIED CHECK, CASHIER'S CHECK, OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF:

\$ 10% of Bid Amount - see attached Bid Bond
(Must be included to qualify)

12/23/2015

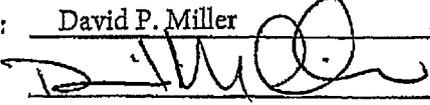
SUBMITTED BY

FIRM: Hooper Corporation

ADDRESS: 2030 Pennsylvania Avenue

Madison, WI 53704

NAME (PRINT): David P. Miller

SIGNED: 

TITLE: Vice President



City of Escanaba
Distribution Pole Replacement Project:
Bid Clarifications & Exclusions
January 26th, 2016

1. One mobilization and one demobilization have been included for the performance of work.
2. Electrical permits have been included for the proposed scope of work. It is understood that all other applicable permits have been supplied by the owner.
3. Tree clearing, trimming, and brush removal is excluded from our pricing.
4. Pricing assumes owner obtains all necessary easements for the right-of-way and access to the right-of-way.
5. Although careful consideration will be made to protect landowner's property, there has been no seeding, soil stabilization, or hard surface restoration included in our proposal.
6. Pricing assumes all construction materials are provided by the owner.
7. Transferring of risers when applicable includes performing splices and including new material up to three feet. Distances installed in excess of three feet can be handled with the supplied hourly rates.
8. Pricing assumes that Hooper will be responsible for hauling the removed poles and pole tops to a disposal location determined by the Escanaba Electric Department. No other costs for disposal have been included in our pricing.
9. Pricing excludes any on-site training or orientation processes needed to work on the premises.
10. Rock excavation has not been included in our base pricing.
11. Pricing excludes any additional work associated with wet holes. (i.e. culverts, corrugated pipe, other permanent castings, etc.)
12. Delays caused by other contractors on the construction premises will be billed using hourly rates.
13. No applicable taxes have been included in our proposal.
14. The unit prices provided in Appendix A are for informational purposes only. Should the scope of work change significantly, Hooper reserves the right to modify its lump sum pricing.
15. For the purpose of this proposal it is understood that none of the pole replacements are required to be placed in the same hole. With this in mind, top cutting of poles was included in lieu of removing poles for all locations with existing non electric utility equipment.
16. It is assumed the owner will provide an area for the crew to park trucks and stage the material. Preferably this site would be near the original material location.

