



CITY COUNCIL MEETING AGENDA

July 7, 2016

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro-Tem
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

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, July 7, 2016, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE - Pastor Cheryl Duke of First Presbyterian Church

APPROVAL/CORRECTION(S) TO MINUTES - Regular Meeting – June 16, 2016

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARING(S) - None

NEW BUSINESS

1. Approval – Street Paving Contract – Department of Public Works.

Explanation: On June 9, 2016, four (4) invitations to submit bids for street paving were sent out to area contractors. Additionally, an advertisement for bids was put in the Daily Press. A bid opening was conducted on June 21, 2016, with one (1) bid received. After review and consideration by the Administration, the bid from Payne and Dolan, of Gladstone, Michigan, is being recommended for approval at their stated unit prices. This appropriation is included in the current fiscal year budget.

2. Approval – Annual Service Agreement - William Bonifas Fine Arts Center.

Explanation: The William Bonifas Fine Arts Center is seeking Council approval of their 2016-17 service agreement in the amount of \$5,000. Under the terms of the agreement, the center will provide a minimum of 8 exhibitions in the Alice Powers Exhibition Hall, 5 plays, 25 classes in the creative and visual arts, and workshops, which will be available to the citizens of Escanaba. Administration is recommending approval of the service agreement. This appropriation is included in the current fiscal year budget.

3. Approval – Escanaba Yacht Club Lease Renewal - Ludington Park.

Explanation: The Escanaba Yacht Club is seeking Council approval of a 10 year lease for City property located in Ludington Park for the club's building. Under the terms of the lease, the Escanaba Yacht Club will provide opportunities for members of the public to have access to the building and club activities, conduct a 4th of July brunch which shall be open to the public, host the Inland Seas, an educational vessel, sponsor a "Walk the Dock" event whereby the public will be invited to tour individual boats, provide an "Open House" for the Fun Run, sponsor sailing races wherein any member of the public can crew on a boat, co-sponsor "Marina Fest" and rent its facilities to the general public for high school graduation parties and wedding receptions. Administration is recommending approval of the lease.

4. **Setting of Public Hearing - Obsolete Property Rehabilitation District (OPHRA) No. 25 – 301 North Lincoln Road and 2601 3rd Avenue North.**

Explanation: The Obsolete Properties Rehabilitation Act (PA 146 of 2000) allows partial exemption of property taxes for a specified period for certain types of property improvements within a specified area. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities such as Escanaba. In accordance with program requirements, the prospective buyer of 301 North Lincoln Road and 2601 3rd Avenue North, commonly known as Delta Plaza, has submitted a request that the City establish an OPHRA District, which if approved would allow for an Obsolete Property Rehabilitation exemption in the future. Administration is requesting Council schedule a public hearing for July 21, 2016, for the consideration of establishing Obsolete Rehabilitation District No. 25, in accordance with the requirements of PA 146 of 2000.

5. **Approval – Escanaba Power Plant Insurance Claim – Michigan Municipal Risk Management Authority.**

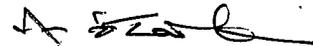
Explanation: Administration is seeking Council approval to accept the Michigan Municipal Risk Management Authority's offer of settlement for the Escanaba Power Plant insurance claim in the amount of \$2,253,270.34, less the deductible of \$250,000, for the total payment of \$2,003,270.34.

6. **Approval – West Ludington Street Fiberglass Pole Replacement – Electric Department.**

Explanation: Administration is seeking Council approval to purchase two (2) black fiberglass street light poles from the Rural Electric Supply Cooperative (RESCO) in the amount of \$7,230. The poles are needed to replace damaged poles on the west end of Ludington Street, between Stephenson Avenue and Lincoln Road.

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, June 16, 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, Ralph B. Blasier, Ronald J. Beauchamp, and Michael R. Sattem.

Absent: None

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

City Clerk Robert S. Richards gave the invocation and led Council in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting Minutes from June 2, 2016, and Special Meeting Minutes from June 6, 2016, as submitted.

ADJUSTMENTS TO THE AGENDA

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

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Approval – Ordinance No. 1173 – Appropriations Ordinance Amendment.

A public hearing was conducted on an amendment to the current Appropriations Ordinance for the fiscal year ending June 30, 2016. An amendment was needed to balance out over and under expenditures within various departmental budgets for the 2015-16 fiscal year. This action was mandated by State law and adjusts budget accounts to help ensure that no individual line items are overrun.

City Controller Melissa Becotte briefly reviewed adjustments to the 2015/16 Appropriations Ordinance.

This being a public hearing, Mayor Tall asked if there was any public comment.

Hearing no public comment, Mayor Tall closed the public hearing.

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

Resolved, That Ordinance No. 1173, the Appropriations Ordinance Amendment, given its public hearing at this meeting, be and is hereby adopted and that it be published in accordance with the requirements of the City Charter.”

Herewith Ordinance No. 1173 adopted by title:

"AN ORDINANCE TO AMEND ORDINANCE NO. 1157, ENTITLED AN ORDINANCE TO MAKE APPROPRIATIONS AND CORRESPONDING REVENUES FOR THE YEAR ENDED JUNE 30, 2016."

Full text in Ordinance Record “K”.

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

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

RESOLUTION DECLARED ADOPTED.

NEW BUSINESS

Approval – 2016-17 Property and Liability Insurance Renewal.

Administration sought Council approval to purchase property and liability insurance coverage from the Michigan Municipal Risk Management Authority (MMRMA) in the amount of \$210,439. This expenditure was budgeted in the current operating year budget.

NB-1 Blasier moved, Baribeau, seconded, to approve to purchase property and liability insurance coverage from the Michigan Municipal Risk Management Authority (MMRMA) in the amount of \$210,439.

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

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

MOTION CARRIED.

Approval – Use of Public Space – Mugshots Pub – 823 1st. Avenue North.

Mr. Bill Mulhaupt sought Council approval to block off North 9th Street, from 1st Avenue North, south to the alley for their annual Brad Johnson/Mary St. Pierre Memorial

City Council Minutes
June 16, 2016 – cont.

Scholarship Fundraiser on July 23, 2016 from 12:00 p.m. to 10:00 p.m. Administration recommended approval of the request contingent upon the following: 1) proper insurance was provided naming the City of Escanaba as an additional insured, and 2) the event sponsors provide all labor and material to clean up at the conclusion of each event and 3) The Saturday Farmers Market Access was not impeded or blocked.

NB-2 Beauchamp moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve a request from Mr. Bill Mulhaupt to block off North 9th Street, from 1st Avenue North, south to the alley for their annual Brad Johnson/Mary St. Pierre Memorial Scholarship Fundraiser on July 23, 2016 from 12:00 p.m. to 10:00 p.m. contingent upon the following: 1) proper insurance was provided naming the City of Escanaba as an additional insured, and 2) the event sponsors provide all labor and material to clean up at the conclusion of each event and 3) The Saturday Farmers Market Access was not impeded or blocked.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES – None

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

- Engineered Machined Products (EMP) was thanked for support of Rock the Dock;
- Council Members thanked all members of the City Band for all they do.

Hearing no further public comment, the Council adjourned at 7:25 p.m.

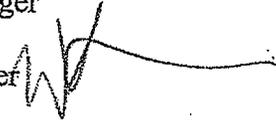
Respectfully submitted

Robert S. Richards, CMC
City Clerk

Approved: _____
Marc D. Tall, Mayor

MEMORANDUM

NB #1
CC 7/7/16

Date: June 21, 2016
To: Jim O'Toole, City Manager
From: Bill Farrell, City Engineer 
CC: Bob Richards, Melissa Becotte
RE: Approval of annual paving bids

ANNUAL PAVING BIDS

On Tuesday June 21, 2016 the City of Escanaba opened sealed bids for the annual paving program. The notice appeared in the Daily Press and bid packages were sent to various firms. One (1) response was received. Below is the tabulation of bids.

