

**FINAL AGENDA FOR THE COUNCIL MEETING  
CITY OF PORTAGE  
April 12, 2011**

7:30 p.m. Call to Order.

Invocation: Deacon Karen McDonald of the St. Barnabas Episcopal Church of Portage.

Pledge of Allegiance.

Roll Call.

Proclamation: Fair Housing Resolution.

- A. Approval of the March 22, 2011 Regular Meeting Minutes.
- \* B. Approval of Consent Agenda Motions.
- \* C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of April 12, 2011, as presented.
- D. Public Hearings:
  - 1. Communication from the City Manager recommending that City Council, subsequent to the public hearing, consider approval of Ordinance Amendment 10-A, Keeping of Chickens and Other Animals, and consider adoption of the resolution establishing a permit fee for the keeping of chickens and other animals.
- E. Petitions and Statements of Citizens:
- F. Reports from the Administration:
  - 1. Presentation of the proposed Fiscal Year 2011-12 Budget.
  - \* 2. Communication from the City Manager recommending that City Council adopt the:
    - a. Bond Resolution authorizing the sale of Capital Improvement Bonds, Series 2011, in the amount of \$1,700,000; and
    - b. Resolution Approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Bonds, Series 2011.
  - \* 3. Communication from the City Manager recommending that City Council adopt the Resolution Authorizing Refunding of the City of Portage Building Authority Bonds, Series 1998, 2001 and 2002 and Approve of the Undertaking to Provide Continuing Disclosure.
  - \* 4. Communication from the City Manager recommending that City Council:
    - a. receive the proposed Medical Marijuana Ordinance amendment to the Zoning Code, and
    - b. refer the ordinance to the Planning Commission for consideration and initiation of the Zoning Code amendment process, with submission of the recommendation on the amendment not later than June 3, 2011.
  - \* 5. 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 the Kalamazoo Family Non-Profit Housing Corporation a tax exemption, establish a payment in lieu of taxes for 1506 Schuring Road and take final action on April 26, 2011.
  - \* 6. Communication from the City Manager recommending that City Council approve the purchase of software upgrades through CORE Technology Corporation in the amount of \$16,750 for Talon Client – Law Enforcement Information Network systems for crime analysis, crime mapping, and data sharing and authorize the City Manager to execute all documents related to the purchase.
  - \* 7. Communication from the City Manager recommending that City Council accept the Farmland and Open Space Preservation Application from Stephen Woolam, 7905 West RS Avenue, Texas Township.

- \* 8. Communication from the City Clerk recommending that City Council set a Special Meeting on Tuesday, May 10, 2011, beginning at 5:30 p.m. to interview board and commission applicants.
- \* 9. Communication from the City Manager regarding the Tree City USA Tree Planting and Proclamation – Information Only.

G. Communications:

1. Presentation by Mike Zajac, Portage Park Board Chair.
2. Communication from the Planning Commission regarding the City of Portage Fiscal Year 2011-2021 Capital Improvement Program.
3. Request for discussion from Councilmember Patricia Randall regarding the City Hall facilities usage policy.

H. Unfinished Business:

\* I. Minutes of Boards and Commissions Meetings:

1. Portage Board of Education Regular Business of February 21 and Special Meeting and Committee of the Whole Work Session of March 7, 2011.
2. Portage Historic District Commission of March 2, 2011.
3. Portage Park Board of March 2, 2011.
4. Portage Planning Commission of March 17 and March 28, 2011.

J. Ad-Hoc Committee Reports:

1. Communication from the City Manager recommending that City Council receive the information from the Ad Hoc Sign Committee and refer the proposed business banner sign language to the Planning Commission for consideration and to initiate the Zoning Code amendment process.

K. New Business:

L. Bid Tabulations:

- \* 1. Communication from the City Manager recommending that City Council approve the purchase of one Hewlett Packard Proliant server for \$10,909 provided through PC Mall Gov and authorize the City Manager to execute all documents related to this action.

M. Other City Matters:

1. Statements of Citizens.
2. From City Council and City Manager.
- \* 3. Reminder of Meetings:
  - a. Wednesday, April 13, 8:00 a.m., Downtown Development Authority, City Hall Room #1.
  - b. Wednesday, April 13, 7:00 p.m., Environmental Board, City Hall Room #1.
  - c. Thursday, April 14, 3:00 p.m., Water/Sewer Rate Committee, City Hall Room #1.
  - d. Thursday, April 14, 4:30 p.m., Austin Lake Governmental Lake Board, City Hall Room #2.
  - e. Thursday, April 14, 7:00 p.m., joint meeting of the Portage City Council, Kalamazoo City Commission and the Kalamazoo County Board of Commissioners, Radisson Plaza Hotel, 100 West Michigan Avenue, Kalamazoo.
  - f. Monday, April 18, 8:00 a.m., Legislative Roll Call, The Chamber Building, 346 West Michigan Avenue, Kalamazoo.
  - g. Monday, April 18, 2:00 p.m., Building Authority, City Hall Room #1.

- h. Tuesday, April 19, 2:00 p.m. until 5:00 p.m. and 6:00 p.m. until 9:00 p.m., Fiscal Year 2011 – 2012 Budget Review Session, City Hall Room #1.
- i. Wednesday, April 20, 2:30 p.m., Senior Citizen Advisory Board, Senior Center.
- j. Thursday, April 21, 7:00 p.m., District Library Board, Portage District Library.
- k. Thursday, April 21, 7:00 p.m., Planning Commission, City Council Chambers.

N. Materials Transmitted.

Adjournment.

# CITY COUNCIL MEETING SUMMARY

March 22, 2011

## CHECK REGISTER

- ◆ Approved the Check Register of March 22, 2011, as presented.

## REPORTS FROM THE ADMINISTRATION

- ◆ Adopted the Resolutions Approving Redemption of all Callable Outstanding City of Portage Special Assessment Bonds, Series 1992, 1993, 1995, 1997, 1998, 1999, and 2000, Prior to Maturity.
- ◆ Authorized the City Manager to advertise the sale of an approximate 2.5 acre portion of 7130 South Westnedge Avenue at \$430,000 and solicit bids from interested parties.
- ◆ Confirmed the appointment of Vicki Georgeau as the Director of Community Development, effective July 1, 2011.
- ◆ Resolved to submit an application to the Michigan Liquor Control Commission for a Special License for the sale of beer and wine for consumption on the premises at Portage Central Park, 7800 Shaver Road, for *The Taste of Portage* on June 25, 2011, and authorized the City Manager to execute all documents on behalf of the city.
- ◆ Renewed the contract with McCarthy Smith Law Group for Labor Counsel Services through Fiscal Year 2013-14 and authorized the City Manager to execute all documents related to the contract renewal.
- ◆ Established April 19 from 2 to 5 p.m. and 6 to 9 p.m. for review of the proposed Fiscal Year 2011-2012 Budget.
- ◆ Received a communication from the City Manager regarding the February 2010 Summary Environmental Activity Report as information only.
- ◆ Received the Department Monthly Reports.

## COMMUNICATION

- ◆ Granted the request from Texas Township Supervisor David Healy to support the 2011 MDNR Trust Fund grant application for the trails system connection between Texas Township and the City of Portage.

## UNFINISHED BUSINESS

- ◆ Reconfirmed the Resolution to sell excess city-owned property, 2125 Bender Road.
- ◆ Approved an Amendment to the Code of Ordinances of the City of Portage, Michigan, on second reading by amending Chapter 2, Article 7, Section 2-293, for the Senior Citizens Advisory Board to lower the age for advisory board members and Section 2-297, to clarify distribution of records, and approved the revised Senior Citizen Advisory Board rules of operation.
- ◆ Approved an Amendment to the Code of Ordinances of the City of Portage, Michigan, on second reading by amending Chapter 24, Article 5, Section 24-113, Safety, Sanitation and Health, with provisions for nuisance abatement and cost recovery, and adopted the resolution establishing the nuisance abatement fee.

## AD-HOC COMMITTEE REPORTS

- ◆ Received the presentation by Councilmember Urban regarding an update on the recent activity of the City Council Sign Ordinance Committee.

## BID TABULATION

- ◆ Approved the contract with Microsystems, Inc., for document microfilming, imaging and destruction for the low bid of \$19,747.95 for a one-year period with the option of two annual extensions and authorized the City Manager to execute all documents related to this action.

## STATEMENTS OF STUDENT MAYOR AND STUDENT CITY COUNCIL FOR THE DAY

- ◆ At the request of Mayor Strazdas, the Student Councilmembers, the Student Mayor and Faculty Advisor Mark Sutherland expressed their appreciation for the opportunity to participate in the Student Council and Mayor for the Day Program. Each of them indicated that the experience was enjoyable, rewarding and enlightening.

## STATEMENTS OF CITY COUNCIL AND CITY MANAGER

- ◆ Mayor and City Council expressed their appreciation to the students who participated in the Student Council and Mayor for the Day Program and the Faculty Advisors for their efforts with the Program. They also extended congratulations to Transportation & Utilities Director Chris Barnes for winning Public Servant of the Year from the Kalamazoo Chamber of Commerce and congratulated Vicki Georgeau as Community Development Director.
- ◆ Councilmember Randall posed a question about the use of City Hall by the public saying that the current policy seems too restrictive. She complimented the Board of Review Members and the City Assessor staff for their efforts during the 2011 Board of Review sessions.
- ◆ At the request of Mayor Strazdas, City Manager Maurice Evans noted that the use of City Hall after hours requires paying overtime and that staff time for the Congressman Upton visit was minimal as it took place during working hours.

- ◆ Councilmember Reid indicated that the \$100 million gift to Western Michigan University for a Medical School would have a huge impact on the Region. Mayor Strazdas concurred. As mentioned in the invocation by Pastor Mike Drew, she expressed her concern for the people of Japan, who are facing new challenges each day as a result of the recent earthquake and subsequent tsunami and the people of Libya, who are in the midst of a military struggle for power.
- ◆ City Manager Evans indicated that the recent Census 2010 revealed that the City of Portage population grew from 44,897 to 46,292 with a 4.9% increase in Kalamazoo County.
- ◆ Mayor Pro Tem Sackley invited the public to the detailed line by line Budget Review Sessions, Tuesday, April 19, 2011, from 2 to 5 p.m. and 6 to 9 p.m.

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**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 of Portage Proclamation**

## ***FAIR HOUSING RESOLUTION***

**WHEREAS,** 2011 is the 43<sup>rd</sup> anniversary of the Federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended, to prohibit housing discrimination when based on race or color, national origin, religion, sex, familial status or disability, and declared that equal housing opportunity is a basic right of every American; and

**WHEREAS,** the Michigan State Legislature passed the Elliott-Larsen Civil Rights Act of Michigan in 1976 to protect people from housing discrimination based on religion, color, race, national origin, age, sex, familial status or marital status; and

**WHEREAS,** the Michigan State Legislature passed the Michigan Persons and Disabilities Civil Rights Law of 1976 to protect individuals with disabilities from housing discrimination; and

**WHEREAS,** the City of Portage has completed an Analysis of Impediments to Fair Housing, and annually undertakes activities to further fair housing efforts and educate the public on fair housing issues; and

**WHEREAS,** equal housing opportunity is a goal to be achieved within the City of Portage.

**NOW, THEREFORE BE IT RESOLVED,** that I, Peter J. Strazdas, by virtue of the authority vested in me as the Mayor of Portage, Michigan, do hereby resolve the month of April 2011, as ***FAIR HOUSING MONTH*** in hope that this observance will promote fair housing practices throughout the City.

Signed this 12<sup>th</sup> day of April 2011

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Peter J. Strazdas, Mayor

## CITY COUNCIL MEETING MINUTES FROM MARCH 22, 2011

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

Mayor Strazdas provided a short synopsis of the Mayor and City Council for the Day Program and called forth the student who was voted Student Mayor for the Day, Nathan Novaria, and City Clerk James Hudson administered the Oath of Office to him. Mayor Strazdas called forth the students who were elected Student Councilmembers for the Day from Portage Northern High School: Youssef Farran, Kelcie Kitchens and Nate Rajpoot, and from Portage Central High School: Zach Cook, Maddy Krenselewski and Jared Szymanski, and Mr. Hudson administered the Oath of Office to them. The Student Mayor and Student Councilmembers took their seats at the dais.

Student Mayor Novaria introduced Pastor Mike Drew of Workplace Chaplains U.S., who 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 Cory A. Bailes, Elizabeth A. Campbell, Patricia M. Randall, Claudette S. Reid and Terry R. Urban, Mayor Pro Tem Edward J. Sackley and Mayor Peter J. Strazdas. Also in attendance were City Manager Maurice S. Evans, City Attorney Randall Brown and City Clerk James R. Hudson.

The City Clerk called the Student Mayor and Student Councilmember roll with the following members present: Student Councilmembers Youssef Farran, Kelcie Kitchens, Nate Rajpoot, Zach Cook, Maddy Krenselewski and Jared Szymanski, and Student Mayor Nathan Novaria.

**APPROVAL OF MINUTES:** Motion by Sackley, seconded by Campbell, to approve the March 8, 2011 Regular Meeting Minutes as presented. Upon a voice vote, motion carried 6 to 0 with Councilmember Reid abstaining.

\* **CONSENT AGENDA:** Student Mayor Navaria asked all of the Student Councilmembers to share in the reading of the Consent Agenda. Councilmember Reid asked that Item F.2, City-owned Property - 7130 South Westnedge Avenue, be removed from the Consent Agenda. Motion by Urban, seconded by Reid, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

\* **APPROVAL OF CHECK REGISTER OF MARCH 22, 2011:** Motion by Urban, seconded by Reid, to approve the Check Register of March 22, 2011. Upon a roll call vote, motion carried 7 to 0.

### REPORTS FROM THE ADMINISTRATION:

\* **SPECIAL ASSESSMENT BOND REDEMPTION:** Motion by Urban, seconded by Reid, to adopt the Resolutions Approving Redemption of all Callable Outstanding City of Portage Special Assessment Bonds, Series 1992, 1993, 1995, 1997, 1998, 1999, and 2000, Prior to Maturity. Upon a roll call vote, motion carried 7 to 0.

**CITY-OWNED PROPERTY - 7130 SOUTH WESTNEDGE AVENUE:** Councilmember Reid noted that the property appraisal for this property was \$835,000 in 2008, but the current asking price is \$435,000, so she asked what is the cost to the City of Portage to continue to hold on to this property. City Manager Evans responded that to raze the building would cost \$30,000; that there is an ongoing cost of maintenance of the building and the grounds; that there is no real estate agent; that we are marketing it globally; and that it may be a good time to sell because of declining values. Discussion

followed. Councilmember Randall added that there has been and continues to be a loss of tax revenue on the property; that there have been complaints regarding grass cutting and the deterioration of the building; that other lots in the area are for sale; that there is a need to enhance this section of the business corridor; and that there would be no realtor fee. Councilmember Campbell concurred saying that there is development occurring on land in the area so it is a good time to sell in conjunction with increased activity in the area. Mayor Pro Tem Sackley indicated that by contract, once Portage Community Outreach Center left the site, the City assumed the responsibility to pay the costs associated with the property, and that the building no longer has value.

Motion by Reid, seconded by Campbell, to authorize the City Manager to advertise the sale of an approximate 2.5 acre portion of 7130 South Westnedge Avenue at \$430,000 and solicit bids from interested parties. Upon a roll call vote, motion carried 7 to 0. Discussion followed.

\* **APPOINTMENT OF DIRECTOR OF THE DEPARTMENT OF COMMUNITY DEVELOPMENT:** Motion by Urban, seconded by Reid, to confirm the appointment of Vicki Georgeau as the Director of Community Development, effective July 1, 2011. Upon a roll call vote, motion carried 7 to 0.

\* **APPLICATION FOR SPECIAL LICENSE FOR THE SALE OF BEER, WINE AND SPIRITS:** Motion by Urban, seconded by Reid, to resolve to submit an application to the Michigan Liquor Control Commission for a Special License for the sale of beer and wine for consumption on the premises at Portage Central Park, 7800 Shaver Road, for *The Taste of Portage* on June 25, 2011, and authorize the City Manager to execute all documents on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

\* **LABOR COUNSEL SERVICES:** Motion by Urban, seconded by Reid, to renew the contract with McCarthy Smith Law Group for Labor Counsel Services through Fiscal Year 2013-14 and authorize the City Manager to execute all documents related to the contract renewal. Upon a roll call vote, motion carried 7 to 0.

\* **FISCAL YEAR 2011-2012 PROPOSED BUDGET REVIEW SCHEDULE:** Motion by Urban, seconded by Reid, to establish April 19 from 2 to 5 p.m. and 6 to 9 p.m. for review of the proposed Fiscal Year 2011-2012 Budget. Upon a roll call vote, motion carried 7 to 0.

\* **FEBRUARY 2011 SUMMARY ENVIRONMENTAL ACTIVITY REPORT – INFORMATION ONLY:** Motion by Urban, seconded by Reid, to receive the communication from the City Manager regarding the February 2011 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 7 to 0.

\* **DEPARTMENT MONTHLY REPORTS:** Motion by Urban, seconded by Reid, to receive the Department Monthly Reports from the various city departments. Upon a roll call vote, motion carried 7 to 0.

#### **COMMUNICATION:**

**TEXAS TOWNSHIP SUPERVISOR DAVID HEALY:** After an explanation by Mayor Strazdas and a short discussion of the benefits of the request to both communities, motion by Urban, seconded by Reid, to grant the request from Texas Township Supervisor David Healy to support the 2011 MDNR Trust Fund grant application for the trails system connection between Texas Township and the City of Portage. Upon a roll call vote, motion carried 7 to 0. Discussion followed regarding a forthcoming letter of support from Mayor Strazdas.

**POINT OF ORDER:** Mayor Pro Tem Sackley took exception to the use of the word “consider” in the agenda outline for items H.2, Senior Citizen Advisory Board Ordinance and Rules, and H.3, Ordinance Amendment, Chapter 24, Article 5, Safety, Sanitation and Health. Discussion followed regarding the language used in the Consent Agenda Motions which reflects the actual vote of City Council unless the item is removed from the Consent Agenda.

**UNFINISHED BUSINESS:**

- \* **SALE OF EXCESS CITY-OWNED PROPERTY, 2125 BENDER ROAD:** Motion by Urban, seconded by Reid, to reconfirm the Resolution to sell excess city-owned property, 2125 Bender Road. Upon a roll call vote, motion carried 7 to 0.
- \* **SENIOR CITIZENS ADVISORY BOARD ORDINANCE AND RULES:** Motion by Urban, seconded by Reid, to approve an Amendment to the Code of Ordinances of the City of Portage, Michigan, on second reading by amending Chapter 2, Article 7, Section 2-293, for the Senior Citizens Advisory Board to lower the age for advisory board members and Section 2-297, to clarify distribution of records, and approve the revised Senior Citizen Advisory Board rules of operation. Upon a roll call vote, motion carried 7 to 0.
- \* **ORDINANCE AMENDMENT, CHAPTER 24, ARTICLE 5, SAFETY, SANITATION AND HEALTH:** Motion by Urban, seconded by Reid, to approve an Amendment to the Code of Ordinances of the City of Portage, Michigan, on second reading by amending Chapter 24, Article 5, Section 24-113, Safety, Sanitation and Health, with provisions for nuisance abatement and cost recovery, and adopt the resolution establishing the nuisance abatement fee. Upon a roll call vote, motion carried 7 to 0.
- \* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes of the:
  - Portage Historic District Commission of January 5, 2011.
  - Portage Zoning Board of Appeals of February 14, 2011.
  - Portage Park Board of February 16, 2011.
  - Portage Youth Advisory Committee of February 28, 2011.
  - Kalamazoo County Board of Commissioners Regular and Committee of the Whole of March 1, 2011.
  - Portage Planning Commission of March 3, 2011.

**AD-HOC COMMITTEE REPORT:**

**CITY COUNCIL SIGN ORDINANCE COMMITTEE:** City Council received the presentation by Councilmember Urban regarding an update on the recent activity of the City Council Sign Ordinance Committee.

**BID TABULATION:**

- \* **DOCUMENT MICROFILMING, IMAGING AND DESTRUCTION:** Motion by Urban, seconded by Reid, to approve the contract with Microsystems, Inc., for document microfilming, imaging and destruction for the low bid of \$19,747.95 for a one-year period with the option of two annual extensions and authorize the City Manager to execute all documents related to this action. Upon a roll call vote, motion carried 7 to 0.

**OTHER CITY MATTERS:**

**STATEMENTS OF STUDENT MAYOR AND STUDENT CITY COUNCIL FOR THE DAY AND FACULTY ADVISOR:** Mayor Strazdas introduced Portage Central High School Student Senate Adviser Mark Sutherland, who provided brief review of the Mayor and City Council for the Day Program experiences and thanked Mayor Strazdas and City Council for the opportunity to learn about local government through hands-on participation.

At the request of Mayor Strazdas, the Student Councilmembers and the Student Mayor expressed their appreciation for the opportunity to participate in the Student Council and Mayor for the Day Program. Each of them indicated that the experience was enjoyable, rewarding and enlightening. Discussion followed.

**STATEMENTS OF CITY COUNCIL AND CITY MANAGER:** Mayor and City Council expressed their appreciation to the students who participated in the Student Council and Mayor for the Day Program and the Faculty Advisors for their efforts with the Program, extended congratulations to Transportation & Utilities Director Chris Barnes for winning Public Servant of the Year from the Kalamazoo Chamber of Commerce and congratulated Vicki Georgeau as Community Development Director.

Councilmember Randall posed a question about the use of City Hall by the public saying that the current policy seems too restrictive. She complimented the Board of Review Members and the City Assessor staff for their efforts during the 2011 Board of Review sessions.

At the request of Mayor Strazdas, City Manager Maurice Evans noted that the use of City Hall after hours requires paying overtime and that staff time for the Congressman Upton visit was minimal as it took place during working hours.

Councilmember Reid indicated that the \$100 million gift to Western Michigan University for a Medical School would have a huge impact on the Region. Mayor Strazdas concurred. As mentioned in the invocation by Pastor Mike Drew, she expressed her concern for the people of Japan, who are facing new challenges each day as a result of the recent earthquake and subsequent tsunami and the people of Libya, who are in the midst of a military struggle for power.

City Manager Evans indicated that the recent Census 2010 revealed that the City of Portage population grew from 44,897 to 46,292 with a 4.9% increase in Kalamazoo County.

Mayor Pro Tem Sackley invited the public to the detailed line by line Budget Review Sessions, Tuesday, April 19, 2011, from 2 to 5 p.m. and 6 to 9 p.m.

**ADJOURNMENT:** Mayor Strazdas adjourned the meeting at 8:27 p.m.

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James R. Hudson, City Clerk

\*Indicates items included on the Consent Agenda.

**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** April 4, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Accounts Payable Register

**ACTION RECOMMENDED:** That City Council approve the Accounts Payable Register of April 12, 2011 as presented.

Attached please find the Accounts Payable Register for the period March 13, 2011 through April 3, 2011, which is recommended for approval.

c: Daniel S. Foecking, Finance Director

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	CHECK AMOUNT
03/18/2011	275436	AT&T	849		3,307.49
03/18/2011	275437	A-1 AMERICAN FLAGPOLES & FLAGS	2556		115.00
03/18/2011	275438	A-1 SIGNS	2873		224.40
03/18/2011	275439	ALL-PHASE ELECTRIC SUPPLY CO.	108		305.04
03/18/2011	275440	ALLEGRA PRINT & IMAGING	533		2,518.12
03/18/2011	275441	AMERICAN PUBLIC WORKS ASSOC	716		714.00
03/18/2011	275442	AMERICAN PUBLIC WORKS ASSOC	716		348.00
03/18/2011	275443	ANIMAL REMOVAL SERVICE, LLC	3428		300.00
03/18/2011	275444	TODD ARBANAS ENTERPRISES INC.	1704		4,670.00
03/18/2011	275445	ARROW UNIFORM RENTAL	4058		90.30
03/18/2011	275446	AUTOMATIC DATA PROCESSING	3305		900.99
03/18/2011	275447	BARN THEATER, INC	999999		667.00
03/18/2011	275448	BATES, LOIS	999999		80.00
03/18/2011	275449	BCHS-HELPNET	1732		175.00
03/18/2011	275450	BEACON ATHLETICS	4168		717.00
03/18/2011	275451	BLUE CROSS/BLUE SHIELD OF MICH	642		121,781.42
03/18/2011	275452	BOOTH NEWSPAPERS INC	89		1,707.10
03/18/2011	275453	BOOTH NEWSPAPERS INC	89		171.48
03/18/2011	275454	BRINK'S, INC	153		247.18
03/18/2011	275455	RANDALL L BROWN & ASSOC. PLC	2351		25.00
03/18/2011	275456	C A L E A	1080		130.00
03/18/2011	275457	CAMPBELL AUTO SUPPLY	437		50.78
03/18/2011	275458	CHANNING BETE COMPANY, INC.	4660		539.55
03/18/2011	275459	CHARTER COMMUNICATIONS	3080		82.84
03/18/2011	275460	CHEMSEARCH	1809		245.00
03/18/2011	275461	CINTAS CORP.	2206		419.32
03/18/2011	275462	CITY OF KALAMAZOO (TRANS MILLA	4649		3.42
03/18/2011	275463	CITY OF KALAMAZOO TREASURER	540		190,459.38
03/18/2011	275464	CITY OF PORTAGE	177		453.03
03/18/2011	275465	CLEARLITE, INC.	4643		639.96
03/18/2011	275466	COCHRANE, TERRANCE AND MARYANN	999999		130.00
03/18/2011	275467	CONSUMERS ENERGY	743		43,332.36
03/18/2011	275468	CONSUMERS ENERGY - KALAMAZOO	190		3,726.00
03/18/2011	275469	CONSUMERS ENERGY - KALAMAZOO	190		1,437.00
03/18/2011	275471	CONSUMERS ENERGY-BILL PMT CNT	189		58,432.84
03/18/2011	275472	COSTAR REALTY INFORMATION, INC	4620		503.57
03/18/2011	275473	CRAWFORD, ROGER	999999		6,250.00
03/18/2011	275474	CROSSROADS CAR WASH	195		317.50
03/18/2011	275477	CROSSROADS EXPERT AUTO SERVICE	4109		2,412.19
03/18/2011	275478	CRYSTAL FLASH ENERGY	196		6,076.00
03/18/2011	275479	DANOSKI, LEVI	999999		44.00
03/18/2011	275480	DEPATIE FLUID POWER CO., INC.	211		99.67
03/18/2011	275481	DOSTER, KYLE	999999		90.00
03/18/2011	275482	ECHSELBARGER, HIMEBAUGH, TAMM &	4664		376.00
03/18/2011	275484	EMERGENCY VEHICLE PRODUCTS	2948		1,113.98
03/18/2011	275485	ENGINEERING SUPPLY & IMAGING	2615		2,349.00
03/18/2011	275486	FORENSIC PROFESSIONAL RESOURCE	999999		500.00
03/18/2011	275487	FORENSIC PROFESSIONAL RESOURCE	999999		500.00
03/18/2011	275488	GIDDINGS, DEBBIE	999999		44.00
03/18/2011	275489	GORDON FOOD SERVICE	502		42.65
03/18/2011	275490	GORDON WATER SYSTEMS	517		36.50

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 CHECK DATE CHECK NUMBER VENDOR NAME VENDOR # BANK CODE \*ALL\* CHECK AMOUNT  
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CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	*ALL*	CHECK AMOUNT
03/18/2011	275491	GRIFFIN PEST CONTROL, INC.	598			814.00
03/18/2011	275492	HERITAGE RESTAURANT	999999			350.00
03/18/2011	275493	HILLIS, JAMES AND BEVERLY	999999			150.00
03/18/2011	275494	HOLIDAY INN EXPRESS	999999			213.54
03/18/2011	275495	HOLIDAY INN EXPRESS	999999			213.54
03/18/2011	275496	HOLLAND SUPPLY INC.	3594			852.50
03/18/2011	275497	HOME DEPOT	691			69.97
03/18/2011	275498	HURLEY & STEWART, LLC	2905			1,473.46
03/18/2011	275499	HYSLOP, STANFORD	999999			44.00
03/18/2011	275500	IDENTIX INCORPORATED	3321			6,433.00
03/18/2011	275501	IERVOLINA, SUSAN	2074			110.00
03/18/2011	275502	INTERNATIONAL CODE COUNCIL, IN	3244			47.00
03/18/2011	275503	INTERSECT TECHNOLOGIES	379			1,541.00
03/18/2011	275504	J B PRINTING COMPANY	1595			10,016.74
03/18/2011	275505	JAGER, RICHARD	999999			80.00
03/18/2011	275506	KAHN, WILLIAM	2868			300.00
03/18/2011	275507	KAL CO MEDICAL CONTROL AUTH	735			459.14
03/18/2011	275508	KALAMAZOO AREA TRANSPORTATION	4285			1,950.00
03/18/2011	275509	KALAMAZOO COUNTY TREASURER	514			277.45
03/18/2011	275510	KALAMAZOO REG'L EDUC SVS AGENG	721			113.32
03/18/2011	275511	KALAMAZOO VALLEY COMMUNITY COL	230			69.29
03/18/2011	275512	KCMHSAS	999999			75.00
03/18/2011	275513	KELLY RADIATOR & AUTO REPAIR	4591			969.82
03/18/2011	275514	KNAPP ENERGY, INC.	235			17,520.40
03/18/2011	275515	KUIPER BROTHERS MOVING INC.	1066			178.00
03/18/2011	275516	KZOO TIRE COMPANY	564			158.00
03/18/2011	275517	LAWSON PRODUCTS, INC	240			551.07
03/18/2011	275518	LEHMANN, JEFFREY	999999			90.00
03/18/2011	275519	LEWIS PAPER PLACE, INC.	242			57.95
03/18/2011	275520	LEXISNEXIS/MATTHEW BENDER	2701			159.50
03/18/2011	275521	M M R M A	945			265,779.00
03/18/2011	275522	MACKS FIRE PROTECTION	3849			1,995.21
03/18/2011	275523	MACNLOW ASSOCIATES	2189			245.00
03/18/2011	275524	MCINTYRE, HEATHER	999999			100.00
03/18/2011	275525	MCNALLY ELEVATOR CO.	256			673.40
03/18/2011	275526	MED REPAIR INC	999999			89.54
03/18/2011	275527	MENARDS, INC	258			251.97
03/18/2011	275528	METEORLOGIX	377			549.75
03/18/2011	275529	MICHIGAN APCO	999999			250.00
03/18/2011	275530	MIDWEST SPORTS SUPPLY	4512			894.00
03/18/2011	275531	NATIONAL IMPRINT CORP.	978			586.80
03/18/2011	275532	NEW FRESH CLEANING SERVICE	4351			67.50
03/18/2011	275533	A NEW LEAF	635			85.00
03/18/2011	275534	NEW WORLD SYSTEMS	1154			945.00
03/18/2011	275535	NYE UNIFORMS	299			1,480.87
03/18/2011	275537	OFFICE DEPOT, INC.	1721			1,032.23
03/18/2011	275538	ONE WAY PRODUCTS	440			869.37
03/18/2011	275539	PARIS CLEANERS	1794			964.65
03/18/2011	275540	PERRY BALLARD INCORPORATED	4348			2,090.00
03/18/2011	275541	PETERS CONSTRUCTION CO.	1638			3,155.08
03/18/2011	275542	PETTY CASH-CITY HALL	767			376.60