Appendix A: Pole Replacement Priority and Identification

Picture #	Pole Tag	Approximate Location	Cost
1	1862	Alley between 3rd & 4th Ave S and 10th & 11th St	\$ 2,138.07
3	1873	Alley between 5th & 6th Ave S and 9th & 10th St	\$ 2,636.98
4	1807	Alley between 5th & 6th Ave S and 14th & 15th St	\$ 1,853.03
5	1920	6th Ave S & 17th St Intersection SW Corner	\$ 2,138.11
6	1922	Alley between 5th & 6th Ave S and 17th & 18th St	\$ 2,922.09
7	1925	6th Ave S & 18th St Intersection South	\$ 3,135.90
8	1934	Alley between 5th & 6th Ave S and 19th & 20th St	\$ 2,351.88
9	1961	Alley between 6th & 7th Ave S and Bay Street & 10th St	\$ 2,779.55
14	1983	Alley between 6th & 7th Ave S and 13th & 14th St	\$ 1,853.00
12	1985	Alley between 6th & 7th Ave S and 13th & 14th St	\$ 1,496.67
11	1986	Alley between 6th & 7th Ave S and 13th & 14th St	\$ 2,138.07
10	1987	Alley between 6th & 7th Ave S and 13th & 14th St	\$ 2,850.79
13	1984	Alley between 6th & 7th Ave S and 13th & 14th St	\$ 2,922.09
15	2001	Alley between 6th & 7th Ave S and 17th & 18th St	\$ 1,710.49
17	2012	Alley between 6th & 7th Ave S and 19th & 20th St	\$ 2,351.88
18	2013	Alley between 6th & 7th Ave S and 19th & 20th St	\$ 2,850.80
19	2030	7th Ave S between 21st St and S Lincoln Rd	\$ 3,135.90
20	2032	Alley between 7th & 8th Ave S and Lake Shore Dr & S 10th St	\$ 2,138.11
21	2037	Alley between 7th & 8th Ave S and Lake Shore Dr & S 10th St	\$ 2,494.47
22	2042	915 8th Ave So (streetlight)	\$ 3,135.90
23	2137	Lake Shore Dr between 8th & 9th Ave S	\$ 1,282.86
25	2048	Lake Shore Dr between 7th & 8th Ave S	\$ 1,425.41
24	2052	Lake Shore Dr between 7th & 8th Ave S	\$ 2,138.11
25-1	2064	Alley between 7th & 8th Ave S and 12th & 13th St	\$ 2,708.28
26	2065	Alley between 7th & 8th Ave S and 12th & 13th St	\$ 3,207.15
27	2063	Alley between 7th & 8th Ave S and 11th & 12th St	\$ 2,066.84
28	2059	Alley between 7th & 8th Ave S and 11th & 12th St	\$ 1,425.41
32	2067	Alley between 7th & 8th Ave S and 13th & 14th St	\$ 1,924.26
32-1	2081	Alley between 7th & 8th Ave S and 14th & 15th St	\$ 6,556.86
31	2069	Alley between 7th & 8th Ave S and 13th & 14th St	\$ 3,135.87
30	2068	Alley between 7th & 8th Ave S and 13th & 14th St	\$ 3,064.60
29	2071	Alley between 7th & 8th Ave S and 13th & 14th St	\$ 1,710.48
33	2083	Alley between 7th & 8th Ave S and 14th & 15th St	\$ 2,209.36
34	2103	Alley between 7th & 8th Ave S and 18th & 19th St	\$ 2,066.81
35	2106	Alley between 7th & 8th Ave S and 19th & 20th St	\$ 1,924.26
36	2108	Alley between 7th & 8th Ave S and 19th & 20th St	\$ 3,207.12
38	2118	Line runs along 8th Ave S between S 20th St & S Lincoln Rd	\$ 1,282.86
37	2130	817 S Lincoln Rd (St Anne's Church property) line runs along east side of property	\$ 4,062.40
38-1	2143	S 10th St between 8th & 9th Ave S	\$ 1,425.41
39	2159	9th Ave S between 12th & 13th St (mid block)	\$ 2,280.66
40	2160	9th Ave S & 13th St	\$ 2,138.11
41	2162	Alley between So 13th & 14th St and 8th & 9th Ave S	\$ 2,708.25
42	2168	8th Ave S between 13th & 14th St	\$ 1,710.48
43	2170	918 S 14th St (in back)	\$ 2,636.96
44	2172	9th Ave S & 14th St Intersection (NW Corner)	\$ 2,351.92

12/23/2015

Official Bidder's Proposal

Date: January 22, 2016

City of Escanaba
Escanaba, MI 49829

We, the undersigned, agree to furnish the City of Escanaba, Michigan, labor and machinery or equipment, in accordance with the attached minimum specifications, which are part of this proposal, at the following prices:

Lump Sum for defined project: \$ 110,094.90

If possible, please provide a sum of the individual unit prices listed in Appendix A.

Hourly rates for Crews for additional work not defined in this proposal:

Digger/Derrick Truck and 2X or 3__ person Crew \$ 227.70

Bucket Truck and 2X or 3__ person Crew \$ 227.70

Estimated Start Date: April 1, 2016

CERTIFIED CHECK, CASHIER'S CHECK, OR BIDDER'S BOND ENCLOSED IN THE AMOUNT OF:

\$ \$10,836.89
(Must be included to qualify)

12/23/2015

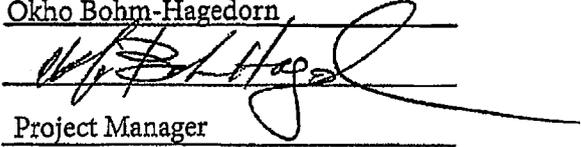
SUBMITTED BY

FIRM: Energis High Voltage Resources, Inc.

ADDRESS: 1361 Glory Road

Green Bay, WI 54304

NAME (PRINT): Okho Bohm-Hagedorn

SIGNED: 

TITLE: Project Manager

NB# 5
CC 2-18-16

MEMORANDUM

To: Jim O'Toole

From: Mike Furmanski

Date: 11FEB16

Re: North Substation Reclosers Purchase

As we will be building our new North Substation this year, we need to order materials. These materials include 4 reclosers. We have standardized our reclosers to be the G&W Viper recloser. We have Vipers in the West Side Sub, the new plant sub, and 1 Viper out on the distribution system. We have been very happy with the Vipers we have in service. When we originally purchased reclosers to upgrade the West Side Sub, we did a sealed bid and the Vipers were the lowest bid price. Since that original bid we have ordered only Vipers. I would like to stay consistent from sub to sub and purchase more Vipers.