Unit of Work	Quantity	Unit	Cost	Total
HMA Base Crushing	10,500	SYD	\$2.10	\$22,050.00
HMA, 4E3	1,600	TON	\$62.25	\$99,600.00

Total \$121,650.00

Payne and Dolan of Gladstone, Michigan is the lowest qualified bidder for this work. I recommend awarding the bid to Payne and Dolan and I would ask that council approval be given for the unit prices of the work and not the total amount.

PROPOSAL

Unit of Work	Quantity	Unit	Cost	Total
Cold Milling HMA Surface	10,500	Square Yards	<u>\$2.10</u>	<u>\$22,050.00</u>
HMA, 4E3	1,600	Ton	<u>\$62.25</u>	<u>\$99,600.00</u>
		Grand Total	\$	<u>\$121,650.00</u>

Note:

The breakdown list of streets will have additional information concerning these items.

This proposal for work within the City of Escanaba is proposed as stated above.

Submitted by:

FIRM: Payne & Dolan, Inc.

ADDRESS: 801 Clark Drive

Gladstone, MI 49837

NAME: Lincoln Noel

TITLE: Agent

SIGNATURE: 

DATE: June 21, 2016

PAVING BIDS

TO BIDDERS: Thursday June 09th, 2016
ADVERTISED: Week of June 13th, 2016 – Escanaba Daily Press
BID OPENING: Tuesday June 21st, 2016

Payne and Dolan, Inc.
801 Clark Drive
Gladstone, MI 49837

Bacco Construction Company, Inc.
P.O. Box 458
Iron Mountain, MI 49801

H & D, Division of Reith Riley Construction Company
6795 U.S. 31 North
Bay Shore, MI 49711

Smith Paving, Inc
4090 U.S. 41 West
Marquette, MI 49855

Delta County Area Chamber of Commerce
Builder's Exchange
230 Ludington Street
Escanaba, MI 49829

NOTICE TO BIDDERS

Sealed bids will be received by the City of Escanaba at the office of the City Clerk, on or before 2:00 p.m. - local time – on Tuesday June 21st, 2016.

PAVING BIDS

The bids will be publicly opened and read in the City Clerk's office at said time and date.

Bidder's proposals and/or specifications may be obtained from the office of the City Clerk, located at 410 Ludington Street, Escanaba, Michigan 49829. No bid will be considered unless the proposal from and/or specifications (furnished by the City of Escanaba, Michigan) are properly completed and enclosed in a sealed envelope marked:

"2016 Paving Bid"

In addition, the City of Escanaba, Michigan, will not consider any proposal which has not been received prior to the published time, date and year of bid opening. FAX transmittals will not be accepted.

A certified check, cashier's check, or Bidder's Bond, drawn payable - without condition - to the City of Escanaba, Michigan, in an amount not less than 10% of the bid will be submitted with each proposal as a guarantee that if the bid is accepted, the bidder will furnish materials or services as stated in his proposal. On failure of the successful bidder to fulfill the conditions of his/her proposal, he/she shall forfeit said deposit to the City of Escanaba, Michigan, as liquidated damages. The acceptance of the proposal will be contingent upon the bidder's acceptance of this provision.

The City of Escanaba, Michigan, reserves the right to reject any or all bids, or any part thereof, at its discretion and to waive any irregularities in the bidding. The City of Escanaba, Michigan, may also split bids at its discretion. The City further reserves the right to negotiate directly with any and all bidders concerning any matter related to any bid.

All City of Escanaba, Michigan, bids are prepared so as to afford all vendors the equal opportunity for fair and equitable competition. The City of Escanaba, Michigan, assumes no liability or responsibility for any errors or oversights in the preparation and/or publication of bids.

Any questions concerning this bid should be directed to the City Engineer, Bill Farrell (906) 786-1842.

SCOPE OF SERVICES

The City of Escanaba requests bid proposals for HMA Paving of city streets within the City of Escanaba for the City's fiscal year (July 01st, 2016 to June 30th, 2017).

COLD MILLING HMA SURFACE

Cold Milling HMA Surface shall consist of removing the existing bituminous surface down to within 1 inch to 2 inches of the existing gravel base. The contractor shall also be responsible for removing all milled material and general clean up in preparation of surface for paving. The City will do the final clean-up using street sweepers. Payment shall be made on square yards of material removed.

HMA PAVING

All paving material shall conform to current MDOT specifications. Mix design shall conform to HMA mixture 4E3. Different MDOT HMA mix designs may be used if submitted to the City Engineer in writing and approved by the City Engineer prior to use. All testing and mix design requirements of MDOT specifications shall be part of this specification. Payment will be based on tons of material placed.

HMA APPLICATION ESTIMATE

Description

This work shall be done in accordance with the requirements of Division 501 of the 2012 Standard Specifications for Construction except as herein specified.

Construction Methods

The Roller Method for testing compaction, Section 501.03 subsection G shall be used for this project.

MATERIALS

HMA, 4E1, L-1, yield will vary depending on actual street, typical shall be 220 pounds per square yard. (Leveling Course designated L-1)

The Performance Grade asphalt binder range for the Mixture shall be 58-34.

The HMA Bond Coat material shall be per Section 501.03 subsection D of the 2012 MDOT Standard Specifications for Construction. The uniform rate of application shall be 0.01 to 0.1 gallon per square yard. Payment for HMA Bond Coat shall be included within the cost of other HMA items of work and not paid for separately.

Measurement and Payment

Measurement and Payment shall be at the contract unit price per ton.

COORDINATION OF WORK

All work must be coordinated with the Escanaba Public Works Department. Generally, the Public Works Department will select various street and alleys to be resurfaced each year and will repair manholes and other underground structures, and replace curbing as needed prior to proceeding with HMA Paving or Cold Milling HMA Surface operations of work.

Since the actual amount of work will vary depending on available funds and the time it may take to do necessary underground and/or curb repair work, bids are therefore asked to be submitted on a unit cost basis.

Tack material (Bond Coat) shall be applied between HMA layers and on milling projects or where directed by the Engineer. Tack material not paid for separately and shall be paid for in other HMA items of work.

An estimate of quantities based on the 2016-2017 construction would be approximately:

Cold Milling HMA Surface	10,500	Square Yards
HMA, 4E3	1,600	Tons

Exact paving dates to be coordinated with the Contractor and the Engineer at a later date.

NOTE: The breakdown list of streets for this bid is available in the Engineering Department office.

INSURANCE

The Contractor shall furnish proof of insurance establishing minimum coverage's in writing to the City Engineer 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
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The City of Escanaba shall be named as "additional insured" on all certificates. All policies affording coverages required in this section shall further be endorsed to provide a ten (10) day notice to be delivered to the City before any coverages are 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 Contractor's obligations under the contract. These bonds shall remain in effect at least until 6 months after the final payment.

PROPOSAL

Unit of Work	Quantity	Unit	Cost	Total
Cold Milling HMA Surface	10,500	Square Yards	_____	_____
HMA, 4E3	1,600	Ton	_____	_____
		Grand Total	\$ _____	

Note:

The breakdown list of streets will have additional information concerning these items.

This proposal for work within the City of Escanaba is proposed as stated above.