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
03/18/2011	275543	PETTY CASH-PARKS	536	312.23
03/18/2011	275544	PETTY CASH-SENIOR CENTER	537	214.82
03/18/2011	275545	PORTAGE DISTRICT LIBRARY	810	32.20
03/18/2011	275546	PORTAGE PUBLIC SCHOOLS	590	1,672.62
03/18/2011	275547	PRIORITY HEALTH	4254	20,739.79
03/18/2011	275548	R C M HEADSETS/R C M & ASSOC.	4113	211.00
03/18/2011	275549	RATHCO SAFETY SUPPLY, INC.	327	294.00
03/18/2011	275550	RAY, HAROLD AND SHIRLEY	999999	155.00
03/18/2011	275551	RELIABLE MANAGEMENT SYSTEMS, I	4354	331.00
03/18/2011	275552	REPUBLIC WASTE SERVICES OF W M	4443	41,963.70
03/18/2011	275553	RESIDENTIAL PLUMBING SERVICES,	1977	451.10
03/18/2011	275554	RUTTEN, DAVID AND EILEEN	999999	130.00
03/18/2011	275555	SCHOFFERS CONSTRUCTION CO.	4657	3,494.00
03/18/2011	275556	SIG ARMS, INC.	2201	72.80
03/18/2011	275557	SIGNWRITER & SERIGRAPHICS	2376	540.00
03/18/2011	275558	SOUTHWEST MICHIGAN GOV CONSULT	4484	3,712.50
03/18/2011	275559	SOUTHWEST MICHIGAN WELLNESS DI	3238	435.00
03/18/2011	275560	SPEX FORENSIC DIVISION	2708	440.00
03/18/2011	275561	STATE INDUSTRIAL PRODUCTS CORP	2010	550.71
03/18/2011	275562	STATE OF MICH - STATE POLICE	367	45.00
03/18/2011	275563	STATE OF MICHIGAN (DOT)	368	1,243.05
03/18/2011	275564	STATE SYSTEMS RADIO, INC	369	1,209.35
03/18/2011	275565	SUBURBAN MECHANICAL	1475	594.00
03/18/2011	275566	SUPERCIRCUITS	1823	799.69
03/18/2011	275567	SUPERIOR ASPHALT, INC.	4183	3,465.00
03/18/2011	275568	SYNERGISTIC ONLINE SOLUTIONS	393	1,635.00
03/18/2011	275569	T D S METROCOM, LLC	4539	2,870.51
03/18/2011	275570	T-MOBILE USA INC	3665	29.99
03/18/2011	275571	TEMPLE, LOIS	999999	80.00
03/18/2011	275572	THINGS TA DO, INC.	4201	200.00
03/18/2011	275573	THOMPSON, JOHANNA	999999	100.00
03/18/2011	275574	UNITED PARCEL SERVICE	545	90.32
03/18/2011	275575	VANATTA, JOYCE	999999	5.00
03/18/2011	275576	VARAS,THEODORE	999999	70.06
03/18/2011	275577	VARNUM, RIDDERING, SCHMIDT & H	402	290.00
03/18/2011	275578	WALKER, SCOTT AND REBECCA	999999	130.00
03/18/2011	275579	WEBSTER, CHARI	999999	80.00
03/18/2011	275580	WEINBERG, JACKLYN	999999	5.00
03/18/2011	275581	WILLIAM FRIES	999999	25.90
03/18/2011	275582	WILLIAM STANNARD	999999	26.00
03/18/2011	275583	WINDEMULLER ELECTRIC, INC.	3061	5,722.17
03/18/2011	275584	WINDER POLICE EQUIPMENT, INC.	429	971.66
03/18/2011	275585	WOLVERINE LAWN SERVICE, INC.	1089	1,962.00
03/18/2011	275586	WRIGHT & MCGILL CO	999999	45.00
03/18/2011	275588	XEROX CORPORATION	2684	1,563.86
03/18/2011	275589	3B DISTRICT COURT	999999	450.00
03/18/2011	275590	3RD DISTRICT COURT	999999	150.00
03/18/2011	275591	9TH CIRCUIT COURT	999999	750.00
03/21/2011	275592	ARIF, MUHAMMAD	999999	75.00
03/23/2011	275593	ATTORNEY'S TITLE AGENCY LLC &	999999	4,388.00
03/24/2011	275594	GRIFFIN PEST CONTROL, INC.	598	.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	CHECK AMOUNT
03/28/2011	275595	U S POSTMASTER	392		6,000.00
04/01/2011	275596	A I S CONSTRUCTION EQUIP. CO.	640		815.07
04/01/2011	275597	AT&T	849		1,503.72
04/01/2011	275598	A T & T LONG DISTANCE	4060		30.49
04/01/2011	275599	ACS GOVERNMENT SYS., INC.	3748		2,415.00
04/01/2011	275600	ADMIRAL LOCK & KEY SERVICE	104		166.00
04/01/2011	275601	AGRO SALES NORTH LLC	3943		173.35
04/01/2011	275602	AIRGAS GREAT LAKES	106		158.61
04/01/2011	275603	ALL-TRONICS, INC.	109		78.00
04/01/2011	275604	ALLEGRA PRINT & IMAGING	533		901.82
04/01/2011	275605	AMERICAN HYDROGEOLOGY CORP.	114		596.25
04/01/2011	275606	AMERICAN SAFETY & FIRST AID	113		59.54
04/01/2011	275607	TODD ARBANAS ENTERPRISES INC.	1704		5,630.00
04/01/2011	275608	ARGONDELIS BUILDERS LLC	999999		5.01
04/01/2011	275609	ARROW UNIFORM RENTAL	4058		90.30
04/01/2011	275610	AUTOMATIC DATA PROCESSING	3305		1,161.50
04/01/2011	275611	AUTOMATIC MICROFILMING CO.	863		286.70
04/01/2011	275612	BEACON CLUB	988		95.00
04/01/2011	275613	BOOTH NEWSPAPERS INC	89		171.48
04/01/2011	275614	BORGESS HEALTH ALLIANCE	151		99.00
04/01/2011	275615	BREAKAWAY BICYCLES	1356		245.31
04/01/2011	275616	FENNEMA ENTERPRISES, LLC	4645		80.00
04/01/2011	275617	BUDENIEKS, JURIS & SHARON	999999		772.00
04/01/2011	275618	BUREAU OF NATIONAL AFFAIRS INC	975		35.00
04/01/2011	275619	C B C INNOVIS INC	2887		57.00
04/01/2011	275620	CAVALIER ELECTRIC INC.	999999		124.00
04/01/2011	275621	CHARTER COMMUNICATIONS	3080		60.90
04/01/2011	275622	CINTAS CORP.	2206		451.90
04/01/2011	275623	CLARK, RONALD	999999		120.00
04/01/2011	275624	CLARK, STEVEN	999999		285.00
04/01/2011	275625	COCHENSPIGHER, STACY	999999		26.09
04/01/2011	275626	COLT DEFENSE LLC	999999		450.00
04/01/2011	275627	CONSUMERS ENERGY-BILL PMT CNT	189		14,286.48
04/01/2011	275628	CROSSROADS EXPERT AUTO SERVICE	4109		491.26
04/01/2011	275629	DEPATIE FLUID POWER CO., INC.	211		439.19
04/01/2011	275630	DHLC CONFERENCE	999999		40.00
04/01/2011	275631	DIAMOND DRILLING & SUPPLY CO.	2430		175.00
04/01/2011	275632	DIESEL INJECTION SERVICE, LLC	1874		284.72
04/01/2011	275633	JACK DOHENY SUPPLIES INC.	69		82.70
04/01/2011	275634	EKLOV, ERICA	532		130.00
04/01/2011	275635	ELKHART RIVER QUEEN, INC	999999		100.00
04/01/2011	275636	EMERGENCY VEHICLE PRODUCTS	2948		3,689.66
04/01/2011	275637	FAIRFIELD INN	999999		350.00
04/01/2011	275638	FAIRFIELD INN	999999		350.00
04/01/2011	275639	FELDER COMMUNICATIONS GROUP, I	3025		1,102.50
04/01/2011	275640	FERRELLGAS, LP	384		3,359.91
04/01/2011	275641	FIRE ENGINEERING	999999		29.00
04/01/2011	275642	FIRST IMAGE	1679		60.00
04/01/2011	275643	FLIERS UNDERGROUND SPRINKLING	1407		858.95
04/01/2011	275644	GLEESING, KEVIN	999999		120.00
04/01/2011	275645	GOOLSBY, CHARM	999999		385.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
04/01/2011	275646	GORDON WATER SYSTEMS	517	50.75
04/01/2011	275647	GORNO FORD	2967	138,282.00
04/01/2011	275648	GOTTA GO PORTABLES	3465	146.00
04/01/2011	275649	GRAHAM FORESTRY SERVICE, INC.	464	1,800.00
04/01/2011	275650	GREATER KALAMAZOO FOP LODGE 98	623	780.00
04/01/2011	275651	GREATER KALAMAZOO FOP LODGE 98	623	3,900.00
04/01/2011	275652	GREATER KALAMAZOO UNITED WAY	628	1,148.62
04/01/2011	275653	GWAVA TECHNOLOGIES INC.	4119	5,400.00
04/01/2011	275654	HARDY, MARJORIE	999999	386.00
04/01/2011	275655	HERRINGA, ADAM	532	152.48
04/01/2011	275656	HOME DEPOT	691	285.62
04/01/2011	275657	IERYOLINA, SUSAN	2074	130.00
04/01/2011	275658	INTERSECT TECHNOLOGIES	379	646.00
04/01/2011	275659	IP CONSULTING, INC.	4642	412.50
04/01/2011	275660	J D E EQUIPMENT COMPANY	4244	574.49
04/01/2011	275661	J-AD GRAPHICS, INC	4444	1,072.00
04/01/2011	275662	JONS TO GO PORTABLE RESTROOM	3201	120.00
04/01/2011	275663	KAHLE, JOAN	999999	386.00
04/01/2011	275664	KALAMAZOO COUNTY HEALTH & COMM	84	9,079.00
04/01/2011	275665	KALAMAZOO COUNTY TREASURER	514	552.50
04/01/2011	275666	KALAMAZOO REGIONAL CHAMBER	3499	12.00
04/01/2011	275667	KELLY RADIATOR & AUTO REPAIR	4591	342.88
04/01/2011	275668	KNAPP ENERGY, INC.	235	15,803.10
04/01/2011	275669	KZOO TIRE COMPANY	564	1,056.00
04/01/2011	275670	LAWSON PRODUCTS, INC	240	1,883.66
04/01/2011	275671	LOUCKS, JANET	999999	386.00
04/01/2011	275672	LOUKA LLC	999999	490.00
04/01/2011	275673	LOUKA LLC	999999	490.00
04/01/2011	275674	MAIN, LLOYD	999999	44.00
04/01/2011	275675	MCNALLY ELEVATOR CO.	256	43.10
04/01/2011	275676	MICHIGAN ELECTION RESOURCES, L	264	1,693.50
04/01/2011	275677	MIDLAND ENGINE, INC	1986	1,596.58
04/01/2011	275678	MIDWEST ENERGY COOPERATIVE	2030	220.35
04/01/2011	275679	MILLER, CANFIELD, PADDOCK & ST	528	2,238.00
04/01/2011	275680	MYER, CLIFFORD	999999	32.81
04/01/2011	275681	NAT'L TRUST-HISTORIC PRESERV	607	157.00
04/01/2011	275682	NATIONAL LAW ENFORCEMENT SUPPL	4323	1,390.84
04/01/2011	275683	NEW FRESH CLEANING SERVICE	4351	33.75
04/01/2011	275684	NEXTEL	1709	2,128.21
04/01/2011	275685	NYE UNIFORMS	299	955.50
04/01/2011	275686	OFFICE DEPOT, INC.	1721	284.45
04/01/2011	275687	ONE WAY PRODUCTS	440	695.10
04/01/2011	275688	PETTY CASH-CITY HALL	767	722.97
04/01/2011	275689	PETTY CASH-FIRE	610	178.73
04/01/2011	275690	PIONEER DRAMA SERVICE, INC.	999999	29.00
04/01/2011	275691	PORTAGE FIREFIGHTERS	625	1,491.76
04/01/2011	275692	PORTAGE ON-CALL FIREFIGHTERS	504	138.60
04/01/2011	275693	PORTAGE POLICE OFFICERS ASSOC	624	485.00
04/01/2011	275694	PREMIER PAINTING SPEC & PRES W	4568	340.00
04/01/2011	275695	QUADRANT II MARKETING, LLC	3139	2,243.08
04/01/2011	275696	RATHCO SAFETY SUPPLY, INC.	327	2,948.16

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
04/01/2011	275697	REFRIGERATION SERVICES	4527	1,112.92
04/01/2011	275698	RICE, DAVID	4658	750.00
04/01/2011	275699	RIDGE AUTO NAPA	438	916.66
04/01/2011	275700	RIVERSIDE INTEGRATED SYSTEMS,	3598	383.00
04/01/2011	275701	ROAD EQUIPMENT PARTS CENTER	339	242.63
04/01/2011	275702	ROBERTS LANDSCAPE	4294	800.00
04/01/2011	275703	ROSE, MARK J	999999	6.21
04/01/2011	275704	SCHULTZ, BILL & EVIE	999999	767.00
04/01/2011	275705	SHAHEEN CHEVROLET INC.	1743	58,924.00
04/01/2011	275706	SHARP SHOP	354	651.03
04/01/2011	275707	SHEELER, ELLIE	999999	386.00
04/01/2011	275708	SIMMONS FORD	2064	17.98
04/01/2011	275709	SPRINT	3721	1,579.61
04/01/2011	275710	STAR GLASS	2043	103.98
04/01/2011	275711	STATE OF MICHIGAN (ASSR BOARD)	2083	50.00
04/01/2011	275712	STATE OF MICHIGAN (DOT)	368	37,262.94
04/01/2011	275713	STATE SYSTEMS RADIO, INC	369	629.00
04/01/2011	275714	STATE TAX COMMISSION	999999	2,500.00
04/01/2011	275715	STAYWELL/KRAMES	1477	119.38
04/01/2011	275716	STEENSMAN LAWN & POWER EQUIPMEN	3222	447.27
04/01/2011	275717	STOEFFLER, LINDA	999999	44.00
04/01/2011	275718	SUITS U TAILOR SHOP INC	4237	56.00
04/01/2011	275719	SUNGARD PUBLIC SECTOR	449	230.00
04/01/2011	275720	SUPERIOR ASPHALT, INC.	4183	4,950.00
04/01/2011	275721	TAFFEE, BRYAN	999999	390.00
04/01/2011	275722	TECHNOLOGY SOLUTIONS	4612	4,937.50
04/01/2011	275723	TEMPLE, LOIS	999999	50.00
04/01/2011	275724	THOMPSON, JOHANNA	999999	447.60
04/01/2011	275725	THOMPSON, JOHANNA	999999	900.00
04/01/2011	275726	TRACTOR SUPPLY CORP.	2817	790.48
04/01/2011	275727	U A W, LOCAL 2290	1862	576.24
04/01/2011	275728	U S POSTMASTER	391	370.00
04/01/2011	275729	UNITED PARCEL SERVICE	545	22.00
04/01/2011	275730	VARDA COMPANY	4187	1,956.50
04/01/2011	275731	VERIZON WIRELESS SERVICES, LLC	4653	74.66
04/01/2011	275732	VICKSBURG CHRYSLER DODGE JEEP	2721	110.89
04/01/2011	275733	WELLER AUTO PARTS INC.	4668	240.00
04/01/2011	275734	WELLER TRUCK	1594	13.34
04/01/2011	275735	WEST MICHIGAN STAMP & SEAL, INC	415	13.25
04/01/2011	275736	WESTERN MICHIGAN INT'L TRUCKS	4306	587.78
04/01/2011	275737	WHEELER, JOYCE	999999	386.00
04/01/2011	275738	WILLIAMSON, ROBERT M.	999999	96.39
04/01/2011	275739	WINDER POLICE EQUIPMENT, INC.	429	1,934.28
04/01/2011	275740	WINDTEK INC.	3911	72.50
04/01/2011	275741	WINGFOOT COMMERCIAL TIRE	2613	415.30
04/01/2011	275742	WOLTERS KLUMER LAW & BUSINESS	3141	441.00
04/01/2011	275743	ZACK, ELLEN	999999	45.00
04/01/2011	275744	3RD DISTRICT COURT	999999	250.00
04/01/2011	275745	7-E DISTRICT COURT	999999	50.00

DATE RANGE TOTAL \* 1,275,980.57 \*

PAYMENT NO	VENDOR NO	VENDOR NAME	TRANSFER DATE	AMOUNT	TRACE		EFT		BANK BATCH CODE
					NUMBER	NUMBER	NUMBER	BATCH CODE	
166		ARISTA TRUCK SYSTEMS	04/01/2011	2,316.75	0720003200000001	00000001	00000001	00	00
149		BATTERIES PLUS	03/18/2011	534.96	0720003200000001	00000001	00000001	00	00
167		BATTERIES PLUS	04/01/2011	124.32	0720003200000002	00000002	00000001	00	00
150		BLUE CARE NETWORK-GREAT LAKES	03/18/2011	65,290.02	0720003200000002	00000002	00000001	00	00
168		CONTINENTAL LINEN SUPPLY CO.	04/01/2011	108.37	0720003200000003	00000003	00000001	00	00
169		DELTA DENTAL PLAN OF MI	04/01/2011	20,160.73	0720003200000004	00000004	00000001	00	00
170		EMPLOYMENT GROUP, INC.	04/01/2011	448.50	0720003200000005	00000005	00000001	00	00
171		ENGINEERED PROTECTION SYSTEMS, INC.	04/01/2011	117.00	0720003200000006	00000006	00000001	00	00
172		GRAINGER INC, W W	04/01/2011	172.20	0720003200000007	00000007	00000001	00	00
151		GREAT LAKES CHLORIDE, INC.	03/18/2011	3,024.04	0720003200000003	00000003	00000001	00	00
152		HARTFORD LIFE INSURANCE COMPANY	03/18/2011	8,168.52	0720003200000004	00000004	00000001	00	00
153		INDUSCO SUPPLY CO., INC.	03/18/2011	427.36	0720003200000005	00000005	00000001	00	00
173		INDUSCO SUPPLY CO., INC.	04/01/2011	757.66	0720003200000008	00000008	00000001	00	00
154		KEHOE, EDWARD J	03/18/2011	250.00	0720003200000006	00000006	00000001	00	00
174		KEHOE, EDWARD J	04/01/2011	375.00	0720003200000009	00000009	00000001	00	00
155		KUSHNER & COMPANY, INC.	03/18/2011	487.48	0720003200000007	00000007	00000001	00	00
156		MCCARTHY SMITH LAW GROUP, PLC	03/18/2011	3,416.26	0720003200000008	00000008	00000001	00	00
157		PACIFIC TELEMGT SERV, JAROTH INC	03/18/2011	303.00	0720003200000009	00000009	00000001	00	00
175		PLEUNE SERVICE COMPANY	04/01/2011	1,502.00	0720003200000010	00000010	00000001	00	00
158		PRECISION PRINTER SERVICES INC	03/18/2011	744.40	0720003200000011	00000011	00000001	00	00
159		PREIN & NEWHOF	03/18/2011	10,250.00	0720003200000012	00000012	00000001	00	00
160		QUALITY AIR HEATING & COOLING, INC.	03/18/2011	832.33	0720003200000011	00000011	00000001	00	00
176		QUALITY AIR HEATING & COOLING, INC.	04/01/2011	290.00	0720003200000012	00000012	00000001	00	00
177		S B F/CORONA GRAPHICS	04/01/2011	1,461.59	0720003200000013	00000013	00000001	00	00
161		SAFETY SERVICES, INCORPORATED	03/18/2011	299.76	0720003200000014	00000014	00000001	00	00
178		SAFETY SERVICES, INCORPORATED	04/01/2011	1,605.00	0720003200000013	00000013	00000001	00	00
162		SARCOM, INC	03/18/2011	49,613.16	0720003200000014	00000014	00000001	00	00
179		SARCOM, INC	04/01/2011	2,648.99	0720003200000014	00000014	00000001	00	00
163		SNELL, DEBRA	03/18/2011	186.00	0720003200000015	00000015	00000001	00	00
164		UNITED WATER NACO LLC	03/18/2011	167,775.40	0720003200000016	00000016	00000001	00	00
165		VISION SERVICE PLAN INSURANCE CO	03/18/2011	2,296.64	0720003200000017	00000017	00000001	00	00
180		360 SERVICES, INC.	04/01/2011	3,286.00	0720003200000015	00000015	00000001	00	00

GRAND TOTAL:

349,273.44 NO. OF CHECKS:

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# CITY OF PORTAGE

# COMMUNICATION

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**TO:** Honorable Mayor and City Council

**DATE:** February 25, 2011

**FROM:** Maurice S. Evans, City Manager



**SUBJECT:** Ordinance Amendment 10-A, Keeping of Chickens and Other Animals

**ACTION RECOMMENDED:** That City Council:

- a. accept Ordinance Amendment 10-A, Keeping of Chickens and Other Animals for first reading and set a public hearing for April 12, 2011;
- b. subsequent to the public hearing, consider approval of Ordinance Amendment 10-A, Keeping of Chickens and Other Animals; and
- c. consider adoption of the resolution establishing an permit fee for the keeping of chickens and other animals.

At the October 7, 2010 meeting, the Planning Commission received a written proposal from Mr. Fernando Costas in support of an amendment to the Zoning Code that would allow the raising of chickens (hens) on all single family residential properties and subsequently voted unanimously to initiate the ordinance amendment process. Since October 2010, the Planning Commission, Community Development Department and the City Attorney have researched and discussed this topic, considering numerous citizen comments both in support and in opposition to the proposed ordinance. At the February 17, 2011 meeting, the Planning Commission voted unanimously to recommend to City Council that Ordinance Amendment 10-A, Keeping of Chickens and Other Animals be approved. Background information about the ordinance proposal, citizen correspondence received and other information is provided in Materials Transmitted in a booklet entitled "Planning Commission Background Information and Citizen Comments – Ordinance Amendment 10-A, Keeping of Chickens and Other Animals."

The recommended ordinance amendment to Zoning Code Section 42-121, Accessory buildings and uses, would establish new animal definitions and allow the occupants of a one-family residential dwelling to keep up to six hen chickens as a locally grown food source subject to several conditions designed to minimize impacts on adjacent properties. Additionally, the proposed ordinance establishes a procedure that would allow the Planning Commission to consider requests to keep more than six chickens and requests to keep other types of fowl or animals either as pets, a locally grown food source, or for educational purposes such as a 4-H project.

Additionally, a permit fee of \$50 is recommended for applications involving only administrative review and approval, while a permit fee of \$100 is recommended for applications that involve Planning Commission approval. A portion of the administrative resources including site inspections, Planning Commission activities (where applicable) and document retention necessary to process these applications would be recovered with the proposed fees, which is consistent with various community development applications.

It is recommended that City Council accept Ordinance Amendment 10-A for first reading, establish a public hearing on April 12, 2011 and, subsequent to the public hearing, consider adoption of the proposed ordinance and associated fee resolution.

Attachment: Communication from the Department of Community Development

## CITY OF PORTAGE

## COMMUNICATION

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**TO:** Maurice S. Evans, City Manager

**DATE:** February 25, 2011

**FROM:** Jeffrey M. Erickson, Director of Community Development

**SUBJECT:** Ordinance Amendment 10-A, Keeping of Chickens and Other Animals

At the October 7, 2010 meeting, Mr. Fernando Costas presented a written proposal to the Planning Commission supporting an amendment to the Zoning Code that would allow the keeping/raising of chicken (hens) on all single family residential properties. After discussing the proposal, the Commission voted unanimously to "...initiate an ordinance amendment to consider the keeping/raising of chickens, and other possible poultry/animals, and schedule a public hearing for the November 18, 2010 meeting." Since October 2010, the Planning Commission, Department of Community Development and the City Attorney have extensively researched and discussed this matter. The written proposal submitted by Mr. Costas, along with previous staff reports, Planning Commission meeting minutes and citizen correspondence received have been assembled in booklet form for City Council consideration.

After more than four months of discussion, review of draft ordinance language and consideration of citizen comments, the Planning Commission finalized ordinance language regarding the keeping of chickens and other animals at the February 17, 2011 meeting. A summary of the key provisions of the ordinance that would amend Zoning Code Section 42-121, Accessory buildings and uses, follows:

**Definitions:** Three animal definition categories are established. Domestic animals that are "...normally and customarily kept for pleasure and companionship as household pets..." are permitted as accessory to a residential use. Farm/livestock animals are defined to be allowed as a general agricultural or farm use and, therefore, permitted on unplatted properties with a minimum of 10 acres in single family zones and on unplatted properties with a minimum of five acres in attached and multiple family zones. Exotic animals are defined to include dangerous or vicious animals that are not permitted anywhere in the city, unless approved by the Chief of Police pursuant to Chapter 10-4 (Keeping dangerous animals).

**Number of Chickens (Hens) Permitted:** Occupants of a one-family dwelling may keep up to six chickens on a non-commercial basis and as a locally grown food source for the consumption of eggs or meat. The keeping of roosters is specifically prohibited and requests to keep/raise more than six chickens will require Planning Commission review/approval.

**Permitting and Processing:** All citizens interested in keeping/raising chickens are required to obtain a permit that will be nontransferable with a review fee established by City Council.

**Location on Property and Coop/Pen Requirements:** Chickens are required to be kept in a coop and attached pen that is completely enclosed (all sides and top). During daylight hours, chickens may be allowed to roam outside of the coop/pen within an area completely enclosed by a 6-foot tall opaque fence when supervised. Also, the coop/pen is restricted to a maximum of six feet in height and collectively can not exceed a total of 80 square feet in area. The coop/pen must be setback a minimum of ten feet from all property lines and a minimum of 30-feet from the nearest wall of any adjacent dwelling unit. Additionally, for a lake lot, the coop/pen must maintain a minimum 40-foot rear yard (lakeside) setback. The proposed ordinance included general coop/pen design

requirements and prohibits the use of corrugated metal/fiberglass, sheet metal, plastic tarps, scrap lumber or other similar materials.

Keeping of other Fowl and Animals: The keeping of other types of fowl (ducks, turkeys, guinea hens, etc.) and animals (rabbits, etc.) either as pets, a locally grown food source, or for educational purposes such as a 4-H project may be allowed subject to Planning Commission review and approval.

Nuisance/Sanitation Provisions: General nuisance and sanitation provisions are included in the ordinance to address safe and healthy living conditions, the storage of feed and other items and to address potential concerns related to noise, odors, dust, fumes, sanitation and health. The outdoor slaughter of chickens is also prohibited.

At the conclusion of the public hearing at the February 17, 2011 meeting, the Planning Commission voted unanimously to recommend to City Council approval of Ordinance Amendment 10-A. Attached is a highlight and strike version of the proposed ordinance that illustrates the proposed changes in comparison to the existing Zoning Code language. Additionally, the ordinance for First Reading as recommended by the Planning Commission and City Administration is attached for formal action.

A resolution to establish a permit fee for applications involving the keeping of chickens and other animals also accompanies this report. A permit fee of \$50 is recommended for applications involving only administrative review/approval (the keeping of up to six chickens), while a permit fee of \$100 is recommended for applications involving Planning Commission review/approval (the keeping of more than six chickens or the keeping of other fowl/animals). A portion of the administrative resources, Planning Commission activities and document retention requirements to process these applications would be recovered with the proposed fees.

The Planning Commission transmittal, meeting minutes, Department of Community Development staff report and related materials are attached for your information and review.

Attachments: Final ordinance (First Reading)  
Fee Resolution  
Planning Commission transmittal dated February 25, 2011  
Planning Commission meeting minutes dated February 17, 2011  
Department of Community Development report dated February 11, 2011

**FIRST READING  
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 Section 42-121 of Chapter 42, Land Development Regulations of the Codified Ordinances of Portage, Michigan, was introduced for first reading at a regular meeting of the City Council held on \_\_\_\_\_, 2011, and that the Council will hold a public hearing on the proposed amendment at the Portage City Hall in said City on \_\_\_\_\_, 2011, at 7:30 p.m. or as soon thereafter as may be heard.

NOTICE IS FURTHER GIVEN that the proposed amendment to Section 42-121 of Chapter 42, Land Development Regulations of the Codified Ordinances of Portage, Michigan reads as follows:

That Section 42-121 of Chapter 42, Land Development Regulations, is hereby amended to add Section 42-121(D), Keeping of certain animals as an accessory use, as follows:

THE CITY OF PORTAGE ORDAINS:

**Section 42-121. Accessory buildings and uses.**

- A. General Requirements. No change.**
- B. Accessory Buildings – Residential Zoning Districts. No change.**
- C. Accessory uses. No change.**
- D. Keeping of Certain Animals as an Accessory Use.**
  - 1. Definitions.

All definitions, unless otherwise specifically stated shall, for the purposes of this Section, have the meaning as follows:

- a. **Animal, Domestic.** Any animal normally and customarily kept for pleasure and companionship, that has adapted to human interaction, typically resides within a dwelling and is commonly considered to be domesticated. This category includes those animals typically kept as household pets exclusively by the person(s) occupying the premises. Examples include a dog, cat, rabbit, small domesticated rodent such as hamster, gerbil, ferret and chinchilla, guinea pig, caged bird, non-venomous reptile, amphibian and common aquarium fish, excluding however, exotic animals, farm animals (whether kept for commercial profit or for pleasure and companionship) and animal ferae naturae.

- b. Animal, Farm or Livestock. Any animal that is commonly raised or kept in an agricultural setting, for commercial profit and primarily utilized for the production of food or fiber products. This category includes those animals typically referred to as livestock but not including a domestic animal. Examples include cattle, sheep, goats, pigs, donkeys, mules, poultry and other fowl.
  - c. Animal, Exotic. Any animal that may be dangerous or vicious or that is not customarily kept, confined or cultivated by humans as a domestic animal, or farm animal, but may be used for display with appropriate permits. Examples include marsupials such as kangaroos and opossums, non-human primates such as a monkeys and gorillas, canines and felines (not including domestic dogs and cats), poisonous reptiles and amphibians, and the like.
2. Household Pets. Domestic animals that are normally and customarily kept for pleasure and companionship as household pets as defined in Section 42-121(D)(1)(a) and do not conflict with or violate any other law or regulation of the state, county or city applicable to the keeping of such animal is permitted as accessory to a residential use.
3. Chickens (hens). The purpose of this section is to provide standards and requirements for the keeping of chickens. Roosters are not permitted. It is intended to enable residents to keep up to 6 chickens on a non-commercial basis while limiting and mitigating any potential adverse impacts on surrounding properties and neighborhood. The keeping of up to 6 chickens that are utilized exclusively by the person(s) occupying a one-family dwelling as a locally grown food source for the consumption of eggs or meat, is permitted as accessory to the residential use if all of the following are satisfied:
- a. Chickens shall be kept only in the rear yard secured within a coop and attached pen during non-daylight hours. During daylight hours, chickens may be allowed to roam outside of the coop and pen, if supervised, and only within an area completely enclosed by a 6 foot opaque fence.
  - b. The accessory use, coop and pen shall be designed to provide safe and healthy living conditions for chickens while minimizing adverse impacts on other residents and the neighborhood. The coop and pen shall meet the following additional requirements:
    - (1) The coop and pen shall be setback a minimum of 10 feet from all property lines of adjacent property and be located a minimum of 30 feet from the nearest wall of any adjacent dwelling. Additionally, a coop and pen located on a lake front lot shall have a 40 foot rear yard setback. Public streets and public easements shall not be considered adjacent property lines for purposes of this section.

- (2) The coop and pen shall be a maximum of 6 feet in height and shall not exceed a total of 80 square feet.
  - (3) The use of corrugated metal/fiberglass, sheet metal, plastic tarps, scrap lumber or similar materials is prohibited. The coop and pen must be completely enclosed with a top and/or cover.
  - (4) The coop and pen may be movable only if the dimensional/setback restrictions contained in this section are satisfied.
- c. All feed and other items associated with the keeping of chickens that are likely to attract or to become infested with or infected by rats, mice or other rodents shall be protected so as to prevent rats, mice or other rodents from gaining access or coming into contact with them.
- d. The outdoor slaughter of chickens is prohibited.
- e. The accessory use shall comply with all provisions of the City of Portage Code of Ordinances pertaining to noise, odors, dust, fumes, sanitation and health or other comparable nuisances to ensure the public health, safety and welfare.
- f. No person shall keep chickens without first securing a permit from the City on a form provided and without paying a permit fee as prescribed by the Portage City Council by resolution. The permit shall be issued by the Director. Such permit may be revoked by the Director if it is determined that any provision of this section is violated.
- g. Establishment of an accessory use and/or accessory building under this section shall not confer a vested right in the provisions contained herein or a right to continue such use. Further, a permit granted under this section is personal to the applicant occupying the dwelling and is not transferable.
- h. This section shall not regulate the keeping of chickens in those areas where a form of agriculture is a permitted principal use or special land use under other sections of this zoning code.
- i. All licensing required by the State of Michigan and Kalamazoo County, as well as all other statutes, ordinances and codes, shall be satisfied.
- j. The following shall require Planning Commission approval:
  - (1) The keeping of more than 6 chickens as an accessory use under this section;
  - (2) The keeping of other fowl or other animals, not dangerous or exotic, as an accessory use; and

- (3) The keeping of chickens in an attached or detached accessory building where the dimensional restrictions contained in this section cannot be satisfied.

k. For paragraph (j)(1) through (3) above, the following shall apply:

- (1) Applicant shall submit written proof to the Planning Commission signed by an owner and occupant, (if different than the owner), of adjacent properties stating that the owner and occupant are aware of the applicant's request and the date, time and place of the meeting. If the applicant is unable to obtain necessary signatures after diligent effort is made, applicant may submit written proof in the form of a signed affidavit that the request and the date, time and place of the meeting has been mailed by first class mail or hand delivered to the owner and occupant's last known address from the City of Portage tax records no later than 15 days prior to the Planning Commission meeting;
  - (2) In its determination, the Planning Commission shall consider the size of the lot or parcel, proximity of surrounding uses, topography, nature of the animal being requested and any other factor relevant to assure public health, safety and welfare;
  - (3) The Planning Commission may attach conditions to the accessory use and/or accessory building deemed necessary for the general welfare, for the protection of individual property rights, to mitigate any negative impact on the surrounding uses of land and any other condition reasonably related to, and consistent with, public health, safety and welfare; and
  - (4) All other applicable conditions and requirements of this section (the keeping of chickens) shall be satisfied.
- l. No permit shall be issued by the Director or the Planning Commission without the written authorization from an owner of the property (if different from the applicant) consenting to the application on a form provided. Once authorization is obtained it shall continue for as long as the applicant is in possession of the property.

PLEASE TAKE FURTHER NOTICE that if the owners of at least twenty percent (20%) of the area of land included in the proposed zoning change, or if the owners of at least twenty percent (20%) of the area of land included within an area extending outward one hundred feet (100') from any point on the boundary of the land included in the proposed change, excluding public right-of-way or other publicly owned land, file a written protest petition against the proposed amendment presented to the City Council before final legislative action on the amendment, a two-thirds vote of the City Council will be required to pass the amendment.

Dated: \_\_\_\_\_

\_\_\_\_\_  
James R. Hudson, City Clerk

APPROVED AS TO FORM

DATE 3/4/11

*RJ*

**CITY ATTORNEY**

**CITY OF PORTAGE  
RESOLUTION FOR PERMIT FEE UNDER SECTION 42-121 OF CHAPTER 42  
LAND DEVELOPMENT REGULATIONS**

Minutes of a regular meeting of the City Council for the City of Portage, Michigan held on \_\_\_\_\_, 2011 at 7:30 p.m. local time at the City Hall in the City of Portage, Michigan.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by:

Councilmember: \_\_\_\_\_, and supported by:

Councilmember: \_\_\_\_\_.

WHEREAS, under Section 42-121 of Chapter 42, Land Development Regulations, it is necessary for the Council to establish by resolution the permit fee for the keeping of chickens and other animals as an accessory use;

NOW, THEREFORE, BE IT RESOLVED: That the permit fee of \$50 is hereby established for applications involving the keeping of up to six chickens, and a permit fee of \$100 is hereby established for applications involving the keeping of more than six chickens or other types of fowl or animals where Planning Commission review and approval is required.

YES: Councilmember \_\_\_\_\_

NAYS: Councilmember \_\_\_\_\_

ABSENT: Councilmember \_\_\_\_\_

RESOLUTION DECLARED ADOPTED: \_\_\_\_\_

**CERTIFICATION**

I hereby certify that the foregoing is a true and complete copy of this resolution adopted at a regular meeting of the City Council of the City of Portage, Kalamazoo County, Michigan held on \_\_\_\_\_, 2011, the original of which is in the official proceedings of the City Council.

\_\_\_\_\_  
James R. Hudson, City Clerk

Approved as to form:  
Date 2/28/11  
[Signature]  
City Attorney

**TO:** Honorable Mayor and City Council

**FROM:** Planning Commission

**DATE:** February 25, 2011

**SUBJECT:** Ordinance Amendment 10-A, Keeping of Chickens and Other Animals

At the request of a Portage resident (Mr. Fernando Costas), the Planning Commission on October 7, 2010 initiated consideration of an ordinance amendment that would allow the keeping/raising of chicken (hens) on all single family residential properties. Since October 2010, the Planning Commission has reviewed and discussed various aspects of the proposed ordinance. A public hearing to formally consider Ordinance Amendment 10-A was first convened during the November 18, 2010 Planning Commission meeting. Seventeen citizens spoke in support of the ordinance, while seven citizens spoke in opposition during this initial meeting. The public hearing was reconvened again on December 16, 2010 where seven citizens spoke in support; January 6, 2011 where nine citizens spoke in support and three citizens spoke in opposition; February 3, 2011 where three citizens spoke in support and February 17, 2011 where one citizen spoke in support.

