

**FINAL AGENDA FOR THE COUNCIL MEETING
CITY OF PORTAGE
September 21, 2010**

7:30 p.m. Call to Order.

Invocation: Pastor John Moore of Portage First United Methodist Church.

Pledge of Allegiance.

Roll Call.

Proclamations: Childhood Obesity Awareness Week.

A. Approval of the Regular Meeting Minutes of September 7, 2010.

* B. Approval of Consent Agenda Motions.

* C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of September 21, 2010, as presented.

D. Public Hearings:

E. Petitions and Statements of Citizens.

F. Reports from the Administration:

* 1. Communication from the City Manager recommending that City Council accept for first reading an ordinance to amend the Codified Ordinances of the City of Portage to grant Portage Hearthside Limited Dividend Housing Association Limited Partnership a tax exemption, establish a payment in lieu of taxes for the Hearthside Apartments I & II and take final action on October 5, 2010.

* 2. Communication from the City Manager recommending that City Council approve the revised Bolingbrook Drive Island Agreement to permit the installation of a sign in the public right-of-way that identifies the Romence Ridge single-family residential plat and authorize the City Manager to execute the Agreement.

* 3. Communication from the City Clerk recommending that City Council hold a closed session immediately following the regularly scheduled City Council meeting of September 21, 2010 to discuss an attorney/client communication.

* 4. Communication from the City Manager regarding the Analysis of Zoning Consistency (FY 2009-2010 Update) – Information Only.

* 5. Communication from the City Manager regarding the August 2010 Summary Environmental Activity Report – Information Only.

* 6. Department Monthly Reports.

G. Communications:

1. Presentation by Senior Citizens Advisory Board Chair James Hoppe.

H. Unfinished Business:

* 1. Communication from the City Manager recommending that City Council approve the proposed amendment to the City of Portage Code of Ordinances, Chapter 50, Section 50-116 – Disturbing the Peace.

* I. Minutes of Boards and Commissions Meetings:

1. Portage Human Services Board of August 5, 2010.

2. Portage Environmental Board of August 11, 2010.

3. Kalamazoo County Board of Commissioners Committee of the Whole and Regular of August 17, 2010.

4. Portage Planning Commission of August 19, 2010.

J. Ad Hoc Committee Reports:

K. New Business:

L. Bid Tabulations:

- * 1. Communication from the City Manager recommending that City Council approve an annual licensing and software maintenance services agreement with SunGard, Incorporated, at a total cost of \$65,526 and authorize the City Manager to execute all related documents.
- * 2. Communication from the City Manager recommending that City Council accept the low bid submitted by A-1 Asphalt, Incorporated, in an amount of \$43,756.31 for Lovers Lane, Romence Road Parkway and Shaver Road Bikeway trail asphalt improvements and authorize the City Manager to execute all documents related to this action on behalf of the city.

M. Other City Matters:

- 1. Statements of Citizens.
- 2. From City Council and City Manager.
- * 3. Reminder of Meetings:
 - a. Thursday, September 23, 8:00 a.m., Local Development Finance Authority, City Hall Room #1.
 - b. Thursday, September 23, 4:30 p.m., Public Media Network Board of Directors, 359 S. Kalamazoo Mall, 3rd Floor, Kalamazoo.
 - c. Tuesday, October 5, 7:30 a.m., Portage Advisory Council, Priority Health Creekside Center, 8175 Creekside Drive, Suite 252, Portage.
 - d. Tuesday, October 5, Special Meeting of City Council to Interview Board and Commission Applicants, 5:15 p.m., City Hall Room #1.

N. Materials Transmitted of September 3, 2010.

Adjournment.

CITY COUNCIL MEETING SUMMARY

September 7, 2010

CHECK REGISTER

- ◆ Approved the Check Register of September 7, 2010, as presented.

PROCLAMATION

- ◆ Mayor Strazdas issued a Childhood Obesity Awareness Week Proclamation.

REPORTS FROM THE ADMINISTRATION

- ◆ Accepted for first reading an ordinance amendment to the City of Portage Code of Ordinances, Chapter 50, Section 50-116 – Disturbing the Peace, and will consider final adoption on September 21, 2010.
- ◆ Approved a two-year labor agreement between the City of Portage and the Portage Police Command Officers Association and authorized the Mayor and City Clerk to execute all documents on behalf of the city.
- ◆ Renewed a service contract in an amount not to exceed \$23,000 with Sprint Solutions for Nextel mobile phone service through September 3, 2011, and authorized the City Manager to execute all documents related to this action.
- ◆ Approved the annual Novell server maintenance and software licensing fees in the amount of \$21,840.72 to be provided through SARCOM and authorized the City Manager to execute all documents related to this action.
- ◆ Adopted the Resolution Designating Polling Places and Rate of Compensation for the November 2, 2010 General Election.
- ◆ Set a Special Meeting on Tuesday, October 5, 2010, beginning at 5:15 p.m. to interview board and commission applicants.

BID TABULATION

- ◆ Awarded a contract to perform engineering services for the 2011 Major Street Reconstruction Program to Prein & Newhof in the not-to-exceed amount of \$88,930 and authorized the City Manager to execute all documents related to the contract on behalf of the city.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER

- ◆ Councilmember O'Brien announced the Open House for Lake Center Elementary School, 10011 Portage Road, Thursday, September 9, 2010, at 4:30 p.m. with the Dedication Ceremony at 5:30 p.m., and the Bronco Bash, Saturday, September 11, 2010, at Western Michigan University.
- ◆ Councilmember Campbell indicated that the Lake Center Elementary School is amazing and reminded everyone of the Rotary Fundraiser prior to the Portage Northern High vs. Portage Central High football game.
- ◆ Councilmember Reid indicated that because the City Council meetings are the first and third Tuesdays of the month for the rest of the calendar year, they will be televised on channel 20 instead of channel 21, except that the meeting tonight is being televised on channel 95. She also lamented the loss of Kalamazoo City Commissioner Terry Kuseske, who passed away on September 2 and praised him as a volunteer, as he was Planning Commission Chair and worked on the Public Safety Citizen Review Board and the Kalamazoo Transit Authority.
- ◆ Councilmember Urban wished Dallas Williams well in his retirement and praised his work as Transportation and Utilities Director.
- ◆ City Manager Maurice Evans indicated that the police officers at the corner of Currier Drive, Centre Avenue and Mustang Boulevard this morning will probably be on duty there again tomorrow because of the need to fabricate a bracket for the signal light.
- ◆ Mayor Strazdas concurred with Councilmember Urban regarding Dallas Williams and indicated that the city is in good hands with newly appointed Chris Barnes, and asked all to drive carefully now that the students are back in school.

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

CITY COUNCIL MEETING MINUTES FROM SEPTEMBER 7, 2010

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

At the request of Mayor Strazdas, Reverend Chad Wells of the First Baptist Church of Portage gave the invocation and the City Council and the audience recited the Pledge of Allegiance.

The City Clerk called the roll with the following members present: Councilmembers Elizabeth A. Campbell, Margaret E. O'Brien, Patricia M. Randall, Claudette S. Reid, Terry R. Urban and Mayor Peter J. Strazdas. Mayor Pro Tem Edward J. Sackley was absent with excuse. Also in attendance were Deputy City Manager Brian J. Bowling, City Attorney Randall Brown and City Clerk James R. Hudson.

PROCLAMATION: Mayor Strazdas issued a Childhood Obesity Awareness Week Proclamation.

APPROVAL OF MINUTES: Motion by O'Brien, seconded by Reid, to approve the August 24, 2010 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Randall to read the Consent Agenda. Motion by Urban, seconded by Reid, to approve the Consent Agenda motions as presented. Upon a roll call vote, motion carried 6 to 0.

* **APPROVAL OF CHECK REGISTER OF SEPTEMBER 7, 2010:** Motion by Urban, seconded by Reid, to approve the Check Register of September 7, 2010. Upon a roll call vote, motion carried 6 to 0.

REPORTS FROM THE ADMINISTRATION:

* **ORDINANCE AMENDMENT– DISTURBING THE PEACE:** Motion by Urban, seconded by Reid, to accept for first reading an ordinance amendment to the City of Portage Code of Ordinances, Chapter 50, Section 50-116 – Disturbing the Peace, and consider final adoption on September 21, 2010. Upon a roll call vote, motion carried 6 to 0.

* **PROPOSED A TWO-YEAR LABOR AGREEMENT BETWEEN THE CITY OF PORTAGE AND THE PORTAGE POLICE COMMAND OFFICERS ASSOCIATION:** Motion by Urban, seconded by Reid, to approve a two-year labor agreement between the City of Portage and the Portage Police Command Officers Association and authorize the Mayor and City Clerk to execute all documents on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **NEXTEL MOBILE PHONE SERVICE:** Motion by Urban, seconded by Reid, to renew a service contract in an amount not to exceed \$23,000 with Sprint Solutions for Nextel mobile phone service through September 3, 2011, and authorize the City Manager to execute all documents related to this action. Upon a roll call vote, motion carried 6 to 0.

* **ANNUAL SERVICE MAINTENANCE AND LICENSING FOR COMPUTER NETWORK SERVICES:** Motion by Urban, seconded by Reid, to approve the annual Novell server maintenance and software licensing fees in the amount of \$21,840.72 to be provided through SARCOM and authorize the City Manager to execute all documents related to this action. Upon a roll call vote, motion carried 6 to 0.

* **ELECTION POLLING PLACES AND RATE OF COMPENSATION RESOLUTION:** Motion by Urban, seconded by Reid, to adopt the Resolution Designating Polling Places and Rate of Compensation for the November 2, 2010 General Election. Upon a roll call vote, motion carried 6 to 0.

* **SPECIAL MEETING WITH BOARD AND COMMISSION APPLICANTS:** Motion by Urban, seconded by Reid, to set a Special Meeting on Tuesday, October 5, 2010, beginning at 5:15 p.m. to interview board and commission applicants. Upon a roll call vote, motion carried 6 to 0.

MINUTES OF BOARDS AND COMMISSIONS: City Council received the minutes of the following Boards and Commissions:

Portage Historic District Commission of June 2, 2010.
Portage Board of Education Organizational of July 12, Special of August 3, Policy Governance Retreat of August 12 and Policy Governance Retreat of August 13, 2010.
Portage Park Board of August 4, 2010.

BID TABULATION:

* **2011 MAJOR STREET RECONSTRUCTION PROGRAM:** Motion by Urban, seconded by Reid, to award a contract to perform engineering services for the 2011 Major Street Reconstruction Program to Prein & Newhof in the not-to-exceed amount of \$88,930 and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember O'Brien announced the Open House for Lake Center Elementary School, 10011 Portage Road, Thursday, September 9, 2010, at 4:30 p.m. with the Dedication Ceremony at 5:30 p.m., and the Bronco Bash, Saturday, September 11, 2010, at Western Michigan University.

Councilmember Campbell indicated that the Lake Center Elementary School is amazing and reminded everyone of the Rotary Fundraiser prior to the Portage Northern High vs. Portage Central High football game.

Councilmember Reid indicated that because the City Council meetings are the first and third Tuesdays of the month for the rest of the calendar year, they will be televised on channel 20 instead of channel 21, except that the meeting tonight is being televised on channel 95. She also lamented the loss of Kalamazoo City Commissioner Terry Kuseske, who passed away on September 2 and praised him as a volunteer, as he was Planning Commission Chair and worked on the Public Safety Citizen Review Board and the Kalamazoo Transit Authority.

Councilmember Urban wished Dallas Williams well in his retirement and praised his work as Transportation and Utilities Director.

City Manager Maurice Evans indicated that the police officers at the corner of Currier Drive, Centre Avenue and Mustang Boulevard this morning will probably be on duty there again tomorrow because of the need to fabricate a bracket for the signal light.

Mayor Strazdas concurred with Councilmember Urban regarding Dallas Williams and indicated that the city is in good hands with newly appointed Chris Barnes, and asked all to drive carefully now that the students are back in school.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 7:44 p.m.

James R. Hudson, City Clerk

***Indicates items included on the Consent Agenda.**

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 14, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Accounts Payable Register

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of September 21, 2010 as presented.

Attached please find the Accounts Payable Register for the period September 1, 2010 through September 14, 2010, which is recommended for approval.

c: Daniel S. Foecking, Finance Director

| CHECK DATE | CHECK NUMBER | VENDOR NAME | VENDOR # | CHECK AMOUNT |
|------------|--------------|--------------------------------|----------|--------------|
| 09/03/2010 | 272745 | AT&T | 849 | 7,568.62 |
| 09/03/2010 | 272746 | A T & T LONG DISTANCE | 4060 | 133.18 |
| 09/03/2010 | 272747 | RASHTO | 999999 | 126.00 |
| 09/03/2010 | 272748 | ABONMARCHE CONSULTANTS, INC | 597 | 1,646.29 |
| 09/03/2010 | 272749 | ALEXANDER, ALLISON | 999999 | 323.49 |
| 09/03/2010 | 272750 | ALL POINTS COVERED PAINTING | 3275 | 1,285.00 |
| 09/03/2010 | 272751 | ALL-PHASE ELECTRIC SUPPLY CO. | 108 | 215.58 |
| 09/03/2010 | 272752 | ALLEGRA PRINT & IMAGING | 533 | 1,907.93 |
| 09/03/2010 | 272753 | J. ALLEN & CO. INC. | 67 | 24,968.00 |
| 09/03/2010 | 272754 | ALLUMI, JOHN | 999999 | 100.00 |
| 09/03/2010 | 272755 | ALRO STEEL CORPORATION | 2934 | 169.44 |
| 09/03/2010 | 272756 | AMAZON.COM LLC | 3035 | 170.00 |
| 09/03/2010 | 272757 | AMERICAN HYDROGEOLOGY CORP. | 114 | 503.50 |
| 09/03/2010 | 272758 | AMERICAN SAFETY & FIRST AID | 113 | 15.25 |
| 09/03/2010 | 272759 | AMERICAN WATER WORKS ASSOC. | 773 | 498.00 |
| 09/03/2010 | 272760 | ANIMAL REMOVAL SERVICE, LLC | 3428 | 400.00 |
| 09/03/2010 | 272761 | TODD ARBANAS ENTERPRISES INC. | 1704 | 2,565.00 |
| 09/03/2010 | 272762 | ARGOUELLIS, MICHAEL S & CLAIRE | 999999 | 375.00 |
| 09/03/2010 | 272763 | ATHLETIC FIELD MAINTENANCE | 999999 | 65.00 |
| 09/03/2010 | 272764 | AUMACK, MICHAEL | 670 | 376.00 |
| 09/03/2010 | 272765 | AUTOMATIC DATA PROCESSING | 3305 | 944.71 |
| 09/03/2010 | 272766 | AUTOMATIC MICROFILMING CO. | 863 | 1,899.84 |
| 09/03/2010 | 272767 | B S & A SOFTWARE | 1148 | 390.00 |
| 09/03/2010 | 272768 | BALKEMA EXCAVATING, INC. | 130 | 92,889.66 |
| 09/03/2010 | 272769 | BC SOUND LLC. | 4421 | 175.00 |
| 09/03/2010 | 272770 | BEBBE, RON | 3018 | 141.00 |
| 09/03/2010 | 272771 | BEERY, RICHARD L & GLORIA B | 999999 | 140.00 |
| 09/03/2010 | 272772 | BILL'S LOCK SHOP, INC. | 146 | 986.00 |
| 09/03/2010 | 272773 | BOOTH NEWSPAPERS INC | 89 | 672.70 |
| 09/03/2010 | 272774 | BOULLIS, ROB | 999999 | 35.85 |
| 09/03/2010 | 272775 | BRIAN KELLEY | 532 | 425.00 |
| 09/03/2010 | 272776 | BROWNELL'S INCORPORATED | 2677 | 135.85 |
| 09/03/2010 | 272777 | BUENA VISTA CONCESSIONS INC. | 3751 | 33.37 |
| 09/03/2010 | 272778 | BYHOLT INC. | 68 | 5,663.48 |
| 09/03/2010 | 272779 | CADWELL APPARELL | 1845 | 1,280.00 |
| 09/03/2010 | 272780 | CAMPBELL AUTO SUPPLY | 437 | 3.52 |
| 09/03/2010 | 272781 | CENTRAL MICHIGAN PAPER | 2623 | 311.55 |
| 09/03/2010 | 272782 | CHARTER COMMUNICATIONS | 3080 | 2,000.00 |
| 09/03/2010 | 272783 | CHRISTENSEN & ASSOCIATES | 3749 | 60.90 |
| 09/03/2010 | 272784 | CINTAS CORP. | 2206 | 208.03 |
| 09/03/2010 | 272785 | CLEAR VISIONS & RELIABLE ARCH | 4601 | 4,169.43 |
| 09/03/2010 | 272786 | CLEAR VISIONS & UNITED GLASS C | 4599 | 2,583.84 |
| 09/03/2010 | 272787 | CLEAR VISIONS & WOJAN WINDOWS | 4600 | 8,658.60 |
| 09/03/2010 | 272788 | CLEAR VISIONS, INC. | 4534 | 10,188.13 |
| 09/03/2010 | 272789 | COMERICA BANK | 999999 | 100.00 |
| 09/03/2010 | 272790 | COMMUNITY LIVING OPTIONS | 999999 | 100.00 |
| 09/03/2010 | 272791 | COMSTOCK PUBLIC SCHOOLS | 1671 | 738.54 |
| 09/03/2010 | 272792 | CONSUMERS CONCRETE CORP. | 187 | 757.90 |
| 09/03/2010 | 272793 | CONSUMERS ENERGY-BILL, PMT CNT | 189 | 16,959.40 |
| 09/03/2010 | 272794 | CONTINENTAL LINEN SUPPLY CO. | 191 | 51.38 |
| 09/03/2010 | 272795 | CORE LOGIC TAX REAL ESTATE | 999999 | 500.00 |