Submitted by:

FIRM: _____

ADDRESS: _____

NAME: _____

TITLE: _____

SIGNATURE: _____

DATE: _____

NB#2
CC 7/7/16

AGREEMENT
THE CITY OF ESCANABA

AND

THE WILLIAM BONIFAS FINE ARTS CENTER, INC.

It is agreed the Art Center will provide the following services for the citizens of the City of Escanaba. Reasonable charges can be made for those activities designated. It is understood that no resident of the City of Escanaba will be excluded from such activities as long as they have applied within a reasonable period of time to attend or participate in the outlined activities.

The Center will provide for a minimum of five (5) plays annually, to be performed by the Players de Noc or other professional groups. These performances will be open to the general public, and particularly, the citizens of Escanaba. Such performances should be scheduled on an annual basis.

The Bonifas Corporation will provide for a minimum of eight (8) exhibitions to be held in the Alice Powers Exhibition Hall. These exhibitions will be open to the general public, particularly, the citizens of Escanaba. It is recommended that such exhibitions be at no charge to residents of our community.

The Corporation will conduct a minimum of twenty-five (25) classes in the creative and visual arts. Dues can be charged for participation in these classes and programs, which will be open to the general public, particularly, the citizens of Escanaba. In addition, workshops will be offered.

In consideration for these services, the City of Escanaba will pay to the Corporation an amount not to exceed FiveThousand Dollars (\$5,000) during this fiscal year, July 1, 2016 through June 30, 2017. The Corporation will furnish to the City, through the City Manager, sufficient notice of all activities to be held at the Center. Sufficient copies should be forwarded to the City for distribution to the City Council, Clerk, and City Manager. Sufficient notices of all activities will be sent to the local media well in advance of the date of the actual performance or classes to be held. Where possible, the City of Escanaba will be acknowledged as a patron of the Art Center, with the appropriate recognition being made by the Board.

The agreement is effective July 1, 2016, and will terminate on June 30, 2017.

CITY OF ESCANABA

WILLIAM BONIFAS FINE ARTS CENTER, INC.

James V. O'Toole
City Manager

Its President

Robert S. Richards, CMC
City Clerk

Treasurer

NB# 3
CC 7/6/16

LEASE

THIS AGREEMENT, made and entered into this ____ day of _____, 2016 by and between the **CITY OF ESCANABA**, a Michigan Municipal Corporation, hereinafter called the "City", and the **ESCANABA YACHT CLUB**, a nonprofit corporation of the City of Escanaba, County of Delta and State of Michigan hereinafter called the "Club".

WITNESSETH:

I.

The City, in consideration of the rentals and mutual covenants herein specified, does hereby let and lease unto the Club the following real property, more particularly hereinafter described, situated and being in the City of Escanaba, County of Delta and State of Michigan, known and described as follows:

Commencing at a point where the West line of First Street intersects the South line of First Avenue South in the Original Plat of the City of Escanaba, thence East 500 feet, thence South 65.14 feet to the point of beginning; thence South 160 feet, thence East 150 feet, thence North 160 feet, thence West 150 feet to the point of beginning.

for a term of ten (10) years from the ____ day of _____, 2016 at a rental of One (\$1.00) Dollar, and upon the terms and conditions hereinafter mentioned and the mutual covenants hereinafter asset forth to be performed by the parties hereto, provided, that, the City may terminate this lease at any time provided the City shall give one (1) year written notice of said termination to the Club.

The City acknowledges that the building located on the premises is owned by the Club.

II.

In consideration of the above benefits the Club agrees to:

1. Provide opportunities for the public as follows:
 - (a) Said Club facility shall be open to all boaters and membership in the Escanaba Yacht Club shall not be a requirement.
 - (b) The Escanaba Yacht Club shall provide a Fourth of July brunch which shall be open to the public.
 - (c) The Escanaba Yacht Club shall host the Inland Seas, an educational vessel.
 - (d) The Escanaba Yacht Club shall sponsor "Walk the Dock" wherein the public is invited to view individual boats.
 - (e) The Escanaba Yacht Club shall provide its facility for Coast Guard Auxiliary meetings once a month.
 - (f) The Escanaba Yacht Club shall provide an open house for the "Fun Run" whereby the facility shall be open to the public.
 - (g) The Escanaba Yacht Club sponsors sailing races wherein any member of the public can crew on a boat in the race.
 - (h) The Escanaba Yacht Club shall co-sponsor "Marina Fest".
 - (i) The Escanaba Yacht Club shall rent its facilities to the general public for high school graduation parties and wedding receptions.
2. Provide care for the immediate grounds, including landscaping of the property in accordance with the wishes of the City of Escanaba.
3. Pay rental in the amount of One (\$1.00) Dollar, to the City.
4. Maintain the clubhouse of the Club now on said property and provide further, that the Club shall not add to or change the exterior of said building without the previous written consent of the City. The Club shall within one year from the date of execution of this lease, at Club expense, place all overhead utilities (i.e. electric, telephone, CATV underground).
5. In the event the Club shall, in the judgment of the City, fail to maintain the premises in a condition of reasonable repair and appearance, the City shall give written notice to the Club of its default. In the event the Club fails to remedy the situation within ninety (90) days after

receiving such notice, its failure shall constitute a breach of this lease.

6. Assume the payment of any and all utility and tax bills incurred on said premises.
7. Forbid and prevent gambling of any and all kinds on said premises.
8. Forbid and prevent the sale or distribution of any and all intoxicating liquors, spirits, beer and wine on said premises.
9. Abide by the laws of the State of Michigan and the ordinances of the City of Escanaba.
10. As additional rental for the property, Club shall insure and keep insured the property of City covered by this lease with insurance companies acceptable to the City and shall procure, pay for, and deliver to City Original certificates of insurance covering the following:
 - (a) Insure the fixtures and equipment and building against loss or damage by fire to the extent of the full insurable value thereof;
 - (b) Carry public liability insurance (GL) and property damage insurance (PD) at a minimum of \$1,000,000.00 combined single limits (CLS);
 - (c) Procure insurance for accident or damages in the demised premises on sidewalks, in front thereof, in entrance ways and other portions of the property, in the control or use of the Club in the amounts set forth in (b) above;
 - (d) Procure Host Liquor Liability insurance at a minimum of \$1,000,000.00. Host Liquor Liability signifies that alcohol shall never be sold or distributed as per Paragraph #8 of this lease;
 - (e) The Club shall name the City of Escanaba as an "additional insured" to all policies, binders and certificates. The Club shall renew all policies of insurance the Club is required to procure and maintain under the provisions of this lease when renewal is required and at least fifteen (15) days prior to the expiration of the policies, the Club shall furnish to the City with the renewal policy, a copy thereof, or a certificate as evidence of the renewal of the insurance policies hereunder. All binders, policies or certificates shall provide for fifteen (15) days notice from insurers to the City of any

cancellation or amendment to any of the insurance policies; and

(f) The Club shall deliver evidence of insurance coverage contained within and policy notices to:

City Controller
City of Escanaba
P.O. Box 948
410 Ludington Street
Escanaba, MI 49829
(906) 786-9402 Office
(906) 786-4755 Fax

III.

In case any rent shall be due and unpaid or if default shall be made in any of the covenants herein contained, then it shall be lawful for the City, its certain attorneys, representatives or assigns to re-enter into and repossess the said property and the said Club and each and every occupant to remove and put out.

IV.

The Club will, at its own expense, during the continuance of this lease, keep the said property and every part thereof as in good repair and, at the expiration of the term, yield and deliver up the same in like condition as when taken, reasonable use and wear thereof by the elements excepted, and that Club, on performing all of the covenants aforesaid, shall and may peacefully enjoy, hold and have the above described property for the term aforesaid.