During the February 17<sup>th</sup> meeting, the Planning Commission finalized ordinance language that would amend Section 42-121 (Accessory buildings and uses) of the Zoning Code and establish three new animal category definitions (domestic animal, farm/livestock animal and exotic animal) and allow the occupant of a single-family residential dwelling to keep up to six hen chickens as a locally grown food source subject to several conditions intended to minimize impacts on adjacent properties. The ordinance also establishes a process whereby a citizen could request to keep more than six chickens or request to keep other fowl or animals subject to Planning Commission review and approval.

After more than four months of consideration and a thorough review of the ordinance amendment and related issues, a motion was made by Commissioner Pearson, seconded by Commissioner Dargitz, to recommend to City Council that Ordinance Amendment 10-A, Keeping of Chickens and Other Animals, be approved. The motion was unanimously approved.

Sincerely,

CITY OF PORTAGE PLANNING COMMISSION



James Cheesebro  
Chairman

DRAFT

**PUBLIC HEARINGS:**

1. **Final Report: Ordinance Amendment #10-A, Keeping of Hens and Other Animals.** Mr. Forth summarized the February 11, 2011 staff report regarding an amendment to the Zoning Code, initiated by the Planning Commission in response to a request from a Portage resident, to raise/keep chickens and other animals in residential areas. Mr. Forth summarized the ordinance changes requested by the Commission during the February 3, 2011 meeting including: 1) Removed reference that would allow the occupants of a “two family dwelling” to keep chickens; 2) Allow a resident to keep up to six chickens without Planning Commission review/approval; 3) Allow chickens to roam in the rear yard outside of the coop/pen, if the rear yard area is enclosed by a 6-foot tall opaque fence and the chickens are supervised; and 4) Require authorization from the property owner (if the occupant/applicant is not the owner) for all applications involving the keeping of chickens and require both the owner and occupant (if different than the owner) of adjacent properties to receive notification for applications requiring Planning Commission consideration. Mr. Forth also referred the Commission to the final agenda packet and the February 17<sup>th</sup> email communication and Powerpoint presentation from Ms. Katie Drenth supporting the proposed ordinance.

Commissioner Stoffer suggested a slight change to Section 42-121.D.3.a that would not require the coop and pen to be located within and completely enclosed by a 6-foot tall opaque fence to allow the chickens to roam. The Commission discussed the intent of the proposed language change that would allow a citizen to enclose a separate area within the rear yard of the site with a 6-foot tall opaque fence where the chickens could roam outside of the coop and pen. If the Commission concurs on the ordinance change, Attorney Brown asked that the Commission allow him and staff to develop specific language to address the intent of the change. A motion was then made by Commissioner Stoffer, seconded by Commissioner Dargitz, to modify Section 42-121.D.3.a of the proposed ordinance language as discussed. After a brief discussion, the motion was approved 6-2 with Commissioner Welch and Chairman Cheesebro voting no.

Chairman Cheesebro reconvened the public hearing. One citizen, Fernando Costas (7639 Harvest Lane), spoke in support of the proposed ordinance. Mr. Costas stated he supports the proposed change that would allow chickens to roam outside of the coop and pen, in a smaller fenced enclosed area. Mr. Costas requested the Planning Commission consider increasing the maximum coop/pen height requirement above 6-feet to allow easier access for taller people to clean the coop/pen area. After a brief discussion, the Commission agreed to retain the maximum 6-foot tall coop/pen requirement citing numerous coop design examples that are less than 6-feet in height. Mr. Costas thanked the Commission for their efforts over the past several months in the ordinance development process. No additional citizens spoke during the public hearing. A motion was then made by Commissioner Welch, seconded by Commissioner Pearson, to close the public hearing. The motion was unanimously approved. After additional discussion, a motion was made by Commissioner Pearson, seconded by Commissioner Dargitz, to recommend to City Council approval of Ordinance Amendment #10-A, Keeping of Hens and Other Animals with the proposed language change to Section Section 42-121.D.3.a, as previously discussed. The motion was unanimously approved. Commissioner Welch thanked staff for their hard work and research with the ordinance development and also thanked Mr. Costas for his patience during the process.

**PLATS/RESIDENTIAL CONDOS:**

None.

**OLD BUSINESS:**

None.

TO: Planning Commission

DATE: February 11, 2011

FROM: Jeffrey M. Erickson, Director of Community Development

SUBJECT: Final Report: Ordinance Amendment #10-A, Keeping of Hens and Other Animals

## I. INTRODUCTION/BACKGROUND

Consideration of this subject began on October 7, 2010 when a proposal was presented to the Planning Commission supporting an amendment to the Zoning Code that would allow the keeping/raising of chicken (hens) on all single family residential properties. The Commission has reviewed and discussed this matter since October 2010. The written proposal, citizen communications, previous staff reports, Commission meeting minutes and related information is provided in a separate booklet. The following summary of activities and Planning Commission actions is provided in chronological order.

October 1, 2010 Department of Community Development report – Original request received from Mr. Fernando Costas with ordinance language samples used by other communities, suggested language and a May 2008 University of New Mexico study entitled Residential Urban Chicken Keeping: An Examination of 25 Cities. The staff report included preliminary fact finding information for Commission consideration. Mr. Costas and seven additional citizens spoke in support of the ordinance amendment during the October 7<sup>th</sup> meeting. The action approved by the Planning Commission at this meeting was to “...initiate an ordinance amendment to consider the keeping/raising of chickens, and other possible poultry/animals, and schedule a public hearing for the November 18, 2010 meeting.”

November 12, 2010 Department of Community Development report – A summary of existing City of Portage ordinances/regulations pertaining to the keeping of animals, past Zoning Board of Appeals actions and City Attorney opinions, survey of community ordinances involving the regulation of chickens and other animals, ordinance alternatives and options and a proposed “working draft” ordinance were provided. Seventeen citizens spoke in support of the ordinance amendment and seven citizens spoke in opposition during the November 18<sup>th</sup> meeting. The Commission discussed various issues including permitting and processing, chickens as pets, coop/enclosure requirements, number of chickens allowed and limiting the ordinance to chickens only.

December 10, 2010 Department of Community Development report – Updated information, research and options were provided regarding the following discussion topics: permitting and processing; chickens as pets; “specified fowl” and other animals; location on lot/parcel and coop/enclosure requirements; number of chickens allowed and Michigan Right-to-Farm Act applicability. Seven citizens spoke in support of the ordinance amendment during the December 16<sup>th</sup> meeting. It was determined that additional discussion and consensus was necessary by the full Commission and the public hearing was again adjourned.

December 30, 2010 Department of Community Development report – Nine citizens spoke in support of the proposed ordinance, while three citizens spoke in opposition during the January 6<sup>th</sup> meeting. The Commission continued discussion of the proposed ordinance and reached consensus on the following issues: 1) Chickens should not be considered pets; 2) Lot size requirements based on the zoning district with additional consideration for substandard and/or lakefront lots; 3) Allowance for four to six chickens (hens only) with additional chickens or other animals subject to Planning Commission review/approval; 4) General coop/enclosure design standards; 5) A one-time permit fee to ensure dissemination of information and ordinance requirements and assist with compliance; 6) Rear yard placement and minimum coop/enclosure

setbacks from property line (10-feet) and adjacent residences (30-feet); 7) Confinement of chickens to the coop/pen enclosure; and 8) Inclusion of sanitation related provisions. The Commission adjourned the public hearing to the February 3, 2011 meeting.

January 28, 2010 Department of Community Development report – Three citizens spoke in support of the ordinance amendment while expressing concerns over certain restrictions contained in the draft language. The Commission continued discussion of the proposed ordinance and made the following changes to the draft language: 1) Removed reference that would allow the occupants of a “two family dwelling” to keep chickens; 2) Allow a resident to keep up to six chickens without Planning Commission review/approval; 3) Allow chickens to roam in the rear yard outside of the coop/pen, if the rear yard area is enclosed by a 6-foot tall opaque fence and the chickens are supervised; and 4) Require authorization from the property owner (if the occupant/applicant is not the owner) for all applications involving the keeping of chickens and require both the owner and occupant (if different than the owner) of adjacent properties to receive notification for applications requiring Planning Commission consideration. The Commission adjourned the public hearing to the February 17, 2011 meeting.

## **II. REVISED ORDINANCE LANGUAGE**

The following paragraphs summarize major provisions of the proposed ordinance that would amend Section 42-121 (Accessory buildings and uses) of the Zoning Code:

Definitions: Section 42-121.D.1 establishes three animal categories (domestic animals, farm/livestock animals and exotic animals). Section 42-121.D.2 also states domestic animals that are “...normally and customarily kept for pleasure and companionship as household pets...” are permitted as accessory to a residential use. Farm/livestock animals are defined to be allowed as a general agricultural or farm use and, therefore, permitted on unplatted properties with a minimum of 10 acres in single family zones and on unplatted properties with a minimum of five acres in attached and multiple family zones. Exotic animals are defined to include dangerous or vicious animals that are not permitted anywhere in the city, unless approved by the Chief of Police pursuant to Chapter 10-4 (Keeping dangerous animals).

Number of Chickens (Hens) Permitted: The ordinance language now states that occupants of a one-family dwelling may keep up to six chickens on a non-commercial basis and as a locally grown food source for the consumption of eggs or meat (Section 42-121.D.3). The keeping of roosters is specifically prohibited and requests to keep/raise more than six chickens will require Planning Commission review/approval (Section 42-121.D.3.j).

Permitting and Processing: Section 42-121.D.3.f requires all citizens interested in keeping/raising chickens to obtain a permit that will be nontransferable with a nominal review fee established by City Council.

Location on Property and Coop/Pen Requirements: Chickens are required to be kept in a coop and attached pen that is completely enclosed (all sides and top). The language would allow chickens to roam outside of the coop/pen in the rear yard if the area is enclosed by a 6-foot tall opaque fence and the chickens are supervised. Section 42-121.D.3.a of the ordinance language has been revised.

Also, the coop and pen is restricted to a maximum of six feet in height and collectively can not exceed a total of 80 square feet in area. Restricting the coop/pen to a maximum of 80 square feet in area and six feet in height allows flexibility in design while minimizing the size, appearance and related visual impacts on adjacent properties. The coop/pen must be located in the rear yard and must be setback a minimum of ten feet from all property lines and a minimum of 30-feet from the nearest wall of any adjacent dwelling unit. Consistent and uniform setback standards for non-lake lots is considered appropriate, while an increased rear yard setback for lake lots is necessary to help preserve lake view for adjacent residents. Section 42-121.D.3.b.1 requires a coop/pen to additionally maintain the established a 40-foot rear yard (lakeside) setback when located on a lake lot.

General coop/pen design requirements and the prohibition of the use of corrugated metal/fiberglass, sheet metal, plastic tarps, scrap lumber or other similar materials are specified in Section 42-121.D.3.b.3.

Finally, as information for the Commission, Chapter 10 (Animals) of the Code of Ordinances contains requirements for dogs, cats and other animals including poultry to be maintained on the premises of the owner and prohibits “running at large.” However, this provision does not address appearance, noise and related issues and potential impacts specifically associated with the keeping of chickens, or other different animals kept as a locally-grown food source, in platted residential neighborhoods.

Keeping of other Fowl and Animals: Since keeping of other types of fowl (ducks, turkeys, guinea hens, etc.) and animals (rabbits, etc) either as pets, a locally grown food source, or for educational purposes such as a 4-H project is known to occur in urban/suburban communities and can be anticipated in Portage, Section 42-121.D.3.j establishes a process whereby a citizen can request the Planning Commission permit the keeping/raising of other fowl or animals not considered dangerous or exotic on a case-by-case basis.

Nuisance/Sanitation Provisions: General nuisance and sanitation provisions are included in the ordinance language. Section 42-121.D.3.b requires the use, coop and pen to be designed to provide “...safe and healthy living conditions for chickens while minimizing adverse impacts on other residents and the neighborhood.” Section 42-121.D.3.c. addresses the storage of feed and other items, while Section 42-121.D.3.d prohibits the outdoor slaughter of chickens. Finally, Section 42-121.D.3.e states that the use “...shall comply with all provisions of the City of Portage Code of Ordinances pertaining to noise, odors, dust, fumes, sanitation and health...”

### **III. RECOMMENDATION**

It is recommended that the Planning Commission review the ordinance language, reconvene the public hearing and accept public comment during the February 17, 2011 meeting, and then recommend to City Council approval of Ordinance Amendment #10-A, Keeping of Hens and Other Animals.

Attachments: Ordinance Amendment

**[ORDINANCE FOR ADOPTION]  
ORDINANCE TO AMEND THE CODE OF ORDINANCES  
OF THE CITY OF PORTAGE, MICHIGAN  
BY AMENDING SECTION 42-121 OF CHAPTER 42,  
LAND DEVELOPMENT REGULATIONS**

THE CITY OF PORTAGE ORDAINS:

That Section 42-121 of Chapter 42, Land Development Regulations, is hereby amended to add Section 42-121(D), Keeping of Certain Animals as an Accessory Use, as follows:

**Section 42-121. Accessory buildings and uses.**

- A. General Requirements. No change.**
- B. Accessory Buildings – Residential Zoning Districts. No change.**
- C. Accessory uses. No change.**
- D. Keeping of Certain Animals as an Accessory Use.**

1. Definitions.

All definitions, unless otherwise specifically stated shall, for the purposes of this Section, have the meaning as follows:

- a. **Animal, Domestic.** Any animal normally and customarily kept for pleasure and companionship, that has adapted to human interaction, typically resides within a dwelling and is commonly considered to be domesticated. This category includes those animals typically kept as household pets exclusively by the person(s) occupying the premises. Examples include a dog, cat, rabbit, small domesticated rodent such as hamster, gerbil, ferret and chinchilla, guinea pig, caged bird, non-venomous reptile, amphibian and common aquarium fish, excluding however, exotic animals, farm animals (whether kept for commercial profit or for pleasure and companionship) and animal ferae naturae.
- b. **Animal, Farm or Livestock.** Any animal that is commonly raised or kept in an agricultural setting, for commercial profit and primarily utilized for the production of food or fiber products. This category includes those animals typically referred to as livestock but not including a domestic animal. Examples include cattle, sheep, goats, pigs, donkeys, mules, poultry and other fowl.
- c. **Animal, Exotic.** Any animal that may be dangerous or vicious or that is not customarily kept, confined or cultivated by humans as a domestic animal, or farm animal, but may be used for display with appropriate permits. Examples include marsupials such as kangaroos and opossums, non-human primates such as a monkeys and gorillas, canines and felines

(not including domestic dogs and cats), poisonous reptiles and amphibians, and the like.

2. Household Pets. Domestic animals that are normally and customarily kept for pleasure and companionship as household pets as defined in Section 42-121(D)(1)(a) and do not conflict with or violate any other law or regulation of the state, county or city applicable to the keeping of such animal is permitted as accessory to a residential use.
3. Chickens (hens). The purpose of this section is to provide standards and requirements for the keeping of chickens. Roosters are not permitted. It is intended to enable residents to keep up to 6 chickens on a non-commercial basis while limiting and mitigating any potential adverse impacts on surrounding properties and neighborhood. The keeping of up to 6 chickens that are utilized exclusively by the person(s) occupying a one-family dwelling as a locally grown food source for the consumption of eggs or meat, is permitted as accessory to the residential use if all of the following are satisfied:
  - a. Chickens shall be kept only in the rear yard secured within a coop and attached pen during non-daylight hours. During daylight hours, chickens may be allowed to roam outside of the coop and pen, if supervised, and only within an area completely enclosed by a 6 foot opaque fence.
  - b. The accessory use, coop and pen shall be designed to provide safe and healthy living conditions for chickens while minimizing adverse impacts on other residents and the neighborhood. The coop and pen shall meet the following additional requirements:
    - (1) The coop and pen shall be setback a minimum of 10 feet from all property lines of adjacent property and be located a minimum of 30 feet from the nearest wall of any adjacent dwelling. Additionally, a coop and pen located on a lake front lot shall have a 40 foot rear yard setback. Public streets and public easements shall not be considered adjacent property lines for purposes of this section.
    - (2) The coop and pen shall be a maximum of 6 feet in height and shall not exceed a total of 80 square feet.
    - (3) The use of corrugated metal/fiberglass, sheet metal, plastic tarps, scrap lumber or similar materials is prohibited. The coop and pen must be completely enclosed with a top and/or cover.
    - (4) The coop and pen may be movable only if the dimensional/setback restrictions contained in this section are satisfied.

- c. All feed and other items associated with the keeping of chickens that are likely to attract or to become infested with or infected by rats, mice or other rodents shall be protected so as to prevent rats, mice or other rodents from gaining access or coming into contact with them.
- d. The outdoor slaughter of chickens is prohibited.
- e. The accessory use shall comply with all provisions of the City of Portage Code of Ordinances pertaining to noise, odors, dust, fumes, sanitation and health or other comparable nuisances to ensure the public health, safety and welfare.
- f. No person shall keep chickens without first securing a permit from the City on a form provided and without paying a permit fee as prescribed by the Portage City Council by resolution. The permit shall be issued by the Director. Such permit may be revoked by the Director if it is determined that any provision of this section is violated.
- g. Establishment of an accessory use and/or accessory building under this section shall not confer a vested right in the provisions contained herein or a right to continue such use. Further, a permit granted under this section is personal to the applicant occupying the dwelling and is not transferable.
- h. This section shall not regulate the keeping of chickens in those areas where a form of agriculture is a permitted principal use or special land use under other sections of this zoning code.
- i. All licensing required by the State of Michigan and Kalamazoo County, as well as all other statutes, ordinances and codes, shall be satisfied.
- j. The following shall require Planning Commission approval:
  - (1) The keeping of more than 6 chickens as an accessory use under this section;
  - (2) The keeping of other fowl or other animals, not dangerous or exotic, as an accessory use; and
  - (3) The keeping of chickens in an attached or detached accessory building where the dimensional restrictions contained in this section cannot be satisfied.
- k. For paragraph (j)(1) through (3) above, the following shall apply:
  - (1) Applicant shall submit written proof to the Planning Commission signed by an owner and occupant, (if different than the owner), of adjacent properties stating that the owner and occupant are aware of the applicant's request and the date, time and place of the meeting. If the applicant is unable to obtain necessary signatures after diligent effort is made, applicant may submit written proof in the form of a signed affidavit that the request and the

date, time and place of the meeting has been mailed by first class mail or hand delivered to the owner and occupant's last known address from the City of Portage tax records no later than 15 days prior to the Planning Commission meeting;

- (2) In its determination, the Planning Commission shall consider the size of the lot or parcel, proximity of surrounding uses, topography, nature of the animal being requested and any other factor relevant to assure public health, safety and welfare;
- (3) The Planning Commission may attach conditions to the accessory use and/or accessory building deemed necessary for the general welfare, for the protection of individual property rights, to mitigate any negative impact on the surrounding uses of land and any other condition reasonably related to, and consistent with, public health, safety and welfare; and
- (4) All other applicable conditions and requirements of this section (the keeping of chickens) shall be satisfied.

I. No permit shall be issued by the Director or the Planning Commission without the written authorization from an owner of the property (if different from the applicant) consenting to the application on a form provided. Once authorization is obtained it shall continue for as long as the applicant is in possession of the property.

FIRST READING:  
SECOND READING:  
EFFECTIVE DATE:

\_\_\_\_\_

CERTIFICATION

STATE OF MICHIGAN        )  
  )SS  
COUNTY OF KALAMAZOO )

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 \_\_\_\_\_, 2011.

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

\_\_\_\_\_  
Approved as to form  
Date: 3/22/11  
RLB  
\_\_\_\_\_  
City Attorney

# CITY OF PORTAGE

# COMMUNICATION

**TO:** Honorable Mayor and City Council

**DATE:** April 4, 2011

**FROM:** Maurice S. Evans, City Manager

*MSE (for the Council)*

**SUBJECT:** Adoption of Bond Resolutions

**ACTION RECOMMENDED:** That City Council adopt the:

- a. Bond Resolution authorizing the sale of Capital Improvement Bonds, Series 2011, in the amount of \$1,700,000; and
- b. Resolution Approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Bonds, Series 2011.

The attached bond resolutions provide for the initiation of the legal process required to issue bonds for the funding of Fiscal Year 2011-12 Capital Improvement Program Projects and for the final financing of a 2007-08 Capital Improvement Program Project not bonded in full, specifically the South Westnedge Enhancement Project. Resolutions were prepared by Bond Counsel John Axe.

Projects for which the bonds are to be issued are listed below:

<u>Water Project</u>	
Pineview Water Storage Facility	<u>150,000</u>
 <u>Capital Improvement Projects</u>	
Park Trail Improvements	50,000
Celery Flats Historical Area Improvements	14,000
Playground Improvements	25,000
Police Facility Improvements	15,000
Upgrade 150 MHz Base Station and Sirens	20,000
Fire Station No. 1 Refurbishment	11,000
Replace Protective Equipment	49,000
Bikeway Improvements	56,000
Sidewalk Extension - Portage Public Schools	10,000
City Centre Parking/Walkway Resurface	60,000
Major Street Reconstruction	230,000
Local Street Reconstruction	165,000
S. Westnedge Enhancement Project	500,000
Vehicles and Equipment for Equipment Fund	<u>345,000</u>
Total	<u>1,550,000</u>

Adoption of the bonding resolutions is recommended.

cc: Daniel S. Foecking, Finance Director  
John R. Axe, Bond Counsel

Attachments

CITY OF PORTAGE

At a \_\_\_\_\_ meeting of the City Council of the City of Portage, Michigan, held on the \_\_\_\_ day of \_\_\_\_\_, 2011, at \_\_:\_\_.m., Eastern Daylight Savings Time, at the City Hall in Portage, Michigan there were:

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preambles and resolution were offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**BOND RESOLUTION  
City of Portage  
Capital Improvement Bonds, Series 2011**

WHEREAS, there have been prepared and presented to the City Council (the "Council") of the City of Portage, Michigan (the "City"), a description of improvements to the City of Portage (the "Capital Improvement Project"), all as more fully described in EXHIBIT A, pursuant to the terms of Section 517 of Act No. 34, Public Acts of Michigan, 2001 as amended ("Act 34"); and

WHEREAS, it has been estimated that the period of usefulness of the Capital Improvement Project is not less than 20 years and that the total cost of the Capital Improvement Project and issuing the Bonds will not exceed \$1,700,000 to be provided by the proceeds from the sale of bonds by the City pursuant to Act 34; and

WHEREAS, the City proposes to undertake the Capital Improvement Project and to incur taxable or tax-exempt debt (the "Reimbursement Obligations") to finance all or a portion of the costs of the Capital Improvement Project; and

WHEREAS, the City may make certain expenditures for said Capital Improvement Project prior to issuance of the Reimbursement Obligations and may wish to use the proceeds of the Reimbursement Obligations to reimburse all or a portion of said expenditures; and

WHEREAS, it is in the public interest and for the public benefit that the City designate an authorized officer for the purposes of declaring official intent of the City with respect to expenditures; and

WHEREAS, there has been prepared and attached hereto as APPENDIX I a form of notice entitled "NOTICE OF INTENTION OF THE

CITY OF PORTAGE TO ISSUE CAPITAL IMPROVEMENT BONDS AND NOTICE OF RIGHT TO PETITION FOR REFERENDUM THEREON" (the "Notice of Intention").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, MICHIGAN, AS FOLLOWS:

1. **Approval of Plans:** The preliminary plans and estimates relating to the Capital Improvement Project and identified in EXHIBIT A hereto are hereby approved and ordered filed with the City Clerk.

2. **Insertion of Notice of Intent:** It is hereby determined that the Notice of Intention provides information sufficient to adequately inform the electors and taxpayers of the City of the nature of the obligations to be undertaken by the City by the issuance of the bonds and of their right under Act 34 to file a petition requesting a referendum election on the issuance of the bonds.

3. **Form of Notice of Intent:** The form and content of the Notice of Intention as set forth in Appendix I, are hereby approved, and the City Clerk is hereby authorized and directed to cause the Notice of Intention to be published once in the *Kalamazoo Gazette*, a newspaper of general circulation within the City which is hereby determined to be the newspaper reaching the largest number of electors and taxpayers of the City. The notice shall be inserted in an advertisement at least one-quarter of a page in size.

4. **Referendum Period:** The referendum period within which voters and taxpayers shall have the right to circulate petitions is 45 days after publication of the notice of intention authorized in paragraph 2.

5. **Official Intent:** The Finance Director of the City is hereby authorized to declare official intent of the City with respect to reimbursement.

6. **Individual Declarations of Intent:** Each declaration of official intent shall be substantially in the form set forth in APPENDIX II attached hereto and by this reference incorporated herein, and said form may be modified from time to time on the advice of bond counsel to the City and as necessary to conform to requirements of the reimbursement regulations as the same may be adopted by the Internal Revenue Service or amended from time to time, or with the requirements of applicable rulings or regulations relating to tax-exempt borrowings.

7. **Filing Official Intent:** The Finance Director of the City is hereby directed to file each declaration of official intent in the office of the Clerk of the City of Portage, which location constitutes the customary location of the records of the City which are available to the general public.

8. **Declarations of Intent Available:** The City Clerk is further directed to assure that each declaration of intent is continuously available during normal business hours of the City on every business day of the period beginning the earlier of 10 days after the date of execution of said declaration of intent and ending on the date of issuance of the Reimbursement Bonds.

9. **Bond Details:** Pursuant to Section 517 of Act 34, the bonds of the City, aggregating not to exceed the principal sum of \$1,700,000, shall be issued for the purpose of defraying the City's portion of the cost of the Capital Improvement Project. The bonds shall be known as "City of Portage Capital Improvement Bonds, Series 2011" (the "Bonds") and shall be dated July 1, 2011 or such later date not more than twelve calendar months thereafter as the Finance Director of the City shall provide by order. The Bonds shall be fully registered Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the Finance Director of the City, regardless of rate and maturity date. The Bonds shall mature on July 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2013	\$155,000	2020	\$80,000	2027	\$50,000
2014	155,000	2021	80,000	2028	50,000
2015	160,000	2022	85,000	2029	50,000
2016	160,000	2023	50,000	2030	55,000
2017	160,000	2024	50,000	2031	55,000
2018	75,000	2025	50,000	2032	55,000
2019	75,000	2026	50,000		

The Bonds shall be in substantially the form attached hereto as Exhibit B with such changes, additions or deletions as are not inconsistent with this resolution.

10. **Discount:** The Bonds may be offered for sale at a price of not less than 98% of the face amount thereof, and the Finance Director of the City is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Request for Proposal for the Bonds.

11. **Interest Payment and Date of Record:** The Bonds shall bear interest payable January 1, 2012 and each July 1 and January 1 thereafter, until maturity, which interest shall not exceed 7% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Bond as of the applicable date of record, provided, however, that the Finance Director of the City may agree with the bond registrar on a different method of payment. If interest is paid differently, the Bond form attached as EXHIBIT B and Request for Proposal form attached as EXHIBIT C shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

12. **Prior Redemption:** Bonds maturing prior to July 1, 2020, shall not be subject to redemption prior to maturity. Bonds maturing on and after July 1, 2020 shall be subject to redemption in whole or in part on any date on and after July 1, 2021, and in any order, at the option of the City, at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion and the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a bond is called for redemption, upon surrender of the Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Bond a new bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each Bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the Bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the bond registrar to redeem the same.

13. **Capitalized Interest:** As the Finance Director of the City so orders prior to the time of delivering the Bonds, up to two years of the interest payable on the Bonds is to be capitalized.

14. **Reduction in Aggregate Amount of Bonds:** In the event the cost of acquiring and constructing the Capital Improvement Project shall be less than the current cost estimates and after this bond resolution has been adopted it shall be determined by the Finance Director of the City that the Capital Improvement Project cost shall be less than such estimates, the Finance Director of the City shall reduce the principal amount of the Bonds by \$5,000 denominations, one such denomination for each maturity in any order of maturity, to the extent required to avoid the issuance of more Bonds than will be required in light of the proposals received, and the Request for Proposal shall be correspondingly altered.

15. **Bond Registrar and Paying Agent/Book Entry Depository Trust:** The Finance Director of the City shall designate, and may enter into an agreement with, a bond registrar and paying

agent for the Bonds (sometimes referred to as the "Bond Registrar") which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The Finance Director of the City from time to time as required may designate a similarly qualified successor bond registrar and paying agent. The Bonds shall be deposited with a depository trustee designated by the Finance Director of the City who shall transfer ownership of interests in the Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the Finance Director of the City after consultation with the depository trustee. The depository trustee may be the same as the Bond Registrar otherwise named by the Finance Director, and the Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the Finance Director may determine.

16. **Transfer or Exchange of Bonds:** Any bond shall be transferable on the bond register maintained by the Bond Registrar with respect to the Bonds upon the surrender of the Bond to the Bond Registrar together with an assignment executed by the registered owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned Bond the Bond Registrar shall authenticate and deliver a new Bond or Bonds in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

Bonds may likewise be exchanged for one or more other Bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the Bond or Bonds being exchanged. Such exchange shall be effected by surrender of the Bond to be exchanged to the Bond Registrar with written instructions signed by the registered owner of the Bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a Bond with proper written instructions the Bond Registrar shall authenticate and deliver a new Bond or Bonds to the registered owner of the Bond or his or her properly designated transferee or transferees or attorney.

Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the City, unless otherwise agreed by the City and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

17. **Mutilated, Lost, Stolen or Destroyed Bonds:** In the event any Bond is mutilated, lost, stolen or destroyed, the Mayor and the Clerk of the City may, on behalf of the City,

execute and deliver, a new Bond having a number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated Bond, a replacement Bond shall not be delivered unless and until such mutilated Bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed Bond, a replacement Bond shall not be delivered unless and until the City and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Bond (or his or her attorney) to fully indemnify the City and the Bond Registrar against loss due to the lost, stolen or destroyed Bond and the issuance of any replacement Bond; and (iv) the agreement of the owner of the Bond (or his or her attorney) to pay all expenses of the City and the Bond Registrar in connection with the replacement, including the transfer and exchange costs which otherwise would be paid by the City.

18. **Execution and Delivery:** The Mayor (or the Mayor Pro Tem, in the absence of the Mayor) and the Clerk of the City are hereby authorized and directed to execute the Bonds for and on behalf of the City by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Bonds shall be authenticated by the Bond Registrar before delivery. The Bonds shall be sealed with the City's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Bonds shall be delivered to the Finance Director of the City, who is hereby authorized and directed to deliver the Bonds to the purchaser upon receipt in full of the purchase price for the Bonds.

19. **Source of Repayment:** The City agrees to pledge for the repayment of the Bonds sufficient amounts of City taxes levied each year provided that the amount of taxes necessary to pay the principal and interest on the Bonds, together with the other taxes levied for the same year, shall not exceed the limit authorized by law.

20. **Principal and Interest Fund:** All monies set aside by the City toward the cost of the Capital Improvement Project shall be kept by the City in a separate fund hereby established, to be known as the "Principal and Interest Fund." All moneys in the Principal and Interest Fund shall be kept in a separate depository account with one or more banks or trust companies where the principal of and interest on the bonds are payable, and such moneys shall be used solely for the payment of the

principal of and interest on the Bonds and expenses incidental thereto. All accrued interest and the premium, if any, received from the purchaser of the Bonds shall be deposited in the Principal and Interest Fund upon receipt. Capitalized interest, as determined pursuant to Section 6, shall be deposited in the Principal and Interest Fund.

21. **Acquisition and Construction Fund:** There is hereby established an Acquisition and Construction Fund into which all proceeds of the borrowing shall be deposited, except the accrued interest on the Bonds and premium, if any, received from the purchaser of the Bonds and any capitalized interest. All moneys in the Acquisition and Construction Fund shall be used solely for the payment in full of costs of the Capital Improvement Project, including the costs of issuing the Bonds. Surplus moneys remaining in the Acquisition and Construction Fund after completion of the Capital Improvement Project and payment in full of the costs of the Capital Improvement Project (or provision for such payment) shall be deposited in the Principal and Interest Fund.

22. **Investments:** Moneys in the Principal and Interest Fund and the Acquisition and Construction Fund may be continuously invested and reinvested in the United States government obligations, obligations the principal of and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the Finance Director of the City which are permissible investments for surplus funds under Act No. 20 of the Public Acts of 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than (a) in the case of the Principal and Interest Fund, the dates moneys in such fund will be required to pay the principal of and interest on the Bonds, and (b) in the case of the Acquisition and Construction Fund, the estimated dates when moneys in such fund will be required to pay costs of the Capital Improvement Project. Obligations purchased as an investment of moneys in the Principal and Interest Fund or the Acquisition and Construction Fund, as the case may be, shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

23. **Depositories:** All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Principal and Interest Fund shall only be deposited in such banks where the principal of and interest on the Bonds are payable. The Finance Director of the City shall select the depository or depositories to be used from those banks authorized in this Section.

24. **Arbitrage and Tax Covenants:** Notwithstanding any other provision of this resolution, the City covenants that it will not at any time or times:

(a) Permit any proceeds of the Bonds or any other funds of the City or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Bonds and the interest thereon from the State of Michigan income taxation.

25. **Qualified Tax-Exempt Obligations:** The Bonds are designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, unless, at the time the Request for Proposal is circulated, the Bonds have been determined to be ineligible to be so designated on the basis of the City's reasonable expectations at the time of such circulation. In such event, the Request for Proposal shall be changed appropriately and the Bond shall there be so designated.

26. **Defeasance or Redemption of Bonds:** If at any time,

- (a) the whole amount of the principal of and interest on all outstanding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the

principal of and premium, if any, and interest on all outstanding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the City shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the City and considered excess proceeds of the Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders hereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Bonds, a description of the moneys or Government Obligations so held by it and that the City has been released from its obligations under this Resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of, premium, if any, and interest on the Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the City, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

27. **Filing with Municipal Finance Division:** If necessary the City Manager, or if there is no City Manager, the Mayor is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

28. **Negotiated Sale - Request for Proposal:** The City hereby determines that in order to save the cost of publication of an official Notice of Sale that it will sell the bonds at a negotiated sale after solicitation of proposals from prospective purchasers by its Financial Consultant. The City's Financial Consultant is authorized to solicit proposals from at least twenty-five prospective purchasers and to circulate a Request for Proposal at least seven days prior to the date fixed for receipt of proposals for the purchase of the Bonds. The Request for Proposal shall be in substantially the form attached to this resolution as Exhibit C with such changes therein as are not inconsistent with this resolution and as are approved by the City Finance Director after conferring with Bond Counsel. The Financial Consultant is hereby designated to act for and on behalf of the City to receive proposals for the purchase of the Bonds and to take all other steps necessary in connection with the sale and delivery thereof.