This is a sole source purchase. The other recloser manufacturers I am familiar with do not allow external current transformers to be easily added like the Vipers do. To add external current transformers to other manufacturers' reclosers, we would need additional racking. This additional racking would add costs and complexity. The external current transformers are needed for the differential protection circuit.

I would like to seek Council approval to purchase 4 Vipers from RESCO of Middleton, WI at a cost of \$103,500. This is a budgeted item.

Customer:	RESCO
Date:	September 16, 2015
Validity:	30 Days
Quotation Number:	SQ 25846A
Customer Reference:	Escanaba

Item 1: G&W Electric Viper-S Solid Dielectric Recloser, Catalog No. VIP378ER-12S

Quantity: 1

Standard Features:

- Three (3) epoxy insulated vacuum interrupter modules
- One (1) three phase magnetic actuator operator, providing three phase operation
- Manual trip and lockout handle with mechanical block, capable of physically blocking electronic and manual operation
- Contact position indicator
- Three (3) 1000/500:1 current transformers, encapsulated within the solid dielectric insulation, exclusively for use with the recloser control
- Operation counter
- Lifting provisions

Additional Features:

- "L" style vacuum interrupter modules
- Six (6) 15kV 800 Amp interfaces with screw-on silicone insulators.
- Six (6) #2-500 Clamp style aerial lugs
- 10 foot DC cable, with 6 Connector on Recloser end and hardwired into the junction box on the other end.
- Recloser heaters will be powered by customer supplied 120VAC
- 10 foot control cable, with 14 pin Connector on Recloser end and hardwired into the junction box on the other end.
- Three (3) External CT's mounted over the Horizontal Bushings CT Ratio 1200:5 / C400 rating. CT's to be hardwired into the External Junction box shorting blocks.
- One (1) External Junction box mounted to the substation frame. All wires will be terminated in the Junction box. Customer will be responsible for making entrances into the junction box and bring wires to the control house.
- Galvanized steel substation adaptor frame, with recloser mounting positions of 45 degree mounting.
- Interrupter requires 125 VDC, to be supplied by user
- One (1) C664 Cable USB programming cable
- One (1) PM351S-02 Control Manual

- SEL- 0351S7XHD3E1422 Control with the following features:

Category	Selection
Firmware	Standard plus Power Elements, Voltage Sag/Swell/Interruption
Chassis and Mounting	Horizontal Rack Mount
User Interface	Standard plus Indoor SafeLock Trip/Close Pushbuttons and Configurable Labels and USB
Power Supply	48/125 Vdc or 125 Vac
Communications Interface	(2)10/100Base-T, EIA-485
Secondary Input Current	1 Amp Phase, 1 Amp Neutral
Control Input Voltage	125 Vdc
I/O Board	Additional 12 Standard Outputs, 8 Inputs
Communications Protocols	Standard plus IEC 61850

Note: The SEL requires 125VDC control power, to be provided via connection to a user supplied source.

Ratings:

Maximum design voltage	15kV
Impulse level (BIL)	110kV
Continuous and load break current	800 Amp
Interrupting Rating RMS (kA)	12.5kA
Making Current, RMS, asym, KA	20kA
Peak, asym (kA)	32kA
Short Circuit Current, kA sym, 3 second	12.25kA

Operating Temperature Range: Temperature range, -40°C to +65°C (-40°F to 150°F)

Standards:

Ratings per IEEE C37.60-2003 and IEC 62271-111

Price: \$ 25,875.00/ea

Exceptions/Clarifications:

- Recloser will be factory tested using a G&W house control. The 351S above will be factory tested at SEL.
- Customer will be using G&W's internal CT's for overcurrent protection.
- Customer will be using external CT's with a customer supplied relay.
- Recloser will not include voltage sensing or deadline operation.
-

Commercial Terms and Conditions

Submittal drawings (if required):

If required, submittal drawings will be issued for approval 4 weeks after receipt of order.