V.

The Club does hereby lease the said property and does covenant to carry out the above agreements.

IN WITNESS WHEREOF, the City of Escanaba has caused this agreement to be executed on its behalf by its proper officers thereunto duly authorized by a resolution adopted at a meeting of the Escanaba City Council and the Escanaba Yacht Club has caused this agreement to

be executed on its behalf by its proper corporate officers thereunto duly authorized on the day and year first above written.

In the Presence of:

ESCANABA YACHT CLUB, a Michigan Corporation

By: _____

Its: _____

By: _____

Its: _____

In the Presence of:

CITY OF ESCANABA, a Michigan Municipal Corporation

By: Marc. D. Tall

Its: Mayor

By: Robert Richards

Its: City Clerk

NB # 4

cc 7/21/16

MEMORANDUM

Date: June 28, 2016
To: Jim O'Toole, Manager
Robert Richards, Clerk
From: Kevin Dubord, Assessing Office *Kd*
Subject: Agenda Items Request
July 7, 2016 Meeting

Please place the following on the July 7, 2016 council agenda:

Request to set July 21, 2016 as a public hearing date to:

1. Establish Obsolete Properties Rehabilitation District No. 25 for D.P. Management, LLC property at 301 North Lincoln Road and 2601 3rd Avenue North, which includes ground floor retail space and a vacant lot. The building was built in 1970 and is currently occupied by a number of retailers. The request also includes a vacant lot at 2601 3rd Avenue North. D.P. Management, LLC has requested the district and plans to update the facility including parking lot repairs, asbestos, abatement, roof upgrades, HVAC updates, and a variety of needed upgrades to the interior and exterior of the building.

The public hearing will allow the establishment of District 25 and it will allow the property owner to apply for an OPRA exemption later this year. Attached are copies of background information for this property. Once the district is established, the property owner may begin the rehabilitation process.

DP
MANAGEMENT, LLC
LEASING, SALES & FINANCEMENT

Joshua Vickery
DP Management, LLC
11506 Nicholas St
Omaha, NE 68154

June 16, 2016

Jim O'Toole
City of Escanaba
PO Box 948
Escanaba MI 49829

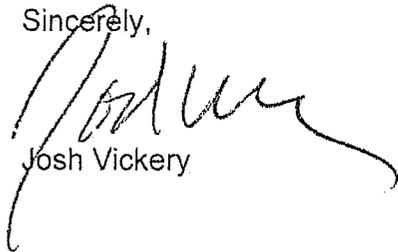
Dear Jim,

This letter is to request an Obsolete Properties Rehabilitation District for the property at 301 North Lincoln Rd, the Delta Plaza Mall, Escanaba MI be established.

I am enclosing a copy of the signed Purchase Agreement. There are several large and expensive projects that need to be addressed. Mill and overlay parking lot, asbestos abatement, roofs, HVAC, and a variety of needed upgrades to the interior and exterior of building.

Please contact me at the above address if you have any questions or need additional information. I can be contacted by phone at (402) 493-2800 or e-mail at jvickery@dp-mgmt.com.

Sincerely,



Josh Vickery

11506 NICHOLAS ST. | STE. 100 | OMAHA, NE | 68154
P: 402.493.2800 | F: 402.493.8069
DP-MGMT.COM





301 N Lincoln Rd

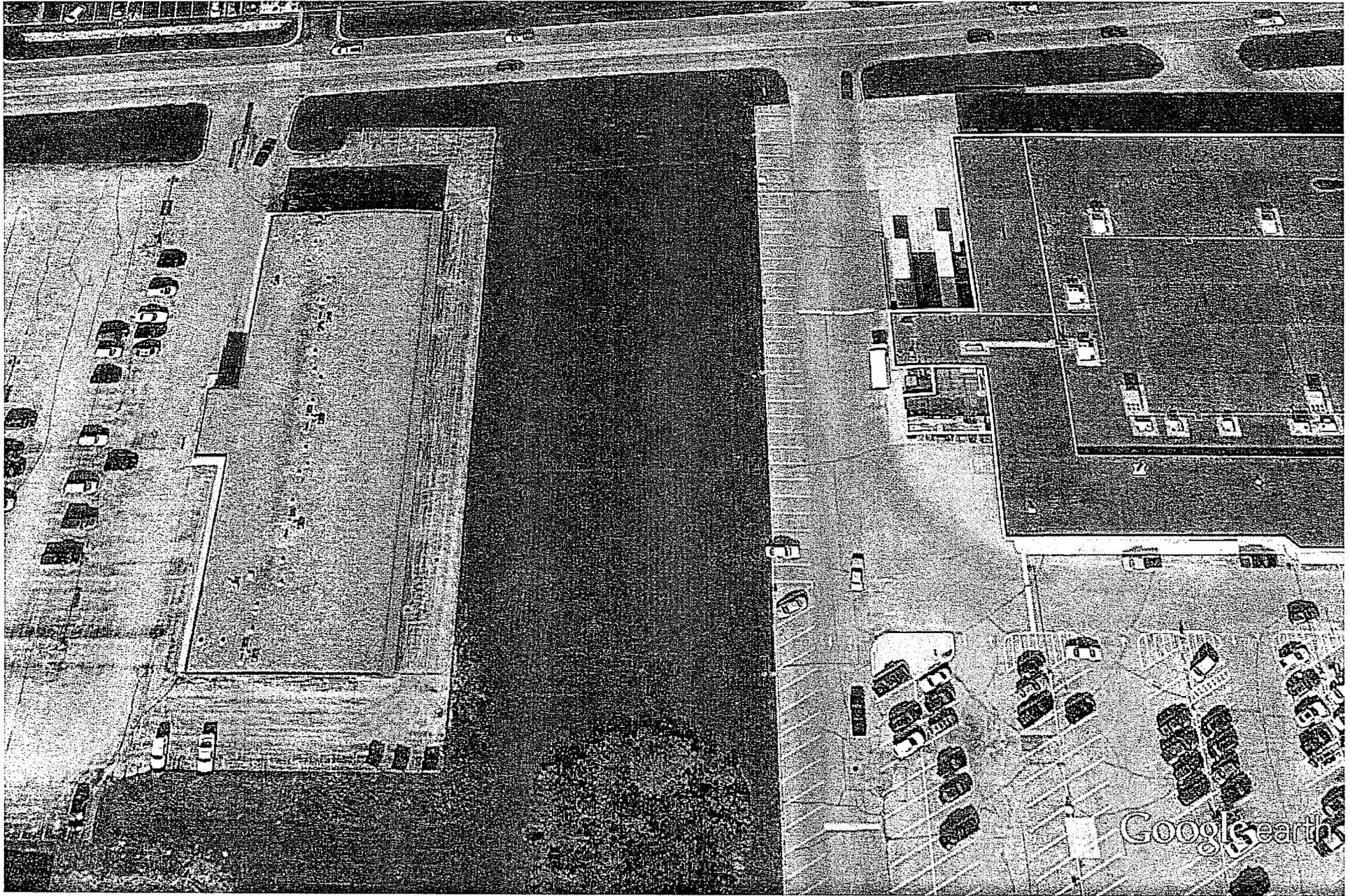
©2016 Google

Google earth

Google earth

feet
meters





Google earth

feet
meters



Google earth



Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.
RUBLOFF DELTA LLC	ESCANABA DELTA MALL LLC	3,704,084	02/14/2014	SD	FORECLOSURE	1098/571	DAINA NORDEN	100.0
RUBLOFF DELTA LLC	AMICUS MANAGEMENT INC	0	08/15/2012	JDG	QCD	1054/832		100.0
BRADLEY REAL ESTATE INC	RUBLOFF DELTA LLC	***,***	03/29/2000	WD	ARMS-LENGTH	559/912		0.0