| CHECK DATE | CHECK NUMBER | VENDOR NAME | VENDOR # | CHECK AMOUNT |
|------------|--------------|--------------------------------|----------|--------------|
| 09/03/2010 | 272796 | CROSSROADS EXPERT AUTO SERVICE | 4109 | 912.09 |
| 09/03/2010 | 272797 | D & D PRINTING CO. | 920 | 124.78 |
| 09/03/2010 | 272798 | DEAN TRAILWAYS OF MICHIGAN | 3468 | 1,040.00 |
| 09/03/2010 | 272799 | DEPATIE FLUID POWER CO., INC. | 211 | 735.40 |
| 09/03/2010 | 272800 | DEWOLF & ASSOCIATES, LLC | 4374 | 585.00 |
| 09/03/2010 | 272801 | EAST JORDAN IRON WORKS | 226 | 2,482.56 |
| 09/03/2010 | 272802 | FADER EQUIPMENT, INC. | 688 | 540.00 |
| 09/03/2010 | 272803 | FAWLEY OVERHEAD DOOR, INC. | 690 | 100.00 |
| 09/03/2010 | 272804 | FERRELLIGAS, LP | 384 | 36.00 |
| 09/03/2010 | 272805 | FIRE SERVICE MANAGEMENT | 2608 | 1,401.21 |
| 09/03/2010 | 272806 | FIRST AMERICAN TITLE CO. | 386 | 100.00 |
| 09/03/2010 | 272807 | FISHBECK, THOMPSON, CARR & HUB | 17 | 1,586.00 |
| 09/03/2010 | 272808 | FLETCHER ENTERPRISES | 1399 | 1,237.00 |
| 09/03/2010 | 272809 | FOLEY, BARBARA | 999999 | 83.40 |
| 09/03/2010 | 272810 | GORDON FOOD SERVICE | 502 | 77.37 |
| 09/03/2010 | 272811 | GORDON WATER SYSTEMS | 517 | 162.00 |
| 09/03/2010 | 272812 | GRABOWSKI, JOHN & HEIDI | 999999 | 100.00 |
| 09/03/2010 | 272813 | GRAHAM FORESTRY SERVICE, INC. | 464 | 720.00 |
| 09/03/2010 | 272814 | W W GRAINGER INC | 699 | 360.78 |
| 09/03/2010 | 272815 | GREATER KALAMAZOO FOP LODGE 98 | 623 | 4,246.13 |
| 09/03/2010 | 272816 | GREATER KALAMAZOO FOP LODGE 98 | 623 | 780.00 |
| 09/03/2010 | 272817 | GREATER KALAMAZOO UNITED WAY | 628 | 1,171.90 |
| 09/03/2010 | 272818 | GREGWARE EQUIPMENT CO. | 4397 | 304.72 |
| 09/03/2010 | 272819 | GRIFFIN PEST CONTROL, INC. | 598 | 750.00 |
| 09/03/2010 | 272820 | HANSEN COLLISION FLEET-KALAMAZ | 3885 | 826.00 |
| 09/03/2010 | 272821 | HARTMAN, CHARLES | 913 | 47.00 |
| 09/03/2010 | 272822 | HOME DEPOT | 691 | 335.73 |
| 09/03/2010 | 272823 | HONEYWELL INC. | 4030 | 550.00 |
| 09/03/2010 | 272824 | HOUSEWORKS SERVICES, INC. | 4566 | 2,702.00 |
| 09/03/2010 | 272825 | INDUSCO SUPPLY CO., INC. | 63 | 383.03 |
| 09/03/2010 | 272826 | INSTITUTE OF TRANSPORTATION | 999999 | 487.20 |
| 09/03/2010 | 272827 | INTERNATIONAL CITY MANAGEMENT | 3344 | 2,023.88 |
| 09/03/2010 | 272828 | IRISH AYRES ENTERPRISES, LLC | 4143 | 9,398.25 |
| 09/03/2010 | 272829 | J & J LAWN SERVICE, INC. | 457 | 19,827.00 |
| 09/03/2010 | 272830 | J P CONTROLS | 77 | 611.75 |
| 09/03/2010 | 272831 | JW MARRIOTT - GRAND RAPIDS | 999999 | 154.00 |
| 09/03/2010 | 272832 | KAL CO MEDICAL CONTROL AUTH | 735 | 150.54 |
| 09/03/2010 | 272833 | KALAMAZOO COUNTY TREASURER | 514 | 1,469.71 |
| 09/03/2010 | 272834 | KALAMAZOO COUNTY TREASURER | 1117 | 307.25 |
| 09/03/2010 | 272835 | KALAMAZOO NATURE CENTER, INC. | 92 | 1,550.00 |
| 09/03/2010 | 272836 | KALAMAZOO REG'L EDUC SVS AGENG | 721 | 268.95 |
| 09/03/2010 | 272837 | KALAMAZOO REGIONAL CHAMBER | 3499 | 70.00 |
| 09/03/2010 | 272838 | KALAMAZOO VALLEY COMMUNITY COL | 230 | 156.61 |
| 09/03/2010 | 272839 | KEHOE, EDWARD J | 3783 | 280.00 |
| 09/03/2010 | 272840 | KELLY RADIATOR & AUTO REPAIR | 4591 | 81.90 |
| 09/03/2010 | 272841 | KEMPLE, MOLLY | 999999 | 100.00 |
| 09/03/2010 | 272842 | KERKSTRA PRECAST, INC. | 706 | 1,280.00 |
| 09/03/2010 | 272843 | KLOSTERMAN DISTRIBUTING | 3805 | 337.96 |
| 09/03/2010 | 272844 | KNAPP ENERGY, INC. | 235 | 8,574.51 |
| 09/03/2010 | 272845 | KOCK, STEVEN | 999999 | 38.66 |
| 09/03/2010 | 272846 | KOENIG, TIFFANY | 999999 | 50.00 |

 CHECK DATE CHECK NUMBER VENDOR NAME VENDOR # BANK CODE *ALL* CHECK AMOUNT

| | | | | | |
|------------|--------|--------------------------------|--------|--|-----------|
| 09/03/2010 | 272847 | KUHN'S YARD & GARDEN CARE, INC | 4551 | | 517.58 |
| 09/03/2010 | 272848 | KUIPER BUILDING SERVICES, LLC | 4454 | | 200.00 |
| 09/03/2010 | 272849 | KZOO TIRE COMPANY | 564 | | 202.00 |
| 09/03/2010 | 272850 | LAMAN, JOHN | 999999 | | 372.00 |
| 09/03/2010 | 272851 | LAMPLIGHTER ELEC. CONTRACTOR, | 4583 | | 2,650.00 |
| 09/03/2010 | 272852 | LANGUAGE LINE, INC | 1093 | | 33.63 |
| 09/03/2010 | 272853 | LAWSON PRODUCTS, INC | 240 | | 110.11 |
| 09/03/2010 | 272854 | LEMMEN OIL CO. | 2595 | | 16,638.16 |
| 09/03/2010 | 272855 | LEWIS PAPER PLACE, INC. | 242 | | 29.92 |
| 09/03/2010 | 272856 | THE LIFE GUARD STORE | 1878 | | 37.75 |
| 09/03/2010 | 272857 | LOUIS, DOUGLAS | 999999 | | 303.00 |
| 09/03/2010 | 272858 | LOWE'S HOME CENTER | 2630 | | 53.11 |
| 09/03/2010 | 272859 | LYONS, JULIE | 999999 | | 192.00 |
| 09/03/2010 | 272860 | M L A ENTERPRISE | 4579 | | 4,660.00 |
| 09/03/2010 | 272861 | MAA EDUCATION | 999999 | | 300.00 |
| 09/03/2010 | 272862 | MAA EDUCATION | 999999 | | 150.00 |
| 09/03/2010 | 272863 | MAA EDUCATION | 999999 | | 25.00 |
| 09/03/2010 | 272864 | MAA EDUCATION | 999999 | | 865.00 |
| 09/03/2010 | 272865 | MACNLOW ASSOCIATES | 2189 | | 1,350.00 |
| 09/03/2010 | 272866 | MAYFLOWER TOURS | 3492 | | 50.00 |
| 09/03/2010 | 272867 | MCDONALD'S TOWING & RESCUE, IN | 728 | | 50.00 |
| 09/03/2010 | 272868 | MCFANIN, MELANIE | 999999 | | 888.23 |
| 09/03/2010 | 272869 | MEDALLION MANAGEMENT INC | 999999 | | 132.00 |
| 09/03/2010 | 272870 | MEDENA, TIMOTHY | 4406 | | 65.47 |
| 09/03/2010 | 272871 | MENARDS, INC | 258 | | 260.00 |
| 09/03/2010 | 272872 | MISHRM | 3451 | | 995.00 |
| 09/03/2010 | 272873 | MICH AMATEUR SOFTBALL ASSOC | 1435 | | 160.00 |
| 09/03/2010 | 272874 | MICHIGAN FESTIVALS & EVENTS | 999999 | | 78.45 |
| 09/03/2010 | 272875 | MICRO-SCIENTIFIC INDUSTRIES, I | 4590 | | 62.38 |
| 09/03/2010 | 272876 | MIDLAND ENGINE, INC | 1986 | | 500.00 |
| 09/03/2010 | 272877 | MIDWEST COMMUNICATION SERVICES | 1983 | | 223.69 |
| 09/03/2010 | 272878 | MIDWEST ENERGY COOPERATIVE | 2030 | | 100.00 |
| 09/03/2010 | 272879 | MINER, MICHAEL | 999999 | | 275.00 |
| 09/03/2010 | 272880 | MMTA STATE CONFERENCE | 999999 | | 117.50 |
| 09/03/2010 | 272881 | MORDAS, DON | 4003 | | 1,244.24 |
| 09/03/2010 | 272882 | T MORGAN INC. | 376 | | 140.00 |
| 09/03/2010 | 272883 | MYERS, JAMES | 999999 | | 15.00 |
| 09/03/2010 | 272884 | NATIONAL ARBOR DAY FOUNDATION | 1290 | | 150.00 |
| 09/03/2010 | 272885 | NATIONAL TACTICAL OFFICERS ASN | 2803 | | 67.50 |
| 09/03/2010 | 272886 | NEW FRESH CLEANING SERVICE | 4351 | | 2,111.97 |
| 09/03/2010 | 272889 | NEXTEL | 1709 | | 376.00 |
| 09/03/2010 | 272890 | NICHOLS, ANDREW | 4229 | | 115.00 |
| 09/03/2010 | 272891 | NICHOLSON, SANDRA | 999999 | | 221.03 |
| 09/03/2010 | 272892 | NYE UNIFORMS | 299 | | 975.87 |
| 09/03/2010 | 272894 | OFFICE DEPOT, INC. | 1721 | | 70.29 |
| 09/03/2010 | 272895 | OFFICEMAX INCORPORATED | 301 | | 645.97 |
| 09/03/2010 | 272896 | ONE WAY PRODUCTS | 440 | | 164.50 |
| 09/03/2010 | 272897 | PARKER, KYLE | 4557 | | 70.50 |
| 09/03/2010 | 272898 | PARKER, ROBERT | 2298 | | 350.00 |
| 09/03/2010 | 272899 | PENNY, BRIAN | 999999 | | 4,912.00 |
| 09/03/2010 | 272900 | PERRY BALLARD INCORPORATED | 4348 | | |

CHECK DATE CHECK NUMBER VENDOR NAME VENDOR # BANK CODE CHECK AMOUNT *ALL*

| CHECK DATE | CHECK NUMBER | VENDOR NAME | VENDOR # | BANK CODE | CHECK AMOUNT | *ALL* |
|------------|--------------|---------------------------------|----------|-----------|--------------|-------|
| 09/03/2010 | 272901 | PETERS CONSTRUCTION | 999999 | | 2,575.00 | |
| 09/03/2010 | 272902 | PETTY CASH-CITY HALL | 767 | | 537.15 | |
| 09/03/2010 | 272903 | PETTY CASH-FIRE | 610 | | 191.90 | |
| 09/03/2010 | 272904 | PETTY CASH-PARKS | 536 | | 325.65 | |
| 09/03/2010 | 272905 | PETTY CASH-SENIOR CENTER | 537 | | 259.39 | |
| 09/03/2010 | 272906 | PORTAGE DISTRICT LIBRARY | 810 | | 79.03 | |
| 09/03/2010 | 272907 | PORTAGE FIREFIGHTERS | 625 | | 1,491.76 | |
| 09/03/2010 | 272908 | PORTAGE GLASS & MIRROR | 4396 | | 141.90 | |
| 09/03/2010 | 272909 | PORTAGE ON-CALL FIREFIGHTERS | 504 | | 138.60 | |
| 09/03/2010 | 272910 | PORTAGE POLICE OFFICERS ASSOC | 624 | | 160.80 | |
| 09/03/2010 | 272911 | PORTAGE PUBLIC SCHOOLS | 590 | | 835.05 | |
| 09/03/2010 | 272912 | PORTAGE PUBLIC SCHOOLS (TRANS) | 315 | | 450.95 | |
| 09/03/2010 | 272913 | THE POSTMAN | 2633 | | 1,493.00 | |
| 09/03/2010 | 272914 | PRECISION PRINTER SERVICES INC | 2584 | | 1,178.97 | |
| 09/03/2010 | 272915 | PREIN & NEWHOF | 1738 | | 884.00 | |
| 09/03/2010 | 272916 | PREMIER RADIOLOGY | 999999 | | 26.00 | |
| 09/03/2010 | 272917 | PRINTING SERVICES INC | 1500 | | 239.50 | |
| 09/03/2010 | 272918 | PRO SERVICES, INC. | 4597 | | 1,874.78 | |
| 09/03/2010 | 272919 | PROFESSIONAL LAKE MANAGEMENT | 461 | | 697.91 | |
| 09/03/2010 | 272920 | PULVER CONSTRUCTION CO., INC. | 4598 | | 658.00 | |
| 09/03/2010 | 272921 | R C M HEADSETS/R C M & ASSOC. | 4113 | | 488.00 | |
| 09/03/2010 | 272922 | RATHCO SAFETY SUPPLY, INC. | 327 | | 166.95 | |
| 09/03/2010 | 272923 | RELIABLE MANAGEMENT SYSTEMS, I | 4354 | | 331.00 | |
| 09/03/2010 | 272924 | RIDGE AUTO NAPA | 438 | | 425.00 | |
| 09/03/2010 | 272925 | RIETH-RILEY CONSTRUCTION CO., | 4386 | | 614.54 | |
| 09/03/2010 | 272926 | ROBERTS, AMANDA | 999999 | | 150.00 | |
| 09/03/2010 | 272927 | ROSEMAN, SONJA AND PPR TITLE | 999999 | | 5,000.00 | |
| 09/03/2010 | 272928 | ROTO-ROOTER SEWER & DRAIN SERV | 345 | | 202.26 | |
| 09/03/2010 | 272929 | Seven Generations Ahead | 999999 | | 135.00 | |
| 09/03/2010 | 272930 | SAFETY SERVICES, INC. | 349 | | 53.88 | |
| 09/03/2010 | 272931 | SARCOM | 2076 | | 5,762.00 | |
| 09/03/2010 | 272932 | SCHURING, REBEKAH | 999999 | | 300.00 | |
| 09/03/2010 | 272933 | SEVEN GENERATIONS AHEAD | 999999 | | 100.00 | |
| 09/03/2010 | 272934 | SEVERANCE ELECTRIC COMPANY, INC | 353 | | 6,628.48 | |
| 09/03/2010 | 272935 | SHAW, VIRGINIA | 999999 | | 100.00 | |
| 09/03/2010 | 272936 | SHERATON-DETROIT | 999999 | | 100.00 | |
| 09/03/2010 | 272937 | SIRCHIE FINGER PRINT LABORATOR | 786 | | 209.72 | |
| 09/03/2010 | 272938 | SNELL, DEBRA | 1505 | | 1,778.98 | |
| 09/03/2010 | 272939 | SNELLING PERSONNEL SERVICES | 2107 | | 441.00 | |
| 09/03/2010 | 272940 | SPRINGHILL SUITES | 999999 | | 824.25 | |
| 09/03/2010 | 272941 | STAP BROS LAWN & LANDSCAPE, INC | 366 | | 195.00 | |
| 09/03/2010 | 272942 | STATE FARM INSURANCE | 999999 | | 1,408.33 | |
| 09/03/2010 | 272943 | STATE OF MICHIGAN | 999999 | | 100.00 | |
| 09/03/2010 | 272944 | STATE OF MICHIGAN | 999999 | | 50.00 | |
| 09/03/2010 | 272945 | STATE OF MICHIGAN | 999999 | | 100.00 | |
| 09/03/2010 | 272946 | STATE OF MICHIGAN (DOT) | 368 | | 100.00 | |
| 09/03/2010 | 272947 | STATE SYSTEMS RADIO, INC | 369 | | 242.84 | |
| 09/03/2010 | 272948 | STEENSM LAWN & POWER EQUIPMEN | 3222 | | 331,028.82 | |
| 09/03/2010 | 272949 | STERLING OAKS DEVELOPMENT CO | 999999 | | 180.00 | |
| 09/03/2010 | 272950 | STONEBURNER, CELESTE | 999999 | | 471.42 | |
| 09/03/2010 | 272951 | SUBURBAN MECHANICAL | 1475 | | 1,085.00 | |
| | | | | | 100.00 | |
| | | | | | 20,715.00 | |

| CHECK DATE | CHECK NUMBER | VENDOR NAME | VENDOR # | CHECK AMOUNT |
|------------|--------------|--------------------------------|----------|--------------|
| 09/03/2010 | 272952 | SUNSTRAND, MARK D & B L | 999999 | 130.00 |
| 09/03/2010 | 272953 | THOMPSON, HELENE | 4417 | 95.00 |
| 09/03/2010 | 272954 | TRACTOR SUPPLY CORP. | 2817 | 84.86 |
| 09/03/2010 | 272955 | TRANSPORTATION RESEARCH BOARD | 999999 | 170.00 |
| 09/03/2010 | 272956 | TRUCK & TRAILER SPECIALTIES | 639 | 315.26 |
| 09/03/2010 | 272957 | TRUGREEN CHEMLAWN | 390 | 77.40 |
| 09/03/2010 | 272958 | U A W, LOCAL 2290 | 1862 | 422.04 |
| 09/03/2010 | 272959 | UNITED PARCEL SERVICE | 545 | 145.26 |
| 09/03/2010 | 272960 | UNITED PARTY & EVENT SERVICES | 2177 | 929.50 |
| 09/03/2010 | 272961 | VAN HARE, MARK | 999999 | 100.00 |
| 09/03/2010 | 272962 | VANDEBILT, JOHN | 668 | 188.00 |
| 09/03/2010 | 272963 | VINCENT, GARY | 999999 | 100.00 |
| 09/03/2010 | 272964 | WADE, TAMI AND PPR TITLE | 999999 | 3,000.00 |
| 09/03/2010 | 272965 | WATKINS, GREG | 4231 | 235.00 |
| 09/03/2010 | 272966 | WELLS FARGO HOME MORTGAGE | 999999 | 6,723.59 |
| 09/03/2010 | 272967 | WELLS FARGO HOME MORTGAGE | 999999 | 218.73 |
| 09/03/2010 | 272968 | WHITE, TIM | 999999 | 150.00 |
| 09/03/2010 | 272969 | WILKERSON, ELIZABETH | 532 | 70.00 |
| 09/03/2010 | 272970 | WINDEMULLER ELECTRIC, INC. | 3061 | 1,739.85 |
| 09/03/2010 | 272971 | WINDER POLICE EQUIPMENT, INC. | 429 | 467.99 |
| 09/03/2010 | 272972 | WMU MILLER AUDITORIUM | 999999 | 108.00 |
| 09/03/2010 | 272973 | DAN WOOD COMPANY | 2019 | 493.50 |
| 09/03/2010 | 272975 | XEROX CORPORATION | 2684 | 1,875.40 |
| 09/03/2010 | 272976 | YODER, ANDREW | 4546 | 200.00 |
| 09/03/2010 | 272977 | ZEMLUCK OFFICE PRODUCTS & FURN | 3529 | 289.53 |
| 09/03/2010 | 272978 | 3RD DISTRICT COURT | 999999 | 120.00 |
| 09/03/2010 | 272979 | 360 SERVICES, INC. | 637 | 2,306.95 |
| 09/03/2010 | 272980 | 721 ASSET MANAGEMENT, LLC | 999999 | 120.00 |
| 09/03/2010 | 272981 | 911 TRAINING INSTITUTE | 999999 | 349.00 |
| 09/08/2010 | 272982 | 7TH E DISTRICT COURT | 999999 | 200.00 |

DATE RANGE TOTAL * 727,791.75 *

FROM: 09/01/2010 TO: 09/14/2010

| PAYMENT NO | VENDOR NAME | TRANSFER DATE | AMOUNT | TRACE | | EFT | | BANK | |
|------------|--------------------|---------------|----------|------------------|----------|----------|------|--------|------|
| | | | | NUMBER | DATE | NUMBER | DATE | NUMBER | DATE |
| 73 | B & B YARDSCAPE | 09/03/2010 | 5,998.00 | 0720003200000001 | 00000001 | 00000001 | 00 | 00 | 00 |
| 74 | ROBERTS, BRIAN | 09/03/2010 | 199.00 | 0720003200000002 | 00000001 | 00000001 | 00 | 00 | 00 |
| 75 | ROBERTS, CHARLES D | 09/03/2010 | 94.00 | 0720003200000003 | 00000001 | 00000001 | 00 | 00 | 00 |
| 76 | WEST, STEVE | 09/03/2010 | 311.00 | 0720003200000004 | 00000001 | 00000001 | 00 | 00 | 00 |

GRAND TOTAL: 6,602.00 NO. OF CHECKS: 4

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 13, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Tax Exemption for Hearthside Apartments I & II

ACTION RECOMMENDED: That City Council accept for first reading an ordinance to amend the Codified Ordinances of the City of Portage to grant Portage Hearthside Limited Dividend Housing Association Limited Partnership a tax exemption, establish a payment in lieu of taxes for the Hearthside Apartments I & II and take final action on October 5, 2010.