29. **Bond Anticipation Notes:** Prior to the issuance of the Bonds but after expiration of the referendum period set forth in paragraph 4 above, the City may issue its Bond Anticipation Notes (the "Notes") in an amount not to exceed 50% of the entire issue in anticipation of the proceeds of the Bonds as authorized by Section 413 of Act 34. The Notes shall also be payable from other revenues of the City.

The City may declare the possibility of issuing the Notes which will be used to pay the costs of Capital Improvement Project falling due prior to the issuance of the Bonds.

The Notes, if issued, shall be dated July 1, 2011 or on the first day of any month thereafter in 2011 or 2012 as the City Finance Director shall order.

The Notes, if issued, shall bear interest payable at maturity, semi-annually or at other intervals as the City Finance Director shall order.

The Notes, if issued, shall mature on or before July 1, 2012. An earlier or later maturity date may be established by order of the City Finance Director.

30. Retention of Bond Counsel. The firm of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, is hereby retained to act as bond counsel for the City in connection with the issuance, sale and delivery of the Bonds.

31. Retention of Financial Consultants. Municipal Financial Consultants Incorporated, Grosse Pointe Farms, Michigan, is hereby retained to act as financial consultant and advisor to the City in connection with the sale and delivery of the Bonds.

32. Conflicting Resolutions. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

33. Effective Date. This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the City as soon as practicable after adoption.

A roll call vote on the foregoing resolution was then taken, and was as follows:

YES: \_\_\_\_\_  
\_\_\_\_\_  
NO: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The resolution was declared adopted.

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STATE OF MICHIGAN     )  
                                  ) ss.  
CITY OF PORTAGE)

The undersigned, being the duly qualified and acting Clerk of the City of Portage, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City of Portage City Council at its \_\_\_\_\_ meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2011, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the City. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

\_\_\_\_\_  
Clerk, City of Portage

DATED: \_\_\_\_\_, 2011

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**EXHIBIT A**

**DESCRIPTION OF PROJECT**

Please see attached.

**TOTAL COST ESTIMATES**

Construction Costs, Acquisition Costs,  
Engineering Costs, Equipment Costs,  
& Contingency

**\$1,700,000**

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## PROJECT DESCRIPTION

### CAPITAL IMPROVEMENT PROJECT PROFILES

**Project Title:** Park Trail Improvements

**Project Description:** FY 11-12 and FY 13-14: Activities will include overlaying the asphalt trails at Schrier Park and crack fill, heat treating as needed on other park trails. Woodchip mulch will be renewed on the trails at Schrier and West Lake Nature Preserve. Superdeck will be replaced/upgraded as well as benches along trails. PCBP bridges and overlooks will be replaced/upgraded.

**Project Cost:** \$50,000

**Project Title:** Celery Flats Historical Area Improvements

**Project Description:** FY 11-12: Repair of Grain Elevator metal awning and reconstruction of steps and landing structure. FY 15-16 and FY 19-20: Improvements and enhancements to include interior/exterior painting of the Schoolhouse, Hayloft Theatre, Grain Elevator, Stuart Manor, and Interpretive Center. Other work will include the upgrade of brick landscaping, fence replacement/repair, park lighting, parking lot improvements and security cameras and other structural improvements.

**Project Cost:** \$14,000

**Project Title:** Playground Improvements

**Project Description:** FY 11-12: Retrofit playgrounds and alter protective use zones and surfacing to meet all state and federal guidelines. Meeting compliance standards includes installation of signs at each of 14 sites indicating age group for playground usage and other safety information. Replacement of entire play structure at Westfield Park is needed as the current play structure is out of compliance and retrofit parts are not available. Surfacing at West Lake Nature Preserve playground is substandard and several borders require renovations.

**Project Cost:** \$25,000

**Project Title:** Police Facility Improvements

**Project Description:** FY 11-12: This project will ensure facility integrity and maintain structural, electrical, plumbing, and mechanical systems related to heating and cooling. The projects include replacement of the building HVAC system. Also, concrete repairs are necessary in and around the north building to prevent further water damage to the exterior and interior of the building.

**Project Cost:** \$15,000

**Project Title:** Upgrade 150 MHz Base Stations and Sirens

**Project Description:** Replace outdoor warning sirens and base stations to become compliant with Federal Communications Commission mandate regarding narrow banding of 150 MHz radio frequencies.

**Project Cost:** \$20,000

**Project Title:** Fire Station No. 1 Refurbishment

**Project Description:** Various preventative and corrective maintenance projects as identified in the latest city-wide facilities maintenance study will be undertaken to maintain the operational life of the building.

**Project Cost:** \$11,000

**Project Title:** Replace Personal Protective Equipment

**Project Description:** Replacement of firefighting personal protective equipment components.

**Project Cost:** \$49,000

**Project Title:** Bikeway Improvements

**Project Description:** FY 11-12: Seal coat, crack fill and overlays to East Centre, Sprinkle Road, South Westnedge, Isabelle Street, Angling Boulevard and Milham Avenue Trails and Northwest Portage Bikeway. Improvements to paved shoulder bikeways include overlays, strip patching, sealing, and striping.

**Project Cost:** \$56,000

**Project Title:** Sidewalk Improvements - Portage Public Schools

**Project Description:** Installation of new sidewalk on the west side of Portage Road from Auburn Woods Trail to Lancelot Court. New sidewalks would allow students to walk to school rather than being bussed. City of Portage would install the

sidewalks and the Portage Public Schools would share in the project cost.

**Project Cost:** \$10,000

**Project Title:** City Centre Parking/Walkway Resurface

**Project Description:** FY 11-12 and FY 17-18: Milling, asphalt overlay, curb repair and striping of the City Hall parking lot, repair cracks, seal coat and stripe Police/Court/Central Park parking lots. Repair/raise City Centre sidewalks as needed.

**Project Cost:** \$60,000

**Project Title:** Major Street Reconstruction Program

**Project Description:** Reconstruction of major streets that were previously strip paved, or where heavy maintenance activities have been applied, that are anticipated to require a greater level of sub-base and pavement rehabilitation to ensure long-term serviceability. Improvements will also include localized storm drainage improvements, necessary curb and gutter or paved shoulder replacements/repair, repair of necessary drive approaches and lawn restoration as appropriate.

FY 11-12: This project involves reconstructing the following street sections:

- Romence Road Parkway - Lovers Lane to Sprinkle Road
- Romence Road - Constitution Boulevard to South Westnedge Avenue
- Lovers Lane - Forest Drive to East Centre Avenue

**Project Cost:** \$230,000

**Project Title:** Local Street Reconstruction Program

**Project Description:** Reconstruction of local streets that were previously strip paved, or where heavy maintenance activities have been applied, that require a greater level of sub-base pavement rehabilitation to ensure long-term serviceability. Projects will include localized storm drainage improvements, curb and gutter or paved shoulder replacements/repair, sidewalk repairs, including installation of American with Disabilities Act specified handicap ramps and necessary drive approaches and lawn restoration.

FY 11-12: Local streets to be reconstructed within this project include:

- Dakota Avenue
- Bender Road, Byrd Drive, Chamberlin Street, Eckener Drive, Bennett Street, Yellow Brick Road
- Netwells Lane
- Arborcrest Street, Redstock Avenue, Marfield Street
- Eagle Harbor Avenue, Heverly Drive, West Tradewind Drive, Beacon Harbor Avenue, Old Mission Street

**Project Cost:** \$165,000

**Project Title:** South Westnedge Enhancement Projects (SWEPS)

**Project Description:** The South Westnedge Enhancement Project is a major corridor improvement program from Milham Avenue to Kilgore Road in anticipation of the I-94/South Westnedge Avenue interchange and associated widening of South Westnedge Avenue by the Michigan Department of Transportation. Project includes street widening utilizing a boulevard section, new street construction, undergrounding of overhead utilities, landscaping and property acquisition.

FY 07-09: Property acquisition, construction/widening along South Westnedge Avenue, Amos to Old Kilgore and Trade Centre Way to approximately 500 feet North of Market Place and South Westnedge Avenue /Market Place/Andy intersection.

FY 09-11: Property acquisition along South Westnedge Avenue, Milham Avenue to Dawnlee, city participation in widening South Westnedge Avenue by MDOT from Dawnlee Avenue to Trade Centre Way and installation of new water main on South Westnedge Avenue.

FY 11-12: Widening of South Westnedge Avenue to six through lanes from Milham Avenue to Dawnlee Avenue and the I-94 Interchange.

FY 12-13: Property acquisition, construction/widening of South Westnedge Avenue to three southbound through-lanes from North of Market Place to Kilgore Road.

**Project Cost:** \$500,000

**Project Title:** Pineview Water Storage Facility Renovation

**Project Description:** Cleaning, repairs and recoating the steel areas of Pineview water storage facility with a 3-coat epoxy coating system.

**Project Cost:** \$150,000

**Project Title:** Vehicles & Equipment

**Description of Vehicles & Equipment:**

2 each - 2010 GMC Sierra, 2500 HD, regular cab, 4x4 chasis  
John Deere Tractor  
Vactor  
Rotary Mach 4 column Lift  
Compressor, Quincy QT15-10-120H

**Project Cost:** \$345,000

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**APPENDIX I**

NOTICE OF INTENTION OF THE CITY OF PORTAGE  
TO ISSUE NOT TO EXCEED \$1,700,000 IN  
CAPITAL IMPROVEMENT BONDS AND  
NOTICE OF RIGHT TO PETITION FOR REFERENDUM THEREON

TO ALL ELECTORS AND TAXPAYERS OF  
THE CITY OF PORTAGE:

NOTICE IS HEREBY GIVEN that the City Council of the City of Portage, Michigan (the "City"), has authorized the issuance of not to exceed \$1,700,000 in Capital Improvement Bonds to provide for the acquisition and construction of improvements to the City of Portage located in the City described in Exhibit A attached hereto (the "Capital Improvement Project"). The Bond Resolution provides further that the City will finance all or a portion of the total cost of the Capital Improvement Project by the issuance of one or more series of capital improvement bonds (the "Bonds") pursuant to the provisions of Section 517 of Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"). The maximum amount of Bonds to be issued in one or more series shall not exceed \$1,700,000, the term of the Bonds shall not exceed 20 years and the Bonds shall bear interest at a rate or rates that will result in a net interest cost of not more than 7% per annum. The maximum Capital Improvement Project cost is estimated at not to exceed \$1,700,000.

FULL FAITH AND CREDIT AND TAXING POWER OF  
THE CITY OF PORTAGE WILL BE PLEDGED

NOTICE IS FURTHER GIVEN that in the Bond Resolution the City will obligate itself to make payments to the Bond Holder in amounts sufficient to pay the principal of and interest on the Bonds. The limited tax full faith and credit of the City will be pledged for the making of such bond payments. Pursuant to such pledge of its full faith and credit, the City will be obligated to levy such ad valorem taxes upon all taxable property in the City as shall be necessary to make bond payments, which taxes, however, will be subject to applicable statutory and constitutional limitations on the taxing power of the City. In addition to its obligation to make payments on the Bonds, the City will agree in the Bond Resolution to pay all costs and expenses of operation and maintenance of the Capital Improvement Project and all expenses of the City incidental to the issuance and payment of the Bonds, to the extent such expenses are not payable from the proceeds of the Bonds.

## RIGHT TO PETITION FOR REFERENDUM

NOTICE IS FURTHER GIVEN to the electors and taxpayers of the City to inform them of the right to petition for a referendum on the question of issuing the Bonds. The City intends to issue the Bonds without a vote of the electors thereon. If, within 45-days after publication of this notice, a petition for referendum requesting an election on the Bonds, signed by not less than 10% or 15,000 of the registered electors of the City, whichever is less, has been filed with the City Clerk, the Bonds shall not be issued unless and until approved by a majority of the electors of the City voting thereon at a general or special election.

This notice is given by order of the City Council pursuant to Act 34. Further information may be obtained at the office of the City of Portage City Clerk, 7900 S. Westnedge Avenue, Portage, Michigan 49002.

### EXHIBIT A

#### CAPITAL IMPROVEMENT PROJECT PROFILES

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John Deere Tractor  
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Rotary Mach 4 column Lift  
Compressor, Quincy QT15-10-120H

**Project Cost:** \$345,000

**TOTAL COST ESTIMATES**

Construction Costs, Acquisition Costs,  
Engineering Costs, Equipment Costs, & Contingency     **\$1,700,000**

James R. Hudson  
City Clerk

DATED: [Date of Publication]

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APPENDIX II

FORM OF DECLARATION  
OF OFFICIAL INTENT

I, the undersigned \_\_\_\_\_ of the City of Portage, Michigan, do hereby certify as follows:

1. I am an officer of the City authorized to declare official intent of the City to reimburse expenditures made, prior to the issuance of debt, from the proceeds of said debt.

2. This Declaration relates to the following expenditures (the "Expenditures"):

<u>Amount</u>	<u>General Purpose</u>
---------------	------------------------

3. The Expenditures are with respect to property (the "Property") having:

(A) the following general character, type or purpose:

\_\_\_\_\_  
\_\_\_\_\_;

(B) the following size, quantity or cost: \_\_\_\_\_

\_\_\_\_\_  
; and

(C) a reasonably expected economic life at least one (1) year.

4. I understand that a substantial deviation between the above description of the Property for which the Expenditures are being made and the actual Property which is acquired or constructed will invalidate this declaration of official intent with the result that any proceeds of tax-exempt debt which are used to reimburse for the Expenditures will not be deemed to have been expended upon such reimbursement.

5. The City intends to reimburse the Expenditures by incurring taxable or tax-exempt debt (the "Reimbursement Obligations").

6. The expected source of funds that will be used to pay the Expenditures is as follows: \_\_\_\_\_

7. The expected source of funds to be used to pay debt service on the Reimbursement Obligation is as follows:

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8. This declaration of intent is consistent with the budgetary and financial circumstances of the City as of the date hereof in that there are no funds which are now or are reasonably expected to be, (A) allocated on a long-term basis, (B) reserved, or (C) otherwise available pursuant to the City's budget, to pay the Expenditure.

9. The City does not have a pattern of failure to reimburse expenditures for which official intent has been declared in that at least seventy-five percent (75%) of all expenditures made after \_\_\_\_\_, for which the City has declared an intent to reimburse from the proceeds of taxable or tax-exempt debt have been, or are expected to be, so reimbursed.

10. I acknowledge that in the event that the City fails to use the proceeds of Reimbursement Obligations issued within three (3) years of the date hereof to reimburse expenditures the same may adversely affect the ability of the City to use the proceeds of tax-exempt obligations in the future to reimburse for expenditures made prior to the issuance of such obligations.

11. I further acknowledge that unless the Expenditures constitute preliminary expenditures (in the nature of architect services and soil testing but excluding land acquisition) for the Property not in excess of ten percent (10%) of the expected cost of the Capital Improvement Project of which the Property constitutes a part, the Expenditures will be paid within not in excess of two (2) years following the date hereof or, as an alternative, this declaration of intent will be renewed.

12. I further acknowledge that it is expected that the proceeds of Reimbursement Obligations will be used for reimbursement of each Expenditure not later than (A) the date that is one (1) year after the date on which such Expenditure is paid, or (B) the date that is one (1) year after the date on which the Property is placed in service.

13. I further acknowledge that I will assure that the allocation referenced in item 12 (A) will be evidenced by an entry on the records of the City maintained with respect to the Reimbursement Obligations, (B) will specifically identify the Expenditure being reimbursed, and (C) on the advice of the appropriate counsel will be sufficient to relieve the allocated proceeds of the Reimbursement Obligations covered by such entry from any restrictions under the relevant legal documents and applicable state law that apply only to unspent proceeds of Reimbursement Obligations.

14. I further acknowledge that I will assure that except as referenced in item 15 the proceeds of the Reimbursement

Obligations that are used to reimburse the Expenditures will not be used, directly or indirectly, (A) to pay debt service on an issue of tax-exempt obligations, (B) to create or increase the balance in a sinking fund established for the payment of debt service on the Reimbursement Obligations or another issue of tax-exempt obligations of the City or to replace funds that have been, are being, or will be so used for reserve or replacement fund purpose, or (C) to reimburse any expenditures or any payment with respect to financing of an expenditure that was originally paid with proceeds of any tax-exempt obligations of the City to any person or entity other than the City.

15. I understand that item 14 does not prohibit the use of those proceeds of the Reimbursement Obligations that are used to reimburse the Expenditures for (A) deposit in a bona fide debt service fund (that is, a fund established to pay debt service on any tax-exempt obligation of the City, other than the Reimbursement Obligation, which is depleted annually except for a reasonable carry over amount not in excess of one (1) year's interest earnings on said fund or one-twelfth (1/12th) of annual debt service), (B) to pay current debt service coming due within the next succeeding one-year period on any tax-exempt obligation of the City, other than the Reimbursement Obligations, or (C) to reimburse for expenditures originally made from the proceeds of a tax-exempt obligation of the City which were not reasonably expected by the City, on the date of issue of such obligation, to be used for such expenditure.

IN WITNESS WHEREOF, the undersigned has executed this declaration of official intent this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

las.r1-por191

[FORM OF BOND]

UNITED STATES OF AMERICA - STATE OF MICHIGAN -  
CITY OF PORTAGE

CITY OF PORTAGE  
CAPITAL IMPROVEMENT BOND, SERIES 2011

No. \_\_\_\_\_

<u>RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ISSUANCE</u>	<u>CUSIP</u>
		_____ 1, _____	

=====

REGISTERED OWNER:

PRINCIPAL AMOUNT:

=====

FOR VALUE RECEIVED, the City of Portage, County of Kalamazoo (the "City"), State of Michigan, hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above, unless paid prior thereto as hereinafter provided, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above upon presentation and surrender of this Bond at the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with interest thereon to the Registered Owner of this Bond, as shown on the books of the City maintained by the Bond Registrar, on the applicable date of record from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, commencing \_\_\_\_\_ 1, \_\_\_\_\_, and semiannually thereafter on the first day of \_\_\_\_\_ and \_\_\_\_\_ in each year to and including the Maturity Date or earlier redemption of this Bond. The date of record for each payment of interest shall be the 15th day of the month preceding the date such payment is due. Interest is payable by check or draft mailed by the Bond Registrar to the Registered Owner at the address shown on the books of the City maintained by the Bond Registrar on the applicable date of record and shall be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

This Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_),

issued by the City, pursuant to and in full conformity with the Constitution and Statutes of the State of Michigan and especially Section 517 of Act No. 34, Public Acts of Michigan, 2001, as amended (the "Act"), for the purpose of

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which is located in \_\_\_\_\_, Michigan (the "Capital Improvement Project").

This Bond and the series of which this is one are payable as follows: \_\_\_\_\_

which are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the bonds. To secure payment of the principal of, premium, if any, and interest on the bonds. The \_\_\_\_\_ pledged to the payment of the principal of, premium, if any, and interest on the bonds shall be and remain subject to the statutory lien until the principal of, premium, if any, and interest on the bonds have been paid in full. The limited tax full faith and credit of the City has been pledged for the making of such payments, and the City is obligated to levy ad valorem taxes in such amounts as shall be necessary for the making of such cash rental payments. HOWEVER, NO TAXES MAY BE LEVIED IN EXCESS OF CONSTITUTIONAL AND STATUTORY LIMITS.

Bonds maturing prior to \_\_\_\_\_ 1, \_\_\_\_\_ shall not be subject to redemption prior to maturity. Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_ shall be subject to redemption prior to maturity at the option of the City, in any order, in whole or in part, on any interest payment date on or after \_\_\_\_\_ 1, \_\_\_\_\_. Bonds so called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a bond is called for redemption, upon surrender of the bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the Registered Owner of the bond a new bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption, if different than otherwise provided in the resolution authorizing the issuance of the bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so

called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

This Bond shall be transferable on the books of the City maintained by the Bond Registrar upon surrender of this Bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the City (subject, however, to reimbursement by the City pursuant to the Lease), unless otherwise agreed upon by the City and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Bond and the bonds of this series have \_\_\_ been designated as "qualified tax-exempt obligations" for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar, as authenticating agent.

It is hereby certified, recited and declared that all things, conditions and acts required to exist, happen and be performed precedent to and in connection with the issuance of this Bond and the other bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and Statutes of the State of Michigan, and that the total indebtedness of the City, including

this series of bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Portage, State of Michigan by its City Council has caused this Bond to be executed in its name with the facsimile signatures of its Mayor and its Clerk and has caused a facsimile of its seal to be affixed hereto, and has caused this Bond to be authenticated by the Bond Registrar, as the City's authenticating agent, all as of the Date of Issuance set forth above.

CITY OF PORTAGE

By: Mayor

[SEAL]

By: Clerk

DATE OF AUTHENTICATION:

**BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the series of bonds designated "City of Portage Capital Improvement Bonds, Series 2011."

\_\_\_\_\_, Michigan  
as Bond Registrar and Authenticating Agent

By:

Authorized Representative

**CERTIFICATE**

The above is a true copy of the legal opinion of Axe & Ecklund, P.C., a true copy of which was delivered on the date of delivery of the Bonds to which it relates.

BY: Clerk

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ this Bond and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer this Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Bond unless the information concerning the transferee requested below is provided:

Name and Address: \_\_\_\_\_  
\_\_\_\_\_

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

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[FORM OF REQUEST FOR PROPOSAL]

§

CITY OF PORTAGE, STATE OF MICHIGAN

CITY OF PORTAGE  
CAPITAL IMPROVEMENT BONDS, SERIES 2011

**SEALED OR ELECTRONIC PROPOSALS:** Sealed written proposals for the purchase of the bonds described herein (the "Bonds") will be received by the undersigned on behalf of the City of Portage (the "City"), at the office of the City Finance Director, 7900 South Westnedge Ave., Portage, Michigan, 49002 on \_\_\_\_\_, \_\_\_\_\_, until \_\_\_\_:\_\_\_\_.m., Eastern \_\_\_\_\_ Time, at which time and place the proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan 48226, where they will be publicly opened simultaneously. Proposals received at Portage, Michigan will be read first followed by proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations.

Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to Portage, Michigan.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2<sup>nd</sup> floor, New York, New York 10018, (212) 849-5021.

If any provision of this Request for Proposal shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Request for Proposal shall control.

The Bonds will be awarded or all proposals will be rejected by the City at a meeting to be held within twenty-four hours of the sale.

**BOND DETAILS:** The Bonds will be fully registered bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000, not exceeding the aggregate principal amount for each maturity, dated \_\_\_\_\_ 1, \_\_\_\_\_, numbered from 1 upwards and will bear interest from their date

of issuance payable on \_\_\_\_\_ 1, \_\_\_\_\_ and semiannually thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 until maturity. The Bonds will mature on \_\_\_\_\_ 1 of each year as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
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**PRIOR REDEMPTION:** Bonds maturing prior to \_\_\_\_\_ 1, \_\_\_\_\_ shall not be subject to redemption prior to maturity. Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_ shall be subject to redemption prior to maturity at the option of the City, in any order, in whole or in part, on any interest payment date on or after \_\_\_\_\_ 1, \_\_\_\_\_. Bonds so called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitutes an authorized denomination. In the event that less than the entire principal amount of a bond is called for redemption, upon surrender of the bond to the Bond Registrar, the Bond Registrar shall authenticate and deliver to the Registered Owner of the bond a new bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption, if different than otherwise provided in the resolution authorizing the issuance of the bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem the same.

**INTEREST RATE AND PROPOSAL DETAILS:** The Bonds shall bear interest at a rate or rates not exceeding \_\_\_% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Bonds, at a price less than \_\_\_% of their par value or at an interest rate or rates that will result in a net interest cost of more than \_\_\_% per annum, will be considered.

**TERM BOND OPTION:** Bonds maturing in the years \_\_\_\_\_-\_\_\_\_\_, inclusive, are eligible for designation by the original

purchaser at the time of sale as serial Bonds or term Bonds, or both. There may be more than one Term Bond maturity. However, principal maturities designated as Term Bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on \_\_\_\_\_ 1st of the year in which the Bonds are presently scheduled to mature. Each maturity of Term Bonds and Serial bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

**BOOK-ENTRY-ONLY:** The Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Bonds.

**BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD:**  
\_\_\_\_\_, \_\_\_\_\_, Michigan has been selected as bond registrar and paying agent (the "Bond Registrar") for the Bonds. The Bond Registrar will keep records of the registered holders of the Bonds, serve as transfer agent for the Bonds, authenticate the original and any re-issued bonds and pay interest by check or draft mailed to the registered holders of the Bonds as shown on the registration books of the City kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

**PURPOSE AND SECURITY:** The Bonds are to be issued pursuant to Section 517 of Act No. 34, Public Acts of Michigan, 2001, as amended (the "Act"), for the purpose of acquiring and constructing improvements to the City of Portage located in the City of Portage, Michigan (the "Capital Improvement Project"). The City agrees to pledge for the repayment of the Bonds sufficient amounts of City taxes levied each year provided that the amount of taxes necessary to pay the principal of and interest on the Bonds, together with the other taxes levied for

the same year, shall not exceed the limit authorized by law and the Michigan Constitution.

**BOND INSURANCE AT PURCHASER'S OPTION:** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the proposer/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any additional rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

**GOOD FAITH:** A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$\_\_\_\_\_) of the face amount of the Bonds, and payable to the order of the City will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

**AWARD OF THE BONDS - TRUE INTEREST COST:** The Bonds will be awarded to the proposer whose proposal produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on \_\_\_\_\_ 1, \_\_\_\_\_ and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to \_\_\_\_\_ 1, \_\_\_\_\_ in an amount equal to the price proposed, excluding accrued interest. \_\_\_\_\_, \_\_\_\_\_ is the anticipated date of delivery of the Bonds.

**LEGAL OPINION:** Proposals shall be conditioned upon the approving opinion of Axe & Ecklund, P.C., Grosse Pointe Farms, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be

paid from Bond Proceeds. Except to the extent necessary to issue such opinion and as described in the Official Statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the Official Statement or any such financial documents, statements or materials.

**TAX MATTERS:** In the opinion of Bond counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan except estate taxes, gross receipts taxes and taxes on gains realized from the sale, payment or other disposition thereof.

THE BONDS HAVE \_\_\_\_\_ BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" WITHIN THE MEANING OF SECTION 265 (b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

**CERTIFICATE REGARDING "ISSUE PRICE":** The Purchaser will be required, as a condition of delivery of the Bonds, to certify the "issue price" of the Bonds within the meaning of Section 1273 of the Code, which will include a representation that at least 10 percent of each maturity of the Bonds has been sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at a price not exceeding the stated initial offering price. In addition, if the successful proposer will obtain a municipal bond insurance policy or other credit enhancement for the Bonds in connection with their original issuance, the successful proposer will be required, as a condition of delivery of the Bonds, to certify that the premium therefor will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

**DELIVERY OF BONDS:** The City will furnish Bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Bonds, will be delivered at the time of delivery of the Bonds. If the Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day

following the date of sale or the first business day thereafter if the 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Bonds, withdraw its proposal by serving written notice of cancellation on the undersigned, in which event the City shall promptly return the good faith deposit. Payment for the Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser of the Bonds furnishes the Bond Registrar with a list of names and denominations in which it wishes to have the Bonds issued at least ten (10) business days before delivery of the Bonds, the Bonds will be delivered in the form of one bond for each maturity, registered in the name of the purchaser. **Notwithstanding the foregoing, the successful proposer will be required to pay for and accept delivery of the Bonds on**

**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE:** In order to assist the winning proposer in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a resolution adopted or to be adopted by its governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the nearly final official statement and in the final official statement.

**OFFICIAL STATEMENT:**

**Hard Copy**

A copy of the nearly final Official Statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)1, but is subject to revision, amendment and completion of a final Official Statement (the "Final Official Statement"). The successful proposer shall supply to the City, within twenty-four hours after the award of the Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

**Internet**

In addition, the City has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at [www.i-dealprospectus.com/PDF.asp?doc=](http://www.i-dealprospectus.com/PDF.asp?doc=) or at [www.tm3.com](http://www.tm3.com).

The City will furnish to the successful proposer, at no cost, \_\_\_ copies of the Final Official Statement within seven (7) business days after the award of the Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost of the City for those additional copies.

The City shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the City and the Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of, or to pay for the Bonds. All expenses for printing CUSIP numbers on the Bonds will be paid by the City, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and paid for by the purchaser.

**ADDITIONAL INFORMATION:** Further information may be obtained from Meredith A. Shanle, Municipal Financial Consultants Incorporated, 21 Kercheval Ave., Suite 360, Grosse Pointe Farms, Michigan 48236 (telephone (313) 884-9824).

**THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.**

**ENVELOPES:** Envelopes containing the proposals should be plainly marked "Proposal for City of Portage Capital Improvement Bonds, Series 2011."

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Daniel Foecking  
Finance Director,  
City of Portage

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**CITY OF PORTAGE**

At a \_\_\_\_\_ meeting of the City Council of the City of Portage held at 7900 South Westnedge Ave., Portage, Michigan, 49002 on \_\_\_\_\_, 2011 at \_\_:\_\_.m. Eastern Daylight Savings Time, there were:

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preamble and resolution were offered by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**RESOLUTION APPROVING THE UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE BY THE CITY OF PORTAGE FOR THE CAPITAL IMPROVEMENT BONDS, SERIES 2011**

WHEREAS, the City of Portage (the "City") by resolution of its Council has approved the issuance of the City of Portage Capital Improvement Bonds, Series 2011 in the principal amount of \$1,700,000 (the "Bonds"); and

WHEREAS, Bond Counsel, in order to comply with federal securities regulations, has prepared this resolution.

NOW, THEREFORE, IT IS RESOLVED BY THE COUNCIL OF THE CITY OF PORTAGE as follows:

1. This Council, for and on behalf of the City of Portage, hereby covenants and agrees, for the benefit of the beneficial owners of the Bonds to be issued by the City of Portage for the Project, to enter into a written undertaking (the "Undertaking") required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be substantially in the form attached to the official statement for the Bonds. The Undertaking shall be enforceable by the beneficial owners of the Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and under the Undertaking), and any failure by the City to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Bonds.

The Mayor, City Finance Director, City Clerk and/or other officer of the City charged with the responsibility for issuing the Bonds shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the terms of the City's Undertaking.

2. The Disclosure Certificate as attached to the official statement for the Bonds is hereby approved as is the execution thereof by the designated officials.

3. All resolutions, or portions thereof, insofar as they may be in conflict with the foregoing, are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: \_\_\_\_\_  
\_\_\_\_\_

NO: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

**CERTIFICATION**

The undersigned, being the duly qualified and acting Clerk of the City of Portage, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Council of the City of Portage at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2011, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the City, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

\_\_\_\_\_  
Clerk, City of Portage

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**CITY OF PORTAGE**

**COMMUNICATION**

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**TO:** Honorable Mayor and City Council

**DATE:** April 4, 2011

**FROM:** Maurice S. Evans, City Manager

*MSE (for M. Evans)*

**SUBJECT:** Adoption of Bond Refunding Resolution

**ACTION RECOMMENDED:** That City Council adopt the Resolution Authorizing Refunding of the City of Portage Building Authority Bonds, Series 1998, 2001 and 2002 and Approve of the Undertaking to Provide Continuing Disclosure.

The attached Building Authority Bond Refunding Resolution was prepared by Bond Counsel John Axe as part of the legal process required to refinance existing Building Authority Bonds. The present value savings from the Building Authority Bond Refinancing will be approximately \$36,900. Bids will be taken on May 17, 2011 and bid results will be reported to the City Council soon thereafter.

A listing of the projects associated with these Bond issues is attached for informational purposes.

cc: Daniel S. Foecking, Finance Director  
John R Axe, Bond Counsel

**1998 Building Authority Bond Issue**

Public Service Facility Renovation	39,900
City Hall Parking Lot Renovation	124,500
Park Maintenance Facility Improvements	25,000
Celery Flats Area Improvements	25,000
Park Restrooms/Shelter improvements	55,000
Quint Fire Truck	464,764
H. T. E. Software Licensing	515,836
	<hr/>
	1,250,000

**2001 Building Authority Bond Issue**

Emergency Warning Siren	100,330
Consolidated Drain Improvement Project	731,770
Bicentennial Park Development	255,630
DPS Facility Improvements	75,000
Patrol/Technical Service Equipment	8,000
Refurbish 1987 Pierce Pumper	62,277
Replace Training Division Vehicle	21,754
Replace Fire Marshal Vehicle	21,754
Equipment Fund Vehicles and Equipment	423,485
	<hr/>
	1,700,000

**2002 Building Authority Bond Issue**

Replace Deputy Fire Chief Vehicle	23,199
Technology Improvement Project-City Hall	28,000
Geographic Information Systems Enhancement	30,000
Patrol/Technical Services Equipment	50,000
Park Trail Improvements	65,000
Haverhill Park Improvements	82,503
Wireless Handheld Computer Initiative	126,000
Romence Rd/Constitution Blvd. Intersection	153,000
City Hall Improvements	175,000
Garden Lane Bikeway	220,000
Mobile Information System	260,000
Equipment Fund Vehicles & Equipment	293,224
Public Services Facility Upgrade/Additions	340,000
Consolidated Drain Improvement Project	453,238
Bicentennial Park Development	562,270
Lovers Lane, Kilgore Road to East Miham Ave. **	908,566
	<hr/>
	3,770,000

\*\* Property acquisition to widen Lovers Lane

CITY OF PORTAGE

At a \_\_\_\_\_ meeting of the City Council of the City of Portage, Michigan, held on the \_\_\_\_\_ day of \_\_\_\_\_, 2011, at \_\_\_\_:\_\_\_\_.m., Eastern Daylight Savings Time, at the City Hall in Portage, Michigan there were:

PRESENT: \_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preambles and resolution were offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION AUTHORIZING REFUNDING OF THE  
CITY OF PORTAGE BUILDING AUTHORITY  
BUILDING AUTHORITY BONDS, SERIES 1998, SERIES 2001 AND 2002 AND  
APPROVING THE UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

WHEREAS, pursuant to the provisions of Act No. 31, Public Acts of Michigan, 1948, first extra session, as amended, ("Act 31") the City of Portage Building Authority (the "Authority") and the City of Portage (the "City"), have entered into a Lease Contract dated as of July 1, 1998 (the "1998 Contract") (as listed in Appendix A); and

WHEREAS, pursuant to the 1998 Contract, the Building Authority has issued the City of Portage Building Authority, Building Authority Bonds, Series 1998 dated September 1, 1998 which remain outstanding as listed in Appendix B (the "1998 Bonds") to defray the cost of acquiring, constructing, furnishing and equipping various buildings and improvements in the City; and

WHEREAS, the Authority and the City have also entered into a Lease Contract dated as of July 1, 1999 (the "1999 Contract") and a Lease Contract dated as of July 1, 2000 (the "2000 Contract") (both as listed in Appendix A) and pursuant to the 1999 Contract and the 2000 Contract, the Building Authority has issued the City of Portage Building Authority, Building Authority Bonds, Series 2001 dated April 1, 2001 which remain outstanding as listed in Appendix B (the "2001 Bonds") to defray the cost of acquiring, constructing, furnishing and equipping various buildings and improvements in the City; and

WHEREAS, the Authority and the City have also entered into a Lease Contract dated as of July 1, 2001 (the "2001 Contract") (as listed in Appendix A) and pursuant to the 1999 Contract, the 2000 Contract and the 2001 Contract, the Building Authority has

issued the City of Portage Building Authority, Building Authority Bonds, Series 2002 dated April 1, 2002 which remain outstanding as listed in Appendix B (the "2002 Bonds") to defray the cost of acquiring, constructing, furnishing and equipping various buildings and improvements in the City; and

WHEREAS, the 1998 Bonds remain outstanding the aggregate principal amount of \$750,000, mature in various principal amounts in various years and bear interest at various rates per annum which rates of interest are higher than those now prevailing which when refunded are expected to generate present value savings; and

WHEREAS, the 2001 Bonds remain outstanding the aggregate principal amount of \$1,125,000, mature in various principal amounts in various years and bear interest at various rates per annum which rates of interest are higher than those now prevailing which when refunded are expected to generate present value savings; and

WHEREAS, the 2002 Bonds remain outstanding the aggregate principal amount of \$2,645,000, mature in various principal amounts in various years and bear interest at various rates per annum which rates of interest are higher than those now prevailing which when refunded are expected to generate present value savings; and

WHEREAS, Act 31 and Act No. 34, Public Acts of Michigan, 2001, as amended, ("Act 34") authorize the Authority to refund all or any part of its indebtedness; and

WHEREAS, the Authority plans to authorize the issuance of not to exceed \$5,000,000 in building authority refunding bonds (the "Refunding Bonds") in order to refund part or all of the 1998 Bonds, the 2001 Bonds and the 2002 Bonds; and

WHEREAS, in order to provide for the Refunding Bonds and to comply with federal securities regulations, it is necessary to approve the undertaking to provide continuing disclosure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE as follows:

1. The City Council hereby consents to refunding all or part of the 1998 Bonds, the 2001 Bonds and the 2002 Bonds so long as such refunding results in present value savings.