Property Address	Class: Commercial, 201	Zoning:	Building Permit(s)	Date	Number	Status			
301 NORTH LINCOLN ROAD	School: Escanaba Schools 21010		COMMERCIAL	04/27/2015	2015-037	COMPLETE			
Owner's Name/Address	P.R.E. 0%		COMMERCIAL	11/10/2009	090257	COMPLETE			
	Map #:		COMMERCIAL	12/08/2003	31280	COMPLETE			
ESCANABA DELTA MALL LLC AMICUS MANAGEMENT 977 ADA PLACE DR SE GRAND RAPIDS MI 49546-8412	2017 Est TCV Tentative		COMMERCIAL	12/03/2003	30786	COMPLETE			
	<input checked="" type="checkbox"/> Improved	<input type="checkbox"/> Vacant	Land Value Estimates for Land Table 20.COM 1						
	Public Improvements		* Factors *						
			Description	Frontage	Depth	Front Depth	Rate %Adj.	Reason	Value
			PRIME VAR (0-14 AC)			13.160 Acres	115,000	100	1,513,400
			13.16 Total Acres		Total Est. Land Value =		1,513,400		

Tax Description	Improvements	Rate	CountyMult.	Size	%Good	Cash Value	
SEC 25 T39N R23W [13.16 AC] PRT OF BLKS 7, 8 & 9 OF THE CITY CENTER ADDITION NO. 3 & PRT OF SE1/4 OF NE1/4 SEC 25 FRM THE E1/4 COR OF SEC 25 TH NOD39'E 211.81 FT TH N89D14'40"W 50 FT TO INT OF N R/W LN OF 1ST AVE NO & W R/W LN STATE HWY M35 TH N89D58'W 100 FT TO POB TH N89D58'W 550.48 FT TH NORTH 361 FT TH N89D58'W 229.8 FT TH NOD05'39"E 366.06 FT TH N84D50'E 893.52 FT TO W R/W STATE HWY M35 TH SOD39'W 160.83 FT TH S84D50'W 150.73 FT TH SOD39'W 82.39 FT TH SOD39'W 450 FT TH N89D58'W 100 FT TH SOD39'W 100	<input checked="" type="checkbox"/> Dirt Road <input checked="" type="checkbox"/> Gravel Road <input checked="" type="checkbox"/> Paved Road <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Electric <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Curb <input checked="" type="checkbox"/> Street Lights <input checked="" type="checkbox"/> Standard Utilities <input checked="" type="checkbox"/> Underground Utils.						
	Land Improvement Cost Estimates						
	Description	Rate	CountyMult.	Size	%Good	Cash Value	
	D/W/P: Asphalt Paving	1.61	1.30	417000	50	436,391	
	Commercial/Industrial Local Cost Land Improvements						
	Description	Rate	CountyMult.	Size	%Good	%Arch.Mult	Cash Value
	WATER&SEWER	2500.00	1.00	1.0	96	100	2,400
	Total Estimated Land Improvements True Cash Value = 438,791						

Topography of Site	Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/Other	Taxable Value
<input checked="" type="checkbox"/> Level <input checked="" type="checkbox"/> Rolling <input type="checkbox"/> Low <input checked="" type="checkbox"/> High <input type="checkbox"/> Landscaped <input type="checkbox"/> Swamp <input type="checkbox"/> Wooded <input type="checkbox"/> Pond <input type="checkbox"/> Waterfront <input type="checkbox"/> Ravine <input type="checkbox"/> Wetland <input type="checkbox"/> Flood Plain	2017	Tentative	Tentative	Tentative			Tentative
	2016	756,700	1,227,446	1,984,146			1,984,146S
	2015	859,902	1,757,256	2,617,158			2,617,158S
	2014	566,102	1,970,076	2,536,178			2,286,000C

Who	When	What	Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/Other	Taxable Value
TW	06/20/2014	Data Enter	2016	756,700	1,227,446	1,984,146			1,984,146S
KD	07/18/2012	Data Enter	2015	859,902	1,757,256	2,617,158			2,617,158S
KD	06/29/2011	Inspected	2014	566,102	1,970,076	2,536,178			2,286,000C

*** Information herein deemed reliable but not guaranteed***

SKETCH/AREA TABLE ADDENDUM

Parcel No 301NLRD

File No 051-120-2825-278-001

Property Address 301 NORTH LINCOLN ROAD

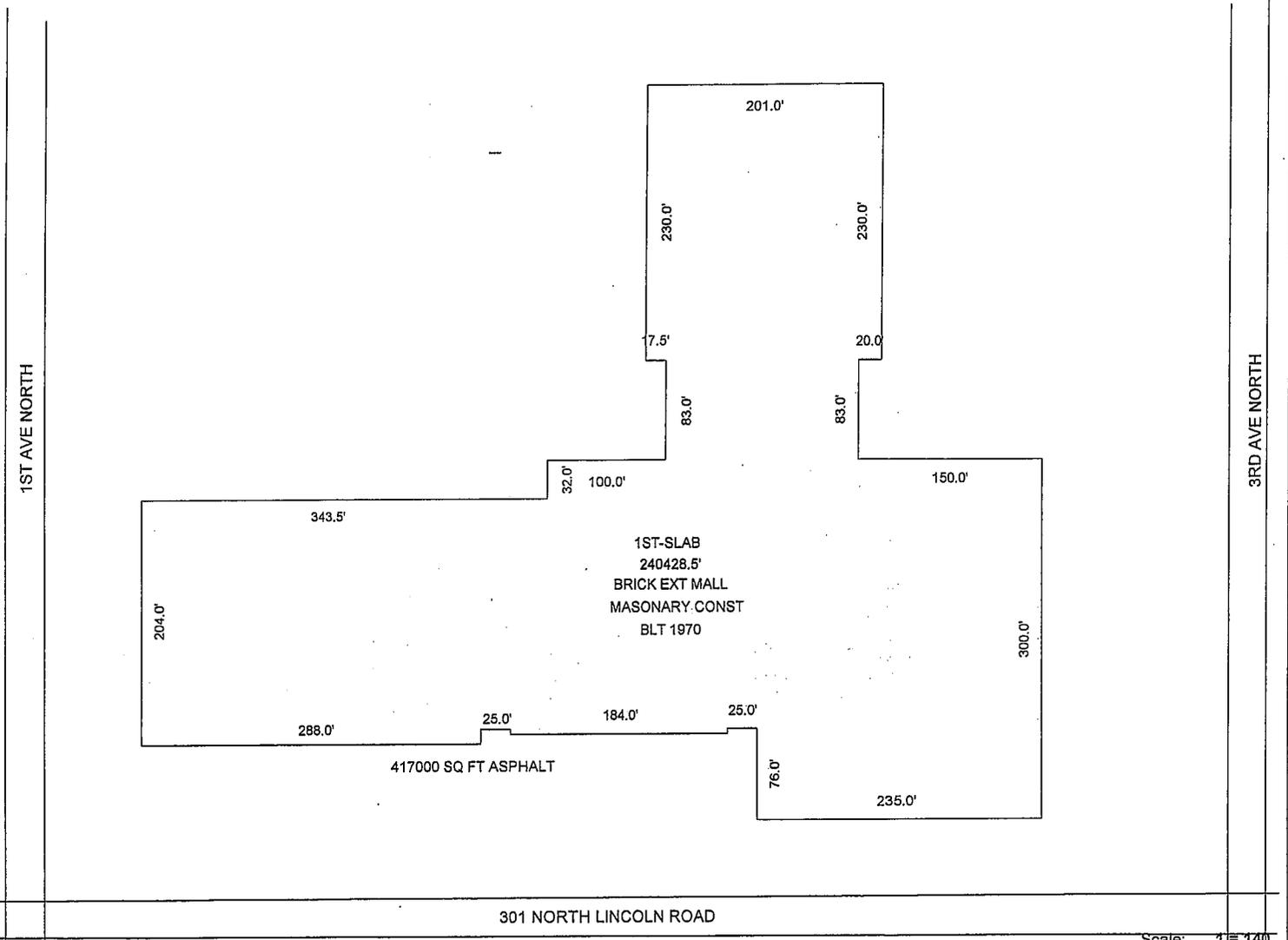
City _____ State _____ Zip _____

Owner _____

Client _____

Appraiser Name KEVIN DUBORD Inspection Date DRAWN 1-20-11

SUBJECT IMPROVEMENTS SKETCH



301 NORTH LINCOLN ROAD

Scale: 1" = 140'