The attached communication from Community Development Director Erickson explains a request from Portage Hearthside Limited Dividend Housing Association Limited Partnership (Portage Hearthside) for a tax exemption for the acquisition and rehabilitation of Hearthside Apartments I & II, a 161-unit senior housing complex located at 7695 and 7755 Currier Drive. When constructed between 1989 and 1991, the city adopted ordinances that provided a tax exemption and established a Payment in Lieu of Taxes (PILOT) that requires payment to the city equal to five percent of the annual shelter rent. The city has also adopted PILOT ordinances for the Spring Manor Apartments, Centre Street Village Apartments, The Crossings II Apartments and Barrington Woods Apartments.

The Portage Hearthside project will involve a \$7 million rehabilitation, financed with mortgages, Low Income Housing Tax Credits and other funds through the Michigan State Housing Development Authority (MSHDA), including federal funds provided through the American Recovery and Reinvestment Act. As a condition of financing approval from MSHDA, a City of Portage PILOT ordinance equal to six percent of annual shelter rents is necessary. The program also requires all dwelling units to be rented to senior citizens, and 128 of the 161 units to be rented at rates affordable to low-income households. The remaining 32 units will be rented at market rates. One unit will be reserved for an on-site manager.

The request by Portage Hearthside has been carefully reviewed. A tax abatement and PILOT equal to six percent of annual shelter rent for this project is recommended. The proposal is consistent with the City Council quality of life goal to ensure decent and safe housing and improve neighborhood livability. This action is also consistent with the 2005-09 Consolidated Plan, which has been accepted by the City Council and approved by the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant program.

It is recommended that Council accept the application and proposed ordinance for first reading and take final action on the ordinance on October 5, 2010.

Attachment: Department of Community Development Communication

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager

DATE: September 10, 2010

FROM: Jeffrey M. Erickson, Director of Community Development

SUBJECT: Tax exemption for Hearthside Apartments I & II

Introduction

Portage Hearthside Limited Dividend Housing Association Limited Partnership (Portage Hearthside) has requested a property tax exemption for the acquisition and rehabilitation of the Hearthside Apartments I & II, a 101-unit multiple-family residential development for low-income senior citizens at 7695 and 7755 Currier Drive. The development was built in two-phases: the Hearthside Apartments I (formerly Hearthside Manor) was constructed in 1989, and the Hearthside Apartments II was constructed in 1991. When both phases were initially constructed, to facilitate the affordable housing development, the city adopted ordinances that provided a tax exemption, and established a Payment in Lieu of Taxes (PILOT) that required payment to the city equal to five percent of the annual shelter rent for the development as permitted by State Housing Development Authority Act (Public Act 346 of 1966, as amended). The city has adopted PILOT ordinances for the construction of other multiple-family developments that include Spring Manor on Mall Drive, Centre Street Village Apartments on East Centre Avenue, The Crossings II Apartments on Shaver Road, and most recently, for the rehabilitation of Barrington Woods Apartments on Barrington Drive in 2006.

As outlined in the correspondence from Portage Hearthside, the project will involve a substantial rehabilitation of the development estimated at \$7 million, which will be financed with mortgages, Low Income Housing Tax Credits, and other funds through the Michigan State Housing Development Authority (MSHDA), which include federal funds provided through the American Recovery and Reinvestment Act. As a condition of financing approval from MSHDA, a City of Portage PILOT ordinance equal to six percent of annual shelter rents is necessary.

As a program requirement, all dwelling units will be rented to senior citizens, and 128 of the 161 units will be rented at rates affordable for low income households: 10 units will be available to households at 30% of the Area Median Income (AMI); 49 units will be rented to households at or below 45% of AMI; and 69 units will be rented to households at or below 60% AMI. The remaining 32 units will be rented at market rates, and one unit is reserved for an on-site manager. With regard to the market rate units, 10 of the 32 market rate units will be rented at the same rate as the equivalent unit rented to a household at or below 60% AMI. According to Portage Hearthside, the remaining 22 units will be rented at slightly higher rates, but will remain affordable to current residents, whose household incomes now exceed the limits established by the Low Income Housing Tax Credit program.

Michigan Public Act 346 of 1966

MSHDA was created and tax exemptions and Payment of Lieu of Taxes were permitted for certain housing developments. Act 346 stipulates: 1) that a tax exemption granted for eligible projects remains in effect for as long as the authority or federally-aided mortgage is outstanding; 2) any payments in lieu of taxes received by the city must be distributed to the affected taxing units in the same proportion as the

property tax in the previous calendar year; and 3) the city establish a service charge to be paid in lieu of taxes in order to implement the tax exemption for the eligible housing project. The service charge is negotiable, but may not exceed the property tax that would be paid without a service charge.

The current five percent PILOT ordinances will remain in effect until 2019 and 2021, should the proposed acquisition and rehabilitation project not come to fruition. The city proposed a graduated PILOT ordinance that increases over the life of the MSHDA financing from four percent to seven percent, consistent with the Barrington Woods and the Crossings II Apartments PILOT ordinances. However, MSHDA and Portage Hearthside indicated a graduated PILOT would not be acceptable for project underwriting purposes, but agreed to increase the current PILOT rate from five to six percent of annual shelter rent revenues.

Project Benefits and Costs

There are a number of community benefits made possible by this project:

- The project fulfills goals of the 2005-2009 Consolidated Plan approved by City Council, as part of the Community Development Block Grant program;
- The project will fulfill the goal to partner with for-profit and non-profit developers by providing a Payment in Lieu of Taxes incentive to help meet financing requirements for affordable housing;
- Approval of the proposed project would demonstrate the continued commitment on the part of the city to enhance the range of housing choice for low income and special needs residents;
- Based on data included in the Consolidated Plan, there are approximately 5,700 low income households in Portage that have a housing cost burden, and 55.6 percent of elderly renters have a housing cost burden, while 11.6 percent of elderly home owners have a housing cost burden.
- The project is consistent with the Comprehensive Plan and rehabilitation will result in improvement to the property and will facilitate a \$7 million investment, which will also create and retain jobs, consistent with the goals of the American Recovery and Reinvestment Act.

The current PILOT results in \$10,518 in annual revenue to the city and \$52,592 for all units of governments (based on the most recent five-year average PILOT payments).

As with all developments, there are costs to the City of Portage and other taxing jurisdictions to provide municipal services. In this case, and with similar housing developments, costs also include foregone tax revenues due to the existing and proposed PILOT. The service costs for the development include public safety and general government services, and the cost per dwelling to the city for a multiple-family development has been estimated by the Finance Department as shown in the following table.

| General Fund | Estimated Cost Per Unit |
|-------------------------------|--------------------------------|
| Police | \$195 |
| Fire | \$96 |
| Other | \$200 |
| Subtotal | \$491 |
| TOTAL COST (161 units) | \$79,051 |

With regard to foregone tax revenue, the development has been tax exempt since its construction. Based on a recent post-rehabilitation appraisal of the property provided by the applicant, and reviewed by the Office of City Assessor, the property, if not tax exempt, would have an estimated annual Ad-Valorem Tax Liability of \$163,035. The table on the top of page 3 illustrates annual foregone tax revenue for all taxing units, compared to average tax revenue (over 35-years) that would be received from the proposed PILOT.

| Taxing Unit | Estimated Annual Tax Revenue Without Tax Exemption/PILOT | Annual Revenue with PILOT |
|--------------------------|---------------------------------------------------------------------|----------------------------------|
| City of Portage | \$32,734 | \$14,341 |
| State Education | \$17,400 | \$7,623 |
| School Operating | \$52,200 | \$22,868 |
| School Building/Debt | \$14,616 | \$6,403 |
| Portage District Library | \$4,350 | \$1,906 |
| KVCC | \$8,159 | \$3,574 |
| KRESA | \$14,084 | \$6,170 |
| Kalamazoo County | \$17,795 | \$7,796 |
| County Transport | \$1,160 | \$508 |
| County Juvenile | \$537 | \$235 |
| | \$163,035 | \$71,423 |

NOTE: The minimum PILOT payment proposed by the ordinance amendment is \$53,624, but the PILOT payment is projected to increase to \$112,034 over the 35-year period of the PILOT.

The estimated annual cost of services incurred by the City of Portage is \$79,051 compared to the \$71,423 average annual revenue that would be received with the proposed PILOT. Service costs for the existing development are not anticipated to increase with the proposed acquisition and rehabilitation project.

Review/Recommendation

The Department of Community Development has reviewed the application, and discussed the project with the applicant and MSHDA. The Office of the City Attorney has prepared the ordinance, also in consultation with MSHDA establishing a tax abatement and PILOT for City Council review and consideration. A tax exemption with a six percent PILOT is recommended as referenced in the attached amendment to Chapter 70, Article 2, Division 8 of the Code of Ordinances. The proposed ordinance, if adopted, would also repeal the PILOT in Division 2, for Hearthside Manor and the PILOT in Division 3, for Hearthside II.

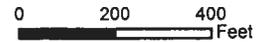
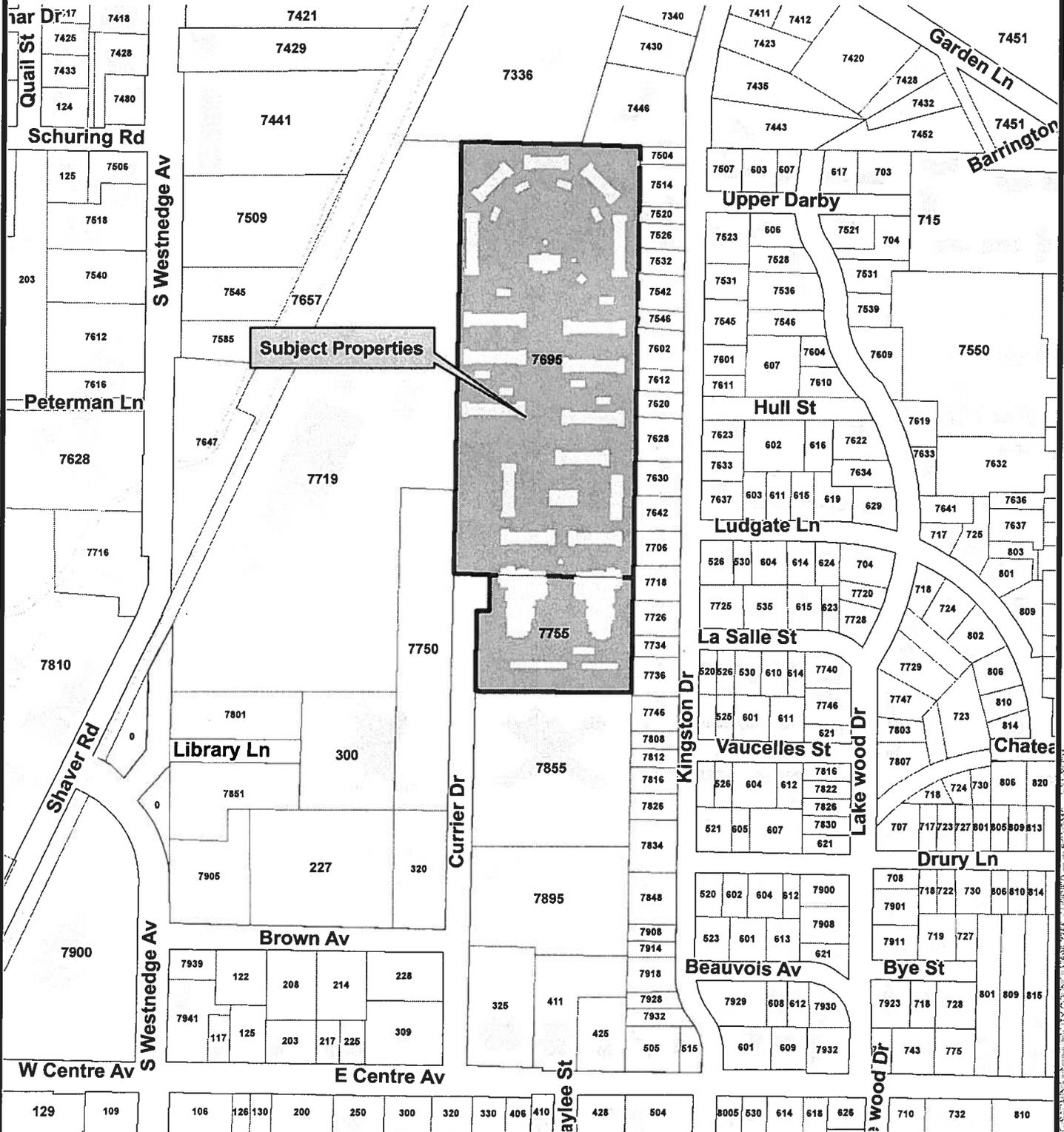
Attachments: Vicinity Map
Correspondence from Portage Hearthside LDHA LP dated July 7, 2010 and July 26, 2010
Correspondence from MSHDA dated August 26, 2010
Proposed PILOT Ordinance

c: Deputy City Manager Brian J. Bowling
City Attorney Randy Brown
Deputy Director Vicki Georgeau

Vicinity map

Hearthside Apartments I & II

7695 and 7755 Currier Drive



Portage Hearthside LHDA LP
834 King Highway, Suite 100
Kalamazoo, MI 49001-2578
(269)-381-0350
(269) 978-2053 fax

RECEIVED
JUL 14 2010
COMMUNITY DEVELOPMENT

July 7, 2010

Vicki Georgeau, AICP
Deputy Director of Neighborhood Services
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

RE: Hearthside Apartments I & II PILOT Request

Dear Ms. Georgeau:

Portage Hearthside Limited Dividend Housing Association Limited Partnership would like to respectfully request a Payment In Lieu of Taxes (PILOT) for the Hearthside I & II Apartments, an existing senior development located on Currier Drive.

The Hearthside Apartments is a two phase development housing the elderly since 1990. Phase I is a 100-units that was originally financed in 1990 with a MSHDA Mortgage using their Taxable Bond Program along with the 9% Low Income Housing Tax Credits. It is comprised of 70- One Bedroom, 1 bath; 30- Two Bedroom, 1 bath single story townhouses plus one three bedroom, two bath manager's unit located in the community building. Phase II is comprised of 60-One Bedroom, 1 bath apartments. Phase II was originally financed in 1992 with a MSHDA Mortgage.

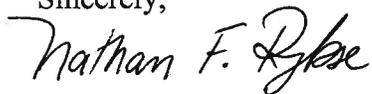
The acquisition and subsequent rehabilitation of Hearthside will help sustain the much needed affordable housing for the seniors in the Portage community. The tenants we currently serve are those whose incomes are at 60% AMI. As noted in the attached proforma, we will be serving a tenant mix of 10 units at 30% AMI, 49 units at 45% AMI, and 69 units at 60% AMI. The remaining 32 units will be at "market rate"; this will allow existing tenants to remain in place, paying rents at or near their current levels. In addition to a MSHDA Mortgage of \$4,364,564, they are also putting a TCAP (Tax Credit Assistance Program) Loan of \$4,462,640 and Section 1602 Funds of \$4,462,639. We will be syndicating the equity through the 4% Low Income Housing Tax Credits with the Great Lakes Capital Fund. With the current availability of soft money by our State Housing Authority, the contribution of a PILOT by the City of Portage truly makes this a joint venture by all levels of government.

As you are aware, Hearthside currently has a 5% PILOT. We ran the idea by MSHDA of a graduated PILOT, similar to what was done at Barrington Woods. The graduated PILOT was strongly discouraged. We are therefore requesting a 6% PILOT for the entire 35-year mortgage for the new entity which we have calculated to be approximately \$53,624 annually. The 6% or less also qualifies the development for a Priority One Level for subordinate financing which consists of the TCAP and Section 1602 Funds as noted above.

In summary, it is our desire to provide sustainable, affordable and high quality senior housing in the Portage Community. It is our current goal of getting MSHDA Board Approval at their August Board Meeting and anticipate beginning rehabilitation in the fall. We are estimating a one year completion of the rehab.

Please feel free to contact me at 269-381-0350 or Warren Dean, our legal counsel at 248-506-3222 with any questions you may have.