2. After any refunding bonds are issued, the Authority shall report to the City on the new debt service schedule and the savings in total principal and interest and attach a new debt service schedule to the 1998 Contract, the 1999 Contract, the 2000 Contract and the 2001 Contract.

3. This City Council for and on behalf of the City of Portage, hereby covenants and agrees, for the benefit of the beneficial owners of the Refunding Bonds to be issued by the City of Portage Building Authority, to enter into a written undertaking (the "Undertaking") required by Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule") to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be substantially in the form attached to the official statement for the bonds. The Undertaking shall be enforceable by the beneficial owners of the Refunding Bonds or by the Underwriter on behalf of such beneficial owners (provided that the Underwriter's right to enforce the provisions of the Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder and under the Undertaking), and any failure by the City to comply with the provisions of the Undertaking shall not be deemed a default with respect to the Refunding Bonds.

The Mayor, City Finance Director, City Clerk and/or other officer of the City charged with the responsibility for issuing the Refunding Bonds shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the terms of the City's Undertaking.

The Disclosure Certificate as attached to the official statement for the Refunding Bonds is hereby approved as is the execution thereof by the designated officials.

4. The Chief Administrative Officer of the City, if necessary, is authorized to execute any and all documents required for approval of any such refundings by the State of Michigan or any agency thereof and to provide any necessary documentation and to pay the related fee.

5. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

A vote on the foregoing resolution was taken and was as follows:

YES: \_\_\_\_\_  
\_\_\_\_\_  
NO: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The resolution was declared adopted.

STATE OF MICHIGAN     )  
                              ) ss.  
CITY OF PORTAGE)

The undersigned, being the duly qualified and acting Clerk of the City of Portage, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City of Portage City Council at its \_\_\_\_\_ meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2011, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the City. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

\_\_\_\_\_  
Clerk, City of Portage

DATED: \_\_\_\_\_, 2011

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APPENDIX A

City of Portage Building Authority - \$1,250,000 Building Authority Bonds, Series 1998 - FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 1998.

City of Portage Building Authority - \$1,700,000 Building Authority Bonds, Series 2001 - FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 1999 AND FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 2000.

City of Portage Building Authority - \$3,770,000 Building Authority Bonds, Series 2002 - FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 1999, FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 2000 AND FULL FAITH AND CREDIT GENERAL OBLIGATION LEASE CONTRACT MADE AS OF JULY 1, 2001.

APPENDIX B

**CITY OF PORTAGE BUILDING AUTHORITY,  
BUILDING AUTHORITY BONDS, SERIES 1998  
(Remaining Original Debt Service)**

<u>Date</u>	<u>Principal</u>
7/1/11	\$ 75,000
7/1/12	75,000
7/1/13	100,000
7/1/14	100,000
7/1/15	100,000
7/1/16	100,000
7/1/17	100,000
7/1/18	100,000
TOTAL	<u>\$750,000</u>

**CITY OF PORTAGE BUILDING AUTHORITY,  
BUILDING AUTHORITY BONDS, SERIES 2001  
(Remaining Original Debt Service)**

<u>Date</u>	<u>Principal</u>
9/1/11	\$ 75,000
9/1/12	75,000
9/1/13	100,000
9/1/14	100,000
9/1/15	100,000
9/1/16	100,000
9/1/17	100,000
9/1/18	100,000
9/1/19	125,000
9/1/20	125,000
9/1/21	125,000
TOTAL	<u>\$1,125,000</u>

**CITY OF PORTAGE BUILDING AUTHORITY,  
BUILDING AUTHORITY BONDS, SERIES 2002  
(Remaining Original Debt Service)**

<u>Date</u>	<u>Principal</u>
9/1/11	\$ 175,000
9/1/12	175,000
9/1/13	175,000
9/1/14	200,000
9/1/15	200,000
9/1/16	225,000
9/1/17	225,000
9/1/18	225,000
9/1/19	250,000
9/1/20	250,000
9/1/21	270,000
9/1/22	275,000
TOTAL	<u>\$2,645,000</u>



**\$4,740,000**  
**City of Portage**  
**Building Authority Refunding Bonds, Series 2011**  
**(Refunds BA Series 1998, 2001 & 2002)**

**NET SOURCES AND USES**

Dated Date: 06/01/11  
Closing Date: 06/09/11

Sources:

Bond Proceeds	\$4,740,000.00
Accrued Interest	4,032.17
	<hr/>
	<b><u>\$4,744,032.17</u></b>

Uses:

Escrow Fund	\$4,625,904.06
Costs of Issuance	65,000.00
Underwriter's Discount (1.0%)	47,400.00
Interest Account	4,032.17
Available Amount	1,695.94
	<hr/>
	<b><u>\$4,744,032.17</u></b>

Net Savings:	(\$307,639.71)
Present Value Savings:	\$36,897.73
Percent of refunded par:	0.880%



**\$4,740,000**  
**City of Portage**  
**Building Authority Refunding Bonds, Series 2011**

**NEW DEBT SERVICE**

						3.96982%
				<b>Total</b>	<b>Fiscal</b>	<b>Present Value</b>
<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Total</b>	<b>Debt Service</b>
09/01/11	\$125,000.00	3.000%	\$45,361.88	\$170,361.88		\$168,843.30
03/01/12			88,848.75	88,848.75	\$259,210.63	86,342.94
09/01/12	125,000.00	3.000%	88,848.75	213,848.75		203,772.83
03/01/13			86,973.75	86,973.75	300,822.50	81,262.81
09/01/13	75,000.00	3.000%	86,973.75	161,973.75		148,392.63
03/01/14			85,848.75	85,848.75	247,822.50	77,119.78
09/01/14	75,000.00	3.000%	85,848.75	160,848.75		141,681.63
03/01/15			84,723.75	84,723.75	245,572.50	73,175.40
09/01/15	75,000.00	3.000%	84,723.75	159,723.75		135,267.51
03/01/16			83,598.75	83,598.75	243,322.50	69,420.52
09/01/16	650,000.00	3.250%	83,598.75	733,598.75		597,325.05
03/01/17			73,036.25	73,036.25	806,635.00	58,311.56
09/01/17	680,000.00	3.500%	73,036.25	753,036.25		589,516.79
03/01/18			61,136.25	61,136.25	814,172.50	46,929.20
09/01/18	685,000.00	4.000%	61,136.25	746,136.25		561,599.33
03/01/19			47,436.25	47,436.25	793,572.50	35,009.25
09/01/19	565,000.00	4.000%	47,436.25	612,436.25		443,197.68
03/01/20			36,136.25	36,136.25	648,572.50	25,641.52
09/01/20	610,000.00	4.250%	36,136.25	646,136.25		449,561.22
03/01/21			23,173.75	23,173.75	669,310.00	15,809.75
09/01/21	635,000.00	4.250%	23,173.75	658,173.75		440,284.55
03/01/22			9,680.00	9,680.00	667,853.75	6,349.39
09/01/22	440,000.00	4.400%	9,680.00	449,680.00	449,680.00	289,217.53
	<u>\$4,740,000.00</u>		<u>\$1,406,546.88</u>	<u>\$6,146,546.88</u>	<u>\$6,146,546.88</u>	<u>\$4,744,032.17</u>

Dated Date: 06/01/11  
 Closing Date: 06/09/11

Principal: \$4,740,000.00  
 Accrued Interest: 4,032.17  
 Credit Enhancement: 0.00  
 Orig Issue Prem/(Disc): 0.00

\$4,744,032.17



**\$4,740,000**  
**City of Portage**  
**Building Authority Refunding Bonds, Series 2011**

**NET PRESENT VALUE SAVINGS ANALYSIS**

Net Present Value Savings/(Loss):        \$36,897.73

Date	Outstanding Debt Service	Remaining Non-Refunded Debt-Service	New Debt Service	Net Savings/(Loss)	Fiscal Net Savings/(Loss)	3.96982% Present Value Savings/(Loss)
07/01/11	\$92,462.50	\$0.00		\$92,462.50		\$92,240.65
09/01/11	339,150.00	0.00	\$166,329.71 *	172,820.30		171,315.74
01/01/12	15,756.25			15,756.25		15,412.52
03/01/12	83,900.00		88,848.75	(4,948.75)	\$276,090.30	(4,809.18)
07/01/12	90,756.25			90,756.25		87,048.52
09/01/12	333,900.00		213,848.75	120,051.25		114,394.79
01/01/13	14,050.00			14,050.00		13,213.73
03/01/13	78,525.00		86,973.75	(8,448.75)	216,408.75	(7,893.98)
07/01/13	114,050.00			114,050.00		105,173.98
09/01/13	353,525.00		161,973.75	191,551.25		175,490.13
01/01/14	11,750.00			11,750.00		10,624.66
03/01/14	72,475.00		85,848.75	(13,373.75)	303,977.50	(12,013.93)
07/01/14	111,750.00			111,750.00		99,080.62
09/01/14	372,475.00		160,848.75	211,626.25		186,408.36
01/01/15	9,450.00			9,450.00		8,215.56
03/01/15	65,725.00		84,723.75	(18,998.75)	313,827.50	(16,409.11)
07/01/15	109,450.00			109,450.00		93,300.74
09/01/15	365,725.00		159,723.75	206,001.25		174,459.19
01/01/16	7,100.00			7,100.00		5,934.60
03/01/16	58,825.00		83,598.75	(24,773.75)	297,777.50	(20,572.16)
07/01/16	107,100.00			107,100.00		87,778.25
09/01/16	383,825.00		733,598.75	(349,773.75)		(284,799.59)
01/01/17	4,750.00			4,750.00		3,817.29
03/01/17	51,187.50		73,036.25	(21,848.75)	(259,772.50)	(17,443.87)
07/01/17	104,750.00			104,750.00		82,542.88
09/01/17	376,187.50		753,036.25	(376,848.75)		(295,017.23)
01/01/18	2,375.00			2,375.00		1,835.07
03/01/18	43,387.50		61,136.25	(17,748.75)	(287,472.50)	(13,624.24)
07/01/18	102,375.00			102,375.00		77,561.76
09/01/18	368,387.50		746,136.25	(377,748.75)		(284,322.66)
03/01/19	35,312.50		47,436.25	(12,123.75)	(287,497.50)	(8,947.66)
09/01/19	410,312.50		612,436.25	(202,123.75)		(146,269.55)
03/01/20	26,000.00		36,136.25	(10,136.25)	(212,260.00)	(7,192.47)
09/01/20	401,000.00		646,136.25	(245,136.25)		(170,558.07)
03/01/21	16,687.50		23,173.75	(6,486.25)	(251,622.50)	(4,425.09)
09/01/21	411,687.50		658,173.75	(246,486.25)		(164,886.68)
03/01/22	6,875.00		9,680.00	(2,805.00)	(249,291.25)	(1,839.88)
09/01/22	281,875.00		449,680.00	(167,805.00)	(167,805.00)	(107,925.96)
	<b><u>\$5,834,875.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$6,142,514.71</u></b>	<b><u>(\$307,639.71)</u></b>	<b><u>(\$307,639.71)</u></b>	<b><u>\$36,897.73</u></b>

\* Less accrued interest.



**\$1,250,000**  
**City of Portage Building Authority**  
**Building Authority Bonds, Series 1998**

**REMAINING ORIGINAL DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Fiscal Total</b>	<b>3.96982% Present Value Debt Service</b>
07/01/11	\$75,000.00	4.550%	\$17,462.50	\$92,462.50		\$92,240.65
01/01/12			15,756.25	15,756.25	\$108,218.75	15,412.52
07/01/12	75,000.00	4.550%	15,756.25	90,756.25		87,048.52
01/01/13			14,050.00	14,050.00	104,806.25	13,213.73
07/01/13	100,000.00	4.600%	14,050.00	114,050.00		105,173.98
01/01/14			11,750.00	11,750.00	125,800.00	10,624.66
07/01/14	100,000.00	4.600%	11,750.00	111,750.00		99,080.62
01/01/15			9,450.00	9,450.00	121,200.00	8,215.56
07/01/15	100,000.00	4.700%	9,450.00	109,450.00		93,300.74
01/01/16			7,100.00	7,100.00	116,550.00	5,934.60
07/01/16	100,000.00	4.700%	7,100.00	107,100.00		87,778.25
01/01/17			4,750.00	4,750.00	111,850.00	3,817.29
07/01/17	100,000.00	4.750%	4,750.00	104,750.00		82,542.88
01/01/18			2,375.00	2,375.00	107,125.00	1,835.07
07/01/18	100,000.00	4.750%	2,375.00	102,375.00	102,375.00	77,561.76
	<b><u>\$750,000.00</u></b>		<b><u>\$147,925.00</u></b>	<b><u>\$897,925.00</u></b>	<b><u>\$897,925.00</u></b>	<b><u>\$783,780.83</u></b>

**REDEMPTION SCHEDULE**

Redemption Premium: 0.00%

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Redeemed Principal</b>	<b>Redemption Premium</b>	<b>Total Debt Service</b>	<b>Fiscal Total</b>	<b>3.96982% Present Value</b>
07/01/11	\$75,000.00	\$17,462.50	\$675,000.00	\$0.00	\$767,462.50	\$767,462.50	\$765,621.08
	<b><u>\$75,000.00</u></b>	<b><u>\$17,462.50</u></b>	<b><u>\$675,000.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$767,462.50</u></b>	<b><u>\$767,462.50</u></b>	<b><u>\$765,621.08</u></b>



**\$1,700,000**  
**City of Portage Building Authority**  
**Building Authority Bonds, Series 2001**

REMAINING ORIGINAL DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Total	3.96982% Present Value Debt Service
09/01/11	\$75,000.00	4.200%	\$26,325.00	\$101,325.00		\$100,421.81
03/01/12			24,750.00	24,750.00	\$126,075.00	24,051.97
09/01/12	75,000.00	4.300%	24,750.00	99,750.00		95,050.07
03/01/13			23,137.50	23,137.50	122,887.50	21,618.23
09/01/13	100,000.00	4.400%	23,137.50	123,137.50		112,812.71
03/01/14			20,937.50	20,937.50	144,075.00	18,808.61
09/01/14	100,000.00	4.500%	20,937.50	120,937.50		106,526.30
03/01/15			18,687.50	18,687.50	139,625.00	16,140.28
09/01/15	100,000.00	4.600%	18,687.50	118,687.50		100,514.56
03/01/16			16,387.50	16,387.50	135,075.00	13,608.20
09/01/16	100,000.00	4.700%	16,387.50	116,387.50		94,767.30
03/01/17			14,037.50	14,037.50	130,425.00	11,207.43
09/01/17	100,000.00	4.800%	14,037.50	114,037.50		89,274.61
03/01/18			11,637.50	11,637.50	125,675.00	8,933.14
09/01/18	100,000.00	4.900%	11,637.50	111,637.50		84,026.94
03/01/19			9,187.50	9,187.50	120,825.00	6,780.63
09/01/19	125,000.00	4.900%	9,187.50	134,187.50		97,106.58
03/01/20			6,125.00	6,125.00	140,312.50	4,346.17
09/01/20	125,000.00	4.900%	6,125.00	131,125.00		91,232.64
03/01/21			3,062.50	3,062.50	134,187.50	2,089.32
09/01/21	125,000.00	4.900%	3,062.50	128,062.50	128,062.50	85,667.26
<u>#####</u>			<u>\$322,225.00</u>	<u>\$1,447,225.00</u>	<u>\$1,447,225.00</u>	<u>\$1,184,984.75</u>

REDEMPTION SCHEDULE

Redemption Premium: 0.00%

Date	Principal	Interest	Redeemed Principal	Redemption Premium	Total Debt Service	Fiscal Total	3.96982% Present Value
09/01/11	\$75,000.00	\$26,325.00	\$1,050,000.00	\$0.00	\$1,151,325.00	\$1,151,325.00	\$1,141,062.27
	<u>\$75,000.00</u>	<u>\$26,325.00</u>	<u>\$1,050,000.00</u>	<u>\$0.00</u>	<u>\$1,151,325.00</u>	<u>\$1,151,325.00</u>	<u>\$1,141,062.27</u>



**\$3,770,000**  
**City of Portage Building Authority**  
**Building Authority Bonds, Series 2002**

**REMAINING ORIGINAL DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Fiscal Total</b>	<b>3.96982% Present Value Debt Service</b>
09/01/11	\$175,000.00	4.200%	\$62,825.00	\$237,825.00		\$235,705.07
03/01/12			59,150.00	59,150.00	\$296,975.00	57,481.78
09/01/12	175,000.00	4.300%	59,150.00	234,150.00		223,117.54
03/01/13			55,387.50	55,387.50	289,537.50	51,750.60
09/01/13	175,000.00	4.400%	55,387.50	230,387.50		211,070.05
03/01/14			51,537.50	51,537.50	281,925.00	46,297.24
09/01/14	200,000.00	4.500%	51,537.50	251,537.50		221,563.69
03/01/15			47,037.50	47,037.50	298,575.00	40,626.01
09/01/15	200,000.00	4.600%	47,037.50	247,037.50		209,212.14
03/01/16			42,437.50	42,437.50	289,475.00	35,240.16
09/01/16	225,000.00	4.700%	42,437.50	267,437.50		217,758.17
03/01/17			37,150.00	37,150.00	304,587.50	29,660.27
09/01/17	225,000.00	4.800%	37,150.00	262,150.00		205,224.95
03/01/18			31,750.00	31,750.00	293,900.00	24,371.83
09/01/18	225,000.00	5.000%	31,750.00	256,750.00		193,249.73
03/01/19			26,125.00	26,125.00	282,875.00	19,280.97
09/01/19	250,000.00	5.000%	26,125.00	276,125.00		199,821.55
03/01/20			19,875.00	19,875.00	296,000.00	14,102.88
09/01/20	250,000.00	5.000%	19,875.00	269,875.00		187,770.51
03/01/21			13,625.00	13,625.00	283,500.00	9,295.34
09/01/21	270,000.00	5.000%	13,625.00	283,625.00		189,730.61
03/01/22			6,875.00	6,875.00	290,500.00	4,509.51
09/01/22	275,000.00	5.000%	6,875.00	281,875.00	281,875.00	181,291.56
	<b><u>\$2,645,000.00</u></b>		<b><u>\$844,725.00</u></b>	<b><u>\$3,489,725.00</u></b>	<b><u>\$3,489,725.00</u></b>	<b><u>\$2,808,132.17</u></b>

**REDEMPTION SCHEDULE**

Redemption Premium: 0.00%

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Redeemed Principal</b>	<b>Redemption Premium</b>	<b>Total Debt Service</b>	<b>Fiscal Total</b>	<b>3.96982% Present Value</b>
09/01/11	\$175,000.00	\$62,825.00	\$2,470,000.00	\$0.00	\$2,707,825.00	\$2,707,825.00	\$2,683,687.88
	<b><u>\$175,000.00</u></b>	<b><u>\$62,825.00</u></b>	<b><u>\$2,470,000.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$2,707,825.00</u></b>	<b><u>\$2,707,825.00</u></b>	<b><u>\$2,683,687.88</u></b>



**City of Portage Building Authority  
Building Authority Bonds, Series 1998, 2001 & 2002**

**COMBINED REMAINING ORIGINAL DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Series 1998</b>	<b>Series 2001</b>	<b>Series 2002</b>	<b>Combined Total Debt Service</b>	<b>Combined Fiscal Total</b>	<b>3.96982% Present Value Debt Service</b>
07/01/11	\$92,462.50			\$92,462.50		\$92,240.65
09/01/11		\$101,325.00	\$237,825.00	339,150.00		336,126.87
01/01/12	15,756.25			15,756.25		15,412.52
03/01/12		24,750.00	59,150.00	83,900.00	\$531,268.75	81,533.76
07/01/12	90,756.25			90,756.25		87,048.52
09/01/12		99,750.00	234,150.00	333,900.00		318,167.62
01/01/13	14,050.00			14,050.00		13,213.73
03/01/13		23,137.50	55,387.50	78,525.00	517,231.25	73,368.83
07/01/13	114,050.00			114,050.00		105,173.98
09/01/13		123,137.50	230,387.50	353,525.00		323,882.76
01/01/14	11,750.00			11,750.00		10,624.66
03/01/14		20,937.50	51,537.50	72,475.00	551,800.00	65,105.85
07/01/14	111,750.00			111,750.00		99,080.62
09/01/14		120,937.50	251,537.50	372,475.00		328,089.99
01/01/15	9,450.00			9,450.00		8,215.56
03/01/15		18,687.50	47,037.50	65,725.00	559,400.00	56,766.29
07/01/15	109,450.00			109,450.00		93,300.74
09/01/15		118,687.50	247,037.50	365,725.00		309,726.70
01/01/16	7,100.00			7,100.00		5,934.60
03/01/16		16,387.50	42,437.50	58,825.00	541,100.00	48,848.36
07/01/16	107,100.00			107,100.00		87,778.25
09/01/16		116,387.50	267,437.50	383,825.00		312,525.46
01/01/17	4,750.00			4,750.00		3,817.29
03/01/17		14,037.50	37,150.00	51,187.50	546,862.50	40,867.69
07/01/17	104,750.00			104,750.00		82,542.88
09/01/17		114,037.50	262,150.00	376,187.50		294,499.56
01/01/18	2,375.00			2,375.00		1,835.07
03/01/18		11,637.50	31,750.00	43,387.50	526,700.00	33,304.97
07/01/18	102,375.00			102,375.00		77,561.76
09/01/18		111,637.50	256,750.00	368,387.50		277,276.67
03/01/19		9,187.50	26,125.00	35,312.50	506,075.00	26,061.59
09/01/19		134,187.50	276,125.00	410,312.50		296,928.13
03/01/20		6,125.00	19,875.00	26,000.00	436,312.50	18,449.05
09/01/20		131,125.00	269,875.00	401,000.00		279,003.15
03/01/21		3,062.50	13,625.00	16,687.50	417,687.50	11,384.66
09/01/21		128,062.50	283,625.00	411,687.50		275,397.86
03/01/22			6,875.00	6,875.00	418,562.50	4,509.51
09/01/22			281,875.00	281,875.00	281,875.00	181,291.56
	<u>\$897,925.00</u>	<u>\$1,447,225.00</u>	<u>\$3,489,725.00</u>	<u>\$5,834,875.00</u>	<u>\$5,834,875.00</u>	<u>\$4,776,897.75</u>



**City of Portage Building Authority  
Building Authority Bonds, Series 1998, 2001 & 2002**

**COMBINED REDEMPTION SCHEDULE**

Redemption Premium: 0.00%

<b>Date</b>	<b>Combined Principal</b>	<b>Combined Interest</b>	<b>Combined Redeemed Principal</b>	<b>Combined Redemption Premium</b>	<b>Combined Total Debt Service</b>	<b>Combined Fiscal Total</b>	<b>3.96982% Present Value</b>
07/01/11	\$75,000.00	\$17,462.50	\$675,000.00	\$0.00	\$767,462.50		\$765,621.08
09/01/11	250,000.00	89,150.00	3,520,000.00	0.00	3,859,150.00	\$4,626,612.50	3,824,750.15
	<u>\$325,000.00</u>	<u>\$106,612.50</u>	<u>\$4,195,000.00</u>	<u>\$0.00</u>	<u>\$4,626,612.50</u>	<u>\$4,626,612.50</u>	<u>\$4,590,371.23</u>



**City of Portage Building Authority  
Building Authority Bonds, Series 1998, 2001 & 2002**

**ESCROW CASH FLOW ANALYSIS**

June 9, 2011 Beginning Cash Balance: \$0.06

Date	Beginning Cash Balance	SLGS Principal	SLGS Rate	Rates Available *	SLGS Interest	Total	Combined Debt Service	Net Cash Flow	Ending Cash Balance	0.07653% Present Value
06/09/11	\$0.06								\$0.06	
07/01/11	0.06	\$767,463.00	0.000%	0.000%	\$0.00	\$767,463.00	\$767,462.50	\$0.50	0.56	\$767,427.11
09/01/11	0.56	3,858,441.00	0.080%	0.080%	708.44	3,859,149.44	3,859,150.00	-0.56	0.00	3,858,476.89
		<u>\$4,625,904.00</u>			<u>\$708.44</u>	<u>\$4,626,612.44</u>	<u>\$4,626,612.50</u>			<u>\$4,625,904.00</u>

\* March 10, 2011 SLGS Rate Table.

Total Cost of Escrow Securities: \$4,625,904.06

**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** April 4, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Proposed Medical Marihuana Home Occupation Ordinance

**ACTION RECOMMENDED:** That City Council:

- a. receive the proposed Medical Marihuana Ordinance amendment to the Zoning Code, and
- b. refer the ordinance to the Planning Commission for consideration and initiation of the Zoning Code amendment process, with submission of the recommendation on the amendment not later than June 3, 2011.

On January 11, 2011, City Council enacted a temporary 180 day medical marihuana moratorium. This measure allowed the City Administration and the Office of the City Attorney additional time to continue research and to develop an ordinance that would effectively address medical marihuana activities in the city as permitted by Initiated Law 1 of 2008, Michigan Medical Marihuana Act (MMMA). The moratorium will expire on July 30, 2011.

Since enactment of the moratorium, a City Administration team, including representatives from the Police and Community Development Departments and Office of the City Attorney, met to develop an ordinance that represents the most appropriate method to address medical marihuana use in the community and protect the public health, safety and welfare. The administrative team has concluded that the best option is to amend the City of Portage Code of Ordinances and regulate the use of medical marihuana per the MMMA under the Zoning Code as a home occupation. Administration and enforcement activities will be accomplished by the Community Development and Police Departments in a collaborative manner as is now the practice with zoning, safety, sanitation and health, housing/property maintenance and related ordinance matters when necessary. The advantages of the proposed ordinance include:

- Consistency with the intent and provisions of the MMMA, which establishes a caregiver to patient relationship with privacy and confidentiality safeguards;
- The proposal employs the home occupation approach successfully implemented in other Michigan communities including the City of Kalamazoo and the City of Grand Rapids;
- The prohibition of commercial dispensaries and the potential for illicit drug activities that have been the subject of concern in many Michigan communities due to ambiguities in the statute;
- Action at this time to regulate the use of medical marihuana is appropriate with the likelihood of definitive court decisions and/or action by the Michigan Legislature potentially years away; and

- The home occupation ordinance positions the city to properly address the use of medical marihuana allowed by statute, given the potential for litigation with other regulatory alternatives (ordinances to ban medical marihuana use and/or ordinances to prohibit cultivation of medical marihuana, as examples).

The attached ordinance proposal would amend Section 42-129, Home Occupations, by adding subsection C, Medical Marihuana Home Occupation. The following highlights the principal elements of the proposed ordinance:

- The new chapter would establish specific provisions for medical marihuana home occupations. The provisions for passive and active home occupations would not be applicable. No home occupation permit would be required (due to privacy confidentiality safeguards of the MMMA).
- Location standards establishing minimum distances from schools, youth centers, arcades, adult regulated uses and other specified uses, as well as other medical marihuana home occupations, are specified.
- Only one primary caregiver may operate from a dwelling unit and only assist qualifying patients registered with the Michigan Department of Community Health. A caregiver may assist no more than five patients who are connected to that primary caregiver through the State of Michigan registration process.
- The cultivation, possession, security and related statutory provisions applicable to the use of medical marihuana consistent with the statute are specified.
- Appropriate requirements are established that address caregiver-patient visit/operating hours, off-street parking, exterior site lighting and the prevention of general nuisances by compliance with provisions of the City of Portage Code of Ordinances.
- Appropriate definitions applicable to the use of medical marihuana are also specified in the ordinance.

City Council is advised to receive the proposed ordinance language, refer the ordinance to the Planning Commission for consideration and initiation of the Zoning Code amendment process, with the recommendation by the Planning Commission submitted to City Council not later than June 3, 2011.

Attachment: Proposed Ordinance Language

# DRAFT

## ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF PORTAGE, MICHIGAN BY AMENDING SECTION 42-129 OF CHAPTER 42, LAND DEVELOPMENT REGULATIONS

THE CITY OF PORTAGE ORDAINS:

That Section 42-129 of Chapter 42, Land Development Regulations, is hereby amended to add Section 42-129(C) as follows:

### **Section 42-129. Home occupations.**

- A. No change.
- B. No change.
- C. Medical Marihuana Home Occupation. A primary caregiver acting in compliance with the General Rules of the Michigan Department of Community Health ("General Rules"), the Michigan Medical Marihuana Act, P.A.2008, Initiated Law, MCL 333.26421, et. seq., (the "Act") and the requirements of this section, shall only be allowed as a home occupation. The conditions and requirements contained in Section 42-129(A) and (B) (Passive and Active Home Occupations) shall not be applicable to medical marihuana home occupations under this section and no permit under the Portage Zoning Code is required for a medical marihuana home occupation. The Act was passed by Michigan Voters through the initiative process. Both the summary of the Act appearing on the ballot and the Act as a whole reflect an intent to create a private and confidential patient/caregiver relationship to facilitate the lawful cultivation, distribution and use of marihuana strictly for medical purposes. The Act does not authorize the broad legalization of the cultivation, distribution or use of marihuana and a reading that permits such broad legalization is inconsistent with the fundamental intent of the Act read as a whole in context with generally applicable Michigan law. A primary caregiver may assist only a qualifying patient to whom he or she is connected through the Department of Community Health's ("Department") registration process for the medical use of marihuana. The following requirements for a primary caregiver as a home occupation shall apply:
  - 1. A primary caregiver shall comply at all times and in all circumstances with the Act and the General Rules of the Department as they may be amended from time to time.
  - 2. The home occupation shall only be conducted in a dwelling unit (as defined by the Zoning Code) where no more than one primary caregiver:
    - a. Cultivates up to the maximum number of marihuana plants permitted by the Act (12 for each qualifying patient)
    - b. Possesses up to the maximum amount of marihuana permitted by the Act (2.5 ounces for each qualifying patient), including any incidental amounts of seed, stalks and unusable roots; and



5. All medical marihuana plants shall be contained within the main residential structure in an enclosed, locked facility inaccessible on all sides and equipped with locks or other security devices that permit access only by the primary caregiver or qualifying patient. The home occupation shall not be conducted in an attached or detached accessory building or structure.
6. The home occupation shall be conducted consistent with the Portage Code of Ordinances including but not limited to securing all building, electrical, plumbing and mechanical permits for any portion of the residential structure in which electrical wiring, lighting, and/or watering devices are located, installed or modified that support the cultivation, growing or harvesting of marihuana, compliance with Article 4, Chapter 24 Noise, Article 5, Chapter 24 Safety, Sanitation and Health as well as Article 14, Chapter 42 Housing/Property Maintenance Code.
7. If a room with windows is utilized as a marihuana growing location, any lighting methods that exceed usual residential use between the hours of 11 p.m. and 6 a.m. shall employ shielding methods, without alteration to the exterior of the residence, to prevent ambient light spillage that causes or creates a distraction or nuisance to adjacent residential properties.
8. Qualifying patients may visit the site for the purposes permitted under the Act only during the hours of 8:00 a.m. to 8:00 p.m. No more than 5 qualifying patients may visit the site at any one time.
9. Off street parking provided for the home occupation shall be provided on an improved driveway that fulfills the requirements of Article 5, Section 24-111, Definitions, of the Portage Code of Ordinances, as amended. There shall be no other vehicular parking other than the off street parking facilities normally required for the residential use.
10. There shall be no sign of any nature identifying the home occupation and the use of window displays are not permitted.
11. Nothing in this section, or in any companion regulatory provision adopted in any other provision of this Code is intended to grant, nor shall they be construed as granting, immunity from criminal prosecution for growing, sale, consumption, use, distribution, or possession of marihuana not in strict compliance with the Act and the General Rules and this section. To this end, the sale, distribution, cultivation, manufacture, possession, delivery or transfer of marihuana to treat a qualifying patient shall only be conducted as a home occupation, and shall not be permitted in any other zoning classification of this Zoning Code. Also, since federal law is not affected by the Act or the General Rules, nothing in this section, or in any companion regulatory provision adopted in any other provision of this Code, is intended to grant, nor shall they be construed as granting, immunity from criminal prosecution under federal law. Neither this ordinance nor the Michigan Medical Marihuana Act protects users, caregivers or the owners of properties on which the medical use of marihuana is occurring from federal prosecution, or from having their property seized by federal authorities under the Federal Controlled Substances Act.