Lead time for shipment:

9-11 weeks after receipt of order and release to production.

Shipping Terms: FOB-Factory, Bolingbrook, IL USA

Freight: Prepaid and Allowed on a standard closed top trailer.

Payment: Net 30 days; Payment terms are subject to G&W Finance Department approval.

Warranty and all other terms and conditions are as per SM-F-1 Rev 5

6

AVB# /
CC 2/18/16

MEMORANDUM

February 11, 2016

TO: Jim O'Toole, City Manager
INFO: Electrical Advisory Committee, City Council
FROM: Michael Furmanski, Electrical Superintendent
SUBJ: North Substation Project Commitment Agreement

We have made a request to the American Transmission Company (ATC) to build a new substation to be located in the SW corner of the old compost site. ATC has approved our request to build the substation. The next step in the process is signing a Project Commitment Agreement (PCA). The PCA commits both parties to building the substation. If either party stops the project, they are obligated to reimburse the other party for out of pocket expenses. I would like to seek Council approval on the PCA at the Feb 18th Council meeting.

PROJECT COMMITMENT AGREEMENT

This PROJECT COMMITMENT AGREEMENT (PCA) between, City of Escanaba a Michigan public utility (Local Distribution Company or LDC) and American Transmission Company LLC, a Wisconsin limited liability company, and ATC Management Inc. (collectively, ATC) for a project known as *69 kV Escanaba 2 – Tap to New Escanaba North SS (D-T)* is effective on the latest date signed by the authorized representatives of each party. ATC and the LDC each may be referred to as a "Party" or collectively as the "Parties."

ARTICLE I

BACKGROUND AND PURPOSE

ATC is a public utility and transmission company under the laws of the State of Wisconsin and owns, operates, and maintains an electric transmission system and provides transmission service, including the interconnection of substations owned by others. ATC operates its transmission system under provisions of the open access transmission and energy markets tariff (TEMT) of the Midcontinent Independent Transmission System Operator, Inc. (MISO).

The LDC owns, operates, and maintains an electric distribution system that does or will provide power to end-use customers in part via an interconnection to ATC's transmission system.

As the project requestor, LDC wishes to initiate a project that requires additions and/or modifications to the other Party's system or facilities. The two Parties will collaborate in the design, construction and performance of the services necessary for the construction of the affected facilities.

The purpose of this PCA is (1) to identify the initial conceptual design and configuration of the affected facilities and designations of the common facilities; (2) to establish a commitment by both Parties to make a good faith effort to meet the project in-service date set forth in Exhibit A hereto; and (3) to set forth the obligation for both Parties to consult with each other before terminating this Agreement.

ARTICLE II

SCOPE AND SCHEDULE

The work provided for under this PCA shall commence and be completed according to the scope and schedule attached as Exhibit A to this PCA.

The Parties shall jointly coordinate scope and schedule adjustments as necessary and mutually agreeable. After this PCA has been executed, any Party's request to change the in-service date of the project and the other Party's subsequent answer must be made in accordance with Article IV. This PCA will be amended and signed for changes to the in-service date of 90 days or more or other minor changes. A revised PCA superseding and replacing this PCA will be signed for any substantial changes in project scope

**ARTICLE III
TERMS OF AGREEMENT**

The work to be performed under this PCA will be performed in accordance with the terms and conditions set forth in the Interconnection Agreement between the Parties, except to the extent superseding terms and conditions are included in this PCA.

The Parties may, by written agreement, cancel or suspend the project with each Party being responsible for its own incurred costs up to the date of cancellation or suspension without any invoicing of costs between the Parties.

Amounts to be reimbursed: In the event a Party unilaterally terminates or cancels this PCA with such cancellation resulting in a reimbursement obligation to the non-terminating Party for costs incurred, the non-terminating Party will use reasonable efforts to mitigate those amounts to be reimbursed by the terminating Party.

Any dispute that may arise between the Parties during the project development and interconnection process regarding schedule, scope, cost or any other matter, including a request for reimbursement of costs by one Party resulting from the other Party's unilateral cancellation or delay of the project, by more than 90 days, shall be subject to the Dispute Resolution procedures of the Interconnection Agreement.

This PCA incorporates by reference and shall be governed by the terms and conditions of the ATC business practices noted in Exhibit C. In the event of any inconsistency or conflict between this PCA and an ATC business practice, the PCA shall govern solely with respect to the services provided or contemplated hereunder.