Sincerely,

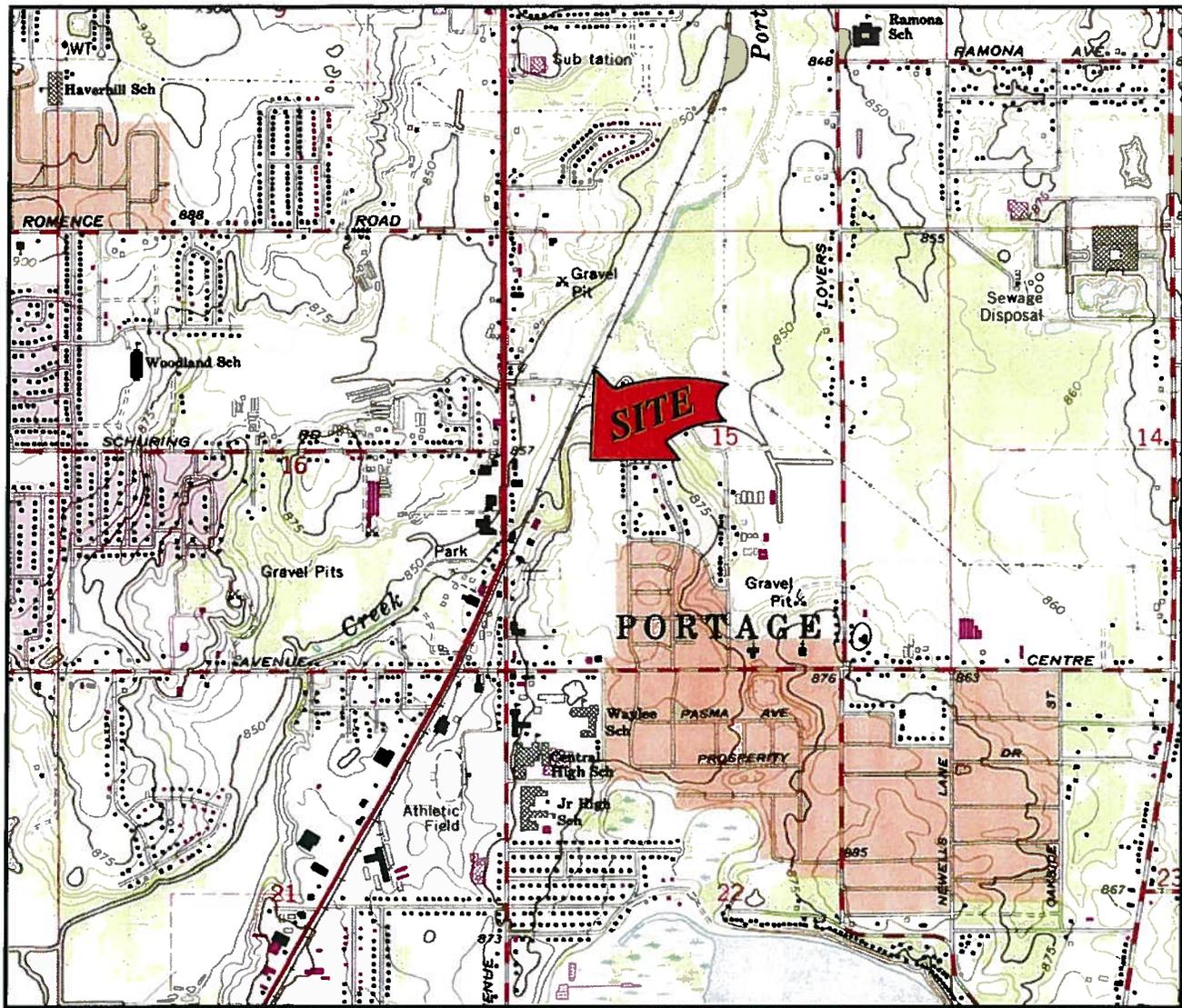


Nathan F. Rykse
Development Coordinator

Cc: Jeffrey M. Erickson, Director of Community Development
Warren T. Dean
Tom Penland, CFO, Medallion Management

Attachments:

Site Map
Financial Projections



| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

T: 3S, R: 11W, Sec. 15

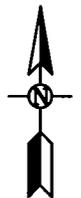
KALAMAZOO COUNTY

SCALE 1:24,000
0



MICHIGAN QUADRANGLE LOCATION

FIGURE 1
PROPERTY VICINITY MAP
USGS, 7.5 MINUTE SERIES
PORTAGE, MI QUADRANGLE, 1967. PHOTO REVISED 1973



PM ENVIRONMENTAL, INC.
 CONSULTING ENGINEERS AND SCIENTISTS
 3340 RANGER ROAD, LANSING, MI 48906
 TEL: (517) 321-3331

ISO 9001 REGISTERED

PROJ:
HEARTHSIDE APARTMENTS
 7566 CURRIER DRIVE
 PORTAGE, MI

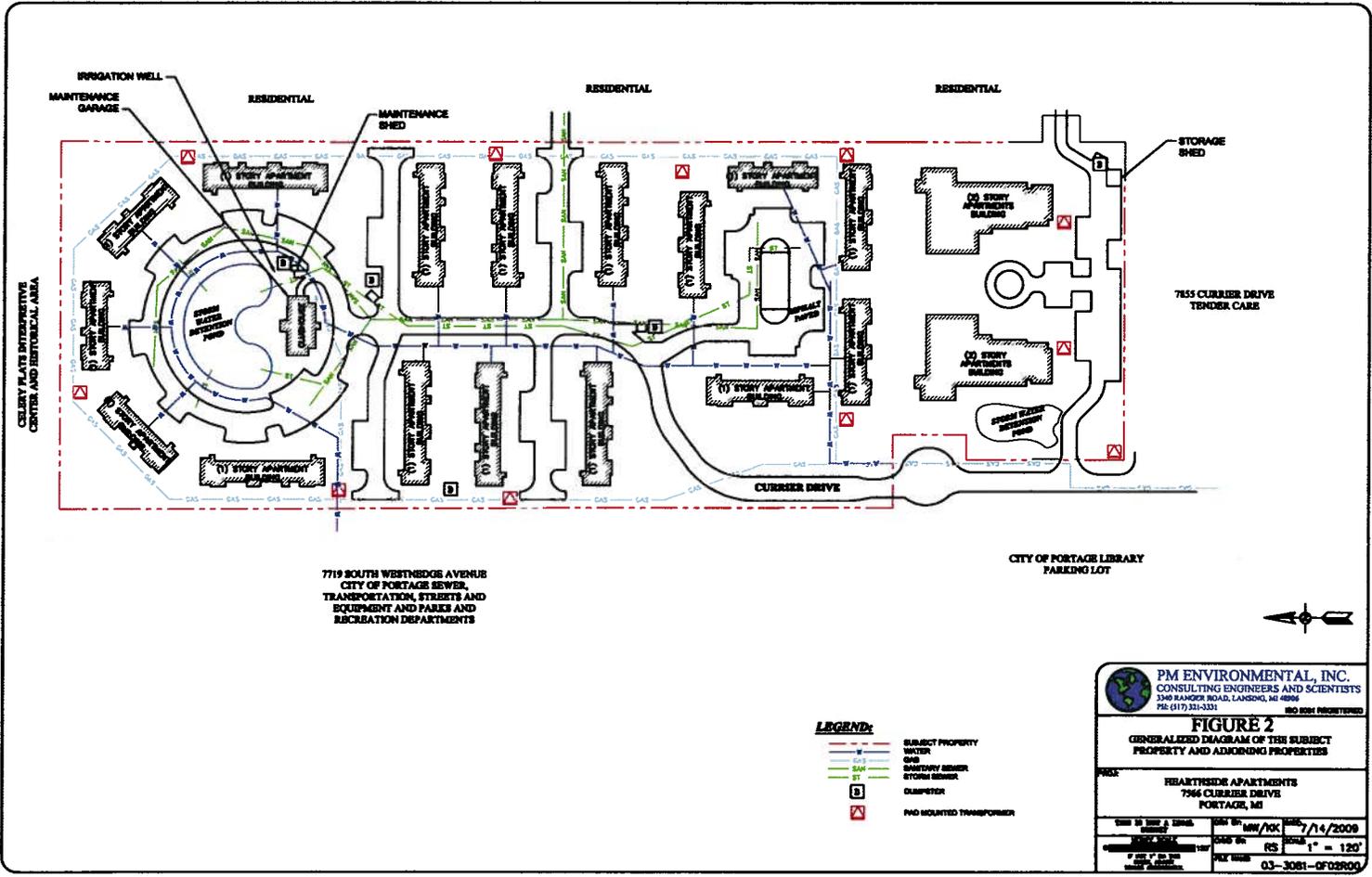
THIS IS NOT A LEGAL SURVEY

VERIFY SCALE

0 1"

IF NOT 1" ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

| | | | |
|------------|-----------------|--------|--------------|
| DRN BY: | MW | DATE: | 6/29/2009 |
| CHKD BY: | RS | SCALE: | 1" = 24,000' |
| FILE NAME: | 03-3081-0F01R00 | | |



7719 SOUTH WESTBIDGE AVENUE
 CITY OF PORTAGE SEWER,
 TRANSPORTATION AND PARKS AND
 RECREATION DEPARTMENTS

CITY OF PORTAGE LIBRARY
 PARKING LOT

- LEGEND:**
- SUBJECT PROPERTY
 - WATER
 - SEWER
 - BOUNDARY SEWER
 - STORM SEWER
 - GAS
 - S CLAMP/STOP
 - T PAD MOUNTED TRANSFORMER

| | | | |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------|
| | PM ENVIRONMENTAL, INC. CONSULTING ENGINEERS AND SCIENTISTS 3340 RANGER ROAD, LANSING, MI 48966 P/E (117) 321-3321 | | |
| | FIGURE 2 GENERALIZED DIAGRAM OF THE SUBJECT PROPERTY AND ADJOINING PROPERTIES | | |
| PROJECT: HEARTHSTONE APARTMENTS 7555 CURRIER DRIVE PORTAGE, MI | | | |
| DATE OF THIS DRAWING | DRAWN BY | CHECKED BY | DATE |
| 7/14/2008 | LMM/CKC | RS | 7/14/2008 |
| SCALE: 1" = 120' | | PROJECT NUMBER: 03-3081-020900 | |

Development Hearthside I & II
 Financing Tax Exempt
 Stimulus Type 4% Equity Support
 MSHDA No. 836-2

Use Revenue Page: Standard

Step Preliminary Assessment
 Date 06/02/2010
 Type Preservation

Mortgage Assumptions:

Debt Coverage Ratio 1.25
 Mortgage Interest Rate 6.750%
 Pay Rate 6.750%
 Mortgage Term 35 years

Total Development Income Potential

| | Per Unit | Total |
|--------------------------|----------|-----------|
| Annual Rental Income | 6,515 | 1,048,992 |
| Annual Excess Section 8 | 0 | 0 |
| Annual Non-Rental Income | 70 | 11,280 |
| Total Project Revenue | 6,586 | 1,060,272 |

Total Development Expenses

| | | | |
|-----------------------------------------|--------------------------------|-----|---------|
| Vacancy Loss | 8.00% of annual rent potential | 521 | 83,919 |
| Management Fee | 456 per unit per year | 574 | 73,416 |
| Administration | | 727 | 117,054 |
| Project-paid Fuel | | 62 | 10,000 |
| Common Electricity | | 190 | 30,611 |
| Water and Sewer | | 191 | 30,725 |
| Operating and Maintenance | | 922 | 148,520 |
| Real Estate Taxes | | 0 | |
| Payment in Lieu of Taxes (PILOT) | 6.00% | 333 | 53,624 |
| Insurance | | 254 | 40,922 |
| Replacement Reserve | 350 per unit per year | 350 | 56,350 |
| Other: Employee Benefits/Worker's Comp. | | 107 | 17,236 |
| Other: | | 0 | |

| Initial Inflation Factor | Beginning in Year | Future Inflation Factor |
|--------------------------|-------------------|-------------------------|
| 1.0% | 6 | 2.0% |
| 1.0% | 6 | 2.0% |
| Future Vacancy | | |
| | 1 | 8.0% |
| 3.0% | 1 | 3.0% |
| 3.0% | 1 | 3.0% |
| 6.0% | 6 | 3.0% |
| 6.0% | 6 | 3.0% |
| 6.0% | 6 | 3.0% |
| 3.0% | 1 | 3.0% |
| 3.0% | 1 | 3.0% |
| 3.0% | 1 | 3.0% |
| 3.0% | 1 | 3.0% |

| | % of Revenue | | |
|-------------------------------------------------------|--------------|---------------|------------------|
| Total Expenses | 62.47% | 4,114 | 662,378 |
| Base Net Operating Income (excludes Excess Section 8) | | 2,471 | 397,894 |
| Part A Mortgage Payment | 30.02% | 1,977 | 318,316 |
| Part A Mortgage | | 26,514 | 4,268,682 |
| Non MSHDA Financing Mortgage Payment | | 0 | |
| Non MSHDA Financing Type: | | 0 | |
| Base Project Cash Flow (excludes ODR and Part B) | 7.51% | 494 | 79,579 |

| Level Debt Service and Part B Loan Analysis | | | |
|----------------------------------------------------|-------|----------|----------|
| Part B Term In Months | | | 0 |
| Part B Debt Coverage Ratio | | | 1.00 |
| Level Debt Service Requirement | | 0 | |
| Excess Section 8 Income | 0.00% | 0 | 0 |
| Part B Mortgage Payment | | 0 | 0 |
| Part B Mortgage | | 0 | 0 |
| Part B Deficit/Sinking Fund | | | 0 |

| Summary | Annual Payment | | Total Loan Amount | |
|-----------------------|----------------|----------------|-------------------|------------------|
| | Per Unit | Total | Per Unit | Total |
| Part A Mortgage | 1,977 | 318,316 | 26,514 | 4,268,682 |
| Part B Mortgage | 0 | 0 | 0 | 0 |
| Total Mortgage | 1,977 | 318,316 | 26,514 | 4,268,682 |

Portage Hearthside LHDA LP
834 King Highway, Suite 100
Kalamazoo, MI 49001-2578
(269)-381-0350
(269) 978-2053 fax

RECEIVED
JUL 27 2010
COMMUNITY DEVELOPMENT

July 26, 2010

Vicki Georgeau, AICP
Deputy Director of Neighborhood Services
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

RE: Hearthside Apartments I & II Payment in Lieu of Taxes

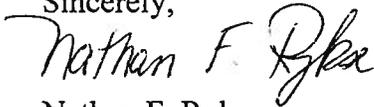
Dear Ms. Georgeau:

Please find our response to your written inquiry in your July 21, 2010 letter regarding our request of a 6% Payment in Lieu of Taxes from the City of Portage for the Hearthside I & II Apartments.

- The rationale for the market rental units is based on the recently revised Low Income housing Tax Credit Income Limits that Hearthside must utilize upon sale. These income limits have now decreased. Therefore, several households who previously qualified at the initial move in will now be over income at the time of the acquisition. In order to not displace these particular residents upon acquisition, the units must be designated as market units. The realities of a challenging economic climate the past few years have also caused many of the seniors to re-enter the workforce, thus increasing some of their household incomes over the income limit threshold. Even though we are converting 33 units to market rental rates, the rents will continue to be affordable. For the Phase I of Hearthside units, only \$11 for a 1-bedroom and \$20 for a 2-bedroom separate the market unit rental rates from the 60% rates. The market unit and 60% rental rates for the Phase II units will remain identical.
- The scope of rehabilitation work has actually increased. Please find attached a revised scope of work based on a site inspection with MSHDA on Tuesday, July 20, 2010.
- Due to the fact the development has always had a PILOT and we don't know the value of the property, it would be purely a guess on our part as to what the tax liability would be. Please find attached a calculation if Hearthside paid a 6% PILOT versus the graduated 4%-7% PILOT over the life of the mortgage.
- The primary reason a graduated PILOT is discouraged is that it reduces the amount of active debt a given project can support thereby necessitating increased soft financing. Please see attached documents that discuss the tax benefits for affordable housing financed with an Authority Aided Mortgage and the Tax-Exempt Lending Parameters which describe why we are requesting a 6% Payment in Lieu of Taxes for Hearthside.

Please feel free to contact me at 269-381-0350 or Warren Dean, our legal counsel at 248-506-3222 with any questions you may have.

Sincerely,



Nathan F. Rykse
Development Coordinator

Cc: Jeffrey M. Erickson, Director of Community Development
Randall R. Brown, City Attorney
Warren T. Dean, P.C.
JT Johnston – MSHDA
Steve Lathom - MSHDA
Tom Penland, CFO, Medallion Management

Attachments:

Updated Scope of Work
PILOT Analysis
Tax Benefits for Low and Moderate Income Housing
STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966
Act 346 of 1966 **Section 125.1415a**
MSHDA Tax Exempt Lending Parameters

SCOPE OF WORK

Hearthside I & II

LIVING UNITS

The following items are to be addressed in all living units:

GENERAL

1. Paint unit walls and ceilings.
2. Replace unit entry doors and hardware (Ph. I only).
3. Install window blinds.
4. Upgrade unit light fixtures.
5. Install new water heaters throughout.
6. Replace heating and cooling systems.
7. Replace nurse call with upgraded system.
8. Install new carpet within all units.
9. Replace all interior swing and bifold doors.
10. Upgrade fire alarm system, and replace and interconnect smoke detectors.

KITCHEN

1. New vinyl flooring in all units.
2. New faucet, garbage disposal, and stainless steel sink.
3. New counter tops.
4. Replace all cabinets.
5. Add GFI's where needed.
6. Install all new energy star appliances including microwave/hood vent.
7. Replace light fixture.

BATHROOM

1. New vinyl flooring in all units
2. New sink, faucet, counter tops and vanities.
3. Replace medicine cabinets.
4. Install new shower heads and toilets.
5. Replace toilet paper holders, towel bars and shower rods.
6. Install GFI's where needed.

BARRIER FREE APARTMENTS

1. All renovations necessary to comply with ADA and MSHDA requirements.
Ten units in Phase I and six units in Phase II.

COMMON AREAS AND EXTERIOR

The following items are to be replaced or reworked in all common areas and building exteriors:

INTERIOR OFFICE

1. Repair drywall, paint walls and ceilings.
2. Replace electric cover plates, switches, and outlets.
3. Replace office and community area carpet.
4. Install new cabinets and counter tops.
5. Replace kitchen sink, facet and disposal.
6. Replace all community room kitchen appliances.
7. Install ceramic tile in the kitchen and baths.
8. Replace bath sinks, facets, toilets, and towel bars.
9. Replace water softener.

PHASE II COMMON AREAS

1. Repair drywall, paint walls and ceilings.
2. Replace electric cover plates.
3. Replace community area carpet.
4. Upgrade elevators.
5. Replace water softeners.
6. Upgrade access doors and provide automated openers.
7. Install new entry phone access system.

EXTERIOR

1. Replace all roofs.
2. Replace building light fixtures.
3. Replace all windows and sliding glass doors.
4. Replace vinyl siding and install door and window surrounds.
5. Replace fascia and wrap all exposed wood trim.
6. Replace 30 decks and 10 ground level wood patios in Phase II.
7. Install hand rails on Phase I landings.

SITE

1. Repair and topcoat existing asphalt and stripe lots.
2. Repair or replace sidewalks that are damaged or do not comply with ADA.
3. Reconstruct dumpster enclosures (3) and construct (2) new ones.
4. Repaint existing parking lot light poles and replace fixtures.
5. Install additional pole lights (2).
6. Replace side panels on parking structures.
7. Repair landscaping damaged as result of rehab.
8. Remove ash trees and reestablish natural areas between Phase I buildings
9. Install new maintenance strips along building foundations.
10. Site signage.
11. Remove gazebo and replace with water feature. Install guard rail around entire retaining wall.
12. Construct interlocking stone retaining walls parallel to all existing wood walls.
13. Construct maintenance building and demo "carport garage".
14. Remove metal fencing around Phase II retention pond; replace it only on concrete wall.

Revised 07-21-10.