12. Definitions. As used in this section:

a. MARIHUANA

This term shall have the meaning given to it in Section 7601 of the Michigan Public Health Code, 1978 PA 368, MCL 333.7106, as is referred to in Section 3(d) of the Michigan Medical Marihuana Act, PA 2008, Initiated Law, MCL 333.26423(d).

b. PRIMARY CAREGIVER

A person who is at least 21 years old who has agreed to assist with a patient's medical use of marihuana, who has never been convicted of a felony involving illegal drugs and who has been issued and possesses a registry identification card.

c. QUALIFYING PATIENT

A person who has been diagnosed by a physician as having a debilitating medical condition.

d. REGISTRY IDENTIFICATION CARD

A document issued by the Department that identifies a person as a registered qualifying patient or a registered primary caregiver or a document or its equivalent that is issued under the laws of another state, district, territory, commonwealth, or insular possession of the United States that allows the medical use of marihuana by a visiting qualifying patient, or to allow a person to assist with a visiting qualifying patient's medical use of marihuana.

FIRST READING:  
SECOND READING:  
EFFECTIVE DATE:

---

CERTIFICATION

STATE OF MICHIGAN        )  
                                  )SS  
COUNTY OF KALAMAZOO )

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 \_\_\_\_\_, 2011.

\_\_\_\_\_

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

Approved as to form  
Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney

# CITY OF PORTAGE

# COMMUNICATION

**TO:** Honorable Mayor and City Council

**DATE:** March 30, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Tax Exemption for Kalamazoo Family Non-Profit Housing Corporation

**ACTION RECOMMENDED:** That City Council accept for first reading an ordinance to amend the Codified Ordinances of the City of Portage to grant the Kalamazoo Family Non-Profit Housing Corporation a tax exemption, establish a payment in lieu of taxes for 1506 Schuring Road and take final action on April 26, 2011.

The attached communication from the Community Development Director explains a request from Kalamazoo Family Non-Profit Housing Corporation (KFNPNC) for a tax exemption and Payment in Lieu of Taxes (PILOT) for the acquisition, minor rehabilitation and subsequent affordable rental of a single-family dwelling at 1506 Schuring Road. The city has adopted PILOT ordinances for the Hearthside Apartments I & II, Spring Manor Apartments, Centre Street Village Apartments, The Crossings II Apartments and Barrington Woods Apartments. The KFNPNC application is the first PILOT request that involves a single-family dwelling. The City Attorney has prepared the accompanying ordinance for consideration by City Council.

As background, the Kalamazoo County Public Housing Commission was awarded an \$841,000 grant from the Michigan State Housing Development Authority (MSHDA) for the purchase of scattered-site homes in Kalamazoo County to be rented at affordable rates to low-income households. KFNPNC will enter into a 40-year forgivable MSHDA mortgage with affordability requirements. MSHDA is now reviewing an application for project-based housing vouchers for scattered-site homes. The Kalamazoo County Public Housing Commission has also encumbered \$28,250 of Portage General Fund monies granted to the Local Housing Assistance Fund to meet the MSHDA required 25% local match for the purchase of the property, which has a sales price of \$113,000. A PILOT equal to four percent of annual shelter rents is proposed.

The request by KFNPNC has been carefully reviewed. A tax exemption and PILOT equal to four 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 current 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 April 26, 2011.

Attachment: Department of Community Development Communication

# CITY OF PORTAGE

# COMMUNICATION

---

**TO:** Maurice S. Evans, City Manager

**DATE:** March 30, 2011

**FROM:** Jeffrey M. Erickson, Director of Community Development

**SUBJECT:** Tax exemption and Payment in Lieu of Taxes (PILOT) for Kalamazoo Family Non-Profit Housing Corporation

## **Introduction**

Kalamazoo Family Non-profit Housing Corporation (KFNPHC) has requested a property tax exemption and Payment in Lieu of Taxes (PILOT) for the acquisition and minor rehabilitation of the single-family dwelling at 1506 Schuring Road. The property at 1506 Schuring Road is zoned R-1C, One-family Residential and is improved with a 1,040 square foot one-story dwelling and 480 square foot attached garage built in 1988. The sale price is \$113,000.

As background, the Kalamazoo County Public Housing Commission was awarded an \$841,000 grant from the Michigan State Housing Development Authority (MSHDA) for the purchase of scattered-site homes in Kalamazoo County. As a program requirement, all scattered-site dwelling units, including the house at 1506 Schuring Road, will be rented at affordable rates to low-income households. MSHDA required the creation of a separate non-profit housing corporation to receive the grant funding, and will require the Kalamazoo Family Non-Profit Housing Corporation (KFNPHC) to enter into a 40-year forgivable mortgage with affordability restrictions. MSHDA is concurrently reviewing an application for project-based housing vouchers to further assist with affordable rental rates. The Kalamazoo County Public Housing Commission has also encumbered \$28,250 of City of Portage Local Housing Assistance Fund monies to meet the MSHDA required 25% local match for the purchase of the property.

Based on the cash flow projections prepared by KFNPHC and MSHDA, a PILOT has been requested to make the project financially viable. As a condition of financing approval from MSHDA, a City of Portage PILOT ordinance equal to four percent of annual shelter rents is necessary.

## **Michigan Public Act 346 of 1966**

MSHDA was created and tax exemptions and Payment of Lieu of Taxes were permitted for specified housing developments. Act 346 stipulates that: 1) 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.

## **Project Benefits and Costs**

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

- The project fulfills goals of the current 2005-2009 Consolidated Plan accepted by City Council, as part of the Community Development Block Grant program, and is consistent with the goals of the draft 2011-2015 Consolidated Plan;
- The project will fulfill the goal to partner with for-profit and non-profit developers by providing a PILOT 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 residents;
- Based on data included in the 2005-2009 Consolidated Plan, there are approximately 5,700 low income households in Portage, and 47% or approximately 2,700 with a housing cost burden. More recent data compiled in the draft 2011-2015 Consolidated Plan indicates there are an estimated 7,145 low income households, and 61% or approximately 4,350 low income households with a housing cost burden.

As with all developments, there are costs to the City of Portage and other taxing jurisdictions to provide municipal services. As with other PILOT requests received by the city, costs also include foregone tax revenues due to the proposed PILOT. The service costs for the single-family dwelling include public safety and general government services, and the cost to the city for a single-family dwelling unit has been estimated by the Finance Department as shown below.

<b>General Fund</b>	<b>Estimated Cost Per Unit</b>
Police	\$195
Fire	\$96
Other	\$200
<b>TOTAL COST</b>	<b>\$491</b>

With regard to foregone tax revenue, the house was owner-occupied in 2010, with annual property taxes of \$1,999. If the property was renter-occupied by a family household, the annual tax liability in 2011 is estimated at \$2,924. The table below illustrates annual foregone tax revenue for all taxing units if the dwelling is renter-occupied in 2011, compared to estimated tax revenue that would be received from the proposed PILOT in 2011.

<b>Taxing Unit</b>	<b>Annual Revenue Without Tax Exemption</b>	<b>Annual Revenue with PILOT</b>
City of Portage	\$587	\$44
State Education	\$936	\$70
School Operating	\$262	\$20
School Building/Debt	\$312	\$23
Portage District Library	\$146	\$11
KVCC	\$253	\$19
KRESA	\$319	\$24
Kalamazoo County	\$21	\$2
County Transport	\$78	\$6
County Juvenile	\$11	\$1
	<b>\$2,924</b>	<b>\$218</b>

NOTE: The minimum PILOT payment proposed by the ordinance amendment is \$218, but the PILOT payment is projected to increase slightly over the 40-year period of the PILOT to \$471, with an average annual payment of \$329.

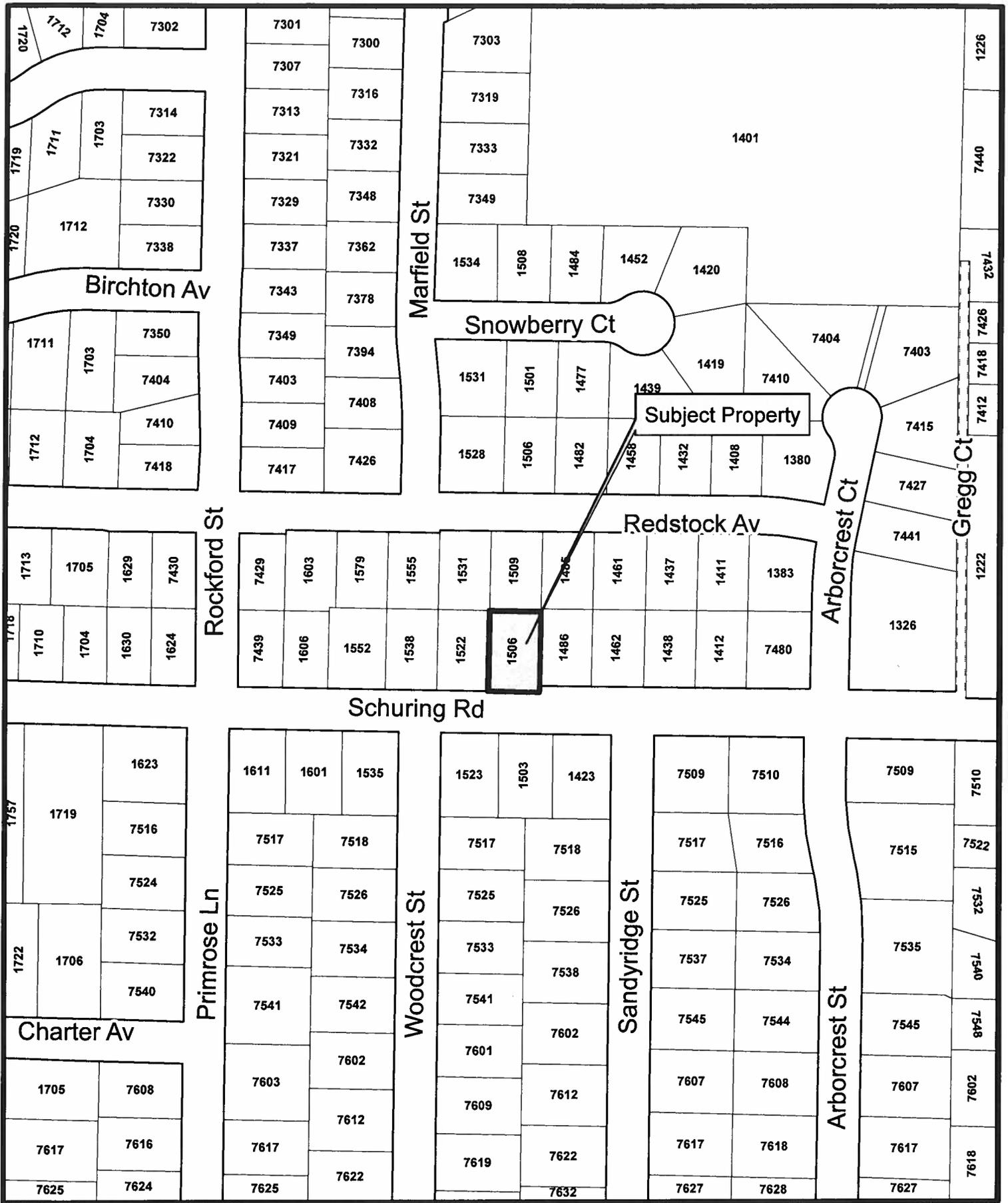
With specific regard to the City of Portage, the estimated annual revenue without the tax exemption that would be received by the city is \$587 compared to the \$44 average annual payment that would be received with the proposed PILOT over the 40-year period.

### **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. A tax exemption with a four percent PILOT is recommended as referenced in the proposed ordinance amendment to be added to Chapter 70, Article 2, Division 9 of the Code of Ordinances.

Attachments:       Vicinity Map  
                          Correspondence from Kalamazoo Family Non-Profit Housing Corporation – February 16, 2011  
                          Proposed PILOT Ordinance

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



**Kalamazoo Family Non-Profit Housing Corporation**

**10095 Pepperell Court, Portage, MI 49024**

February 16, 2011

City of Portage  
Jeffrey Erickson, Director of Community Development  
7900 South Westnedge Avenue  
Portage, MI 49002

**RECEIVED**  
**FEB 22 2011**  
**COMMUNITY DEVELOPMENT**

RE: Tax Exemption / Payment in Lieu of Taxes (PILOT) proposal for 1506 Schuring Road

Dear Mr.  Erickson,

The Kalamazoo Family Non-Profit Housing Corporation (KFNPHC) is requesting that a PILOT be granted for 1506 Schuring Road. KFNPHC will be the owner of record for the 1506 Schuring Road property for the duration of the grant.

Without a PILOT, it is not economically feasible to proceed with this project at 1506 Schuring Road. The pro forma, cash flow and overall feasibility of this project as outlined in The Michigan State Housing Development Authority (MSHDA) documents previously submitted underscore the financial necessity of the PILOT for 1506 Schuring Road to be a long term (40 year) success.

Listed below are answers to the questions you had requested in other communications:

1. Please provide documentation that the PILOT is required by MSHDA as a condition of the grant awarded to the Kalamazoo County Public Housing Commission for the acquisition of property and the proposed MSHDA Project Based Voucher.

Although the PILOT is not statutorily required by MSHDA, it has been an expectation of MSHDA that local political jurisdictions participate through granting PILOTs. In addition, if full Ad Valorem Taxes are owed by the KFNPHC the prospect of providing long-term affordable Housing will be challenging. Please see - attachment A.

2. Please provide documentation that the property will have MSHDA or other federally-aided mortgage loan. All existing City of Portage PILOT ordinances reference a federally-aided mortgage loan, and the PILOTs are effective while a federally-aided mortgage loan remains outstanding.

Please see attachment B.

3. Please specify the amount of PILOT requested for the property and how the proposed amount was determined.

We are requesting a 4% PILOT. This percentage was determined through operating cash flow projections. Please see attachment C.

4. Please provide a description of the scope of work (including any necessary rehabilitation) and a project profoma for providing projected revenues and expenditures for each property.

There is minor light decorating that will need to be done.

5. Please provide more information regarding the use of each dwelling, such as whether rentals will be offered for families; or if small group homes are proposed.

This dwelling will provide affordable housing for a single family.

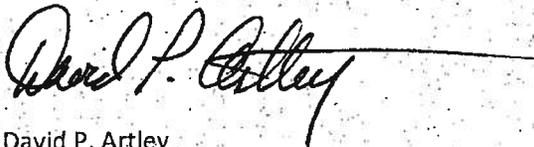
Please see attachment D.

6. Please provide additional information regarding the legal relationship between the Kalamazoo Family Non Profit Housing Corporation, and the Kalamazoo County Public Housing commission (KCPHC).

Kalamazoo Family Non-Profit Housing Corporation is a legal Stand- Alone Non-Profit Housing Corporation established under the laws of the State of Michigan. Although the original MSHDA Grant was received through the KCPHC, all functional responsibilities and requirements are being transferred to the KFNPHC. Please see attachment E.

If you have any questions, please call 269 569-9476 or at home at 269 321-1788. You may also contact Tracy Free, KCMHSAS Facilities and Housing Projects Assistant at 269-553-7128. Please use the mailing address at the top of this letter for written correspondence. Thank you in advance for your efforts on behalf of those we serve.

Sincerely,



David P. Artley  
President, KFNPHC Board

December 6, 2010

DEC 09 2010

Ms. Tracy Free, Family and Housing Project Assistant  
Kalamazoo Community Mental Health and Substance Abuse Services  
3299 Gull Road, P.O. Box 63  
Nazareth, MI 49074-0063

Kalamazoo Community Mental  
Health & Substance Abuse Services  
Administration

RE: Tax Exemption / Payment in Lieu of Taxes (PILOT) proposal for 5876 Old Mission Street  
and 1506 Schuring Road

Dear Ms. Free:

I am writing in response to your letter received on November 19, 2010 regarding the acquisition of two single-family dwellings at 5876 Old Mission Street and 1506 Schuring Road, and the proposal for a Payment in Lieu of Taxes (PILOT) ordinance for each of the two properties. While this is the first request the City of Portage has received for a PILOT involving single-family homes, the Kalamazoo Family Non Profit Housing Corporation and these two projects appear eligible under state statute for a tax exemption/PILOT. In order to further consider your proposal, the following information is requested:

- The rationale for the PILOT requested for each property. For example:
  - Please provide documentation that the PILOTs are required by MSHDA as a condition of the grant awarded to the Kalamazoo County Public Housing Commission for the acquisition of the properties and/or the proposed MSHDA Project Based Vouchers;
  - Please provide documentation that the two properties will have a MSHDA or other federally-aided mortgage loan. All existing City of Portage PILOT ordinances reference a federally-aided mortgage loan, and the PILOTs are effective while a federally-aided mortgage loan remains outstanding;
  - Please specify the amount of PILOT requested for each property, and how the proposed amount was determined;
  - Please provide a description of the scope of work (including any necessary rehabilitation) and a project proforma for providing projected revenues and expenditures for each property.
- Please provide more information regarding the use of each dwelling, such as whether rentals will be offered for families, or if small group homes are proposed.
- Please provide additional information regarding the legal relationship between the Kalamazoo Family Non Profit Housing Corporation, and the Kalamazoo County Public Housing Commission (PHC).

I look forward to your written response in regard to this matter. If you have any questions or comments, please feel free to contact me in the Department of Community Development at 269-329-4480.

Sincerely,

  
Vicki Georgeau, AICP  
Deputy Director of Neighborhood Services

C: David Anderson, Kalamazoo Community Mental Health and Substance Abuse Services  
E: Jeffrey M. Erickson, Director of Community Development; Randall R. Brown, City Attorney

S:\2010-2011 Department Files\Subject Files\PI2010 12 06 (PHC & Kzoo Family NHC PILOTs)\_1.doc

This is a list of items  
MSHDA asks for before  
Finalizing the Grant

**SMALL SCALE RENTAL DE**

Date Rec'd    Date Submitted for Review    Reviewer

**Application - Small Scale**

Site Approval

**Appraisal**

**Legal**

Land Control - purchase agreement/deed

Title Commitment: Without standard exceptions and in the amount of MSDHA funds

Zoning Letter

Zoning Ordinance and Map

Mortgage Survey/Report

Filed Articles of Incorporation

Certificate of Good Standing: certified within 30 days

IRS Federal Identification Number

PILOT Ordinance/Property Tax

Site Plan - New Construction

**MOU/Service Agreement.** Project Specific

and current service providers

Management Agreement

Leveraged Resources: Letters of commitment

**PROFORMA** - Development and operating

costs with source documentation/notes

**Construction/Rehabilitation**

MSHDA/Contract documents

Cost Estimates - Specifications - Bid(s)

Trade Payment Breakdown

Contractor License and proof of insurance

Drawing and Plans

**Federal Environmental Assessment**

(NEPA): MSHDA will complete. Four or fewer units may be categorically excluded subject to 58.35 and 58.6.

**Environmental Site Assessment (ESA)**

Phase I - Tab D Combined Application

Lead-Based Paint: pre-1978 units

**Affirmative Fair Housing Marketing Plan:**

5 or more HOME assisted units

**EEO Plan:** 5 or more units - Tab F

Combined Application

**Labor Standards/Prevailing Wages:** More than 11 units/PBV 9 or more

**Relocation/displacement** must be minimized. URA-using federal funds

**Project Based Voucher**

PBV Owner Application

Rent Reasonableness Test

Project Based Application Checklist

Project Based Voucher/Subsidy Layering

Checklist/HUD Form 2880

PBV's trigger NEPA 5 or more units, this

process must begin as soon as possible as

it could take up to 2 months to complete.

**Please note that this checklist will be project specific and subject to change; depending on funding source. Some items will apply and other may not or other items can be added.**

26-Mar-10



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

KEITH MOLIN  
EXECUTIVE DIRECTOR

April 28, 2010

Mr. David F. Anderson  
P.O. Box 51545  
Kalamazoo, MI. 49005

Subject: Homeless Family Initiative Reservation/PBV Intent – Triple Play – Kalamazoo, MI

Dear Mr. Anderson:

This letter will serve as confirmation that the Authority agrees to reserve funds under its Homeless Families Initiative Grant in an amount not to exceed of \$841,000 and to accept an application for HCV/Project Based Vouchers (PBV). The project will consist of six (6) single family homes scattered throughout Kalamazoo County with a mixture of 2 and 3 bedrooms.

The reservation is strictly based on the project's need and financial gap. The sponsor must provide the Authority with documentation demonstrating the availability of funding from several possible sources that may include private foundation funds, and/or FHLBI AHP, and/or other sources as necessary to complete the funding for the Proposal.

To the extent administratively feasible and consistent with the Authority's PHA and Administrative Plan, MSHDA will endeavor to make six (6) Housing Choice Vouchers/Project Based Vouchers available subject to the requirements of the PHA and Administrative Plans. Tenants would be responsible for 30% of their adjusted household income; for rent to include tenant paid utilities.

The Authority agrees to issue its HOME/MSHDA Loan Commitment to the sponsor at the time the sponsor satisfies all Authority Supportive Housing underwriting and processing requirements and provides the documentation of necessary funding commitments from other sources, as required above. In the event the sponsor, in the judgment of the Authority, is unable to satisfy processing requirements and underwriting issues, the Authority will terminate this reservation.

This reservation of the Authority's HOME/MSHDA funds will expire six months from the date of this reservation unless an extension of the reservation is requested by the Nonprofit and approved by the Authority.

The proposal will need to minimally meet the Housing Quality Standards in 24 CFR part 92.251, comply with affordability requirements from 24 CFR PART 92.252, a lease will be used complying with 24 CFR part 92.252 and comply with affirmative marketing procedures as defined in 24 CFR part 92.351.

Sincerely,

Sally Harrison, Director  
Office of Rental Development and Homeless Initiatives

Cc: John Hundt





Development Schuring  
 Financing Supportive Housing

Use Revenue Page: Standard

Stimulus Type

MSHDA No.

Step Preliminary Assessment

Date 12/20/2010

Type Acquisition/Rehab

Mortgage Assumptions:

Debt Coverage Ratio 1.25

Mortgage Interest Rate

Pay Rate

Mortgage Term 35 years

**Total Development Income Potential**

	Per Unit	Total
Annual Rental Income	9,936	9,936
Annual Excess Section 8	0	0
Annual Non-Rental Income	0	0
Total Project Revenue	9,936	9,936

**Total Development Expenses**

Vacancy Loss	10.00% of annual rent potential	994	994
Management Fee	456 per unit per year	456	456
Administration		624	624
Project-paid Fuel		1,908	1,908
Common Electricity		888	888
Water and Sewer		708	708
Operating and Maintenance		1,920	1,920
Real Estate Taxes		0	0
Payment in Lieu of Taxes (PILOT)	4.00%	218	218
Insurance		1,200	1,200
Replacement Reserve	1200 per unit per year	1,200	1,200
Other: Employee Benefits/Worker's Comp.		0	0
Other: Asset Management Fee		0	0

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	1	10.0%
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	10,115	10,115
<b>Total Expenses</b>	101.80%	10,115	10,115
Base Net Operating Income (excludes Excess Section 8)		-179	-179
Part A Mortgage Payment	0.00%	0	0
<b>Part A Mortgage</b>		0	0
Non MSHDA Financing Mortgage Payment		0	0
<b>Non MSHDA Financing Type:</b>		0	0
Base Project Cash Flow (excludes ODR and Part B)	-1.80%	-179	-179

<b>Level Debt Service and Part B Loan Analysis</b>			
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
<b>Part B Mortgage</b>		0	0

Summary	Annual Payment		Total Loan Amount	
	Per Unit	Total	Per Unit	Total
Part A Mortgage	0	0	0	0
Part B Mortgage	0	0	0	0
<b>Total Mortgage</b>	0	0	0	0

**Cash Flow Projections**

Development Schuring  
 Financing Supportive Housing  
 Stimulus Type 0  
 MSHDA No. 0  
 Step Preliminary Assessment  
 Date 12/20/2010  
 Type Acquisition/Rehab

Initial Inflation Starting in Yr Future Inflation

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Income										
Annual Rental Income	9,936	10,035	10,136	10,237	10,339	10,546	10,757	10,972	11,192	11,416
Annual Excess Section 8	0	0	0	0	0	0	0	0	0	0
Annual Non-Rental Income	0	0	0	0	0	0	0	0	0	0
<b>Total Project Revenue</b>	<b>9,936</b>	<b>10,035</b>	<b>10,136</b>	<b>10,237</b>	<b>10,339</b>	<b>10,546</b>	<b>10,757</b>	<b>10,972</b>	<b>11,192</b>	<b>11,416</b>

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Vacancy Loss	994	1,004	1,014	1,024	1,034	1,055	1,076	1,097	1,119	1,142
Management Fee	456	470	484	498	513	529	544	561	578	595
Administration	624	643	662	682	702	723	745	767	790	814
Project-paid Fuel	1,908	2,022	2,144	2,272	2,409	2,556	2,632	2,711	2,792	2,872
Common Electricity	888	941	998	1,058	1,121	1,189	1,255	1,325	1,392	1,462
Water and Sewer	708	750	796	843	894	921	948	977	1,006	1,036
Operating and Maintenance	1,920	1,978	2,037	2,098	2,161	2,226	2,293	2,361	2,432	2,505
Real Estate Taxes	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)	218	213	207	202	195	197	200	202	204	206
Insurance	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Replacement Reserve	0	0	0	0	0	0	0	0	0	0
Other: Employee Benefits/Worker's Comp.	0	0	0	0	0	0	0	0	0	0
Other: Asset Management Fee	0	0	0	0	0	0	0	0	0	0
<b>Subtotal: Operating Expenses</b>	<b>10,115</b>	<b>10,492</b>	<b>10,887</b>	<b>11,299</b>	<b>11,731</b>	<b>12,069</b>	<b>12,416</b>	<b>12,774</b>	<b>13,142</b>	<b>13,521</b>

Debt Service	0	0	0	0	0	0	0	0	0	0
Debt Service Part A	0	0	0	0	0	0	0	0	0	0
Debt Service Part B	0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing	0	0	0	0	0	0	0	0	0	0

<b>Total Expenses</b>	<b>10,115</b>	<b>10,492</b>	<b>10,887</b>	<b>11,299</b>	<b>11,731</b>	<b>12,069</b>	<b>12,416</b>	<b>12,774</b>	<b>13,142</b>	<b>13,521</b>
Cash Flow/(Deficit)	(179)	(457)	(751)	(1,062)	(1,391)	(1,522)	(1,659)	(1,802)	(1,951)	(2,106)
Cash Flow Per Unit	(179)	(457)	(751)	(1,062)	(1,391)	(1,522)	(1,659)	(1,802)	(1,951)	(2,106)
Debt Coverage Ratio on Part A Loan	N/A									
Debt Coverage Ratio on Conventional/Other Financing	N/A									

Interest Rate on Reserves 5%

Operating Deficit Reserve (ODR) Analysis	
Maintained Debt Coverage Ratio (Hard Debt)	1.15
Maintained Operating Reserve (No Hard Debt)	250
Initial Deposit	26,797

Total Annual Draw to achieve 1.0 DCR	(179)	(457)	(751)	(1,062)	(1,391)	(1,522)	(1,659)	(1,802)	(1,951)	(2,106)
Total Annual Deposit to achieve Maintained DCR	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Total 1.0 DCR and Maintained DCR	(429)	(707)	(1,001)	(1,312)	(1,641)	(1,772)	(1,909)	(2,052)	(2,201)	(2,356)

Interest	1,340	1,398	1,445	1,480	1,500	1,506	1,505	1,497	1,482	1,459
Ending Balance at 1.0 DCR	27,958	28,898	29,592	30,009	30,119	30,102	29,948	29,644	29,175	28,528
Maintained Cash Flow Per Unit	250	250	250	250	250	250	250	250	250	250
Maintained Debt Coverage Ratio on Part A Loan	N/A									
Maintained Debt Coverage Ratio on Conventional/Other	N/A									
Standard ODR	18,794									
Non-standard ODR	8,003									

Operating Assurance Reserve Analysis	
Required in Year	1
Initial Deposit	3,372
Initial Deposit	3,372

Initial Balance	3,372	3,540	3,717	3,903	4,098	4,303	4,518	4,744	4,982	5,231
Interest Income	169	177	186	195	205	215	226	237	249	262
Ending Balance	3,540	3,717	3,903	4,098	4,303	4,518	4,744	4,982	5,231	5,492

Deferred Developer Fee Analysis	
Initial Balance	0
Dev Fee Paid	0
Ending Balance	0
Repair	2010

Subordinate MSHDA Financing	
Interest Rate on Subordinate Financing	3%
Principal Amount of all MSHDA Soft Funds	0
Current Yr Int	0
Accrued Int	0
Subtotal	0
Annual Payment Due	0
Year End Balance	0

Cash Flow Projections

D

Sh

Initial Inltor Starting in Yr Future Inltor

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	11	12	13	14	15	16	17	18	19	20
Income										
Annual Rental Income	11,644	11,877	12,114	12,357	12,604	12,856	13,113	13,375	13,643	13,916
Annual Excess Section 8	0	0	0	0	0	0	0	0	0	0
Annual Non-Rental Income	0	0	0	0	0	0	0	0	0	0
<b>Total Project Revenue</b>	<b>11,644</b>	<b>11,877</b>	<b>12,114</b>	<b>12,357</b>	<b>12,604</b>	<b>12,856</b>	<b>13,113</b>	<b>13,375</b>	<b>13,643</b>	<b>13,916</b>

	###	1	###
Expenses			
Vacancy Loss	1,164	1,188	1,211
Management Fee	613	631	650
Administration	839	864	890
Project-paid Fuel	2,963	3,051	3,143
Common Electricity	1,339	1,379	1,420
Water and Sewer	1,067	1,099	1,132
Operating and Maintenance	2,580	2,658	2,737
Real Estate Taxes	0	0	0
Payment in Lieu of Taxes (PILOT)	208	210	212
Insurance	1,613	1,661	1,711
Replacement Reserve	1,613	1,661	1,711
Other: Employee Benefits/Workers's Comp.	0	0	0
Other: Asset Management Fee	0	0	0
<b>Subtotal: Operating Expenses</b>	<b>13,912</b>	<b>14,313</b>	<b>14,726</b>

Debt Service	0	0	0	0	0	0	0	0	0	0
Debt Service Part A	0	0	0	0	0	0	0	0	0	0
Debt Service Part B	0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>13,912</b>	<b>14,313</b>	<b>14,726</b>	<b>15,152</b>	<b>15,589</b>	<b>16,040</b>	<b>16,504</b>	<b>16,981</b>	<b>17,472</b>	<b>17,978</b>
Cash Flow/(Deficit)	(2,268)	(2,436)	(2,612)	(2,795)	(2,986)	(3,184)	(3,391)	(3,606)	(3,829)	(4,062)
Cash Flow Per Unit	(2,268)	(2,436)	(2,612)	(2,795)	(2,986)	(3,184)	(3,391)	(3,606)	(3,829)	(4,062)
Debt Coverage Ratio on Part A Loan	N/A									
Debt Coverage Ratio on Conventional/Other Financing	N/A									

Interest Rate on Reserves 5%

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.15
Maintained Operating Reserve (No Hard Debt)	250
Initial Balance	26,797
Total Annual Draw to achieve 1.0 DCR	(2,436)
Total Annual Deposit to achieve Maintained DCR	(250)
Total 1.0 DCR and Maintained DCR	(2,686)
Interest	1,426
Ending Balance at 1.0 DCR	27,687
Maintained Cash Flow Per Unit	250
Maintained Debt Coverage Ratio on Part A Loan	N/A
Maintained Debt Coverage Ratio on Conventional/Other	N/A
Standard ODR	18,794
Non-standard ODR	8,003

Operating Assurance Reserve Analysis

Required in Year: 1	3,372
Initial Deposit	3,372
Initial Balance	5,492
Interest Income	275
Ending Balance	5,767

Deferred Developer Fee Analysis

Initial Balance	0
Dev Fee Paid	0
Ending Balance	0
Repair: 2010	0

Subordinate MSHDA Financing

Interest Rate on Subordinate Financing	3%
Principal Amount of all MSHDA Soft Funds	0
Current Yr. Int	0
Accrued Int	0
Subtotal	0
Annual Payment Due	0
Year End Balance	0

**1506 Schuring, Portage, MI 49024**

PILOT	Year	Rent		Site Paid	Net Sheltered	Estimated PILOT
		Potential	Vacancy Loss	Utilities	Rents	Payment
4.00%	1	\$ 9,936	\$ 994	\$ 3,504.00	\$ 5,438	218
4.00%	2	\$ 10,135	\$ 1,013	\$ 3,574.08	\$ 5,547	222
4.00%	3	\$ 10,337	\$ 1,034	\$ 3,645.56	\$ 5,658	226
4.00%	4	\$ 10,544	\$ 1,054	\$ 3,718.47	\$ 5,771	231
4.00%	5	\$ 10,755	\$ 1,076	\$ 3,792.84	\$ 5,887	235
4.00%	6	\$ 10,970	\$ 1,097	\$ 3,868.70	\$ 6,004	240
4.00%	7	\$ 11,190	\$ 1,119	\$ 3,946.07	\$ 6,125	245
4.00%	8	\$ 11,413	\$ 1,141	\$ 4,024.99	\$ 6,247	250
4.00%	9	\$ 11,642	\$ 1,164	\$ 4,105.49	\$ 6,372	255
4.00%	10	\$ 11,874	\$ 1,187	\$ 4,187.60	\$ 6,499	260
4.00%	11	\$ 12,112	\$ 1,211	\$ 4,271.36	\$ 6,629	265
4.00%	12	\$ 12,354	\$ 1,235	\$ 4,356.78	\$ 6,762	270
4.00%	13	\$ 12,601	\$ 1,260	\$ 4,443.92	\$ 6,897	276
4.00%	14	\$ 12,853	\$ 1,285	\$ 4,532.80	\$ 7,035	281
4.00%	15	\$ 13,110	\$ 1,311	\$ 4,623.45	\$ 7,176	287
4.00%	16	\$ 13,373	\$ 1,337	\$ 4,715.92	\$ 7,319	293
4.00%	17	\$ 13,640	\$ 1,364	\$ 4,810.24	\$ 7,466	299
4.00%	18	\$ 13,913	\$ 1,391	\$ 4,906.45	\$ 7,615	305
4.00%	19	\$ 14,191	\$ 1,419	\$ 5,004.57	\$ 7,767	311
4.00%	20	\$ 14,475	\$ 1,447	\$ 5,104.67	\$ 7,923	317
4.00%	21	\$ 14,764	\$ 1,476	\$ 5,206.76	\$ 8,081	323
4.00%	22	\$ 15,060	\$ 1,506	\$ 5,310.89	\$ 8,243	330
4.00%	23	\$ 15,361	\$ 1,536	\$ 5,417.11	\$ 8,408	336
4.00%	24	\$ 15,668	\$ 1,567	\$ 5,525.46	\$ 8,576	343
4.00%	25	\$ 15,981	\$ 1,598	\$ 5,635.96	\$ 8,747	350
4.00%	26	\$ 16,301	\$ 1,630	\$ 5,748.68	\$ 8,922	357
4.00%	27	\$ 16,627	\$ 1,663	\$ 5,863.66	\$ 9,101	364
4.00%	28	\$ 16,960	\$ 1,696	\$ 5,980.93	\$ 9,283	371
4.00%	29	\$ 17,299	\$ 1,730	\$ 6,100.55	\$ 9,468	379
4.00%	30	\$ 17,645	\$ 1,764	\$ 6,222.56	\$ 9,658	386
4.00%	31	\$ 17,998	\$ 1,800	\$ 6,347.01	\$ 9,851	394
4.00%	32	\$ 18,358	\$ 1,836	\$ 6,473.95	\$ 10,048	402
4.00%	33	\$ 18,725	\$ 1,872	\$ 6,603.43	\$ 10,249	410
4.00%	34	\$ 19,099	\$ 1,910	\$ 6,735.50	\$ 10,454	418
4.00%	35	\$ 19,481	\$ 1,948	\$ 6,870.21	\$ 10,663	427
4.00%	36	\$ 19,871	\$ 1,987	\$ 7,007.61	\$ 10,876	435
4.00%	37	\$ 20,268	\$ 2,027	\$ 7,147.77	\$ 11,094	444
4.00%	38	\$ 20,674	\$ 2,067	\$ 7,290.72	\$ 11,316	453
4.00%	39	\$ 21,087	\$ 2,109	\$ 7,436.53	\$ 11,542	462
4.00%	40	\$ 21,509	\$ 2,151	\$ 7,585.27	\$ 11,773	471

TOTAL ESTIMATED PILOT PAID DURING MORTGAGE TERM

13,140

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)  
OFFICE OF HOUSING VOUCHER PROGRAMS  
PROJECT-BASED VOUCHER (PBV) PROJECT PROPOSAL**

**EXISTING HOUSING**

*NOTE: Existing housing units are defined as units that already exist on the proposal selection date and that substantially comply with the HQS on that date. Existing units must fully comply with the HQS before execution of the HAP Contract.*

<b>Name of Project:</b>	
<b>Project Address:</b>	
<b>Total # of Units:</b>	
<b>Sponsor Name:</b>	
<b>Sponsor Address:</b>	
<b>MSHDA Contact:</b>	
<b>Date:</b>	

**EXISTING HOUSING PROPOSALS FOR PROJECT-BASED VOUCHERS MUST PROVIDE THE FOLLOWING INFORMATION AND MEET THE STANDARD CRITERIA FOR EXISTING HOUSING AS FOLLOWS.**

- A. Submit a signed copy of the Owner PBV Application and cover letter.
- B. Submit a copy of the MSHDA Office of Rental Development/Homeless Initiatives (ORDHI) approval letter of the Addendum IIIa or MOU/Inclusion Plan.
- C. Submit a copy of approved Addendum III or MOU/Inclusion Plan to identify types of Supportive Services being offered, and Service Agencies involved.