**ARTICLE IV
NOTICES**

All notices required hereunder shall be given in writing and addressed or delivered to the representative(s) specified below. Notices shall be deemed received (i) upon delivery, when personally delivered or sent via overnight courier; (ii) upon receipt, when sent via certified mail, return receipt requested; or (iii) upon receipt confirmation from the receiving party when sent via email.

Notices to the LDC:
City of Escanaba
Attn: Mike Furmanski
1711 Sheridan Road
Escanaba, MI 49829

Notices to ATC:
American Transmission Company
Attn: Kaylin Schueler
P.O. Box 47
W234 N2000 Ridgeview Pky. Court
Waukesha, WI 53188-1022

**THIS AGREEMENT IS ENTERED INTO BY THE DULY AUTHORIZED REPRESENTATIVES
OF THE PARTIES WHOSE SIGNATURES ARE SET FORTH BELOW.**

AMERICAN TRANSMISSION COMPANY LLC
By its Corporate Manager, ATC Management Inc.

By: Mark Davis
Title: EVP Construction
Date: _____

CITY OF ESCANABA

By: Mike Furmanski
Title: Electrical Superintendent
Date: _____

Exhibit A – Preliminary Project Scope and Schedule

Project Title: Escanaba 2 – Tap to New Escanaba North SS

ATC Contact Person: Dorn Siegler **Phone:** 906-779-7913 **Email:** dsiegler@atcllc.com

LDC Contact Person: Mike Furmanski **Phone:** 906-786-0061 **Email:** mfurmanski@escanaba.org

Project Location (including substation name, if applicable): Escanaba North SS

In-Service Date: 1/1/2017 **Voltage:** 69 kV

ATC PROJECT DETAILS

Regulatory Approvals Required: None

Permits Required: TBD

Public Outreach Plan: None

Scope of Work Resultant from Requestor's Project: The following work will be completed to support the City of Escanaba installation of a new Escanaba North Substation:

- 1) Install approximately 300 yards of conductor
- 2) Install SCADA controlled MOD GOAB Switch

The project scope is subject to change during the planning/design phase of the project.

Budgetary Estimate and Schedule:

Activity	Est. Start Date	Est. Cost
Engineering	3/1/16	\$106,477
Other Costs	3/1/16	\$162,298
Equipment procurement	4/1/16	\$128,415
Construction	10/1/16	\$403,110
Contingency	3/1/16	\$160,686
Total	-	\$960,986.00

LDC PROJECT DETAILS

Regulatory Approvals Required: None

Permits Required: TBD

Public Outreach Plan: None

Scope of Work Resultant from Requestor's Project: Construct new substation on city-owned property includes 69kV deadend structure/disconnect switch, 28MVA power transformer w/LTC, 69kV GCB, 12kV bus breaker, four (4) feeder bays, underground feeder exits, control building, relay panels and metering.

Budgetary Estimate and Schedule:

Activity	Est. Start Date	Est. Cost
Engineering	8/15	280,000
Procurement	8/15	1,000,000
Construction	4/16	1,500,000
Total	-	\$2,780,000.00