**HEARTHSIDE APARTMENTS
6% PILOT ANALYSIS**

| PILOT % | YEAR | RENT POTENTIAL | VACANCY LOSS | SITE PAID UTILITIES | NET SHELTERED RENTS | ESTIMATED PILOT PAYMENT |
|--------------------|-------------|---------------------------|-------------------------|--------------------------------|--------------------------------|------------------------------------|
| 6.00% | 1 | \$1,048,992 | (\$83,919) | (\$71,336) | \$893,737 | \$53,624 |
| 6.00% | 2 | \$1,059,482 | (\$84,759) | (\$75,616) | \$899,107 | \$53,946 |
| 6.00% | 3 | \$1,070,077 | (\$85,606) | (\$80,153) | \$904,318 | \$54,259 |
| 6.00% | 4 | \$1,080,778 | (\$86,462) | (\$84,962) | \$909,354 | \$54,561 |
| 6.00% | 5 | \$1,091,586 | (\$87,327) | (\$90,060) | \$914,199 | \$54,852 |
| 6.00% | 6 | \$1,113,418 | (\$89,073) | (\$92,762) | \$931,583 | \$55,895 |
| 6.00% | 7 | \$1,135,686 | (\$90,855) | (\$95,545) | \$949,286 | \$56,957 |
| 6.00% | 8 | \$1,158,400 | (\$92,672) | (\$98,411) | \$967,317 | \$58,039 |
| 6.00% | 9 | \$1,181,568 | (\$94,525) | (\$101,363) | \$985,680 | \$59,141 |
| 6.00% | 10 | \$1,205,199 | (\$96,416) | (\$104,404) | \$1,004,379 | \$60,263 |
| 6.00% | 11 | \$1,229,303 | (\$98,344) | (\$107,536) | \$1,023,423 | \$61,405 |
| 6.00% | 12 | \$1,253,889 | (\$100,311) | (\$110,763) | \$1,042,815 | \$62,569 |
| 6.00% | 13 | \$1,278,967 | (\$102,317) | (\$114,085) | \$1,062,565 | \$63,754 |
| 6.00% | 14 | \$1,304,546 | (\$104,364) | (\$117,508) | \$1,082,674 | \$64,960 |
| 6.00% | 15 | \$1,330,637 | (\$106,451) | (\$121,033) | \$1,103,153 | \$66,189 |
| 6.00% | 16 | \$1,357,250 | (\$108,580) | (\$124,664) | \$1,124,006 | \$67,440 |
| 6.00% | 17 | \$1,384,395 | (\$110,752) | (\$128,404) | \$1,145,239 | \$68,714 |
| 6.00% | 18 | \$1,412,083 | (\$112,967) | (\$132,256) | \$1,166,860 | \$70,012 |
| 6.00% | 19 | \$1,440,325 | (\$115,226) | (\$136,224) | \$1,188,875 | \$71,333 |
| 6.00% | 20 | \$1,469,132 | (\$117,531) | (\$140,311) | \$1,211,290 | \$72,677 |
| 6.00% | 21 | \$1,498,515 | (\$119,881) | (\$144,520) | \$1,234,114 | \$74,047 |
| 6.00% | 22 | \$1,528,485 | (\$122,279) | (\$148,856) | \$1,257,350 | \$75,441 |
| 6.00% | 23 | \$1,559,055 | (\$124,724) | (\$153,321) | \$1,281,010 | \$76,861 |
| 6.00% | 24 | \$1,590,236 | (\$127,219) | (\$157,921) | \$1,305,096 | \$78,306 |
| 6.00% | 25 | \$1,622,041 | (\$129,763) | (\$162,658) | \$1,329,620 | \$79,777 |
| 6.00% | 26 | \$1,654,482 | (\$132,359) | (\$167,538) | \$1,354,585 | \$81,275 |
| 6.00% | 27 | \$1,687,572 | (\$135,006) | (\$172,564) | \$1,380,002 | \$82,800 |
| 6.00% | 28 | \$1,721,323 | (\$137,706) | (\$177,741) | \$1,405,876 | \$84,353 |
| 6.00% | 29 | \$1,755,749 | (\$140,460) | (\$183,074) | \$1,432,215 | \$85,933 |
| 6.00% | 30 | \$1,790,864 | (\$143,269) | (\$188,566) | \$1,459,029 | \$87,542 |
| 6.00% | 31 | \$1,826,681 | (\$146,134) | (\$194,223) | \$1,486,324 | \$89,179 |
| 6.00% | 32 | \$1,863,215 | (\$149,057) | (\$200,049) | \$1,514,109 | \$90,847 |
| 6.00% | 33 | \$1,900,479 | (\$152,038) | (\$206,051) | \$1,542,390 | \$92,543 |
| 6.00% | 34 | \$1,938,489 | (\$155,079) | (\$212,232) | \$1,571,178 | \$94,271 |
| 6.00% | 35 | \$1,977,259 | (\$158,181) | (\$218,599) | \$1,600,479 | \$96,029 |

TOTAL ESIMATED PILOT PAID DURING MORTGAGE TERM

\$2,499,794

**HEARTHSIDE APARTMENTS
GRADUATED 4-7% PILOT ANALYSIS**

| PILOT % | YEAR | RENT POTENTIAL | VACANCY LOSS | SITE PAID UTILITIES | NET SHELTERED RENTS | ESTIMATED PILOT PAYMENT |
|----------------|-------------|-----------------------|---------------------|----------------------------|----------------------------|--------------------------------|
| 4.00% | 1 | \$1,048,992 | (\$83,919) | (\$71,336) | \$893,737 | \$35,749 |
| 4.00% | 2 | \$1,059,482 | (\$84,759) | (\$75,616) | \$899,107 | \$35,964 |
| 4.00% | 3 | \$1,070,077 | (\$85,606) | (\$80,153) | \$904,318 | \$36,173 |
| 4.00% | 4 | \$1,080,778 | (\$86,462) | (\$84,962) | \$909,354 | \$36,374 |
| 4.00% | 5 | \$1,091,586 | (\$87,327) | (\$90,060) | \$914,199 | \$36,568 |
| 4.00% | 6 | \$1,113,418 | (\$89,073) | (\$92,762) | \$931,583 | \$37,263 |
| 4.00% | 7 | \$1,135,686 | (\$90,855) | (\$95,545) | \$949,286 | \$37,971 |
| 4.00% | 8 | \$1,158,400 | (\$92,672) | (\$98,411) | \$967,317 | \$38,693 |
| 4.00% | 9 | \$1,181,568 | (\$94,525) | (\$101,363) | \$985,680 | \$39,427 |
| 4.00% | 10 | \$1,205,199 | (\$96,416) | (\$104,404) | \$1,004,379 | \$40,175 |
| 4.50% | 11 | \$1,229,303 | (\$98,344) | (\$107,536) | \$1,023,423 | \$46,054 |
| 5.00% | 12 | \$1,253,889 | (\$100,311) | (\$110,763) | \$1,042,815 | \$52,141 |
| 5.50% | 13 | \$1,278,967 | (\$102,317) | (\$114,085) | \$1,062,565 | \$58,441 |
| 6.00% | 14 | \$1,304,546 | (\$104,364) | (\$117,508) | \$1,082,674 | \$64,960 |
| 6.50% | 15 | \$1,330,637 | (\$106,451) | (\$121,033) | \$1,103,153 | \$71,705 |
| 7.00% | 16 | \$1,357,250 | (\$108,580) | (\$124,664) | \$1,124,006 | \$78,680 |
| 7.00% | 17 | \$1,384,395 | (\$110,752) | (\$128,404) | \$1,145,239 | \$80,167 |
| 7.00% | 18 | \$1,412,083 | (\$112,967) | (\$132,256) | \$1,166,860 | \$81,680 |
| 7.00% | 19 | \$1,440,325 | (\$115,226) | (\$136,224) | \$1,188,875 | \$83,221 |
| 7.00% | 20 | \$1,469,132 | (\$117,531) | (\$140,311) | \$1,211,290 | \$84,790 |
| 7.00% | 21 | \$1,498,515 | (\$119,881) | (\$144,520) | \$1,234,114 | \$86,388 |
| 7.00% | 22 | \$1,528,485 | (\$122,279) | (\$148,856) | \$1,257,350 | \$88,015 |
| 7.00% | 23 | \$1,559,055 | (\$124,724) | (\$153,321) | \$1,281,010 | \$89,671 |
| 7.00% | 24 | \$1,590,236 | (\$127,219) | (\$157,921) | \$1,305,096 | \$91,357 |
| 7.00% | 25 | \$1,622,041 | (\$129,763) | (\$162,658) | \$1,329,620 | \$93,073 |
| 7.00% | 26 | \$1,654,482 | (\$132,359) | (\$167,538) | \$1,354,585 | \$94,821 |
| 7.00% | 27 | \$1,687,572 | (\$135,006) | (\$172,564) | \$1,380,002 | \$96,600 |
| 7.00% | 28 | \$1,721,323 | (\$137,706) | (\$177,741) | \$1,405,876 | \$98,411 |
| 7.00% | 29 | \$1,755,749 | (\$140,460) | (\$183,074) | \$1,432,215 | \$100,255 |
| 7.00% | 30 | \$1,790,864 | (\$143,269) | (\$188,566) | \$1,459,029 | \$102,132 |
| 7.00% | 31 | \$1,826,681 | (\$146,134) | (\$194,223) | \$1,486,324 | \$104,043 |
| 7.00% | 32 | \$1,863,215 | (\$149,057) | (\$200,049) | \$1,514,109 | \$105,988 |
| 7.00% | 33 | \$1,900,479 | (\$152,038) | (\$206,051) | \$1,542,390 | \$107,967 |
| 7.00% | 34 | \$1,938,489 | (\$155,079) | (\$212,232) | \$1,571,178 | \$109,982 |
| 7.00% | 35 | \$1,977,259 | (\$158,181) | (\$218,599) | \$1,600,479 | \$112,034 |

TOTAL ESTIMATED PILOT PAID DURING MORTGAGE TERM

\$2,556,933

**TAX BENEFITS FOR LOW AND MODERATE INCOME HOUSING
FINANCED WITH AN AUTHORITY-AIDED MORTGAGE¹**

I. THE BENEFIT

Section 15a(l) of the Michigan State Housing Development Authority Act (P.A. of 1966, Act No. 346, as amended, the “Act”) provides that:

“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 any political subdivision, public body, or taxing district in which the project is located...”

The exemption is subject to conditions and requirements which are explained below.

II. THE CONDITIONS

A. Notification to Local Assessor

Section 15a (l) further states in part that:

“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 affidavit form as provided by the Authority. The completed affidavit form first shall be submitted to the Authority for the 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.”

1. Notification to be Certified and Filed at Mortgage Loan Closing

The Notification, as a rule, cannot be certified by the Authority until the first

¹

The benefits of Section 15a apply as well to housing projects financed by mortgages receiving aid under various federal programs. As the procedures for initiating and continuing the exemption differ, they are detailed in a separate article entitled “Tax Benefits for Low and Moderate Income Housing Financed with a Federally-Aided Mortgage” available upon request by writing to the Michigan State Housing Development Authority, Office of Legal Affairs, 735 E. Michigan Avenue, Lansing, Michigan 48912 or by calling the Office of Legal Affairs at (517) 373-8295.

disbursement of funds occurs in connection with a mortgage loan made by the Authority, as until that point, there is no “housing project” as defined by the Act. The Notification for a specific project, therefore, will be executed and certified when the Authority’s loan documents are signed, and will then be forwarded by the Authority to the local assessor. If it is filed before November 1 (i.e. on or before October 31), it will be effective with respect to property taxes levied the following year. While not provided for in the Act, a local assessor may choose to waive the November 1 deadline in cases where the Notification is filed later, but has no obligation to do so. A Notification filed on or after November 1 will not be effective until the year after the following year.

2. Notification Filed Once

Once filed, the Notification is sufficient, barring unusual circumstances, to indicate and maintain the exemption throughout the life of the Authority’s mortgage loan.

2. **Payment in Lieu of Taxes**

Section 15a(2) of the Act provides that:

“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...”

This service charge is commonly referred to as a “payment in lieu of taxes,” or “PILOT”.

1. New Construction/Rehabilitation

For newly constructed projects, Section 15a(2) provides that the service charge will be the greater of a) the tax on the property on which the project is located for the tax year before the date that construction was commenced, or b) 10% of the annual shelter rents obtained from the project. For existing projects that have been rehabilitated, the service charge is the lesser of these amounts.

2. Projects Receiving Section 8 Assistance

Section 15a(2) was enacted when the 236 (Interest Reduction) program was the prevailing vehicle for federal housing subsidies. Under that program, the tenant paid the rent as reduced by the subsidy of mortgage loan interest charges. “Annual shelter rent” by definition is based on the amount actually collected from the tenant (See Section 11m of the Act).

The 236 program was replaced by a program of housing assistance payments established by Section 8 of the U.S. Housing Act of 1934 (as amended by the Housing and Community Development Act of 1974). Under the Section 8 program, tenants pay a maximum of 30% of their income towards the rent, and the federal subsidy contributes the remainder on behalf of the tenant. Because the differences between the Section 236 and Section 8 programs are substantial, it is not possible to calculate the service charge for Section 8 projects as a percentage of the shelter rents. It has been determined that 4% of a project’s Section 8 contract rents (equal to the tenant’s contributions plus the federal subsidy, less utility charges) approximates 10% of Section 236 annual shelter rents in comparable developments. The equality of these formulas has been confirmed by the State Tax Commission.

A municipality may substitute the 4% of contract rents for the 10% of annual shelter rents formula by duly adopted ordinance, as permitted in Section 15a. A more detailed explanation of local options follows.

3. **Municipal Ordinances**

Until a municipality enacts its own tax abatement ordinance, the provisions of Section 15a are effective with respect to an eligible project constructed or rehabilitated in that municipality. The provisions of 15a may be altered or even withdrawn by local ordinance.

1. To Change the Service Charge

Section 15a(2) provides that:

“...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.”

A municipality may by ordinance vary the formula for imposing a service charge from a percentage of rents to any other formula, or to a specified fixed dollar amount, or to a nominal sum.

Section 15a(2) provides that such an ordinance must, however, apply to all exempt projects or an entire class of exempt projects (e.g., housing for the elderly, families, or handicapped), not an individual project. The classification may make any reasonable distinction regarding handicapped, etc., but must, according to an opinion of the Attorney General, treat similarly subsidized Authority-aided and Federally-aided mortgages equally.

2. To Change the Duration

The exemption granted by Section 15a remains in effect for the life of the Authority's mortgage loan, but not to exceed 50 years. Section 15a(3) permits a municipality to: “establish by ordinance a different period of time for the exemption to remain in effect.”

3. To Remove Classes of Housing Projects from the Benefit of the Act

The Act, in Section 15a(5) also permits a municipality to provide by ordinance that any class of housing projects within its boundaries cannot receive property tax benefits under the Act. (This, as well as other local ordinance powers, may be waived - see discussion below on Ordinance Granting Tax Exemption.) The ordinance may apply to future housing projects only, or to housing projects for which exemption has already been granted, but once the exemption has been granted, the ordinance will not be effective until December 31 of the year in which it was adopted.

An ordinance adopted pursuant to this subsection may be repealed as of any date.

4. Ordinance Granting Tax Exemption

The financial feasibility of Authority-financed projects is often contingent on the assurance of continuing tax benefits for the life of the mortgage loan. Up until the time a project is actually constructed, a municipality with no local tax abatement ordinance has the option to modify or withdraw the benefits created by the Act.

Therefore, as a condition of a mortgage loan from the Authority, the appropriate municipality must enact an ordinance which in effect waives its right to revoke or modify the tax benefits for the class of housing projects to which the project belongs once those tax benefits have been granted. This ordinance may also be used to change the statutory service charge (10% of annual shelter rents), or otherwise modify the statutory formula.

Authority staff will advise sponsors of projects in the process of applying for a mortgage loan regarding the service charge limitations necessary to maintain project feasibility and will provide a copy of a Model Ordinance to be used.

The Model Ordinance has been designed to:

1. Create a class of housing to which it shall apply. The named development, of course, must be a member of that class;
2. Exempt the class from all property taxes;
3. Set the service charge or payment in lieu of taxes; and
4. Contain the agreement of the municipality to continue the exemption at the stated service charge for the period of time specified in the ordinance.

The Model Ordinance also refers to the municipality's agreement to accept the service charge in lieu of taxes, in consideration (among other things) of the sponsor's offer, subject to receipt

of a mortgage loan from the Authority, to construct, own and operate the project. This language is intended to protect the sponsor, and it is intended that the sponsor make such an offer to the municipality in writing.

Assuming that there are no unusual circumstances, the Authority's ordinance requirement will be satisfied upon submission of all of the following:

1. Ordinance. A **certified copy** of the ordinance as adopted, which must be satisfactory to the Authority in form and content. The certification must be dated within 30 days of initial closing. The Authority's model ordinance exemplifies what is satisfactory; if the municipality wants to vary the model, it is advisable to submit a copy of the proposed ordinance to the Authority for review prior to adoption to ensure that the modification will be acceptable.
2. City Charter. A copy of the City Charter accompanied by a letter of certification from a municipal official stating that it is current. If the charter is too voluminous, submission of sections relating to the municipality's power to enact the ordinance, including the power to enter into contracts, should be submitted, in which case the letter of certification should also state that the particular sections and no others apply.
3. Opinion of Mortgagor's Attorney. The opinion submitted by the mortgagor's attorney at the closing of the Authority's mortgage loan must contain the following with respect to the ordinance.
 - a. Based on an examination of the City Charter, the Tax Abatement Ordinance and the Resolution [of the municipality], the terms of the Tax Abatement Ordinance and the Resolution are in accord with the provisions of the Charter, which provisions do not conflict with, modify, limit or invalidate the Tax Abatement Ordinance or

Resolution or any part thereof.

- b. To the best of our knowledge, the Tax Abatement Ordinance was enacted and the Resolution adopted in accordance with all procedural requirements set forth in the Charter.
- c. We have verified that the Tax Abatement Ordinance and the Resolution remain[s] effective as of _____ and to the best of our knowledge, there is no action pending or threatened which would render the Tax Abatement Ordinance or Resolution invalid or ineffective by revocation, litigation, referendum, or any other means.
- d. The applicable referendum period has expired.

125.1412 Liberal construction.

Sec. 12. This act, being necessary for and to secure the public health, safety, convenience, and welfare of the citizens of the state, shall be liberally construed to effect its public purposes.

History: Add. 1987, Act 180, Imd. Eff. Nov. 25, 1987.

125.1415 Repealed. 1968, Act 334, Imd. Eff. July 14, 1968.

Compiler's note: The repealed section pertained to nonprofit housing corporation tax exemption and payments in lieu of taxes.

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.

Tax-Exempt & Taxable Lending Parameters

which projects receive subordinate financing and in which order they will be awarded those resources.

In order to receive a Priority Designation, all projects must meet the underwriting and threshold requirements mentioned in the previous section.

PRIORTIZATION – Projects that meet all mandatory threshold requirements are prioritized as follows:

PRIORITY ONE – MSHDA targets its available soft funding sources first for development proposals meeting the requirements under Priority One. These projects are required to have:

- a. Hard Equity Commitment as defined in Section XI-C of the 2009 Qualified Allocation Plan (QAP)
- b. A Payment in Lieu of Taxes (PILOT) of 6% or less based on the shelter rents/contract rents (including any service fees), or equivalent investment to achieve a 6% PILOT rate, over and above the leveraged requirement.
- c. At least one of the following:
 - i. Section 8 and 236 Preservation Transactions (minimum five-year term remaining)
 - ii. Majority of development with Project Based Rental subsidy (minimum five-year term remaining)
 - iii. NSP eligible
 - iv. Leveraged Funds – Lesser of 15% of the TDC or 50% of the Authority's soft-money investment* (if no Authority soft funds are needed, no leverage required)
- d. And at least two of the following:
 - i. Evidence of community support/non-development related private sector investment**
 - ii. Minimum of 15% of units targeted for Permanent Supportive Housing (elderly developments excluded)
 - iii. Projects which were in the Authority's Direct Lending pipeline prior to May 1, 2009
 - iv. A minimum of 10% more than the leverage criteria

PRIORITY TWO – Any remaining soft funding sources will then be targeted to proposals meeting the requirements under Priority Two. However, a higher priority project that comes in later than a lower priority project will move ahead of the lower priority project. These projects are required to have:

- a. Hard Equity Commitment as defined in Section XI-C of the 2009 Qualified Allocation Plan (QAP)
- b. PILOT greater than 6% but less than or equal to 10% based on the shelter rents/contract rents (including any service fees), or equivalent investment to achieve a 10% or less PILOT rate, over and above the leveraged requirement.
- c. At least one of the following:
 - i. Preservation Transactions



STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

LANSING

JENNIFER M. GRANHOLM
GOVERNOR

GARY HEIDEL
INTERIM EXECUTIVE DIRECTOR

August 26, 2010

RECEIVED

AUG 31 2010

**CITY MANAGER'S OFFICE
PORTAGE, MI**

Maurice S. Evans, City Manager
City of Portage - City Hall
7900 S. Westnedge Ave
Portage, MI 49002

Dear Mr. Evans:

The Tax Reform Act of 1986 established the Low Income Housing Tax Credit Program to assist owners and developers in the provision of rental housing for low-income households. The tax credit program provides a reduction in the federal tax liability for individuals and corporate investors in low-income rental housing for a ten-year period. In return, the owner must set aside a minimum of either 20% of the units in a project for families with incomes of 50% or less of the area median income, or 40% of the units for families with incomes of 60% or less of the area median income, as determined by the Department of Housing and Urban Development.