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY					
Code	Description	Factor	Net Size	Perimeter	Net Totals
GLA1	1ST-SLAB	1.00	240428.5	2847.0	240428.5
Net LIVABLE Area (rounded w/ factors)					240429

Comment Table 1	
Comment Table 2	Comment Table 3

Parcel Number: 051-420-2825-200-019

Jurisdiction: City of Escanaba

County: Delta

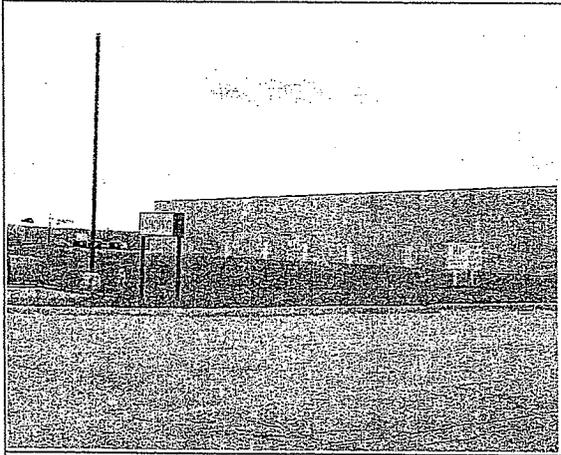
AC # 143-2A

Printed on

07/01/2014

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.
AMICUS MANAGEMENT INC	ESCANABA DELTA MALL LLC	3,704,084	02/14/2014	SD	FORECLOSURE	1098/571	DAINA NORDEN	0.0
RUBLOFF DELTA LLC	AMICUS MANAGEMENT INC	0	08/15/2012	JDG	QCD	1054/830		100.0

Property Address	Class: Commercial, 201	Zoning:	Building Permit(s)	Date	Number	Status		
2601 3RD AVENUE NORTH	School: Escanaba Schools 21010							
Owner's Name/Address	P.R.E. 0%							
AMICUS MANAGEMENT INC 555 CASCADE WEST PARKWAY SE GRAND RAPIDS MI 49546	Map #: 143-2A							
	2015 Est TCV Tentative							
	Improved X Vacant	Land Value Estimates for Land Table 2/301.COMERCIAL & INDUSTRIAL						
	Public Improvements	* Factors * 292.69X291 & 144.58X382.5						
		Description	Frontage	Depth	Front Depth	Rate %Adj. Reason Value		
		SQ. FT. PR SECONDARY	141300	SqFt	1.60000	133 TWO RD FRONTS 300,686		
			3.24	Total Acres	Total Est. Land Value =	300,686		
Tax Description	Dirt Road							
PRT S 1/2 NE 1/4 SEC 25 T39N R23W COM @ E	X Gravel Road							
1/4 COR TH N 0D 39M E 211.81 FT TH N 89D	X Paved Road							
14M 40S W 50 FT TO PT ON N ROW 1ST AVE N	X Storm Sewer							
& W ROW M-35 TH N 89D 58M W 1327.48 FT TO	X Sidewalk							
POB TH N 89D 58M W 292.69 FT TO PT 959.15	X Water							
FT E OF N-S 1/4 LN TH N 0D 02M E 291 FT	X Sewer							
TH S 89D 58M E 148.69 FT TH N 0D 02M E	X Electric							
382.5 FT TO S ROW 3RD AVE N TH N 84D 50M	X Gas							
E ALG 144.58 FT TH S 0D 02M W 686.48 FT	X Curb							
TO POB 3.2421 AC M/L AC #143-2A	X Street Lights							
Comments/Influences	Standard Utilities							
	Underground Utils.							
	Topography of Site							
	X Level							
	Rolling							
	Low							
	X High							
	Landscaped							
	Swamp							
	Wooded							
	Pond							
	Waterfront							
	Ravine							
	Wetland							
	Flood Plain							
		Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/ Other	Taxable Value
	Who	When	What	2015	Tentative	Tentative	Tentative	Tentative
	TW	04/14/2014	Data Enter	2014	150,343	0	150,343	150,343S
	KD	09/20/2011	Inspected	2013	150,343	0	150,343	150,343S
	KD	08/22/2008	Inspected	2012	154,034	0	154,034	144,995C