Exhibit B – Project Attachments

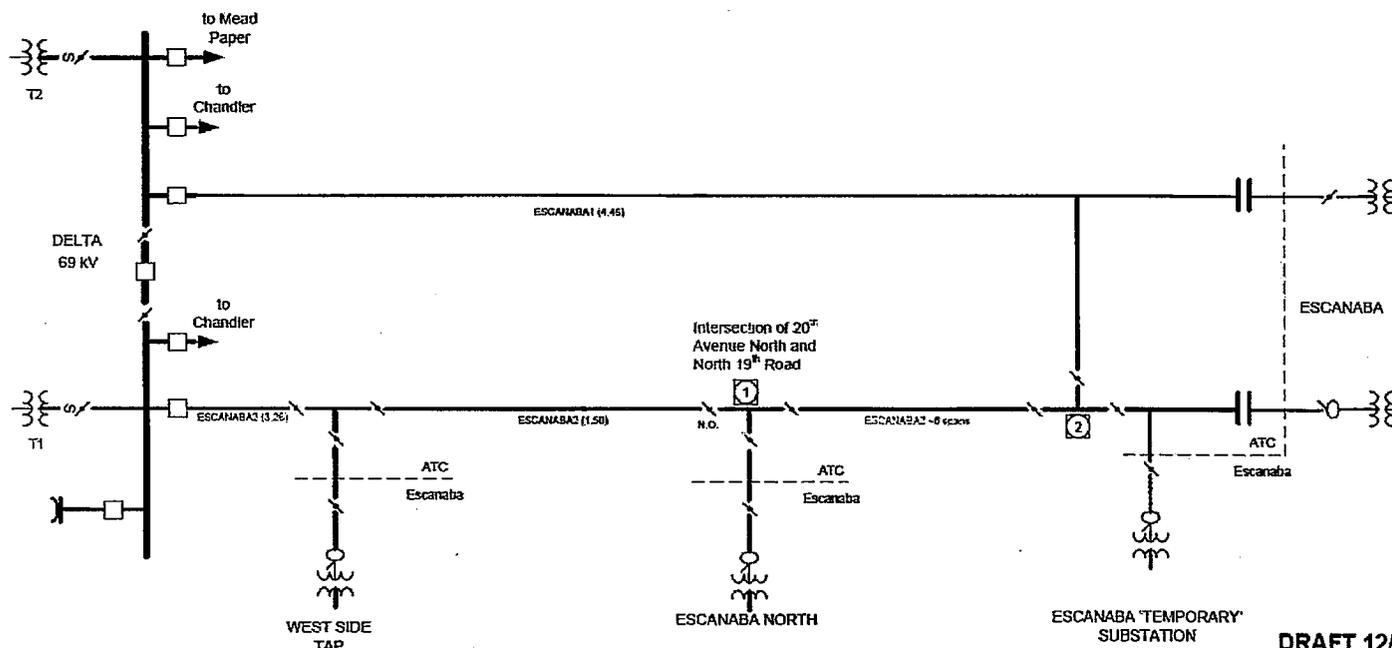
Please find attached:

- Exhibit B1 – One-Line Diagram
- Exhibit B2 – Project Schedule
- Exhibit B3 – Best Value Planning Report,
- Exhibit B4 – Miscellaneous Attachments,

Exhibit B1 – One-Line Diagram

Escanaba North

IN-SERVICE DATE: 1/1/17



DRAFT 12/3/15

① ATC to install new 69 kV GOAB (with SCADA controlled MODS and load break capability) and approximately 300 yards of conductor to new customer owned substation. New 69 kV section of line will be rated at a minimum capacity of 390/390 amps SN/SE, 390/390 amps FN/FE, 390/390 amps WN/WE and 390/390 amps SpN/SpE existing rating of West Side Tap to Escanaba.

② The "temporary" interconnection will remain permanently with no additional modifications required.

LEGEND	
	Existing Facilities
	New Facilities
	Future Facilities
	Line miles
	Removed facility

Exhibit B2 – Project Schedule(s)

Escanaba North Project Schedule

- Start Engineering = 3/15/16
- Material Order = 4/1/16
- Construction Start = 10/1/16
- Construction Finish = 1/1/17

Exhibit B3 – Best Value Planning Report

Escanaba North Draft BVP Scoping Document



Escanaba North

BVP Project Scoping Document

ATC Planning Zone: 2

Prepared By:
Matthew Waldron
Transmission Planning Engineer, ATC

Reviewed By:
Heather Andrew
Interconnection Specialist, ATC

Mike Furmanski
City of Escanaba

December 16, 2015

Escanaba North Draft BVP Scoping Document

The City of Escanaba (Escanaba) notified ATC in August of 2015, via the Load Interconnection Request Form (LIRF) #40380 (Appendix 1) for a new substation, Escanaba North, between the West Side Tap and Escanaba Temporary Substations to reliably serve the load in the Escanaba area. The in-service date requested by Escanaba is 1/1/2017.

Escanaba system peak demand is approximately 30MVA. Historically Escanaba operated on a three distribution transformer system supported by dispatchable generation (which is no longer the case). West Side Substation has one distribution transformer and Escanaba Steam Substation served two distribution transformers and the generation. A temporary substation (Temporary Substation) with one distribution transformer was installed to serve load after a recent loss of the Escanaba generation and Escanaba Steam Substation. Currently, if Temporary Substation is lost, there is no distribution bridging available and distribution load shedding would be required until repairs are made.