Provide the following contact information below:

- Identify Lead Agency:
  - Lead Agency Contact person:
  - Contact person e-mail address:
  - Identify Management Company:
  - Management Company address:
  - Management Company contact person & phone number
  - Management Company contact e-mail address:
- D. Attach a letter of support from local Continuum of Care attesting to the project's responsiveness to priorities identified by local collaborative effort for housing people with special needs. (Ten year plan to end homeless)

- E. Number and unit type of MSHDA/PBV units: \_\_\_\_\_
- F. 25% Cap Information: No more than 25% of the units in a building can receive PBV unless they are units in a single-family (1-4 units) building; units that house elderly or disabled households, or units that receive supportive services. Provide the following information below:
- Total units in project:
  - Total number of MSHDA/PBV:
  - Total number of buildings:
  - Total number of units per building:
  - Total number of MSHDA/PBV units per building:
  - Total number of Elderly/Disabled Units:
  - Total number of units receiving supportive services:
  - Total number of MSHDA/PBV barrier free units in the PBV units being requested:
  - Total number of MSHDA/PBV barrier free units in the Development:
- G. The project has successfully competed for housing assistance under a federal, state, or local government housing assistance, community development, and supportive services program; the proposal must have been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. (Note: When selecting projects using this method, public notice of the project selected is not required.)
- Date Project received a reservation for LIHTC, HOME or other Competitive Process Program funding: \_\_\_\_\_ Submit a copy of the reservation/commitment notification.
- H. Provide the following proposed rent information below:
- LIHTC rent:
  - QCT or Non-QCT:
  - Owner requested rent per unit type and size:
  - Tenant paid utilities per unit type and size:
- I. Submit documentation indicating the environmental review requirements have been met. Date of HUD Release or MSHDA Memo: \_\_\_\_\_

**THE DEVELOPMENT MUST MEET THE FOLLOWING PBV SITE SELECTION CRITERIA [24 CFR 983.57]**

Provide a narrative for each of the items listed below; and attach source documentation when necessary to support the response provided.

The PHA/OHVP may not select a proposal for existing PBV housing on a site or enter into an Agreement or HAP contract for units on the site unless the PHA/OHVP has determined that Project-based assistance for housing at the selected site is consistent with the statutory

requirement of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities can be found in 24 CFR part 903. The PHA/OHVP must consider all of the following:

- a) Whether the census tract in which the proposed project will be located is in or adjacent to a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
- b) Whether the PBV development is located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- c) Whether the census tract where the proposed PBV development is located is undergoing significant revitalization.
- d) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement - deconcentration of poverty and expanding housing and economic opportunities.
- e) Whether new market rate units are being developed in the same area as the PBV development and the likelihood that such market rate units will positively impact the poverty rate in the area.
- f) If the poverty rate in the area where the proposed PBV development will be located is greater than 20%, has there been a decline in the overall poverty rate in the census tract in the last 5 years?
- g) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the PBV development will be located.
- h) Whether the local government will provide PILOT/tax abatement.
- i) Whether there is a homeless population that exceeds shelter bed capacity.

**EXISTING UNITS MUST SUBSTANTIALLY MEET HQS STANDARDS.** Provide certification that existing units substantially meet the following HUD definition. “Existing housing units are defined as units that already exist on the proposal selection date and that substantially comply with the HQS on that date. Provide certification that existing units substantially meet HQS.”

**MUST MEET ALL THE FOLLOWING PROPERTY NEIGHBORHOOD STANDARDS FOR EXISTING PROPERTIES [24 CFR 983.57].** Include a narrative response for each of the items listed below; attach supporting documentation if needed to support the response provided:

- a) The site must be adequate in size to the number of units proposed to meet appropriate infrastructure and utility needs.

- \_\_\_ b) The site must offer a greater choice of housing opportunities and avoid a larger concentration of assisted persons in an area already containing a high concentration of low-income persons.
  
- \_\_\_ c) The site must be accessible to a wide variety of social, recreational, educational, commercial, and health facilities that are similar to those found in a neighborhood of primarily unassisted housing of a similar nature.
  
- \_\_\_ d) The site must be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing arrange of jobs for lower-income worker is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities this requirement need not be adhered to rigidly for such projects.

NOTE: HUD subsidy layering is not required for existing developments.

Attachment E  
-Easier Version to  
Read

MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH- BUREAU OF COMMERCIAL SERVICES		
Date Received		<b>(FOR BUREAU USE ONLY)</b> This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.
<b>Name</b> Richard W. Pennings		
<b>Address</b> 124 W. Allegan, Suite 700		
<b>City</b>	<b>State</b>	<b>EFFECTIVE DATE:</b>
<b>Zip Code</b>		
Lansing	MI	
48933		

Document will be returned to the name and address you enter above.

If left blank document will be mailed to the registered office.



## ARTICLES OF INCORPORATION

OF

## KALAMAZOO FAMILY NONPROFIT HOUSING CORPORATION

These Articles of Incorporation are signed by the incorporator for the purpose of forming a nonprofit Corporation pursuant to the provisions of Act 346, Public Acts of 1966, as amended (the "Act"), and Act 162 of Public Acts of 1982, as amended, as follows:

### ARTICLE I

The name of the corporation is Kalamazoo Family Nonprofit Housing Corporation.

### ARTICLE II

A. This Corporation is organized exclusively for charitable, religious, and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code.

B. This Corporation is organized with the exclusive purpose of providing housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in the Act, as amended, and providing such social, recreational, commercial and communal facilities as may be necessary to serve and improve a residential area in which Michigan State Housing Development Authority (Authority) or federally-aided housing is located or planned to be located thereby enhancing the viability of the housing and, in general, carrying on any business in connection therewith and incidental thereto not inconsistent with 1966 PA 346, as amended, and doing any and all things necessary, required and not expressly prohibited by the laws of the State of Michigan and not inconsistent with the requirements of a nonprofit charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding section of any future federal tax code.

C. Notwithstanding any other provision of these Articles, all the income and earnings of the Corporation shall be used exclusively for corporate purposes, and no part of the net income or net earnings of the Corporation shall inure to the benefit or profit of or be distributed or distributable to any director, officer, member, trustee, individual, firm, corporation, partnership, association or other private person except that the Corporation shall be authorized and empowered (subject to the requirements of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended) to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article II.

D. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) in a political campaign on behalf of any candidate for public office.

E. Notwithstanding any other provisions of these Articles, the exclusive purpose of the Corporation shall be to carry on only those activities permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue Law).

F. Notwithstanding any other provision of these Articles, the Corporation shall in no manner be controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership or association seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses in any dealing or transactions with the Corporation.

G. Notwithstanding any other provision of these Articles, the operations of the Corporation may be supervised by the Authority or by another governmental body as the Authority directs, and the Corporation shall enter into agreements with the Authority or with the governmental body as the Authority from time to time requires. Any such agreements shall provide for regulation by the Authority or designated governmental body of the planning, development and management of

any housing project undertaken by the Corporation and the disposition of the property and franchises of the Corporation.

H. No individual member or director of the Corporation or other private person shall have any title to or interest in the corporate property or earnings in his or her individual or private capacity.



B. A volunteer director of the Corporation shall not be personally liable to the Corporation for monetary damages for a breach of fiduciary duty as a director except that a director remains liable:

- (1) For any breach of the director's duty of loyalty to the Corporation;
- (2) For any acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;
- (3) For any violation of Section 551(1) of Act No. 162 of Public Acts of 1982, as amended;
- (4) For any transaction from which the director derived an improper personal benefit;
- (5) For any act or omission occurring before the effective date of this Article as filed by the Michigan Department of Labor and Economic Growth for which the director was otherwise personally liable; and
- (6) For any act or omission that is grossly negligent.

The Corporation shall assume all liability to any person other than the Corporation for all acts or omissions of a volunteer director occurring on or after the date of this Article as filed by the Michigan Department of Labor and Economic Growth incurred in the good-faith performance of the volunteer director's duties; provided, however, that the Corporation shall not be considered to have assumed any liability to the extent such assumption is inconsistent with the status of the Corporation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, or comparable provisions of subsequent legislation (the "Code").

If, after the adoption of this Article, the Michigan Nonprofit Corporation Act is hereafter amended to further eliminate or limit the liability of a director, then the liability of any director to the Corporation (in addition to the circumstances in which a director is not personally liable as set forth in the preceding paragraph) shall be limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended; except to the extent such limitation, elimination or assumption of liability is inconsistent with the status of the Corporation as an organization described in Section 501(c)(3) of the Code.

Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

C. The Corporation hereby assumes the liability for all acts or omissions of a non-director volunteer, as that term is defined in the Michigan Nonprofit Corporation Act, provided all of the following are met:

- (1) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.

- (2) The volunteer was acting in good faith.
- (3) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
- (4) The volunteer's conduct was not an intentional tort.
- (5) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.
- (6) The volunteer's act or omission occurred on or after the effective date of this Article as filed by the Michigan Department of Labor and Economic Growth.

#### **ARTICLE VII**

Upon dissolution of the Corporation, assets remaining after providing for debts and obligations of the Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, to that organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or comparable provisions of subsequent legislation) as may be designated by the Board of Directors or to the federal government, or to a state or local government, for public purposes. Any such assets not disposed of shall be disposed of by the circuit court of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

#### **ARTICLE VIII**

Notwithstanding any other provisions of these Articles, the Authority shall have the power to appoint to the Board of Directors of the Corporation a number of new directors, which number shall be sufficient to constitute a majority of the board, notwithstanding any other provisions of these Articles of Incorporation or any other provisions of law, if:

A. The Corporation has received a loan or advance as provided for in the Act and the Authority determines that the loan or advance is in jeopardy of not being repaid;

B. The Corporation has received a loan or advance as provided for in the Act and the Authority determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed;

C. The Authority determines that some part of the net income or net earnings of the Corporation is inuring to the benefit of any private individual, firm, corporation, partnership or association;

D. The Authority determines that the Corporation is in some manner controlled by or under the direction of or acting in the substantial interest of any private individual, firm, corporation, partnership or association seeking to derive benefit or gain therefrom or seeking to eliminate or minimize losses in any dealings or transactions therewith;

E. The Authority determines that the Corporation is in violation of the rules promulgated under Section 22 of the Act; or

F. The Authority determines that the Corporation is in violation of any agreements entered into with the Authority providing for regulation by the Authority of the planning, development and management of any housing project undertaken by the Corporation and the disposition of the property and franchises of such Corporation.

#### ARTICLE IX

Notwithstanding any other provisions of these Articles of Incorporation, the Authority may rely upon the continuing effect of these Articles of Incorporation in this form as approved by the Authority, and the corporation agrees not to amend, alter or change the provisions of these Articles of Incorporation without the prior written consent of an Authorized Officer of the Authority.

I, the incorporator, sign my name this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

\_\_\_\_\_  
Richard W. Pennings

**Name of person or organization remitting fees:**

Loomis, Ewert, Parsley, Davis & Gotting, P.C.

**Prepared by:**

Richard W. Pennings (517) 482-2400

**ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF PORTAGE, MICHIGAN BY AMENDING ARTICLE 2 OF CHAPTER 70, TAXATION, TO ADD DIVISION 9, KALAMAZOO FAMILY NONPROFIT HOUSING CORPORATION PROVIDING FOR A SERVICE CHARGE IN LIEU OF TAXES.**

THE CITY OF PORTAGE ORDAINS:

That Article 2 of Chapter 70, Taxation, is hereby amended to add Division 9, Kalamazoo Family Nonprofit Housing Corporation:

**DIVISION 9. KALAMAZOO FAMILY NONPROFIT HOUSING CORPORATION**

**Section 70-261. 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 ("Act") (1966 PA 346 as amended). The City of Portage ("City") is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for the Act.

B. The City of Portage acknowledges that Kalamazoo Family Nonprofit Housing Corporation (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 Kalamazoo Family Nonprofit Housing Corporation Development at the property commonly described as 1506 Schuring Road, Portage, Michigan 49024, with the following legal description:

All that certain piece of real estate located in the City of Portage, County of Kalamazoo and State of Michigan and more fully described as:

SECTION 16-3-11 COM AT W 1/4 POST SEC 16, TH E 600.56 FT TO POB, TH N 159 FT, TH E 80 FT, TH S 159 FT, TH W 80 FT TO POB, RES S 33 FT FOR RD ROW.

The development project will 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 70-262. 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 Section 15(a) of 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. *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 70-263. Exemption of low income 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 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 Kalamazoo Family Nonprofit Housing Corporation Development is of this class.

**Section 70-264. Amount of service charge on part of development occupied by low income housing.**

A. The housing development identified as Kalamazoo Family Nonprofit Housing Corporation Development and the property on which it shall be located shall be exempt from all property taxes. 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 acquisition and minor 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 four (4%) percent of the annual shelter rents collected by the Sponsor for 15 years of operation, but in any event not less than \$218.00. Thereafter, for the 16th through the 40th 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.

B. Notwithstanding anything contained in this ordinance to the contrary, Sponsor recognizes and acknowledges that it will receive valuable public services including, but not limited to, police protection, fire protection and street repair and maintenance for its payment in lieu of taxes. Sponsor represents and warrants to the City that, at the time of the effective date of this ordinance, it is not exempt from ad valorem property taxes under any state law except for the exemption provided for in the Act. If at any time Sponsor expects to or becomes exempt from ad

valorem property taxes, for any reason other than the exemption provided for in the Act, it shall notify the City in writing within seven (7) days and thereafter the City may take all necessary action to repeal this ordinance. Sponsor waives and relinquishes any claim it has or may have for a refund of any payment in lieu of taxes which is in excess of the taxes which would be paid but for the application of the Act.

**Section 70-265. Amount of service charge if development is occupied by other than low income persons.**

Notwithstanding any section of this ordinance, the service charge to be paid each year in lieu of taxes for the housing development occupied by other than low income persons, 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 70-266. 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 \$218.00 is due on or before December 31 of each year.
- (2) All additional amounts owing from the December 31<sup>st</sup> payment of the previous year, as determined to be owing based on an audit, is due on or before July 1 of each year.

**Section 70-267. 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 70-268. 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 acquisition and minor rehabilitation of the housing development commences within one year from the effective date of the ordinance codified in this Division and a certificate of compliance is issued by the City. Upon satisfaction in full of the Authority Mortgage Loan or termination of any interest of the Authority in the property, this Division shall automatically terminate.

**Section 70-269. 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 70-270. 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.

\_\_\_\_\_  
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 \_\_\_\_\_, 2011.

\_\_\_\_\_  
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: 4/7/11

RLB  
\_\_\_\_\_  
City Attorney

**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** April 6, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** CORE Technology Corporation

**ACTION RECOMMENDED:** That City Council approve the purchase of software upgrades through CORE Technology Corporation in the amount of \$16,750 to Talon Client – Law Enforcement Information Network systems for crime analysis, crime mapping, and data sharing and authorize the City Manager to execute all documents related to the purchase.

The City of Portage Police Department was recently included in a State of Michigan Region 5 grant, which will provide additional software for sharing data with other law enforcement agencies. The installation of this new system is scheduled for May 2011. The software purchased through the State grant is from CORE Technology Corporation, which currently provides the software for the Portage Police Department's use of the Law Enforcement Information Network (L.E.I.N.).

The City of Portage Police Department also received a Bureau of Justice Assistance Grant, 2010-DJ-BX-1572, in the amount of \$11,949. This grant was awarded to the Police Department for the purpose of enhancing data sharing, crime analysis, and crime mapping. With the Bureau of Justice Grant CORE Technology can provide upgrades to the initial data sharing package received in the Region 5 grant to include Talon Client – Crime Analysis and Talon Crime Information Database. These upgrades will accomplish the purposes for which the Bureau of Justice Grant was awarded.

CORE Technology is an approved vendor, has an excellent track record for customer service and is the sole proprietor of this system. The standard software maintenance agreements are reasonably priced and can be offset by savings realized in monies currently being used to support the Police Department's records management system provided by New World Systems, Inc. It is recommended that the proposed purchase be approved. The cost of any maintenance agreements will be absorbed into the Police Department's annual operating budget. Funds are available through the Bureau of Justice Grant of \$11,949 and with the balance available through the Capital Improvement Technology Fund (\$4,801).

**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** April 8, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Farmland and Open Space Preservation Application: 7905 West RS Avenue,  
Texas Township

**ACTION RECOMMENDED:** That City Council accept the Farmland and Open Space  
Preservation Application from Stephen Woolam, 7905 West  
RS Avenue, Texas Township.

Attached is a transmittal from the Planning Commission and a report from the Community Development Director concerning a Farmland and Open Space Preservation application filed by Stephen Woolam, 7905 West RS Avenue. The application involves approximately 20 acres situated along the south side of West RS Avenue, between South 8<sup>th</sup> Street and South 6<sup>th</sup> Street, within Section 27 of Texas Township. Prior to formal action by Texas Township, the statute requires that if the land is within three miles of a city, an opportunity to comment on the application must be provided to the city.

Farmland and Open Space agreements are executed in order to grant property owners certain income or property tax benefits in return for an agreement ensuring that the land remains in agricultural use or as open space. Preserving farmland or open space within rural areas is one method to focus development within urban areas and to take advantage of existing infrastructure.

The City Administration and the Planning Commission have reviewed the application. It is advised that the application be accepted by City Council, with no other action necessary.

**Attachments:** Planning Commission Transmittal dated April 8, 2011  
Planning Commission draft meeting minutes dated April 7, 2011  
Department of Community Development staff report dated March 31, 2011

**TO:** Honorable Mayor and City Council  
**FROM:** Planning Commission  
**DATE:** April 8, 2011  
**SUBJECT:** Farmland and Open Space Preservation Application: 7905 West RS Avenue,  
Texas Township

At the meeting of April 7, 2011, the Planning Commission reviewed and discussed the Farmland and Open Space Preservation application filed by Stephen Woolam involving an approximate 20 acre property located on the south side of West RS Avenue, between South 8<sup>th</sup> Street and South 6<sup>th</sup> Street, within Section 27 of Texas Township.

After a brief discussion, the Planning Commission voted unanimously to accept and support the application with no comments.

Sincerely,

CITY OF PORTAGE PLANNING COMMISSION

A handwritten signature in black ink, appearing to read "J. Cheesebro", written over the printed name of the signatory.

James Cheesebro  
Chairman

 **DRAFT**

**NEW BUSINESS:**

1. Farmland and Open Space Preservation Application, 7905 West RS Avenue, Texas Township. Mr. West summarized the March 31, 2011 staff report involving the notification provided by Texas Township regarding a Farmland and Open Space Preservation application for an approximate 20 acre tract of land located at 7905 West RS Avenue. Mr. West indicated the statute stipulates that communities located within three miles of subject property are afforded an opportunity to comment on the application. Mr. West stated that Farmland and Open Space agreements grant property owners certain income or property tax benefits in return for ensuring that the land remains in agriculture or open space for a specified period or time. After a short discussion, a motion was made by Commissioner Patterson, seconded by Commissioner Reiff, to accept and support the Farmland and Open Space Preservation application for 7905 West RS Avenue, Texas Township. The motion was unanimously approved.

2. Proposed 2011 Oshtemo Township Master Plan. Mr. West summarized the staff report dated March 29, 2011 regarding the draft Oshtemo Township Master Plan. In accordance with the Michigan Planning Enabling Act, Oshtemo Township is requesting that adjacent communities and other required agencies review and comment on the draft plan. Mr. West briefly summarized major components of the Oshtemo Township Master Plan and Future Land Use Map designation consistencies along South 12<sup>th</sup> Street near the southeast corner of Oshtemo Township and the northwest corner of the City of Portage. Following a brief discussion, a motion was offered by Commissioner Reiff, seconded by Commissioner Bosch, to accept the Proposed 2011 Oshtemo Township Master Plan with no comments. The motion was unanimously approved. Mr. West stated a letter will be forwarded to Oshtemo Township on behalf of the Planning Commission.

**STATEMENT OF CITIZENS:**

None.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 8:40 p.m.

Respectfully submitted,

Michael West, AICP  
Assistant City Planner

**TO:** Planning Commission

**DATE:** March 31, 2011

**FROM:** Jeffrey M. Erickson, Director of Community Development

**SUBJECT:** Farmland and Open Space Preservation Application: 7905 West RS Avenue, Texas Township

## I. INTRODUCTION:

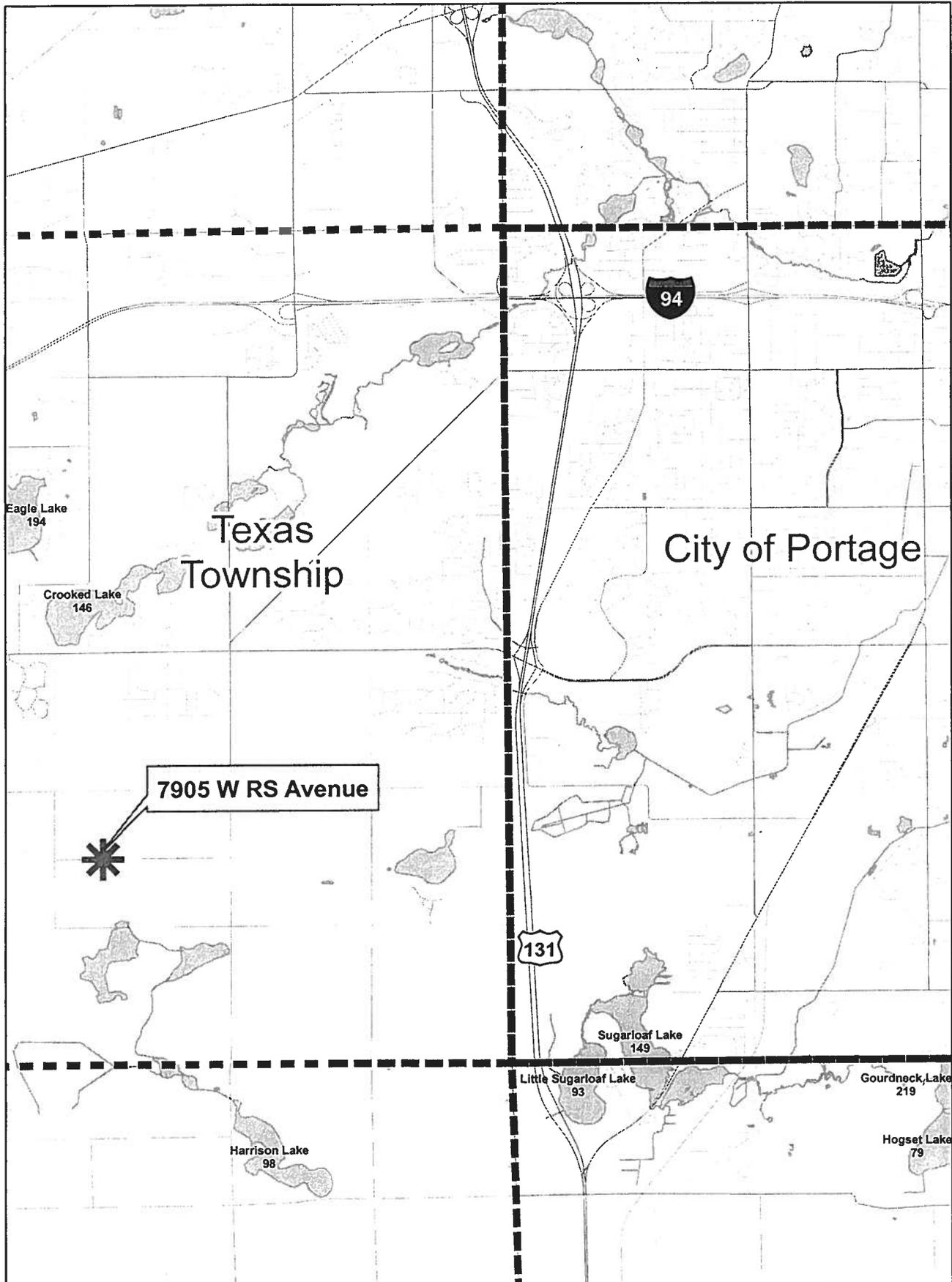
Consistent with Part 361 (Farmland and Open Space Preservation) of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended, notification has been received from Texas Township involving an application by Stephen Woollam for this property. The 20 acre property is located on the south side of West RS Avenue, between South 8<sup>th</sup> Street and South 6<sup>th</sup> Street, within Section 27, Texas Township. Farmland and Open Space Preservation Agreements are executed in order to grant property owners certain income or property tax benefits in return for an agreement ensuring that the land will remain in agricultural and/or open space land use for a specified period of time.

For Commission information, Public Act 116 referenced in the attached information was repealed in 2000 and the Farmland and Open Space Preservation provisions incorporated into the Natural Resources and Environmental Protection Act. The statute stipulates that if the subject property is located within three miles of the boundary of a city then that city is afforded the opportunity to comment on the application. In this instance, the subject property is located approximately 2½ miles west of the City of Portage corporate boundary (South 12<sup>th</sup> Street), as shown on the attached vicinity map.

## II. RECOMMENDATION:

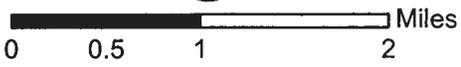
Staff has reviewed the application and supports the PA 451 Farmland and Open Space Preservation request. Preserving open space/farmland within rural areas is one method to focus development within urban areas and to take advantage of existing infrastructure. The Planning Commission is advised to review this matter. Comments from the Planning Commission will be forwarded to City Council for consideration.

**Attachments:** Vicinity Map  
Communication from Texas Township dated March 22, 2011  
Farmland and Open Space Preservation Application materials (Stephen Woollam)



7905 W RS Avenue

Vicinity Map  
7905 West 'RS' Avenue  
Texas Township





7110 West "Q" Avenue  
Kalamazoo, Michigan 49009  
Phone (269) 375-1591  
Fax (269) 375-0791

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March 22, 2011

Stephan Woollam  
132 Pretty lake Drive  
Mattawan, MI 49071

RE: Farmland and Open Space Program – Application for Farmland Agreement

Dear Mr. Woollam:

The Charter Township of Texas received your Application for Farmland Agreement on March 15, 2011. Your application has been forwarded to the Kalamazoo County Planning Commission and Kalamazoo Conservation District, which have 30 days to review your application.

The Township Board will take action on your application at their regularly scheduled meeting on April 25, 2011 at 6:00 p.m.

Sincerely,

Linda M. Kerr, CMC, MPA  
Texas Township Clerk

cc: Kalamazoo County Planning Commission  
Kalamazoo Conservation District



FARMLAND AND OPEN SPACE PRESERVATION PROGRAM

Application for Farmland Agreement

Part 361 of the Natural Resources and Environmental Protection Act, 1994 Act 451 as amended, more commonly known as PA 116.

Please print or type. Attach additional sheets as needed. Please read the Eligibility and Instructions document before filling out this form.

OFFICIAL USE ONLY
Local Governing Body:
Date Received: 3-15-11
Application No: 001-11
State:
Date Received:
Application No:
Approved: Rejected:

ALL APPLICATIONS MUST BE APPROVED BY LOCAL GOVERNING BODY ON OR BEFORE NOVEMBER 1 IN ORDER TO BE EFFECTIVE FOR THE CURRENT TAX YEAR

RECEIVED
MAR 17 2011
TEXAS TOWNSHIP

I. Personal Information:

1. Name(s) of Applicant: WOOLLAM STEPHAN L.
Last First Initial

(If more than two see #15)
Last First Initial

Marital status of all individual men listed on application, if more than one, indicate status after each name:

[X] Married [ ] Single

2. Mailing Address: 132 PRETTY LAKE DR MATTAWAN MI 49071
Street City State Zip Code

3. Telephone Number: (Area Code) ( ) 269-720-0600

4. Alternative Telephone Number (cell, work, etc.): (Area Code) ( )

5. E-mail address: woolly44@comcast.net

II. Property Location (Can be taken from the Deed/Land Contract)

6. County: KALAMAZOO 7. Township, City or Village: TEXAS TOWNSHIP

8. Section No. 27 Town No. 3 SOUTH Range No. 12 WEST

III. Legal Information:

9. Attach a clear copy of the deed, land contract or memorandum of land contract. (See #14)

10. Attach a clear copy of the most recent tax assessment or tax bill with complete tax description of property.

11. Is there a tax lien against the land described above? [ ] Yes [X] No

If "Yes", please explain circumstances:

12. Does the applicant own the mineral rights? [X] Yes [ ] No
If owned by the applicant, are the mineral rights leased? [ ] Yes [ ] No
Indicate who owns or is leasing rights if other than the applicant:

Name the types of mineral(s) involved:

13. Is land cited in the application subject to a lease agreement (other than for mineral rights) permitting a use for something other than agricultural purposes: [ ] Yes [X] No If "Yes", indicate to whom, for what purpose and the number of acres involved:

14. Is land being purchased under land contract [ ] Yes [X] No: If "Yes", indicate vendor (sellers):

Name:

Address: Street City State Zip Code

14a. Part 361 of the Natural Resources and Environmental Protection Act, 1994 Act 451 as amended, states that the vendor (sellers) must agree to allow the land cited in the application to be enrolled in the program. Please have the land contract sellers sign below. (All sellers must sign).

Land Contract Vendor(s): I, the undersigned, understand and agree to permit the land cited in this application into the Farmland and Open Space Preservation Program.

Date

Signature of Land Contract Vendor(s) (Seller)

15. If the applicant is one of the following, please check the appropriate box and complete the following information (if the applicant is not one of the following - please leave blank):

- 2 or more persons having a joint or common interest in the land
- Corporation
- Estate
- Limited Liability Company
- Trust
- Partnership
- Association

If applicable, list the following: Individual Names if more than 2 Persons; or President, Vice President, Secretary, Treasurer; or Trustee(s); or Members; or Partners; or Estate Representative(s):

Name: STEPHEN L. WOOLLAM Title: MEMBER

Name: PATRICIA A. WOOLLAM Title: MEMBER

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

(Additional names may be attached on a separate sheet.)

IV. Land Eligibility Qualifications: Check one and fill out correct section(s)  
This application is for:

- a. 40 acres or more → complete only Section 16 (a thru g);
- b. 5 acres or more but less than 40 acres → complete only Sections 16 and 17; or
- c. a specialty farm → complete only Sections 16 and 18.

16. a. Type of agricultural enterprise (e.g. livestock, cash crops, fruit, etc):

LIVESTOCK

b. Total number of acres on this farm: 20

c. Total number of acres being applied for (if different than above): 13

d. Acreage in cultivation: \_\_\_\_\_

e. Acreage in cleared, fenced, improved pasture, or harvested grassland: 13

f. All other acres (swamp, woods, etc.) 7

g. Indicate any structures on the property: (If more than one building, indicate the number of buildings):

No. of Buildings 6 Residence: 1 Barn: 4 Tool Shed: \_\_\_\_\_

Silo: \_\_\_\_\_ Grain Storage Facility: \_\_\_\_\_ Grain Drying Facility: \_\_\_\_\_

Poultry House: 1 Milking Parlor: \_\_\_\_\_ Milk House: \_\_\_\_\_

Other: (Indicate) \_\_\_\_\_

17. To qualify as agricultural land of 5 acres or more but less than 40 acres, the land must produce a minimum average gross annual income of \$200.00 per acre from the sale of agricultural products.

Please provide the average gross annual income per acre of cleared and tillable land during 2 of the last 3 years immediately preceding this application from the sale of agricultural products (not from rental income):

\$45,000.00 : 15 = \$ 3461.00 (per acre)  
total income total acres of tillable land

18. To qualify as a specialty farm, the land must be designated by the Michigan Department of Agriculture, be 15 acres or more in size, and produce a gross annual income from an agricultural use of \$2,000.00 or more. If a specialty farm, indicate average gross annual income during 2 of the last 3 years immediately preceding application from the sale of agricultural products: \$ \_\_\_\_\_

Please note: specialty farm designation may require an on-the-farm site visit by an MDA staff person.