The purpose of this letter is to inform you that the Michigan State Housing Development Authority (MSHDA), the tax credit allocating agency for the State of Michigan, has issued a Reservation for Low Income Housing Tax Credits to Portage Hearthside LDHA LP, (contact person: Marvin D. Veltkamp) the developer of **Hearthside Apartments**, located at 7566 Currier Drive in Portage, Michigan.

If you would like to comment on the proposed project, please do so in writing within the next two weeks. If you have any questions regarding the project or the Low Income Housing Tax Credit Program, please contact LIHTC staff at (517) 373-6007.

Sincerely,

Norman L. Harrod
Allocations Manager
Low Income Housing Tax Credit Program



735 EAST MICHIGAN AVENUE • P.O. BOX 30044 • LANSING, MICHIGAN 48909
WWW.MICHIGAN.GOV/MSHDA • (517) 373-8370 • FAX (517) 335-4797 • TTY (800) 382-4568

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ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF PORTAGE, MICHIGAN BY AMENDING ARTICLE 2 OF CHAPTER 70, TAXATION, TO ADD DIVISION 8, HEARTHSTONE I & II APARTMENTS PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES AND TO REPEAL DIVISIONS 2 AND 3 OF ARTICLE 2.

THE CITY OF PORTAGE ORDAINS:

That Article 2 of Chapter 70, Taxation, is hereby amended to add Division 8, Hearthstone I & II Apartments:

DIVISION 8. HEARTHSTONE I & II APARTMENTS

Section 70-231. Preamble and intent.

A. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing by providing a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act (1966 PA 346 as amended). The City of Portage 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 the Act.

B. The City of Portage acknowledges that Portage Hearthstone Limited Divided Housing Association Limited Partnership (the "Sponsor") has offered, subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, to rehabilitate, own and operate a housing development identified as Hearthstone I & II Apartments on certain property located in the City of Portage to serve persons of low income and that the Sponsor has offered to pay the City on account of this housing development an annual service charge for public services in lieu of all taxes.

Section 70-232. Definitions.

The following words, terms and phrases, when used in this Division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. *Act* means the State Housing Development Authority Act (MCL 125.1401 et seq.).
- B. *Annual shelter rent* means the total collections during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electric, heat or other utilities furnished to the occupants.
- C. *Authority* means the Michigan State Housing Development Authority.
- D. *Housing development* means a development which contains a significant element of housing for persons of low or moderate income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the Authority determines to improve the quality of the development as it relates to housing for persons of low or moderate income.
- E. *Low income persons and/or families* shall have the same meaning as contained in the Act.

- F. *Mortgage Loan* means any loan to be made by the Authority to the Sponsor for the construction and/or permanent financing of a housing development.
- G. *Senior Citizen* means those persons exempted under section 501(1)(c) of Public Act No. 453 of 1976 (MCL 37.2503(1)(c), MSA 3.548(503), (1)(c)) whose income does not exceed 60 percent of the county area median income, adjusted for family size.
- H. *Sponsor* means persons who have applied to the Authority for a Mortgage Loan to finance a housing development. The term "Sponsor" includes all transferees, successors, assigns and heirs.

Section 70-233. Exemption of senior citizen housing developments.

It is hereby determined that the class of housing developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes under this Division shall be senior citizen housing developments which are financed or assisted pursuant to the act (MCL 125.1401 et seq.). It is further determined that the housing development known as Hearthside I & II Apartments is of this class.

Section 70-234. Amount of service charge on part of development occupied by senior citizens.

The housing development identified as The Hearthside I & II Apartments and the property on which it shall be located shall be exempt from all property taxes from and after the issuance of a certificate of occupancy for rehabilitation. The city, acknowledging that the Sponsor and the Authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this Division and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established in this Division, and in consideration of the Authority's offer to the Sponsor to make a Mortgage Loan to finance the Sponsor's rehabilitation of the housing development, subject to the satisfaction of all the terms and conditions of its loan commitment to the Sponsor, hereby agrees to accept payment of a service charge for public services in lieu of all property taxes from the Sponsor. The annual service charge shall be six (6%) percent of the annual shelter rents on that part of the housing development which is occupied by senior citizens collected by the Sponsor for 15 years of operation after the issuance of a certificate of compliance, but in any event not less than \$53,624.00. Thereafter, for the 16th through the 35th year, the annual service charge shall be reviewed, and if the Mortgage Loan from the Authority is still in effect, the annual service charge and minimum payment stated in this section shall not change.

Section 70-235. Amount of service charge on part of development occupied by other than senior citizens.

Notwithstanding section 70-234, the service charge to be paid each year in lieu of taxes for that part of the housing development which is tax exempt and which is occupied by other than senior citizens shall be equal to the full amount of the taxes which would be paid on that portion of the housing development if the housing development were not tax exempt.

Section 70-236. Payment of service charge.

The service charge in lieu of taxes, as determined according to this Division, shall be payable, enforceable and, if not paid timely, collectible in the same manner as general property taxes are payable to the city, except that the annual payment shall be made as follows:

- (1) The minimum payment of \$53,624.00 is due on or before December 31 of each year.
- (2) All additional amounts owing from the December 31st payment of the previous year, as determined to be owing based on an audit, is due on or before by July 1 of each year.

Section 70-237. Verification of annual shelter rent.

The Sponsor shall verify annual shelter rent revenues to the city with a statement of profit and loss as reported to the State Housing Development Authority or other form of financial deemed suitable by the city.

Section 70-238. Effective period of Division.

This Division shall:

- (1) Become effective only after Sponsor receives and closes a Mortgage Loan, and
- (2) Shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid or the Michigan State Housing Development Authority has any interest in the property, provided that rehabilitation of the housing development commences within one year from the effective date of the ordinance codified in this Division. Upon satisfaction in full of the Authority Mortgage Loan, this Division shall automatically terminate.

Section 70-239. Contractual effect of Division.

Notwithstanding the provisions of Section 15(a)(5) of the act (MCL 125.1415a(5), to the contrary, a contract between the city and the State Housing Development Authority with the Sponsor as third party beneficiary under the contract to provide tax exemption and accept payments in lieu of taxes, as described in this Division is effectuated by enactment of this Division.

Section 70-240. Severability.

The various sections and provisions of this Division shall be deemed to be severable, and should any section or provision of this Division be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Division as a whole or any section or provision of this Division other than the section or provision so declared to be unconstitutional or invalid.

Section 70-241. Repealer of Division 2 and 3 of Article 2, Chapter 70.

Sections 70-51 through 70-57 of Article 2, Chapter 70 (Hearthside Manor) and Sections 70-81 through 70-88 of Article 2, Chapter 70, (Hearthside II) shall be repealed in their entirety on the effective date (as provided in Section 70-238 (1)) of this Amendment.

Peter J. Strazdas, Mayor

FIRST READING: _____
SECOND READING: _____
ORDINANCE #: _____

EFFECTIVE DATE:

CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing ordinance was adopted by the City of Portage on the ___day of _____, 2010.

James R. Hudson, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
City Attorney
1662 East Centre Avenue
Portage, MI 49002

Approved as to Form:

Date: 9/15/2010

RLB

City Attorney

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 13, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Bolingbrook Drive Island Agreement

ACTION RECOMMENDED: That City Council approve the revised Bolingbrook Drive Island Agreement to permit the installation of a sign in the public right-of-way that identifies the Romence Ridge single-family residential plat and authorize the City Manager to execute the Agreement.

The accompanying correspondence has been received from Mr. Dan Connelly, President of the Romence Ridge Homeowners Association, requesting to amend the previously approved Bolingbrook Drive Island Agreement to allow the permanent installation of a sign to identify the Romence Ridge sign-family residential plat. The original Bolingbrook Drive Island Agreement was approved by the City Council in March 2000 and permitted installation of the median island and landscaping in the public right-of-way, but did not include installation of a permanent sign, which is now requested. The non-illuminated sign will be approximately 21 square feet in area, five feet in height and mounted on four-by-four posts. The existing landscaping located within the median island will remain.

Section 42-545.C of the Zoning Code allows placement of a residential subdivision sign in the public right-of-way within R-1A through R-1E one-family zones subject to several conditions. One of the conditions requires "compensation to the city for continued use of the property." The City Council Property Committee met prior to approval of the 2009 Steeplechase Homeowners Association request to install a similar sign in the Equestrian Drive public street right-of-way and concluded that the \$1 offered by that association was acceptable. The Romence Ridge Homeowners Association is also offering \$1 as compensation. If the sign and landscaping improvements are not properly maintained by the association, there are provisions in the agreement and by-laws that allow the City of Portage to tax or place liens on the property owners for these purposes, should this action be necessary.

Attached is a copy of the Bolingbrook Drive Island Agreement that has been prepared and approved by the City Attorney. The Administration recommends that the agreement be approved as requested by this association.

Attachment: Correspondence from Romence Ridge Homeowners Association
Bolingbrook Drive Island Agreement

Dear Council Members,

Attached you will find an updated of our Bolingbrook drive island agreement, a detailed drawing of our island and the site of the sign, and a drawing and description of the replacement sign. Our island is set back twenty five feet from Romence road on Bolingbrook Dr. The site of our replacement will not obscure the vision of motorist turning from Bolingbrook onto Romence road.

Thank you

A handwritten signature in black ink, appearing to read "Dan Connelly", written in a cursive style.

Dan Connelly, President Romance Ridge Homeowners Association.

BOLINGBROOK DRIVE ISLAND AGREEMENT

This Agreement is made _____, 2010 between the City of Portage, a Michigan Municipal corporation ("City"), whose address is 7900 South Westnedge Avenue, Portage, MI 49024 and the Romence Ridge Homeowners Association, a Michigan non-profit corporation ("Association") whose address is 7190 Windhaven Court, Portage, Michigan 49024.

1. **Recitals** The Association was formed for the purpose of, among other things, owning and maintaining a sign and landscaping, ("Bolingbrook Drive Island Improvements") located at the entrance to the Romence Ridge plat, whose owners are members of the Association, at the intersection of Bolingbrook Drive and Romence Road. Permanent Bolingbrook Drive Island Improvements may be permitted on City-owned property or right of way if there is an agreement between the City and the proprietor of the Bolingbrook Drive Island Improvements pertaining to its construction and maintenance.
2. **Consideration** The Association has paid the City the sum of \$1 for use of the City property where the Bolingbrook Drive Island Improvements are located. The City agrees that such amount shall be accepted as the compensation required under the City Ordinance for use of the property.
3. **Drive Island Improvements** The Bolingbrook Drive Island Improvements shall be of the size, height, appearance and location as shown on "Attachment 1."
4. **Maintenance and Repair** The Association shall be fully responsible for the maintenance and repair of the Bolingbrook Drive Island Improvements. If the Association shall not, within thirty (30) days notice from the City, make repairs to or remove the Bolingbrook Drive Island Improvements, the City shall be entitled to do so and tax the cost to the Association which, if not paid upon demand, shall become a lien on the property of each Association member. In the alternative, the City may remove some or all of the Bolingbrook Drive Island Improvements and tax the cost to the Association, which, if not paid upon demand shall become a lien on the property of each Association member. Any such lien shall accrue interest at the rate of one percent (1%) per month. In the event that, for any reason, the Association shall be dissolved, those who are members of the Association upon dissolution shall remain liable for the maintenance and repair of the Bolingbrook Drive Island Improvements.
5. **Indemnity** The Association shall defend, indemnify and hold the City harmless from any and all liability as a result of personal property damage or personal injury resulting from the Bolingbrook Drive Island Improvements and shall provide evidence of insurance naming the City as an additional named insured in an amount which reasonably protects the City. In the event that any such insurance shall not be maintained, the City shall have the right to remove some or all Bolingbrook Drive Island Improvements and

84"



sign materials - 3/4" High density Urethane with 1/2" MDO backer board. Mount on 4 by 4's on each side. Mount on back of sign with L brackets.

No yearly maintenance required.

Designs Property of:



269-329-3229

Romence Road

25'

Site of Sign to be Replaced

2'

4'

20'

25'

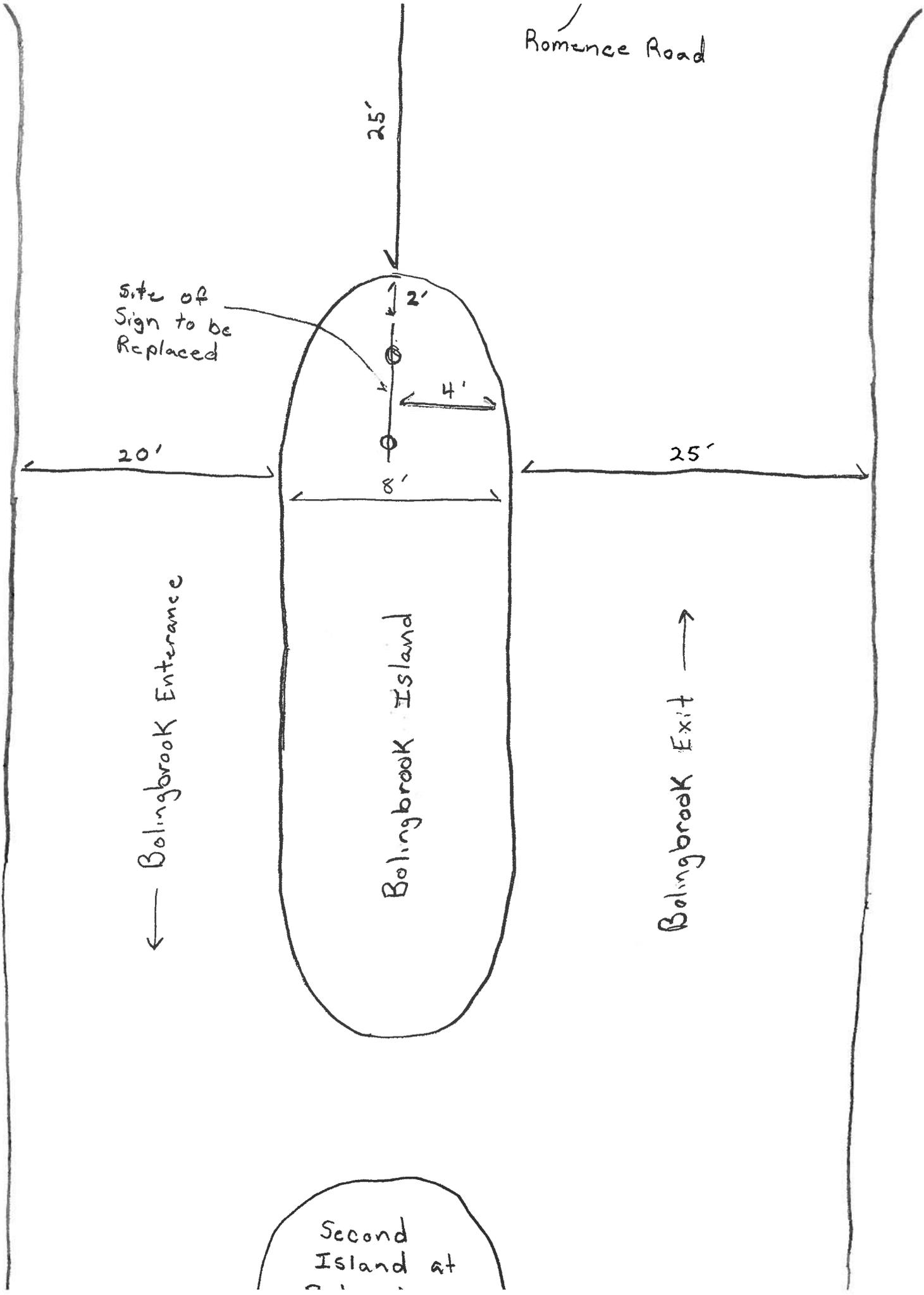
8'

← Bolingbrook Entrance

Bolingbrook Island

Bolingbrook Exit →

Second Island at



CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 13, 2010

FROM: James R. Hudson, City Clerk

SUBJECT: Closed Session



ACTION RECOMMENDED: That the City Council hold a closed session immediately following the Regular City Council Meeting of September 21, 2010, to discuss an attorney/client communication.

City Council received an opinion from Assistant City Attorney Charlie Bear via Materials Transmitted of September 17, 2010, regarding an appeal under the Freedom of Information Act. It is recommended that City Council meet in closed session to discuss the communication.

c Maurice S. Evans, City Manager

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 10, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Analysis of Zoning Consistency (FY 2009-2010 Update) – Information Only

The City Administration annually reviews Zoning Map amendments that have been considered by the City Administration and the Planning Commission to assess the consistency of the recommendations with City Council decisions. The consistency of these recommendations and decisions in the context of the adopted Comprehensive Plan is also reviewed.

During FY 2009-2010, two applications were reviewed under the 2008 Comprehensive Plan, which was adopted by the Planning Commission on April 24, 2008. Rezoning Application #09-01 involved several properties that comprise the Greenspire Planned Development located near West Centre Avenue and Greenspire Drive and Rezoning Application #09-02 involved several properties addressed as 9804, 9810 (east portion), 9818, 9832 and 9842 Oakland Drive and 2180-2408 Oakland Farms Trail (all lots).

The Comprehensive Plan is a guide for future development within the community and was considered during the deliberation of these rezoning applications. The recommendations by the City Administration and the Planning Commission, and the final decisions by City Council on Rezoning Applications #09-01 and #09-02, which were approved during the past fiscal year, continue to reflect conformity with the Comprehensive Plan and a high level of consistency.

Attached is a complete list of the 38 zoning applications considered between October 2002 extending to June 2010, the end of the last fiscal year as information for City Council.

Attachment: September 10, 2010 communication from Community Development Director Erickson
Updated Zoning Amendment Listing (October 2002 – present)

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager

DATE: September 10, 2010

FROM: Jeffrey M. Erickson, Director of Community Development

SUBJECT: Analysis of Zoning Consistency (FY 2009-2010 Update)

Attached for your review is the annually updated Zoning Amendment Listing of rezoning applications. The updated listing includes the two rezonings considered during FY 2009-2010. Thirty-eight (38) rezoning applications have been received and considered since 2002 when the Comprehensive Plan was formally updated. A five-year Plan update was completed by the Planning Commission in April 2008.