*** Information herein deemed reliable but not guaranteed***

SKETCH/AREA TABLE ADDENDUM

Parcel No 051-120-2825-278-001

File No 301NLR-Land

Property Address 301 NORTH LINCOLN ROAD

City ESCANABA

County Delta

State MI

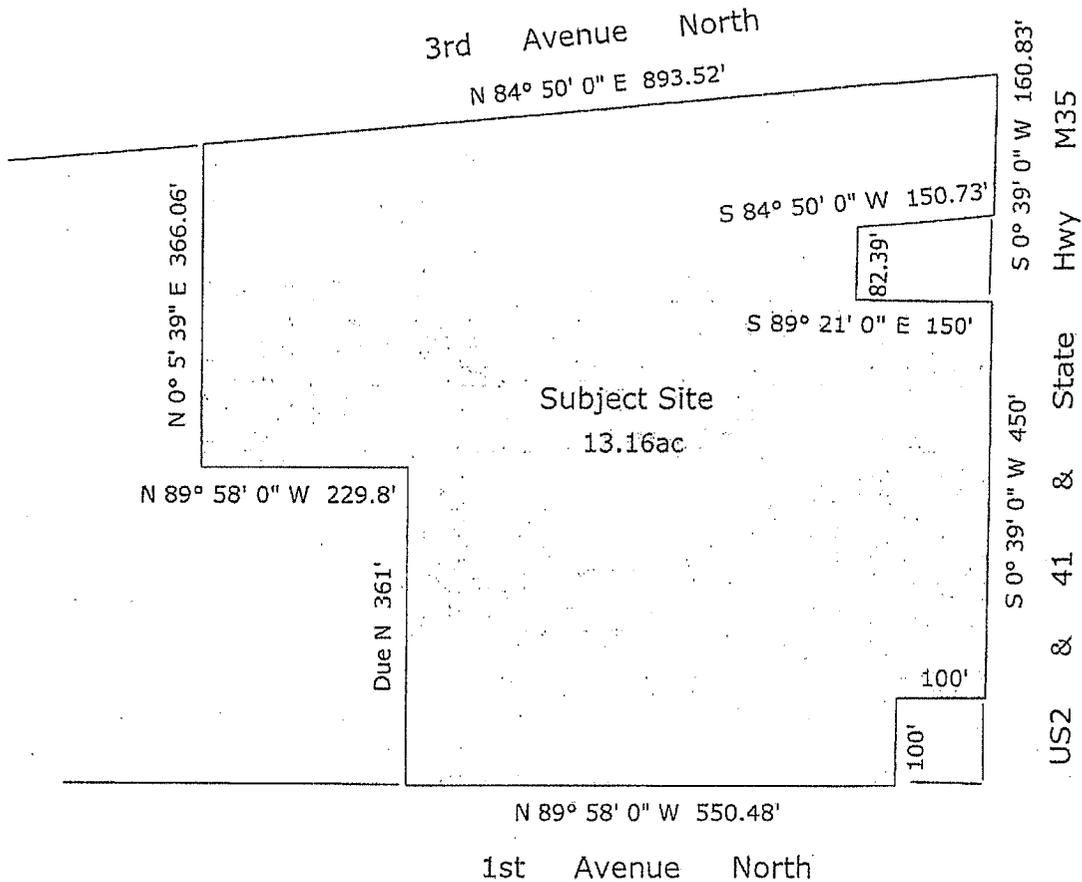
Zip 49829

Owner AMICUS MANAGEMENT INC

Appraiser Name Daina Norden

Drawn Date 12-23-2013

Modified By



Scale: 1" = 200'

Subject Site

Beginning at a point of the Tract described by Metes and Bounds as follows:

- THENCE North 89° 58' 0" West, a distance of 550.48 Feet;
 - THENCE Due North, a distance of 361.00 Feet;
 - THENCE North 89° 58' 0" West, a distance of 229.80 Feet;
 - THENCE North 0° 5' 39" East, a distance of 366.06 Feet;
 - THENCE North 84° 50' 0" East, a distance of 893.52 Feet;
 - THENCE South 0° 39' 0" West, a distance of 160.83 Feet;
 - THENCE South 84° 50' 0" West, a distance of 150.73 Feet;
 - THENCE South 0° 39' 0" West, a distance of 82.39 Feet;
 - THENCE South 89° 21' 0" East, a distance of 150.00 Feet;
 - THENCE South 0° 39' 0" West, a distance of 450.00 Feet;
 - THENCE North 89° 58' 0" West, a distance of 100.00 Feet;
 - THENCE South 0° 39' 0" West, a distance of 100.00 Feet;
 - THENCE North 69° 22' 49" West, a distance of 1.16 Feet to point of beginning;
- Said tract containing 13.16 acres (573268.06 sf) of land, more or less.
 Perimeter = 3595.97 Feet
 No significant error of closure.

SUBJECT

IMPROVEMENTS SKETCH

SURVEY DESCRIPTION

**SAMPLE RESOLUTION TO ESTABLISH AN OBSOLETE PROPERTY
REHABILITATION DISTRICT**

Minutes of a (regular/special) meeting of the (governing body) of the (governmental unit), held on (date), at (place) in (location) at (time).

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____, and supported by _____.

**Resolution (resolution number) Establishing an Obsolete Property Rehabilitation
(OPRA) District for (applicant)**

WHEREAS, pursuant to PA 146 of 2000, the (governmental unit) has the authority to establish "Obsolete Property Rehabilitation Districts" within the (governmental unit); and

WHEREAS, (applicant) has filed a written request with the clerk of the (governmental unit) requesting the establishment of the Obsolete Property Rehabilitation District for an area in the vicinity of (commercial enterprise address) located in the (governmental unit) hereinafter described; and

WHEREAS, the (governing body) of the (governmental unit) determined that the district meets the requirements set forth in section 3(1) of PA 146 of 2000; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district and to the public by newspaper advertisement in the (newspaper name) and/or by public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on (date) a public hearing was held and all residents and taxpayers of the (governmental unit) were afforded an opportunity to be heard thereon; and

WHEREAS, the (governmental body) deems it to be in the public interest of the (governmental unit) to establish the Obsolete Property Rehabilitation District as proposed.

NOW, THEREFORE, BE IT RESOLVED by the (governing body) of the (governmental unit) that the following described parcel(s) of land situated in the (governmental unit), (county), and State of Michigan, to wit:

(Legal Description of District)

be and here is established as an Obsolete Property Rehabilitation District pursuant to the provisions of PA 146 of 2000 to be known as (name of district) Obsolete Property Rehabilitation District No. _____.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the (governing body) of the (governmental unit), County of (_____), Michigan at a (regular/special) meeting held on (date).

Clerk

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

Overview

A means to encourage the rehabilitation of obsolete property and to increase commercial/residential housing available in downtowns or other areas characterized by underused or functionally obsolete properties.

OPRA provides property tax exemptions for commercial and commercial housing properties that are rehabilitated and meet the requirements of the Act. The property must be located in a qualified local unit, such as the City of Escanaba and be located in an established Obsolete Property Rehabilitation District. Properties must meet eligibility requirements including a statement of obsolescence by the local assessor. Exemptions are approved for a term of 1-12 years as determined by the local unit of government. The property taxes for the rehabilitated property are based on the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the exemption. Additionally, the State Treasurer may approve reductions of half of the school operating and state education taxes for a period not to exceed 6 years for 25 applications annually. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. **Exemptions are not effective until approved by the State.**

Functional obsolescence as defined by the state includes inadequate electrical, heating and plumbing. Oversized or undersized rooms, poor layouts and traffic flow problems, etc.

Functionally Obsolete: means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

Antiquated plumbing, heating, and electrical fixtures and connections or spaces that are not conducive to the use of modern equipment and technologies or spaces broken up by poorly planned wall dividers that may have been functional 50 or 100 years ago are examples of deficiencies which could qualify a building. Super adequacies include excessive ceiling height, excessive size, etc. The OPRA legislation requires a statement of obsolescence from a Level III or Level IV certified assessor using this criteria.

Once in the program there will now be three tax bills for the same property. 1) the tax bill on the land taxed at full millage, 2) the taxable value on the building is frozen at the pre-improvement level at full millage, and 3) the tax bill on the improvement which only taxes the School Operating (18 mills) and State Education Tax (6 mills) which could be reduced by ½ by the State Treasurer.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

An example of how the OPRA affects property taxes for property with an exemption. Using the 2013 millage rates for the City of Escanaba, the annual rates would be as follows:

The taxable value of the parcel prior to the exemption is \$70,000. Of the total taxable value, assume that \$20,000 is the portion attributable to the land. Assume also that rehabilitation and remodeling result in a total taxable value of \$1,200,000 for the rehabbed property. The tax breakdown would be as follows:

School Oper. = 18.0000 mills
 State Ed Tax = 6.0000 mills
 TOTAL Millage = 59.8744 mills

Annual Tax Bill	Taxable Value		Millage		Annual Tax Dollars
1) Land	20,000	X	59.8744	=	\$ 1,197
2) Frozen Building TV	50,000	X	59.8744	=	\$ 2,943
3) Non-frozen TV	1,130,000	X	*18.0000	=	\$ 27,120
	1,130,000	X	*6.0000	=	
Total Annual Tax				=	\$ 31,260

Annual Tax Without Exemption \$ 71,849
Annual Savings \$ 40,589
Savings Over 12-year term \$ 487,071

* The State Treasurer can exempt up to 50% of the State Education Tax and the school operating tax for a period of up to 6 years, which would result in additional annual savings of \$13,560 or \$81,360 for the term of the exemption.

The OPRA exemption applies only to existing buildings. Taxable value attributable to increased building size, whether vertical or horizontal, is taxed at the full millage rate.

Additionally, if the rehabbed property is commercial/residential, any portion which qualifies as primary residence would be exempted from the 18 mills of school operating tax, in the same manner as any other homestead.

The entire process is set by statute.