Escanaba West Side Substation is served by a 1.5 mile radial 69 kV transmission line from Delta Substation with installed substation transformer capacity of 22.4MVA, including distribution feeders and new bus voltage regulators (2015). Temporary Substation is also served via a radial 69 kV transmission line from Delta Substation with a normal open point between West Side Temporary Substation.

Escanaba cannot expand the Temporary Substation site to a two-transformer configuration due to space constraints and distribution feeder voltage drop concerns which manifest when the West Side Substation is out-of-service. However, the facilities installed in the Temporary Substation are useful to the Escanaba distribution system and can be utilized permanently if another permanent transformer is installed on the system.

The request for an Escanaba North Substation provides a site-diverse configuration restoring the three-transformer system concept including West Side, Temporary (to be named Northshore Substation) and the new North Substation. This new configuration will accommodate n-1 distribution contingency planning providing full service to all customers (including projected load growth). Loss of any single transformer substation results in no unserved load once switching is complete.

This configuration minimizes the investment requested of ATC, as it only requires radial service to each substation and allows Escanaba to use the invested facilities at Temporary Substation. Future plans may include a potential second power transformer at the West Side Substation due to space available and the potential of rewinding the failed Escanaba Steam T2 as a low cost option to minimize distribution system reconfiguration for maintenance of the existing equipment at the West Side Substation. An additional Load Interconnection Request Form will be submitted for this addition when the schedule drives it.

To accommodate this new Escanaba North Substation ATC will install new 69 kV GOAB (with SCADA controlled MODs and load break capability) and approximately 300 yards of conductor to new customer owned substation, as shown in Figure 1. ATC has also determined that no additional work is required to for the Temporary Substation interconnection to remain permanently.

No power flow analysis was completed because there is no new load on the transmission system, rather existing load already served from Escanaba 1 and Escanaba 2 will be shifted to the new Escanaba North Substation. Therefore, the 10-Year Assessment (TYA) analysis will cover all NERC TPL/FAC-002 compliance requirements for this interconnection. This project is not contingent on any identified TYA projects.

This BVP assessment recommends construction of a new Escanaba North interconnection and take necessary measures to make Temporary Substation facilities permanent. The requested in service date required by Escanaba is 1/1/17. With a total ATC capital cost of \$960,986. Future work is planned for

Exhibit B4 – Miscellaneous Attachments

This page intentionally left blank.

Exhibit C – Applicable ATC Business Practices

Project Title: Escanaba North

As checked below, the terms of the following ATC Business Practices¹ shall apply to the project defined in Exhibit A, with the additional qualifications noted here. Any noted costs assigned from one party to the other will be subject to possible tax liability implications associated with making this contribution in aid of construction (CIAC). ATC's Business Practices are available for review on ATC's Internet website: http://www.atcllc.com/CR_bp.shtml

None of the listed ATC Business Practices Apply

Asset Acquisition

The subject project of this PCA is related to an associated asset acquisition from [Enter Transferring Entity Name] under terms defined by a separate Asset Purchase Agreement.

ATC/LDC Shared Fiber Agreements (forms to be exchanged per Fiber Business Practice)

A. Choose is requesting to use Choose fiber.

Capacitor Bank Installations on Distribution Systems for Transmission Benefit

[Enter ATC or LDC] shall be responsible for the [?\$, lease or purchase/install?] costs associated with the distribution capacitor bank installation described in Exhibit A.

Will a switching and/or operating agreement be required? Yes No Describe:

[Enter description]

Coordination of Balancing Authority Metering Boundary Modifications

A. Affected Balancing Authorities (BA): [First BA Name] and [Second BA Name]

B. Entity responsible for ATC BA metering work costs: [Entity Name]

C. ATC scope of work specifically for BA boundary metering purposes: [BA metering scope]

D. Estimated ATC engineering & construction cost for BA metering scope of work: [Cost]

E. Applicable income tax as of the date of this agreement @ [% Tax rate]: [\$ Tax]

F. ²Estimated BA metering cost (F = D + E): [\$ Cost]

Elective Load Interconnection Facilities

A. Requested Interconnection Facilities Scope of Work: Tap Esc 2 line for new Escanaba North SS

B. Estimated Requested Interconnection Facilities Cost: \$960,986

C. Standard Interconnection Facilities Scope of Work: [Enter hypothetical scope per ATC standards]

- D. Estimated Standard Interconnection Facilities Cost: [\$ Cost]
- E. Requested – Standard Interconnection Facilities Cost (E = B – D): [\$ Cost]
- F. Applicable Tax Gross-Up Rate as of the date of this agreement @ [% rate]:
[\$]
- G. ²Estimated Elective Interconnection Facilities Cost (G = E + F): [\$Cost]