The Comprehensive Plan serves as a policy guide to decision makers to manage growth and promote a more effective pattern of development, enhancing the quality of life in Portage. The Comprehensive Plan is long-range in scope and the Future Land Use Plan Map, one component of the Comprehensive Plan, prescribes the general land use arrangements and patterns. The Planning Commission is charged with the responsibility of planning and making recommendations for the ultimate development of the community.

As background, the first City of Portage Comprehensive Plan was adopted by the Planning Commission on July 16, 1981. Formal updates to the original Comprehensive Plan were approved on August 15, 1996 and again on October 17, 2002. The Municipal Planning Act (PA 33 of 2008, as amended), requires that the Comprehensive Plan be reviewed every five years. The Planning Commission completed a five-year update, which incorporated citizen comments received during the Portage 2025 Visioning project, and adopted the Plan update on April 24, 2008.

The Zoning Code and Zoning Districts Map represent one of the several "tools" used to implement the Comprehensive Plan. With regard to zoning issues and rezoning applications that are reviewed, the Comprehensive Plan and Future Land Use Plan Map are utilized in the development of recommendations on each rezoning that is received. Examples of other "tools" used to accomplish Plan goals and objectives are land development regulations, the capital improvements program and a variety of other municipal ordinances intended to achieve attractive and logical development.

The accompanying Listing shows each rezoning application that has been considered since adoption of the 2002 Comprehensive Plan including Rezoning Applications #09-01 and #09-02, which were received during the past fiscal year. The listing also indicates the Comprehensive Plan designation for the property involved in the rezoning, the staff recommendation, the Planning Commission recommendation to City Council, and the final decision of the City Council. A high degree of consistency is again indicated between the recommendations and decisions of the Administration, Commission, Council and the Comprehensive Plan.

Please let me know if you have any questions or need additional information.

Attachment: Updated Zoning Amendment Listing

Zoning Amendment Listing (October 2002 – present)

| <u>APPLICATION NUMBER</u> | <u>LOCATION</u> | <u>REZONING REQUEST</u> | <u>COMPREHENSIVE PLAN DESIGNATION</u> | <u>STAFF RECOMMENDATION</u> | <u>PLANNING COMMISSION RECOMMENDATION</u> | <u>CITY COUNCIL</u> | <u>NOTES</u> |
|---------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. 02-01 | 8250, 8332, 8336, 8338, 8340, 8400 and 8442 Shaver Road | From RM-1, Multiple Family Residential and I-1, Light Industry to B-3, General Business | Shaver Road Business Corridor | Approve (CPD) | Approve (CPD) | Approve (CPD) | Citizen group referendum vote failed and City Council rezoning affirmed. |
| 2. 02-02 | 10441 Shaver Road | B-3, General Business to RM-1, Multiple Family Residential | Area of Transition Between Local Business and High Density Residential | | | | Applicant withdrew application prior to Planning Commission action |
| 3. 02-03 | 6305, 6317, 6327, 6415 and 6421 South 12 th Street | R-1T, Attached Residential to R-1B, One-Family Residential | Low Density Residential | Approve | | | Staff initiated rezoning. Planning Commission voted to withdraw the application prior to City Council action. |
| 4. 02-04 | 6439 and 6507 Oakland Drive | R-1B, One-Family Residential to PD, Planned Development | Medium Density Residential | Approve | Approve | Approve | |
| 5. 02-05 | 2411 Fairfield Road | R-1B, One-Family Residential to P-1, Vehicular Parking | Area of Transition Between General Business and Low Density Residential | Approve | Approve | Deny | City Council denied rezoning request citing concerns over potential impacts on adjacent neighborhood. |
| 6. 02-06 | 10126 Shaver Road | R-1B, One-Family Residential to B-3, General Business | Area of Transition Between General Business and Low Density Residential | Approve (exception of 40-foot wide strip of property along south, west and north sides of site) | Approve (exception of 40-foot wide strip of property along south, west and north sides of site) | Approve (exception of 40-foot wide strip of property along south, west and north sides of site) | |
| 7. 02-07 | 8013 Perry Street | R-1A, One-Family Residential to OS-1, Office Service | City Centre | Approve (exception of 10-foot wide strip of property along south side of site) | Approve (exception of 5-foot wide strip of property along south side of site) | Approve (exception of 10-foot wide strip of property along south side of site) | |
| 8. 03-01 | 8508, 8536, 8538 and 8540 Shaver Road | I-1, Light Industry, RM-1, Multiple Family Residential and B-3, General Business to CPD, Commercial Planned Development | Shaver Road Business Corridor | Approve | Approve | Approve | |
| 9. 03-02 | 1906, 1908, 1918 and 1930 West Milham Avenue | P-1, Vehicular Parking to OS-1, Office Service | Medium Density Residential | Approve (exception of 1906 West Milham to remain zoned P-1) | Approve (exception of 1906 West Milham to remain zoned P-1) | Approve (exception of 1906 West Milham to remain zoned P-1) | OS-1 district was consistent with adjacent zoning/land use pattern and retaining 1906 West Milham in P-1 would protect Roanoke Street neighborhood to east. |

Zoning Amendment Listing (October 2002 – present)

| <u>APPLICATION NUMBER</u> | <u>LOCATION</u> | <u>REZONING REQUEST</u> | <u>COMPREHENSIVE PLAN DESIGNATION</u> | <u>STAFF RECOMMENDATION</u> | <u>PLANNING COMMISSION RECOMMENDATION</u> | <u>CITY COUNCIL</u> | <u>NOTES</u> |
|---------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | 03-03 | 9300 Portage Road and portion of 9420 Portage Road | Low Density Residential | Approve (exception of south and east 25 feet to remain zoned R-1C) | Approve (exception of south and east 25 feet to remain zoned R-1C. | Approve (exception of south and east 25 feet to remain zoned R-1C) | Applicant withdrew application prior to staff recommendation. |
| 11. | 03-04 | 377, 387 and 397 West Kilgore Road | Low Density Residential | Approve (exception of south and east 25 feet to remain zoned R-1C) | Approve (exception of south and east 25 feet to remain zoned R-1C. | Approve (exception of south and east 25 feet to remain zoned R-1C) | OS-1 district was consistent with adjacent zoning/land use pattern to west and increasing traffic volumes on Kilgore and retaining 25-foot R-1C strip along south and east would provide enhanced buffer to Ridgebrook residence. |
| 12. | 03-05 | 1405, 1419, 1425 and 1503 East Centre Avenue | Office and High Density Residential | Approve | Approve | Approve | |
| 13. | 03-06 | | Application Number Reserved, Never Used | | | | |
| 14. | 03-07 | 1706 West Centre Avenue | Office | Approve | Approve | Approve | |
| 15. | 04-01 | 4301 Branch Avenue | Single Family Detached – Medium Density Residential | Approve | Approve | Approve | The Woodlands at Austin Lake Planned Development |
| 16. | 04-02 | 950 Trade Center Way | Low Density Residential | Approve | Approve | Approve | Trade Center II office development |
| 17. | 04-03 | 8536, 8542, 8610, 8646, 8650, 8716, 8720, 8730, 8736, 8800 and 8850 (portion thereof) Shaver Road and 1501 and 1601 Dogwood Drive | Shaver Road Business Corridor | Approve with exception of 8542 and 8720 Shaver Road (to remain zoned I-1 and B-3) | Approve with exception of 8542 and 8720 Shaver Road (to remain zoned I-1 and B-3) | Approve with exception of 8542 Shaver Road (to be rezoned to B-3) and 8720 Shaver Road (to remain zoned B-3) | Staff initiated rezoning within the Shaver Road Business Corridor |
| 18. | 04-04 | 8706, 8716, 8948 and 9000 Oakland Drive | Low Density Residential | Approve | Approve | Approve | Oakland Hills Planned Development |
| 19. | 04-05 | 4613 and 4707 West Milham Avenue | General Business | Approve with exception of west 10-foot (to remain zoned B-2), east 30-foot (to remain zoned RM-1) and south 30-foot (to be rezoned to R-1B) | Approve with exception of west 10-foot (to remain zoned B-2), east 30-foot (to remain zoned RM-1) and south 30-foot (to be rezoned to R-1B) | Approve with exception of west 10-foot (to remain zoned B-2), east 30-foot (to remain zoned B-2), east 30-foot (to remain zoned B-2) | |

Zoning Amendment Listing (October 2002 – present)

| <u>APPLICATION NUMBER</u> | <u>LOCATION</u> | <u>REZONING REQUEST</u> | <u>COMPREHENSIVE PLAN DESIGNATION</u> | <u>STAFF RECOMMENDATION</u> | <u>PLANNING COMMISSION RECOMMENDATION</u> | <u>CITY COUNCIL</u> | <u>NOTES</u> |
|---------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20. | 04-06 121 East VanHoesen Boulevard | R-1A, One Family Residential to P-1, Vehicular Parking | Zone of Transition Between General Business and Single Family Detached Medium Density Residential | Approve with exception of east 25 feet (to remain zoned R-1A) | Approve with exception of east 25 feet (to remain zoned R-1A) | RM-1) and south 30-feet (to be rezoned to R-1B) Approve with exception of east 25 feet (to remain zoned R-1A) | |
| 21. | 04-07 246 East Kilgore Road (southern portion) | R-1C, One Family Residential to OS-1, Office Service | Low Density Residential | Approve (consistent with applicant's amended request – see Notes in far right column) | Approve (consistent with applicant's amended request – see Notes in far right column) | Approve (consistent with applicant's amended request – see Notes in far right column) | Applicant's amended rezoning request proposed to retain the south and west 150 feet of the southern portion of 246 East Kilgore as R-1C to serve as buffer to adjacent neighborhood |
| 22. | 04-08 3205 and 3223 Cooley Drive | OS-1, Office Service to RM-2, Multiple Family Residential | Office | Deny | Deny | Approve | |
| 23. | 04-09 1414 and 1422 East Centre Avenue | R-1B, One Family Residential to OS-1, Office Service | Office | Approve with exception of south 30-feet (to remain zoned R-1B) | Approve with exception of south 30-feet (to remain zoned R-1B) | Approve (entire property with no R-1B buffer area to south) | |
| 24. | 05-01 412 West Centre Avenue and 7844, 7890, 7910, 7920 and 7928 Shaver Road | B-1, Local Business, OS-1, Office Service and I-1, Light Industry to CPD, Commercial Planned Development | City Centre | Approve | Approve | Approve | CPD rezoning/conceptual plan for Portage Creek Landings – City Centre planned development |
| 25. | 05-02 5933 South Westnedge Avenue and 124 and 202 Colonial Avenue | B-3, General Business and R-1A, One Family Residential to CPD, Commercial Planned Development | Zone of Transition between General Business and Single Family Detached – Medium Density Residential | Approve | Approve | Approve | CPD rezoning/conceptual plan for Neighborhood Walgreen's Pharmacy |
| 26. | 05-03 8037 and 8043 Portage Road (eastern portion) | I-2, Heavy Industry to B-3, General Business | General Business | Approve | Approve | Approve | |
| 27. | 05-04 6859 Quality Way and 4605 Bishop Avenue | I-1, Light Industry and R-1B, One Family Residential to OTR, Office, Technology and Research | General Industrial | Approve | Approve | Approve | |
| 28. | 05-05 2301 West Centre Avenue and 8080 Oakland Drive | OTR, Office, Technology and Research to PD, Planned Development | Office | Approve | Approve | Approve | PD rezoning/tentative plan for Oakland Hills at Centre planned development |
| 29. | 05-06 1511 and 1521 East Centre Avenue | R-1B, One Family Residential to OS-1, Office Service (south 450 feet) and RM-1, Multiple Family Residential (north 837 feet) | Office and High Density Residential | Approve | Approve | Approve | |

Zoning Amendment Listing (October 2002 – present)

| <u>APPLICATION NUMBER</u> | <u>LOCATION</u> | <u>REZONING REQUEST</u> | <u>COMPREHENSIVE PLAN DESIGNATION</u> | <u>STAFF RECOMMENDATION</u> | <u>PLANNING COMMISSION RECOMMENDATION</u> | <u>CITY COUNCIL</u> | <u>NOTES</u> |
|---------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30. | 05-07 5717, 5731, 5743 and 5811 Oakland Drive | R-1B, One Family Residential to OS-1, Office Service | Medium Density Residential | Approve with exception of east 100 feet of 5717, 5731 and 5811 Oakland Drive (to remain zoned R-1B to serve as buffer to adjacent neighborhood) | Approve with exception of east 100 feet of 5717, 5731 and 5811 Oakland Drive (to remain zoned R-1B to serve as buffer to adjacent neighborhood) | Approve (without 100 foot R-1A buffer along eastern portion of 5717, 5731 and 5811 Oakland Drive) | |
| 31. | 06-1 524, 602 and 610 West Millham Avenue and 5932 Iowa Avenue | R-1A, One Family Residential to OS-1, Office Service | Office | Approve to OS-1 with exception of 5932 Iowa Avenue to be rezoned to P-1 | Approve to OS-1 with exception of 5932 Iowa Avenue to be rezoned to P-1 | Approve to OS-1 with exception of 5932 Iowa Avenue to be rezoned to P-1 | P-1 zone to provide appropriate transition between residential home to north and future office use to south. |
| 32. | 06-2 9810, 9818 (portion) and 9838 (portion) Oakland Drive | R-1C, One Family Residential and I-1, Light Industry to R-1B, One Family Residential | Low Density Residential | Deny | Deny | Deny | Retention of R-1C zone is consistent with predominant surrounding R-1C zoning pattern. |
| 33. | 06-3 9600 and 9529 Adkins Court | R-1C, One Family Residential and R-1A, One Family Residential to PD, Planned Development | Low Density Residential | Approve | Approve | Approve | Sterling Oaks West Planned Development with mixture of housing types and ownership with development density of 2.3 units per acre. |
| 34. | 06-04 710 East Centre Avenue | P-1, Vehicular Parking and R-1A, One Family Residential to B-3, General Business | Medium Density Residential | Deny | Deny | Approve | Applicant withdrew application prior to City Council action |
| 35. | 07-01 2700 and 2900 (east portion), West Centre Avenue | B-2, Community Business to OS-1, Office Service | Office | Approve | Approve | Approve | |
| 36. | 08-01 8232-8726 Portage Road (west portions) and 2250 Corstange Road | R-1B, One Family Residential and P-1, Vehicular Parking to B-3, General Business | General Business and Low Density Residential (zone of transition) | Approve with exception of 2250 Corstange Road and western 50 feet of 22 Portage Road properties to be retained as R-1B buffer areas | Approve with exception of 2250 Corstange Road, the western 50 feet of 22 Portage Road properties, the north 50 feet of 8232/8302 Portage Road and south 50 feet of 8502 Portage Road to be retained as R-1B buffer areas | Approve with exception of 2250 Corstange Road, the western 50 feet of 22 Portage Road properties, the north 50 feet of 8232/8302 Portage Road and south 50 feet of 8502 Portage Road to be retained as R-1B buffer areas | Consistent with Comprehensive Plan and Future Land Use Map and will allow for greater commercial use, expansion and/or redevelopment options for property owners while providing neighborhood protection and separation. |

Zoning Amendment Listing (October 2002 – present)

| <u>APPLICATION NUMBER</u> | <u>LOCATION</u> | <u>REZONING REQUEST</u> | <u>COMPREHENSIVE PLAN DESIGNATION</u> | <u>STAFF RECOMMENDATION</u> | <u>PLANNING COMMISSION RECOMMENDATION</u> | <u>CITY COUNCIL</u> | <u>NOTES</u> |
|---------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------|-------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 37. 09-01 | Greenspire Planned Development (West Centre Avenue and Greenspire Drive) | RM-1, Multiple Family Residential and R-1C, One Family Residential to PD, Planned Development | High Density Residential and General Business | Approve | Approve | Approve | PD rezoning application for 95 acres including 47 acres of existing apartments, 37 acres of additional apartments (three phases) and 11 acres of retail/office land use along West Centre. |
| 38. 09-02 | 9804, 9810 (east portion), 9818, 9832 and 9842 Oakland Drive and 2180-2408 Oakland Farms Trail (all lots) | R-1C, One Family Residential and R-1T, Attached Residential to R-1B, One Family Residential | Low Density Residential | Approve | Approve (except 9842 Oakland Drive) | Approve (except 9832 and 9842 Oakland Drive) | Rezoning application to facilitate Phase II of the Oakland Farms single family residential subdivision. |

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 8, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: August 2010 Summary Environmental Activity Report – Information Only

Attached please find the August 2010 Summary Environmental Activity Report from the Department of Transportation & Utilities Director, W. Christopher Barnes. New material, or material of specific interest to City Council is presented in italics.

These items serve to update the Council on environmental affairs.

c: W. Christopher Barnes, Department of Transportation & Utilities
Planning Commission
Portage Environmental Board

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager

DATE: September 8, 2010

FROM: W. Christopher Barnes, Director of Transportation & Utilities *WCB*

SUBJECT: August 2010 Environmental Activity Report – Information Only

In keeping with goals and objectives adopted by the Council emphasizing the need to enhance environmental quality and protect natural resources, the following information is intended to keep the Council, Planning Commission and Environmental Board apprised of current environmental issues.

Important environmental issues being monitored and coordinated by the Administration are attached. The Summary Environmental Activity Report will continue to be provided on a monthly basis to the Council, Planning Commission and Environmental Board.

SUMMARY ENVIRONMENTAL ACTIVITY REPORT

August 2010 (*updates in italics*)

| <u>Project/Activity</u> | <u>Description</u> | <u>Status</u> |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Portage City Landfill | Ongoing groundwater monitoring of former municipal landfill. | -City Council awarded a 3 year contract to American Hydrogeologic Corporation on February 23, 2010 to perform annual groundwater sampling. The site groundwater data will continue to be monitored to confirm continuation of the natural attenuation process. Sampling shows continued improvement in groundwater quality. Sampling performed in June 2010. Annual report submitted to MDNRE in June 2010. General groundwater quality continues to improve, but site will require monitoring for the foreseeable future. |
| Site Inspection/Development Project Review | Review of existing business & industries and review of proposed business and industrial development projects for environmental protection purposes and/or building plans completed. | -Coordination with property owners and City or State agencies ongoing. <i>-Review of 3 site/building plans and/or plats completed in August 2010.</i> |
| Sewer Connection Program | Groundwater protection program requiring residential/business hookup to the sanitary sewer where available. | <i>-Sanitary sewer hookup permits issued in August 2010: 5 residential, 2 commercial. Three sewer connections made as part of the Mandatory Sewer Program.</i> |
| West Lake Management Program | Special assessment district designed to maintain/improve lake conditions. | -Five Year Lake Management Assessment District process initiated (Resolution #1) on December 7, 2004. Resolution #3 was approved by City Council on January 11, 2005. Resolution #5 was adopted by City Council on February 8, 2005. On March 22, 2005, City Council approved a contract with Aquatic Services, Goodrich, MI, to perform annual weed treatment. West Lake currently working with the Kalamazoo County Drain Commissioner to create a filtration system on the Austin Lake Drain. On July 10, 2007, City Council authorized the Administration to submit a grant application in the amount of \$5,000 to the Kalamazoo Foundation to assist funding the filtration system. Construction bids received by the Drain Commissioner on November 14, 2006. Construction began on the Austin Dam reconstruction in December 2006 and new structure completed in March 2007. Filtration system construction was substantially completed in July 2008. On July 8, 2008, City Council awarded contracts to Aquatic Services, Inc. for the 2008 Weed Treatment Program and awarded a contract to ASI Environmental to perform watershed and vegetation survey. Spring 2009 weed control application was completed in June 2009. New 5 year improvement plan and special assessment process was approved by |

City Council on March 23, 2010. The initial 2010 lake treatment is complete and is being reviewed as to its effectiveness.