Unlike other exemptions, OPRA exemptions can be transferred to new property owners. The exemption can be transferred to a new owner during or after rehabilitation with the approval of the city council. The process starts at the local assessor's office.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

Definitions Contained In or Referenced In Pubic Act 146 of 2000

"Commercial housing property" means that portion of real property not occupied by an owner of that real property that is classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, is a multiple-unit dwelling, or is a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial housing property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to a multiple-unit dwelling or dwelling unit in a multiple-purpose structure, used for residential purposes.

"Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and MCL 211.14, the primary purpose and use of which is the operation of a commercial business enterprise. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise or a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial property does not include any of the following: Land, Property of a utility

"Facility", except as otherwise provided in this act, means a building or group of contiguous buildings.

"Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property. (See MCL 125.2652)

Note: The STC offers the following as examples of functional obsolescence:

- 1) A floor plan which is inappropriate for the highest and best use of the property.
- 2) A heating system which is inadequate for the highest and best use of the property.
- 3) Excessively high or low ceilings for the highest and best use of the property.
- 4) Partition walls which restrict the highest and best use of the property.
- 5) Mechanical systems (e.g. electrical, plumbing, etc) which are inadequate for the highest and best use of the property.

"Obsolete property" means commercial property or commercial housing property, that is 1 or more of the following:

- (i) "Blighted property". Blighted property means property that meets 1 or more of the following criteria:
 - a. Has been declared a nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - b. Is an attractive nuisance to children because of physical condition, use, or occupancy.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

- c. iii. Is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - d. iv. Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
 - e. v. Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of PA 145 of 2000. (MCL 125.2652)
- (ii) A facility as that term is defined below:
"Facility" as defined in PA 451 of 1994 means any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of section 20120a(1)(a) or (17) or the cleanup criteria for unrestricted residential use under part 213 has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, or property at which response activities have been completed which satisfy the cleanup criteria for the residential category provided for in section 20120a(1)(a) and (17) or at which corrective action has been completed under part 213 which satisfies the cleanup criteria for unrestricted residential use. (See MCL 324.20101)
- (iii) Functionally obsolete. Please see the definition of "functionally obsolete".

"Obsolete property rehabilitation district" means an area of a qualified local governmental unit established as provided in section 3. Only those properties within the district meeting the definition of "obsolete property" are eligible for an exemption certificate issued pursuant to section 6 of PA 146 of 2000.

"Rehabilitation" means changes to obsolete property OTHER THAN REPLACEMENT that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition. **Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the obsolete property.**

"Rehabilitated facility" means a commercial property or commercial housing property that has undergone rehabilitation or is in the process of being rehabilitated, including rehabilitation that changes the intended use of the building. A rehabilitated facility does not include property that is to be used as a professional sports stadium. A rehabilitated facility does not include property that is to be used as a casino. As used in this subdivision, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

City of Escanaba Application Process

These are the steps to follow if you wish to apply for an Obsolete Properties Rehabilitation Exemption (OPRA exemption):

1. **Request in writing** to the city assessor that an Obsolete Properties Rehabilitation District be established for your property. City Council will approve this by resolution. Do not begin structural or cosmetic improvements to the building until after the district is established by City Council. This process may take four to six weeks.
2. **Request that the city assessor inspect** your building to determine if the property qualifies as obsolete property under the legislation. This can be done before council acts on your request for an OPRA district.
3. **Complete the application form and addendum** provided by the city assessor. You must include a letter stating that the rehabilitation project could not be completed without the assistance of the exemption (required by statute). Also include cost estimates of your planned projects and approximate completion schedules. Be as specific as possible. The assessor will bring this before Escanaba City Council and a public hearing will be held to consider your exemption. This process will take an additional four to six weeks.
4. **If approved by City Council the assessor will then send** required documents to the State of Michigan for review and approval/disapproval by the State Tax Commission. Please note that the STC must receive the application by October 1st to consider the exemption for the next year's taxes. In order to maintain the necessary timetable, your district request should be started by the end of June with the completed exemption application submitted by the first (1st) Thursday of September. An OPRA exemption granted by the state on or before December 31st of any year will take effect in the following tax year.

NOTE:

An OPRA exemption will result in three separate tax bills for the exempt parcel: 1) land is assessed and taxed normally, 2) the frozen taxable value for all levies 3) "Non-frozen taxable value" means that the increased taxable value resulting from project improvements will be taxed only the School Operating (18 mills) and State Education Tax (6 mills) which may be reduced by ½ by the State Treasurer for up to 6 years.

You must pay property taxes timely. Failure to pay taxes before they become delinquent on March 1st of each year may constitute a reason for revoking the exemption.

A Principal Residence Exemption may apply If you rehabilitate the upper floor(s) of your property into your primary residence.

Daina Norden, Assessor
City of Escanaba
Phone: (906) 786-9402
Email: dnorden@escanaba.org

NB #5
cc 7/7/16

Memorandum

To: Jim O'Toole
From: Melissa Becotte
Date: 6/28/2016
Re: Insurance Settlement

I spoke with Charlie Stevens from MMRMA today regarding our insurance settlement for the substation explosion.

Following our meeting with MMRMA in April, Mike Furmanski provided a letter explaining the lost revenue the City experienced as a result of not having the CT to put capacity on the annual auction. Although we were trying to get relief for 2015 and 2016, MMRMA has stated that they will not consider the 2016 loss. They feel that the City could have repaired the CT in time for the 2016 auction which would have mitigated our losses. MMRMA did agree to cover the 2015 loss.

A summary of MMRMA's offer to settle the claim is:

\$ 6,444.41	Power Plant
\$ 877,564.13	Combustion Turbine
\$1,302,525.31	Substation
\$ 51,494.49	Extra Expense
<u>\$ 15,242.00</u>	Business Interruption (2015 capacity revenue loss)
\$2,253,270.34	Total
<u>(\$ 250,000.00)</u>	Deductible
\$2,003,270.34	Total Payment

I don't believe there is any more money on the table with this claim. I would recommend we bring this offer to council for a vote. If council approves the settlement, the checks will be mailed to the City immediately.

MEMORANDUM

NB# 6
cc 7/7/16

To: Jim O'Toole

From: Mike Furmanski MF

Date: 30JUN16

Re: Ludington Street replacement poles

Over this past winter, we had 2 of the black fiberglass street light poles along Ludington Street get knocked down by vehicles. We had 1 of these poles in stock. I reached out to RESCO for a quote on 2 replacement poles. RESCO was the original supplier of these poles in 2000 and are the Shakespeare pole vendor for this area.

Their quote came in at \$7,230 for 2 poles delivered to Escanaba. I would like to seek Council approval for these 2 poles.

Zimbra

mfurmanski@escanaba.org

Shakespeare poles - Escanaba

From : Steve C. Brietzman <SBrietzman@resco1.com> Thu, Jun 30, 2016 09:09 AM
Subject : Shakespeare poles - Escanaba 1 attachment
To : MFurmanski@escanaba.org

Mike,

Following is the quote from Shakespeare for the replacement poles you requested. Please review and call with any questions. Freight allowed based on order quantity listed below.

Qty 2 - AS30-18S1BB01 pole
SSWA28-8.3-SS1 split shroud
2-included
OPAR-8-BK-H /powder coated black
2-included
OPAR-1.5-30S-S1 /powder coated black
2-included

\$ 3615.00/each
Have a good day.

Best Regards,
Steve Brietzman
Inside Sales Representative

RESCO
Real Quality. Easy Connection.

800-356-9370 x307
sbrietzman@resco1.com

RESCO
Real Quality. Easy Connection.

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2 KB