Elective Undergrounding

- A. Scope of facilities for Elective Undergrounding: [Enter scope]
- B. Estimated ATC engineering & construction cost for Elective Undergrounding: [\$ Cost]
- C. Applicable Tax Gross-Up Rate as of the date of this agreement @ [% rate]:
[\$]
- D. ²Estimated Elective Undergrounding cost (D = B + C): [\$ Cost]

Electrical Underbuild and Attachment to ATC Transmission Facilities (A Request for Pole Attachment must also be completed for any new or modified attachments to existing ATC transmission facilities.)

- A. Will a new or revised Attachment Agreement between ATC and the LDC be necessary?
Choose
- B. Scope of make-ready or incremental under- or overbuild work: [Enter scope]
- C. Estimated Choose ATC engineering & construction cost for electrical underbuild and attachment work: [\$ Cost]
- D. Applicable Tax Gross-Up Rate as of the date of this agreement @ [% rate]:
[\$]
- E. ²Estimated total cost from Choose to Choose for electrical underbuild and attachment work (E = C + D): [\$ Total cost]

Joint Use Substations – Common Facilities – Cost Responsibility for Improvements, Modifications, Maintenance, etc.

- A. Common Facilities Owner:
- B. Common Facilities Improvements initiator:
- C. Scope of new or improved Common Facilities:
- D. Scope of Common Facilities Improvements Assignable to the initiator:
- E. ³Common Facilities Owner’s estimated cost of Common Facilities Improvements Assignable to the initiator: [\$ Cost]

Line Relocation Cost Allocation (Check this box only if relocation of transmission facilities is a component of a larger project as described in Exhibit A. A separate Transmission Facility Relocation Agreement may still be required in addition to this PCA.)

Scope of facilities to be relocated:

Substation “Make Ready” Cost Reimbursement

- A. Make Ready work initiator:

- B. Scope of Make Ready Work:
- C. Estimated engineering & construction Make Ready Costs: [\$ Cost]
- D. Applicable Tax Gross-Up Rate as of the date of this agreement @ [% rate]:
[\$ Cost]
- E. ²Estimated total cost of Make Ready work (E = C + D): [\$ Cost]

Voltage Conversion – Cost Allocation

Load Bridging for Transmission Related Work – Cost Responsibility for Temporary Load Bridging Plan.

- A. Who Initiated The Project Work That Requires The Temporary Load Bridging Plan?:
- B. Scope of Work for Temporary Load Bridging Plan:
- C. Estimated cost of Temporary Load Bridging Plan assignable to the initiator: [\$ Cost]

Substation Soil Groundwater Management Practice – Cost Responsibility for Environmental Work Associated With Managing Excavated Soils and Groundwater Generated From Substation Construction and Maintenance Activities.

- A. Work Location:
- B. Who Initiated The Substation Work That Requires The Environmental Work:
- C. Who Owns the Substation?

ATC Owned Substation – Environmental Work is to follow the ATC Substation Soil Groundwater Management Practice ENV WM 04 (Please refer to ATC environmental project manager for the latest version of this document).

LDC Owned Substation - Environmental Work is to follow the LDC Substation Soil Groundwater Management Plan. (Please refer to the LDC environmental contact for guidance.)

Scope of Environmental Work associated with this project (Limited to Sampling & Disposal Cost):

ATC Environmental Scope of Work:

LDC Environmental Scope of Work:

Estimated cost of Environmental Work assignable to the initiator: [\$ Cost]

Estimated Cost of ATC Environmental Work: [\$ Enter Cost]

Estimated Cost of LDC Environmental Work: [\$ Enter Cost]

¹ Versions of Business Practices in effect at the time this PCA is executed shall apply. Copies of archived Business Practices are available upon request to ATC's Interconnection Administrator.

² Any payment transaction ≥ \$ 250,000 between ATC and an affiliate must be reported to the PSCW.

³ Tax Gross-Up Rate is not applicable to payment between affiliates for Common Facilities work.