Retention Basin Sampling Program

Investigation regarding potential impact of retention basins on groundwater levels.

-Historical monitoring continues to show minor impacts at most basins. From 1993 through 2009 the monitoring program showed stable groundwater impacts due to stormwater infiltration. Alternative road salt practices continue to be considered and evaluated. City staff has initiated a compilation of all city retention basin groundwater levels. Winter sampling performed in early December 2009 with results submitted. Report under staff review. On March 23, 2010, City Council awarded a four-year contract to Wightman Environmental. Program will focus primarily on groundwater level information. Sampling of retention basins was completed on June 25, 2010. Report is due in November 2010.

Wellhead Protection Program (WHPP)

Development of program to protect City well fields and surrounding area from contamination resulting from improper land use.

-Wellhead Protection Grant award received from MDEQ on August 30, 1999 and Council accepted the grant on October 5, 1999. Council also awarded contract to Earth Tech to complete WHPP. Earth Tech completed the final wellhead protection plan and MDEQ submittal was made on October 14, 2000. Plan was reviewed by MDEQ with written approval received in March, 2001. City staff made a presentation to the American Water Works Association at their April 25, 2008 meeting to highlight current city initiatives. Plan implementation is ongoing.

Leaf Compost Monitoring Program

Monitoring and analysis of groundwater at the new Oakland Drive Leaf Compost site.

-City Council awarded contract on August 21, 2001 to Soil & Materials Engineers for monitoring and analysis of groundwater impact of the new compost operation. Drilling was completed in October 2001 and first sampling cycle was completed in February 2002. Semi annual sampling was performed from 2002 to 2009 in June and January. Sampling and analysis results continue to show no groundwater impacts from the leaf composting. Sampling schedule was reduced to annual sampling in 2009 with results showing continued minor impact on groundwater quality. *The 2010 report was received with results showing minimal impact on groundwater. Next sampling scheduled for July 2011.*

National Pollution Discharge Elimination System (NPDES) permit implementation

Five year plan to implement the current NPDES stormwater permit.

-Received NPDES general permit on August 15, 2001. Renewal Application submission was made to MDEQ on March 7, 2003. Permit implementation is ongoing. New permit received in 2004 mandates involvement in several county watershed groups. City staff completed the submission of a Stormwater Pollution Prevention Initiative (SWIPPI) as required by NPDES permit. SWIPPI submitted on October 21, 2005. Revised SWIPPI to incorporate watershed management plans. Annual report was submitted December 29, 2006. SWIPPI comments received from the MDEQ and revisions resubmitted. Public education plan submitted to MDEQ on October 31, 2007. Additional NPDES SWIPPI data

and public education plan submitted on November 6, 2007. Annual report was submitted December 31, 2007. The MDEQ approved the revised public education plan and SWIPPI on January 15, 2008. Re-application for permit extension was submitted on March 24, 2008. New permit applications are due August 1, 2008 for a 5 year permit cycle. The permit application for the city was submitted to MDEQ on July 31, 2008. Annual permit report submitted in December 31, 2008. Next five year permit expected in fall 2009. New certificate of coverage permit was issued by MDEQ on September 30, 2009. New permit covers a 5 year time frame with first work item (updating the Public Participation Plan) due December 11, 2009. Plan update completed with other local governments and submitted November 24, 2009. City staff worked with other agencies at the 2010 Home Expo on March 17 – 20, 2010. Staff currently working on updated SWIPPI submittal to MDNRE. SWIPPI was submitted for MDNRE approval on June 25, 2010.

National Pollution Discharge
Elimination System (NPDES)
permit implementation

Kalamazoo River Mainstem
Watershed Management Plan

-First meeting was held September 17, 2004. The public participation plan for the Watershed was submitted on November 22, 2004. The Public Education Plan was submitted December 31, 2004. Proposals for completing the watershed plan were received by Kalamazoo County on September 15, 2005 and a contract awarded to Kieser & Associates in November 2005. Watershed Committee meeting held November 22, 2005. Watershed planning focused on threatened uses and potential correction of water quality. Draft watershed plan submitted to MDEQ on December 30, 2005. Review comments received from MDEQ and revised watershed plan due in December 2006. Public information meeting was held at County Fairgrounds on October 24, 2006. Revised Watershed Plan submitted November 30, 2006. A letter not to revise the Watershed Plan was submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. *Kalamazoo River Water Festival was held on August 14, 2010 with City of Portage participation.*

Portage River Watershed
Management Plan

-Public participation plan submitted June 28, 2004. The Public Education Plan was submitted December 31, 2004. Proposals for a Watershed Management Plan were received by the Kalamazoo County Road Commission and a contract awarded to the Kalamazoo County Conservation Service in November 2005. First watershed meeting was held November 29, 2005. Meeting focused on water quality in the watershed and identification of pollution sources. Draft watershed plan submitted to MDEQ on December 30, 2005. Follow-up meetings are held monthly to facilitate an implementation schedule. Portage River Watershed public meeting held in Vicksburg on April 11, 2006. Review comments received from MDEQ and revised watershed plan due November 2006. Revised Watershed Plan submitted November 30, 2006, follow up meetings to be held as necessary. A letter not to revise the Watershed Plan was

submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. Based upon MDEQ comments, the plan was revised and resubmitted on December 21, 2009.

Five year plan to implement an Illicit Discharge Elimination Plan (IDEP).

-On October 21, 2001, City Council awarded a contract to Fishbeck, Thompson, Carr and Huber for the Portage Creek element of the IDEP, which was completed in July 2002. On February 19, 2002, City Council approved a new ordinance as required by the NPDES permit titled "Storm Water Illicit Discharges and Connections". On May 27, 2003, City Council awarded a contract to Fishbeck, Thompson, Carr and Huber for the West Fork element of the IDEP. On April 28, 2004, City Council accepted a grant from the State of Michigan in the amount of \$152,264 and awarded a contract to Fishbeck, Thompson, Carr and Huber in the amount of \$184,264 for the remainder of the IDEP for the entire city. Due to a less than anticipated number of illicit connections, city staff asked MDEQ to expand mapping activities under the grant program. Program implementation is ongoing as funding allows. Continued outfall sampling is required by permit and will be budgeted accordingly. IDEP program was updated for submittal to MDNRE on June 25, 2010, and part of the SWIPPI.

Garden Lane Arsenic Removal Facility

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

-City Council approved an agreement with Fishbeck, Thompson, Carr & Huber, Inc. on January 10, 2006 to prepare a feasibility study to meet new USEPA arsenic standards for drinking water. Feasibility study completed in August 2006. Feasibility study recommended construction of a filter system using various filter media materials. Small scale pilot studies began in spring 2007. Pilot studies completed with generally favorable results. Geotechnical soils report completed in April 2007 and wetlands delineation received in May. Operating plants visited in May to familiarize staff with various arsenic removal processes. Engineering proposals for the project were received August 14, 2007. Project engineering awarded to Earth Tech by City Council on September 11, 2007. Project design to include Leadership in Energy and Environmental Design (LEED) criteria. Project construction bids were bids received on November 25, 2008. Contract awarded by City Council on December 16, 2008 to Adams Building Contractors, Inc., Jackson, Michigan. Preconstruction meeting was held January 29, 2009. Construction underway with clearing and earth work complete. Underground piping and foundation work complete. Concrete floors and wall construction complete. Outside piping and inside plumbing complete. Building interior and exterior site work complete. Interior painting complete. Garden Lane Well #4 drilling is complete and well building is completed. Start up activities began in May 2010. *Facility is in operation with ribbon cutting held August 2, 2010. City*

staff gave a presentation on August 9, 2010 to the Michigan Chapter of the American Water Works Association about the arsenic removal of the facility. The facility is producing about one million gallons of water per day.

| | | |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Environmental Incident/Spill Clean Up Notification</p> | <p>Environmental Protection Program to assist Portage Police/Fire Departments with spill containment and spill cleanup.</p> | <p><i>-The number of environmental incident/spill investigations performed in August 2010-0. The number of incidents requiring city forces/contractor emergency cleanups--0.</i></p> |
| <p>Localized Groundwater Table Investigation</p> | <p>Hydrogeologic study of the Portage area, especially in the Sprinkle Woods plat area, to determine causes of increase in groundwater elevation.</p> | <p>-On April 29, 2008, City Council awarded a contract to American Hydrogeology Corporation to investigate the reason and extent of seasonally high groundwater elevation. Special emphasis will be placed on the Black Forest plat area to suggest possible solutions to the basement leaking problems experienced in the area. Study was transmitted to City Council on July 22, 2008. Current activities are focused on assisting the affected property owners with possible solutions. A storm drainage line extension project has been designed with a bid opening set for September 18, 2008. City Council awarded a contract to Peters Construction Company on September 23, 2008. Construction began in mid October. Project was extended to serve 3 additional properties. Work was completed on October 31, 2008. City staff continues to investigate other remedies for local groundwater table issues. Work complete on compiling a history of local groundwater table elevations at 19 city-owned retention basins with data from 1994 to 2009. Data from the analysis shows a general upward trend through the Portage area from 2005 to present. Five monitoring wells were installed in the Jamaica Lane area as a result of a number of citizen concerns. Analysis of the Jamaica Lane wells shows that seasonal groundwater table levels have dropped approximately 24" from spring 2009 levels and level has stabilized through May 2010. Levels remain stable despite 5" of rainfall in June. No change in water levels from June. <i>August sampling continued to show stable groundwater table. Sampling will continue through the fall months.</i></p> |
| <p>Hampton Wetland Area Water Level</p> | <p>Assistance with the Inverness Condominium Association to Review Surface Water Levels</p> | <p>-Ongoing assistance with the Condominium Association to develop appropriate measures to regulate the rising water level in Hampton Wetlands Area located on the north side of West Centre Avenue and east of Angling Road. Current activity has centered on meeting with MDNRE staff to determine feasible method to lower water levels. Association currently working with MDNRE permit staff to clarify permit requirements</p> |
| <p>Southwest Michigan Regional</p> | <p>Collaborative effort with local</p> | <p>-On May 12, 2009, City Council approved the Southwest Michigan Regional</p> |

Sustainability Covenant

government, academic, and other stakeholders to lead toward environmental, economic and social sustainability.

Sustainability Covenant. A sustainability work session was held April 14, 2010, to review elements of the covenant in cooperation with the City of Kalamazoo and the City of Battle Creek. A grant application was made to MDNRE for a greenhouse gas inventory study of the area. Success of grant application may not be known until late summer. Notice received July 15, 2010 that the grant application was not successful. *City staff planning to attend a September 10, 2010 meeting in Grand Rapids.*

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**AN ORDINANCE TO AMEND THE CODE OF ORDINANCES
OF THE CITY OF PORTAGE, MICHIGAN
BY ADDING SECTION 50, ARTICLE 4 OF CHAPTER 50
OFFENSES AND MISCELLANEOUS PROVISIONS**

THE CITY OF PORTAGE ORDAINS:

That Chapter 50, Article 4, shall be amended to add the following:

Section 50-116. Disturbing the Peace.

No person shall:

- (a) Create or engage in any disturbance, fight or quarrel in a public place.
- (b) Create or engage in any disturbance, fight or quarrel that causes or tends to cause a breach of the peace.
- (c) Cause or make any unusual or unnecessary loud noise, shouting, or yelling of such volume or of such a nature as to cause annoyance to persons of ordinary sensibility, or otherwise disturb the public peace and quiet.
- (d) Disturb without lawful authority any lawful assembly or meeting of persons.
- (e) Engage in, participate in or attempt to engage in or participate in a riot.
- (f) Incite, cause or attempt to incite or cause a riot.
- (g) Use threatening, abusive, profane or indecent language likely to cause annoyance, disturbance or vexation to persons of ordinary sensibility, or likely to provoke another to fight.

Dated: _____

Peter J. Strazdas, Mayor

FIRST READING:
SECOND READING:
ORDINANCE #:
EFFECTIVE DATE:

CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing ordinance was adopted by the City of Portage on the _____ day of _____, 2009.

James R. Hudson, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
Portage City Attorney
1662 East Centre Avenue
Portage, MI 49002
(269) 323-8812

Approved as to Form:

Date: 6-16-2009

CRB

City Attorney

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 1, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Ordinance Amendment – Disturbing the Peace

ACTION RECOMMENDED: That City Council accept for first reading an ordinance amendment to the City of Portage Code of Ordinances, Chapter 50, Section 50-116 – Disturbing the Peace, and consider final adoption on September 21, 2010.

Attached is a proposed amendment to the City of Portage Code of Ordinances regarding disturbing the peace. The amendment addresses differing concerns raised by citizens and members of the Portage Police Department. After a review of current city ordinances and state laws, it was determined that the Portage Police Department does not have the authority to take necessary action to stop certain behaviors that threaten the peace of the city.

The proposed amendment to the City of Portage Code of Ordinances involves the addition of Section 50-116 to Chapter 50. The amendment would make it unlawful to engage in any disturbance, fight or quarrel in a public place or engage in other actions that disturb the public peace and describes activities / actions that are defined as a disturbance. The language in the proposed ordinance is similar to ordinances in other communities and has been found to be successful in reducing disturbances in those communities.

It is recommended that City Council accept for first reading an ordinance amendment to the City of Portage Code of Ordinances, Chapter 50, Section 50-116 – Disturbing the Peace, and consider final adoption on September 21, 2010. Assistant City Attorney Charles Bear has prepared and approved as to form the proposed ordinance amendment.

Attachment

**ADOPTION OF ORDINANCE
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Chapter 50, Offenses and Miscellaneous Provisions, of the Codified Ordinances of Portage, Michigan, was adopted by the City Council at a regular meeting held on the _____ day of _____, 2009, and will become effective _____, 2009.

NOTICE IS FURTHER GIVEN that the following sections of Chapter 50 of the Codified Ordinances of Portage, Michigan, have been amended as follows:

THE CITY OF PORTAGE ORDAINS:

That Chapter 50, Article 4, shall be amended to add the following:

Section 50-116. Disturbing the Peace.

No person shall:

- (a) Create or engage in any disturbance, fight or quarrel in a public place.
- (b) Create or engage in any disturbance, fight or quarrel that causes or tends to cause a breach of the peace.
- (c) Cause or make any unusual or unnecessary loud noise, shouting, or yelling of such volume or of such a nature as to cause annoyance to persons of ordinary sensibility, or otherwise disturb the public peace and quiet.
- (d) Disturb without lawful authority any lawful assembly or meeting of persons.
- (e) Engage in, participate in or attempt to engage in or participate in a riot.
- (f) Incite, cause or attempt to incite or cause a riot.
- (g) Use threatening, abusive, profane or indecent language likely to cause annoyance, disturbance or vexation to persons of ordinary sensibility, or likely to provoke another to fight.

PLEASE TAKE NOTICE that a copy of the Ordinance as amended may be purchased or inspected at City Hall on any business day except public and legal holidays from and after publication of this Notice from 8:00 a.m. to 5:00 p.m. local time.

Dated: _____

James R. Hudson, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
Portage City Attorney
1662 East Centre Avenue
Portage, MI 49002

Z:\Jody\PORTAGE\ORD\NONZONE\Breach of Peace Sec 50-116 Ord Amendment.061509.wpd

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 14, 2010

FROM: Maurice S Evans, City Manager



SUBJECT: Annual SunGard Enterprise Software Licensing and Maintenance Fee

ACTION RECOMMENDED: That City Council approve an annual licensing and software maintenance services agreement with SunGard, Incorporated, at a total cost of \$65,526 and authorize the City Manager to execute all related documents.

Since 1997, the City of Portage has used the SunGard enterprise software application to perform key operations such as purchasing and inventory, accounting, permitting, planning and zoning, fleet and asset management, land management and other key operations. SunGard is the only vendor providing maintenance support services for this software application, including 24/7 toll-free telephone and email support, product updates, fixes and new releases, including online training for basic module operations.

Licensing and maintenance service agreements are subject to renewal on a year-to-year basis. The purchase of annual licensing and software maintenance allows the city to continue utilizing this software application and take advantage of the latest updates. The renewal cost for Fiscal Year 2010-11 is \$65,526, which represents no cost increase from the previous year and covers the 16 SunGard modules currently utilized by the city.

It is recommended that Council approve the annual licensing and maintenance services agreement with SunGard in the amount of \$65,526 and authorize the City Manager to execute all related documents. Funds are budgeted and available in the Fiscal Year 2010-11 Information/Technology operating budget for this purpose.

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: September 15, 2010

FROM: Maurice S. Evans, City Manager



SUBJECT: Bikeway Trail Repair – Bid Recommendation

ACTION RECOMMENDED: That City Council accept the low bid submitted by A-1 Asphalt, Incorporated, in the amount of \$43,756.31 for Lovers Lane, Romence Road Parkway and Shaver Road Bikeway trail asphalt improvements and authorize City Manager to execute all documents related to this action on behalf of the city.

The Portage trail system is heavily used and a key quality of life component in the community. The Fiscal Year 2010-11 Capital Improvement Program (CIP) includes funds for asphalt improvements to the Lovers Lane, Romence Road Parkway and Shaver Road Bikeway Trails. Improvements to the bikeways include overlays, crack filling, infrared repairs, sealing and striping. These comprehensive upgrades are necessary to insure safe and enjoyable use of the trail system by patrons.

Five contractors submitted sealed bids for this project that were opened on September 8, 2010. The low bid of \$43,756.31 was submitted by A-1 Asphalt, Incorporated of Wayland, Michigan. A representative from A-1 has met with city staff and is fully aware of the expectations set forth by the city.

It is recommended that City Council accept the low bid of \$43,756.31 submitted by A-1 Asphalt, Incorporated for trail asphalt improvements and authorize the City Manager to execute all documents related to this action. The bid tabulation is attached for the information of City Council. Funds are incorporated and available in the CIP budget for this project.

Attachment

Bid Tabulation
Park Asphalt Trail Improvements

| <u>Bidder</u> | <u>Bid</u> |
|--------------------------------------------------------------------------------|-------------|
| A-1 Asphalt Sealing & Repair, Inc. 4634 Division Ave. Wayland, MI 48347 | \$43,756.31 |
| C. L. Moberley Construction, Inc. PO Box 185 Parchment, MI 49004 | \$55,500.26 |
| J. Allen and Company, Inc. 8288 E. Michigan Ave. Galesburg, MI 49053 | \$60,017.63 |
| Michigan Paving & Materials Co. 2300 Glendenning Rd. Kalaamzoo, MI 49001 | \$67,067.91 |
| Quality Asphalt Paving & Seal Coating 5990 M-99 North Homer, MI 48245 | \$71,811.62 |

MATERIALS TRANSMITTED

Friday, September 3, 2010

1. Communication from the City Manager regarding the August 2010 Citizen Comment Card and Online Customer Service Survey responses.



Maurice S. Evans, City Manager

cc: Brian J. Bowling, Deputy City Manager