19. What is the number of years you wish the agreement to run? (Minimum 10 years, maximum 90 years); 10

V. Signature(s):

20. The undersigned declare that this application, including any accompanying informational material, has been examined by them and to the best of their knowledge and belief is true and correct.

[Signature]  
(Signature of Applicant)

Member  
(Corporate Name, If Applicable)

Palmer A. Woolham  
(Co-owner, If Applicable)

Member  
(Signature of Corporate Officer)

3-15-2011  
(Date)

\_\_\_\_\_  
(Title)

**ALL APPLICATIONS MUST BE APPROVED BY LOCAL GOVERNING BODY ON OR BEFORE NOVEMBER 1 IN ORDER TO BE EFFECTIVE FOR THE CURRENT TAX YEAR.**

**RESERVED FOR LOCAL GOVERNMENT USE: CLERK PLEASE COMPLETE SECTIONS I & II**

I. Date Application Received: 3-15-11 (Note: Local Governing Body has 45 days to take action)

Action by Local Governing Body: Jurisdiction: Texas Township  
 County  Township  City  Village

This application is  approved,  rejected Date of approval or rejection: \_\_\_\_\_

(If rejected, please attach statement from Local Governing Body indicating reason(s) for rejection.)

Clerk's Signature: \_\_\_\_\_

Property Appraisal: \$ 397,200 is the current fair market value of the real property in this application.

II. Please verify the following:

Upon filing an application, clerk issues receipt to the landowner indicating date received. 3-22-11

Clerk notifies reviewing agencies by forwarding a copy of the application and attachments 3-22-11

Note: Review Agencies have 30 days in which to respond before local governing body can proceed.

\_\_\_\_ If rejected, applicant is notified in writing within 10 days stating reason for rejection and the original application, attachments, etc. are returned to the applicant. Applicant then has 30 days to appeal to State Agency.

\_\_\_\_ If approved, applicant is notified and the original application, all supportive materials/attachments, and letters of review/comment from reviewing agencies (if provided) are sent to:

MDA-Farmland and Open Space Program, PO Box 30449, Lansing 48909

\*Please do not send multiple copies of applications and/or send additional attachments in separate mailings without first contacting the Farmland Preservation office.

<p>Please verify the following regarding Reviewing Agencies (sending a copy to reviewing agencies is required):</p> <p><b>COPY SENT TO:</b></p> <p><input checked="" type="checkbox"/> County or Regional Planning Commission</p> <p><input checked="" type="checkbox"/> Conservation District</p> <p><input type="checkbox"/> Township (if county has zoning authority)</p> <p><input checked="" type="checkbox"/> City (if land is within 3 miles of city boundary) <u>Portage</u></p> <p><input checked="" type="checkbox"/> Village (if land is within 1 mile of village boundary) <u>LA</u></p>	<p><b>Before forwarding to State Agency, FINAL APPLICATION SHOULD INCLUDE:</b></p> <p>___ Copy of Deed or Land Contract (most recent showing <u>current ownership</u>)</p> <p>___ Copy of most recent Tax Bill (must include <u>tax description</u> of property)</p> <p>___ Map of Farm</p> <p>___ Copy of most recent appraisal record</p> <p>___ Copy of letters from review agencies (if available)</p> <p>___ Any other applicable documents</p>
--	--

Map of Farm with Structures and Natural Features:

- A. Show boundary of land cited in application. (Grid below is designed to represent a 5280 ft<sup>2</sup> (1 mile<sup>2</sup>) Section)
- B. Show all buildings (house(s), barn(s), etc.); also label roads and other avenues of travel (i.e. utility access, etc.).
- C. Outline and designate the current uses of the property (crops, pasture, forest, swamp, etc.).
- D. Clear copies of map(s) provided by USDA Farm Service Agency are acceptable, but please label any roads visible on map, structures and their use, etc.

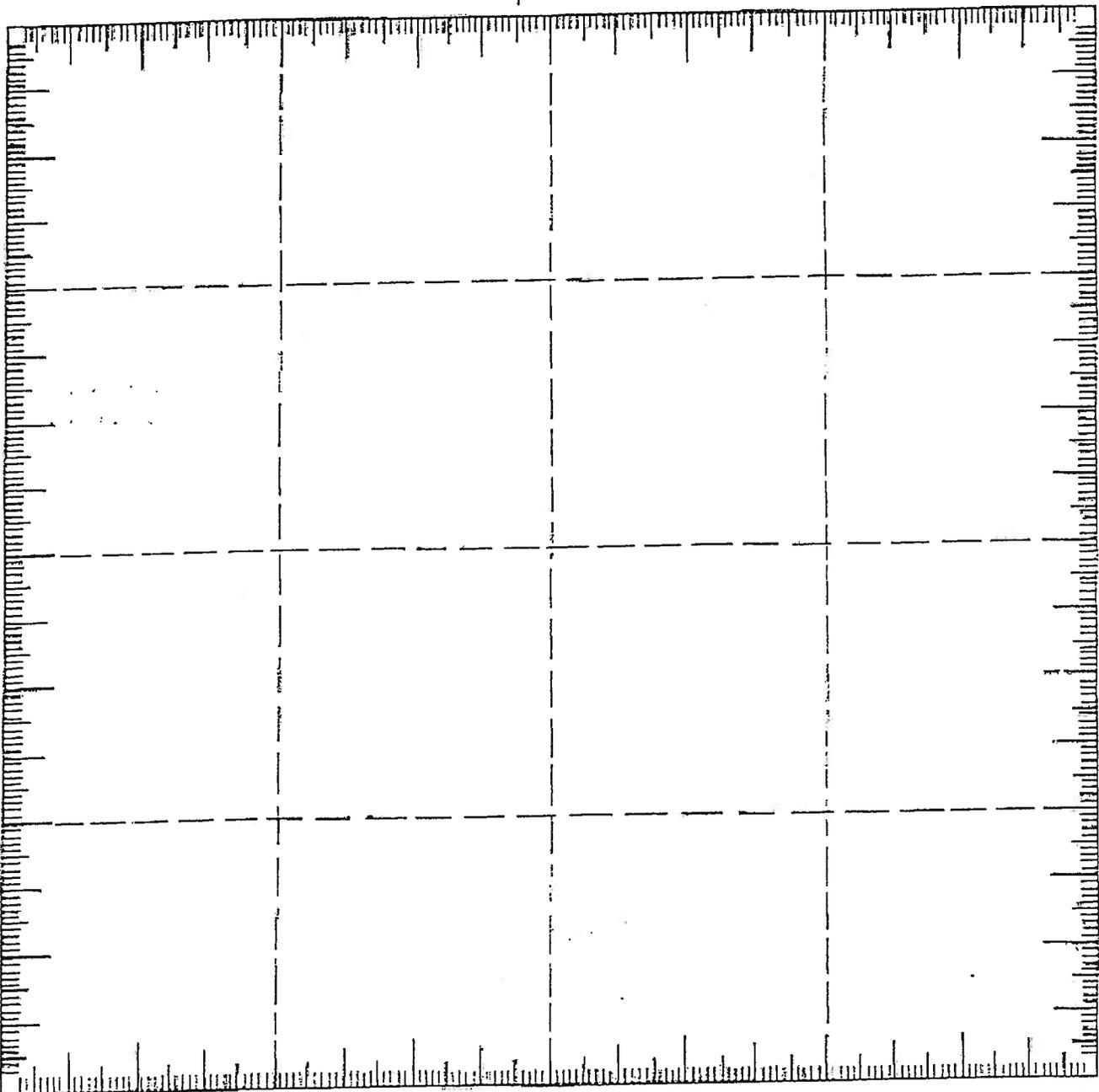
Note: Any residential structures housing persons not directly associated with the farm operation must be excluded from the application. Please indicate if a building falls in this category and provide the appropriate property description for its exclusion. Unless the appropriate description is included, your application cannot be processed.

County \_\_\_\_\_

Township \_\_\_\_\_

T \_\_\_\_\_ R \_\_\_\_\_ Section \_\_\_\_\_

↑ North



2 dyl

27-301-012

RECEIVED

2010 APR -5 AM 10: 23

COUNTY OF KALAMAZOO



BRIAN T DEVRIES

QC-Kalamazoo ROD

2010-009200

Page: 1 of 2

04/05/2010 12:01P

QUIT CLAIM DEED

The Grantors, STEPHEN L. WOOLLAM, a married man and PATRICIA A. WOOLLAM, his wife, whose address is: 132 Pretty Lake Drive, Mattawan, Michigan, 49071, quit claim to SERENITY FARMS, LLC, a Michigan Limited Liability Company, whose address is: 132 Pretty Lake Drive, Mattawan, Michigan, 49071, the following described premises situated in the Township of Texas, County of Kalamazoo, and State of Michigan:

SEE ATTACHED FOR LEGAL DESCRIPTION

Subject to easements, conditions, restrictions, reservations, rights of way, and limitations of record; further subject to taxes and assessments, which constitute a lien, but are not yet due and payable, and further subject to any state of facts and conditions that a survey, any environmental assessment, and inspection of the premises has or would disclose.

This instrument is exempt from County and State transfer tax under MCL 207.505(a) and MCL 207.526(a); consideration less than \$100.00.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

LEGAL DESCRIPTION

Property located in the Township of Texas, County of Kalamazoo, and State of Michigan, described as follows:

The West 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 27, Town 3 South, Range 12 West.

Tax No. 3909-27-301-012



2004-053544  
Page: 1 of 1  
10/27/2004 03:39P

①  
2236. -

WARRANTY DEED

STATUTORY FORM FOR INDIVIDUALS

**This Indenture,**

Dated this day of:

**KNOW ALL MEN BY THESE PRESENTS THAT:**

October 15, 2004

Charles R. Wolthuis and Pamela Wolthuis, husband and wife  
7905 W. RS Avenue  
Schoolcraft, MI 49087

**Convey(s) and Warrant(s) To:**

Stephen L. Woollam  
7905 W. RS Ave  
Schoolcraft, MI 49087

**for the sum of**

TWO HUNDRED FIFTY NINE THOUSAND NINE HUNDRED SIXTY SIX AND 00/100 DOLLARS --- (\$259,966.00)

**the following described premises situated in**

The Township of Texas, County of Kalamazoo and State of Michigan to wit:

The West 1/2 of the Northwest 1/4 of the Southwest 1/4 of Section 27, Town 3 South, Range 12 West.

P.P. 3909-27-301-012

Subject to easements, reservations, restrictions and limitations of record, if any. And further subject to: none

Signed by

*Charles R. Wolthuis*

SERENITY FARMS, LLC

TEXAS TOWNSHIP

2010 Winter

09-27-301-012

MESSAGE TO TAXPAYER

TAX PAYABLE 12-01-2010 THRU 02-14-2011 WITHOUT PENALTY. ON 02-15-2011 ADD 3% PENALTY. ON AND AFTER 03-01-2011 ALL UNPAID TAXES MUST BE PAID TO THE KA CO TREAS AT 201 W. KALAMAZOO AVE

PAYMENT INFORMATION

This tax is due by:02/14/2011

Pay by mail to: CHARTER TOWNSHIP OF TEXAS PAUL V. CUTTING, TREASURER 7110 WEST Q AVE KALAMAZOO, MI 49009 269-978-0712

PROPERTY INFORMATION

Property Assessed To: SERENITY FARMS, LLC 132 PRETTY LAKE DR MATTAWAN, MI 49071

Prop #: 09-27-301-012 School: 80150 Prop Addr: 7905 W RS AVE

Legal Description: EC 27-3-12 W1/2 NW1/4 SW1/4\* \*\*1-92 1992 SPLIT FROM 27-301-011\*

TAX DETAIL

Taxable Value: 191,349 State Equalized Value: 198,700 Class: 101 PRE/MBT %: 100.0000

Bill #: 05543 Mort Co

Taxes are based upon Taxable Value. 1 mill equals \$1.00 per \$1000 of Taxable Value. Amounts with no millage are either Special Assessments or other charges added to this bill.

Table with 3 columns: DESCRIPTION, MILLAGE, AMOUNT. Rows include PUBLIC SAFETY, V B ISD, KVCC, SCHOOL OPERATING, SCHOOL DEBT, TOWNSHIP OPER, JUVENILE HOME, CNTY TRANSPORT, FIRE IMPROVEMENT, ROAD MAINTENANCE.

OPERATING FISCAL YEARS

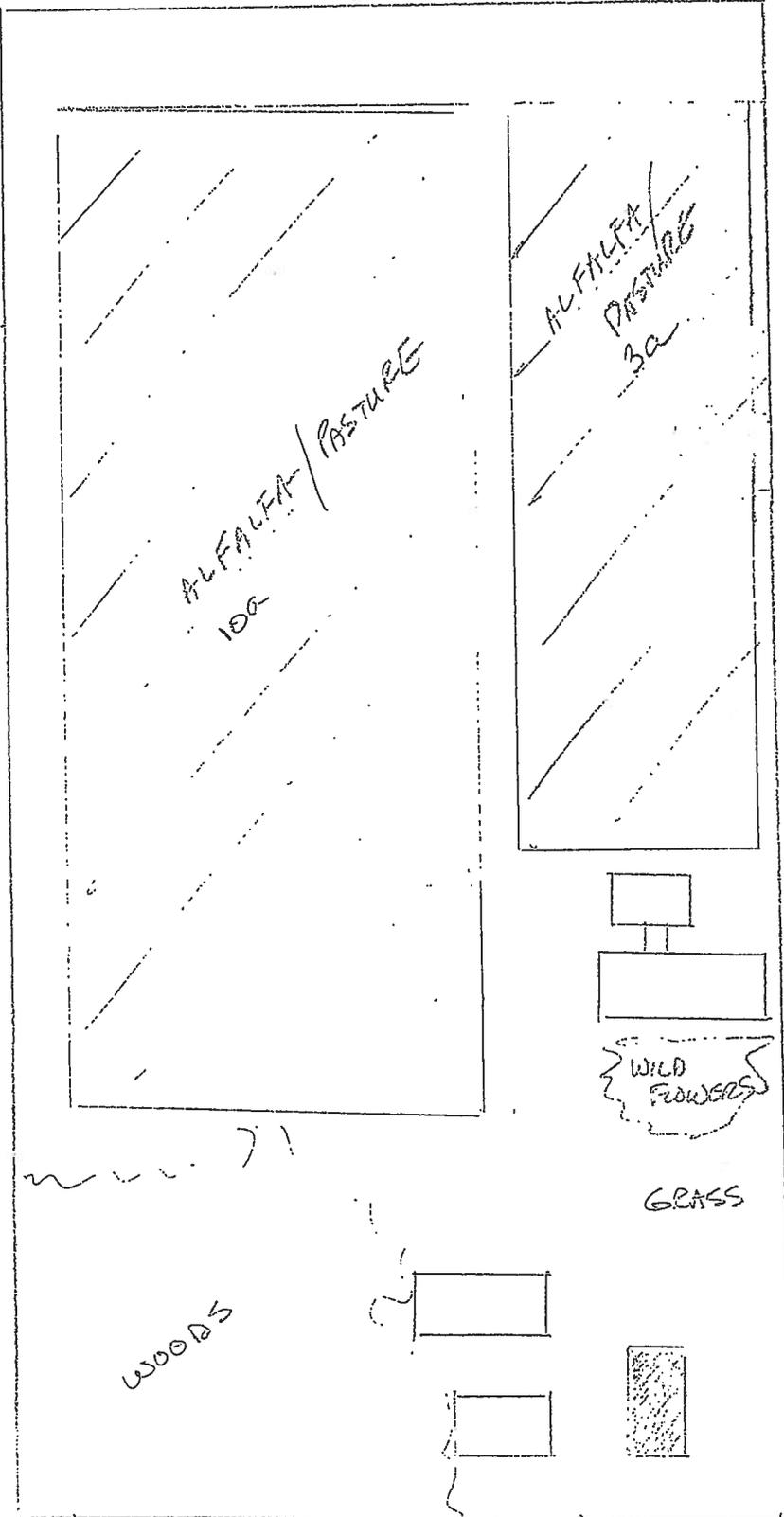
The taxes on bill will be used for governmental operations for the following fiscal year(s):

County: JAN 1 - DEC 31
Town/Cty: JAN 1 - DEC 31
School: JULY 1 - JUNE 30
State: OCT 1 - SEPT 30
Does NOT affect when the tax is due or its amount

Summary table with 3 columns: Description, Millage, Amount. Rows include Total Tax (34.79870, 3,274.37), Administration Fee (32.14), TOTAL AMOUNT DUE (3,306.51), PREV. PAYMENTS, BALANCE DUE (3,306.51).

Please detach along perforation. Keep the top portion.

660



1320

884

660



# Kalamazoo County, MI Online Mapping

Welcome  
Map Layers  
Current Selection  
Printable Map

JPG image

Generate a map image that you can copy to the Clipboard

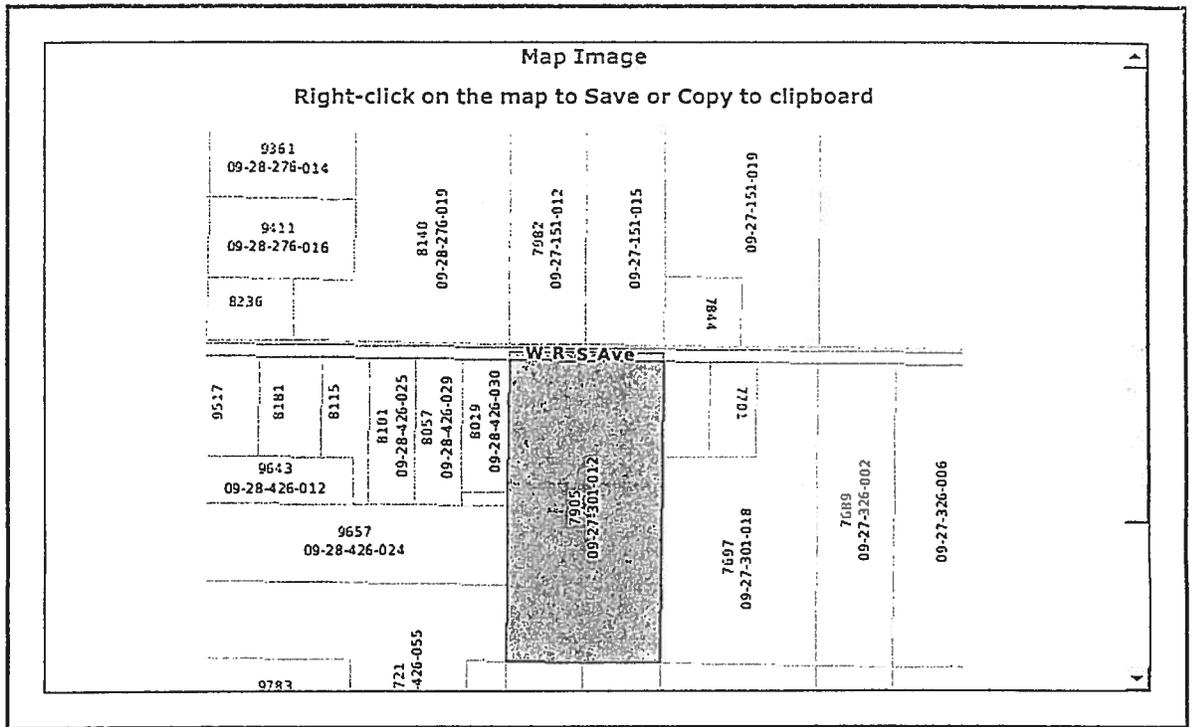
Width: 500

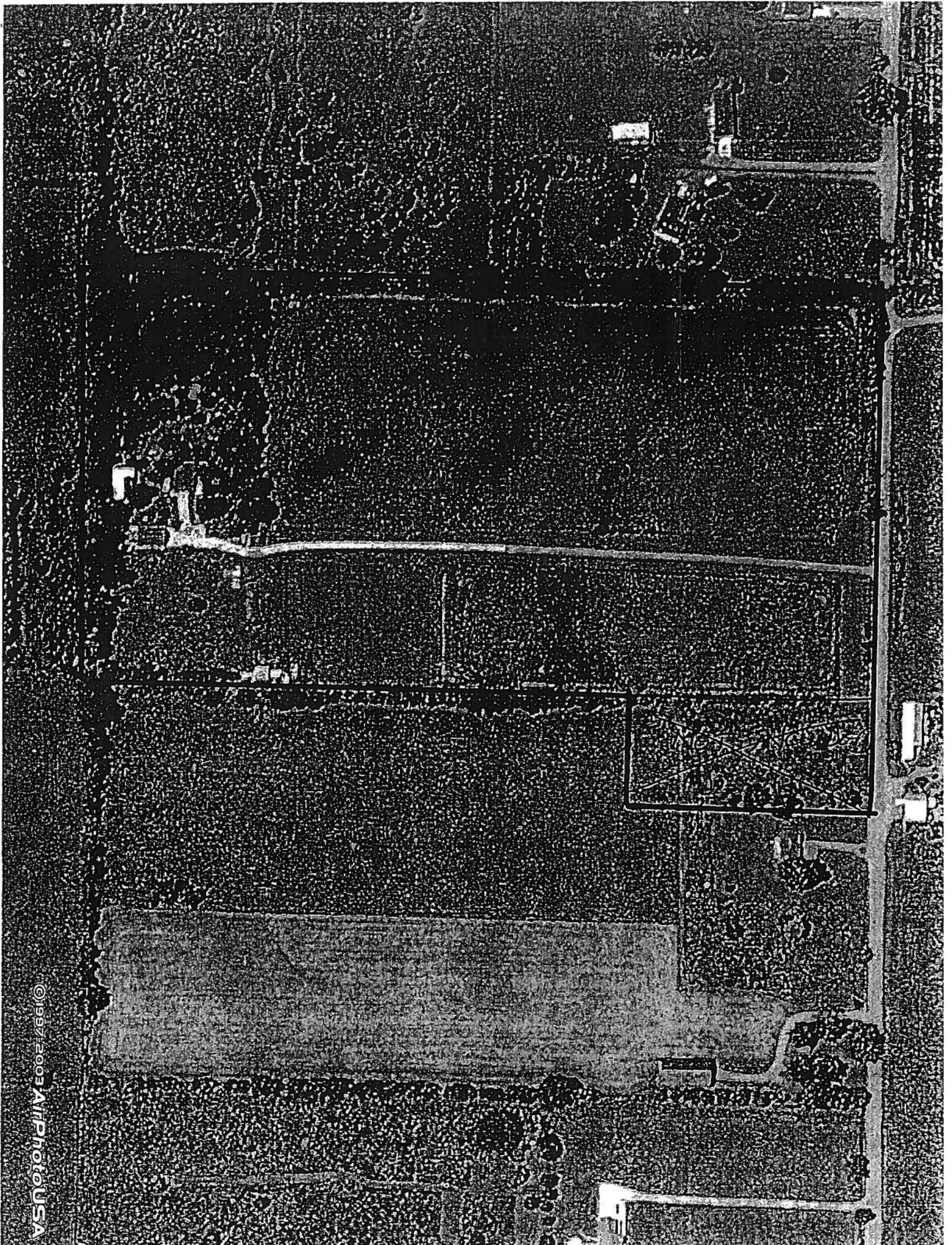
Height: 500

Specify image width and height in pixels

Create Map

Map Annotation  
About This Website





# CITY OF PORTAGE

# COMMUNICATION

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**TO:** Honorable Mayor and City Council

**DATE:** April 4, 2011

**FROM:** James R. Hudson, City Clerk



**SUBJECT:** Special Meeting with Board and Commission Applicants

**ACTION RECOMMENDED:** That City Council set a Special Meeting on Tuesday, May 10, 2011, beginning at 5:30 p.m. to interview board and commission applicants.

Per the *Policy for Appointments to Citizen Advisory Boards*, applicants for the following boards and commissions and any other vacancies that arise will be interviewed.

Youth Advisory Committee and Boards	26 expiring terms
Construction Board of Appeals	3 expiring terms
Historic District Commission	1 vacancy
Human Services Board	1 vacancy
Planning Commission	3 expiring terms

As reflected on the attached Board and Commission Vacancy Summary, applicants are needed at this time to fill vacancies on the Youth Advisory Committee and Boards, Construction Board of Appeals, Historic District Commission, Human Services Board and Planning Commission. It is recommended that City Council set a Special Meeting on Tuesday, May 10, 2011, beginning at 5:30 p.m. to interview board and commission applicants.

Attachment: Vacancy Summary

c Boards/Commissions Chairs  
Boards/Commissions Ex Officios

**BOARD/COMMISSION VACANCY SUMMARY FOR MAY 10, 2011 SPECIAL MEETING**

INTERVIEWS	5:30 pm	ENV <i>1 exp term</i>	HDC <i>1 exp term</i>	HSB <i>1 exp term</i>	PKB <i>1 exp term</i>	SR CITZ <i>1 exp term</i>	STATUS
<b>YOUTH APPLICANTS</b>	<b>YAC <i>21 exp terms</i></b>						
1. Eric Alden	Member						Appointed 06/09/09 to YAC
2. Renee Beranek	Applicant						
3. Taylor Bruinwood	Member						Appointed 06/09/09 to YAC
4. Matthew Cartier	Member						Appointed 06/09/09 to YAC
5. Sujay Dewan	Member						Appointed 05/27/08 to YAC
6. Ali Fulling	Applicant						
7. Kyle Huitt	Applicant			Member			Appointed 06/08/10 to HSB
8. Kitu Komya	Member	Applicant	Applicant	Applicant	Applicant		Appointed 06/08/10 to YAC
9. Madelyn Krenselewski	Applicant						
10. Abhiram Krishnan	Member	Applicant					Appointed 05/27/08 to YAC
11. Kelcie McGowan	Member						Appointed 01/11/11 to YAC
12. Kasia Mietusiewicz	Member						Appointed 01/11/11 to YAC
13. Humza Mirza	Member						Appointed 06/09/09 to YAC
14. Sarah Perry	Member	Applicant	Applicant		Applicant		Appointed 06/09/09 to YAC
15. Nate Rajpoot	Applicant					Applicant	
16. Avery Roper-Beebe	Applicant						
17. Carly Siko	Member						Appointed 01/11/11 to YAC
18. Nolan Stoffer	Member						Appointed 06/09/09 to YAC
19. Tucker Webb	Applicant	Applicant			Member		Appointed 06/08/10 to PKB
20. Chelsea Williams	Applicant						
21. Tori Wilson	Applicant	Applicant	Applicant	Applicant	Applicant	Applicant	

**NOTE:** Member – currently serving as a Member of a Board or Commission and is seeking reappointment.  
 Applicant – new applicant seeking appointment to a Board or Commission.

**BOARD/COMMISSION VACANCY SUMMARY FOR MAY 10, 2011 SPECIAL MEETING**

INTERVIEWS	5:30 pm	6:00 pm	6:15 pm	pm	pm	STATUS
<b>APPLICANTS</b>	<b>YOUTH</b>	<b>CBA</b> 3 exp terms	<b>PC</b> 3 exp term	<b>HDC</b> 1 vacancy	<b>HSB</b> 1 vacancy	
Miko Dargitz			Member			Appointed 06/01/08
Gary Gilchrist		Applicant	Applicant			Interviewed 01/11/11
John Kounelis		Member				Appointed 10/04/05
William J. Leach		Member				Appointed 10/04/05
Bill Miller - 4,		Member				Appointed 06/02/98
Bill Patterson			Member			Appointed 05/12/09
Allan Reiff			Member			Appointed 01/11/11
Stan Runyon						
Spencer Welling		Applicant				Interviewed 01/11/11
Tim Winslow			Applicant			Interviewed 01/11/11

**NOTE:** Member – currently serving as a Member of a Board or Commission and is seeking reappointment.  
 Applicant – new applicant seeking appointment to a Board or Commission.

**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** April 1, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** Tree City USA Tree Planting and Proclamation – Information Only

The City of Portage recently received a Tree City USA designation from the National Arbor Day Foundation for the 21<sup>st</sup> consecutive year. Arbor Day in Michigan is April 29, 2011 this year. In addition to a proclamation and in order to recognize the importance of tree planting and maintenance within the community, the annual Arbor Day tree-planting ceremony will be held at 7:00 p.m. prior to the April 26 City Council meeting. The planting ceremony will occur on the City Hall property and all Council members are invited to attend.

**To:** Honorable Mayor and City Council  
**From:** Portage Planning Commission  
**Date:** March 31, 2011  
**Subject:** City of Portage FY 2011-2021 Capital Improvement Program

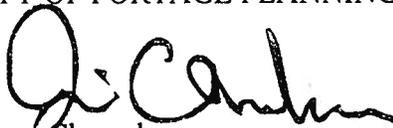
The Planning Commission has reviewed the proposed FY 2011-2021 Capital Improvement Program (CIP), which is a comprehensive municipal budget and planning document that contains important capital projects to contain essential public services and enhance the quality of the community. In order to reflect changes in community needs, service requirements, availability of funding, among other factors, the CIP is annually prepared by the City Administration and presented to the Planning Commission for review and recommendation to City Council.

The Planning Commission remains cognizant of the very weak local, state and national economies and appreciates the efforts of the City Administration, as outlined in the letter from City Manager Evans, to meet the most important capital improvement needs of the community.

The Planning Commission carefully reviewed the FY 2011-2021 CIP that was presented at the March 3, 2011 meeting and considered at the March 17, 2011 meeting and, in particular, the eight project categories, multiple project profiles and related information. The Planning Commission raised several issues through review of the CIP at the March 17, 2011 meeting that are referenced in the meeting minutes that are attached to this transmittal. The Planning Commission voted unanimously to recommend to City Council that the FY 2011-2021 CIP be approved (FY 2011-2012 budget year, and remaining nine-year planning projects).

Sincerely,

CITY OF PORTAGE PLANNING COMMISSION



James Cheesebro  
Chairman

Attachments: March 3 and 17, 2011 Planning Commission meeting minutes

## PLANNING COMMISSION

March 3, 2011

The City of Portage Planning Commission meeting of March 3, 2011 was called to order by Chairman Cheesebro at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. One citizen was in attendance.

### **MEMBERS PRESENT:**

Miko Dargitz, Wayne Stoffer, Rick Bosch, Paul Welch, Jim Pearson, Mark Siegfried and Chairman James Cheesebro.

### **MEMBERS ABSENT:**

None.

### **MEMBERS EXCUSED:**

Bill Patterson and Allan Reiff.

### **IN ATTENDANCE:**

Christopher Forth, Deputy Director of Planning and Development Services; Michael West, Assistant City Planner and Randall Brown, City Attorney

### **PLEDGE OF ALLEGIANCE:**

The Planning Commission, staff and the audience recited the Pledge of Allegiance.

### **APPROVAL OF MINUTES:**

Chairman Cheesebro referred the Commission to the February 17, 2011 meeting minutes. A motion was made by Commissioner Dargitz, seconded by Commissioner Stoffer, to approve the minutes as submitted. The minutes were unanimously approved.

### **SITE/FINAL PLANS:**

None.

### **PUBLIC HEARINGS:**

1. Special Land Use Permit: Noggle Auto Repair, 6902 Lovers Lane. Mr. West summarized the February 25, 2011 staff report regarding a request by Mr. Curtis Noggle to establish an automobile repair station for both minor and major repairs at 6902 Lovers Lane. Mr. West discussed recent building renovations and site enhancements made during the summer/fall of 2010 and the limited number of parking spaces available at the site. Mr. West stated the owner is aware that all vehicles including employee, customers and vehicles awaiting repair must be parked in designated paved parking spaces or within the building.

Mr. Curt Noggle (applicant) was present to support the application. Chairman Cheesebro opened the public hearing. No citizens spoke in either support or opposition to the proposed automobile repair station. A motion was made by Commissioner Welch, seconded by Commissioner Bosch, to close the public hearing. The motion was unanimously approved. After a brief discussion, a motion was made by Commissioner Pearson, seconded by Commissioner Bosch, to approve the Special Land Use Permit for Noggle Auto Repair, 6902 Lovers Lane, subject to all vehicles being parked in designated paved parking spaces or within the building. The motion was unanimously approved.

**PLATS/RESIDENTIAL CONDOS:**

None.

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

1. 2011 Major Thoroughfare Plan Status Update Report and 2011-2021 Capital Improvement Program. Mr. Forth referred the Commission to the two documents provided with the final agenda packet. Mr. Forth briefly discussed the proposed 2011-2021 Capital Improvement Program and the role of the Planning Commission in review and recommendation of the document. Mr. Forth indicated the Planning Commission needs to provide a formal recommendation to City Council by the end of March. Mr. Forth then briefly discussed the 2011 Major Thoroughfare Plan Status Update Report that includes updated traffic volume and three-year crash data for various street segments, a summary of the 2010 Holiday Traffic Study and an update of motorized and non-motorized improvement projects programmed in FY 2010-2011. Mr. Forth advised the Commission to review the two documents for further discussion/action at the March 17, 2011 meeting. Mr. Forth asked the Commission to contact the Department of Community Development in advance of the March 17<sup>th</sup> meeting with any questions or clarifications. Commissioner Welch also suggested that any questions be directed to the Department of Community Development prior to the meeting, if possible. Chairman Cheesebro asked the Commission to focus on the 2011-2021 Capital Improvement Program since this document requires formal action by the Commission.

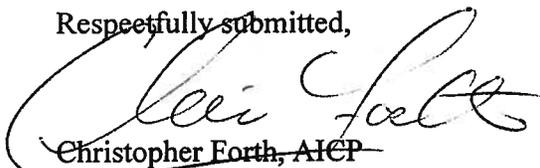
**STATEMENT OF CITIZENS:**

None.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,



~~Christopher Forth, AICP~~  
Deputy Director of Planning and Development Services

## PLANNING COMMISSION

March 17, 2011

The City of Portage Planning Commission meeting of March 17, 2011 was called to order by Chairman Cheesebro at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. No citizens were in attendance.

### MEMBERS PRESENT:

Miko Dargitz, Wayne Stoffer, Bill Patterson, Allan Reiff, Jim Pearson, Mark Siegfried and Chairman James Cheesebro.

### MEMBERS ABSENT:

None.

### MEMBERS EXCUSED:

Rick Bosch and Paul Welch.

### IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning and Development Services; Michael West, Assistant City Planner and Randall Brown, City Attorney

### PLEDGE OF ALLEGIANCE:

The Planning Commission, staff and the audience recited the Pledge of Allegiance.

### APPROVAL OF MINUTES:

Chairman Cheesebro referred the Commission to the March 3, 2011 meeting minutes. A motion was made by Commissioner Dargitz, seconded by Commissioner Stoffer, to approve the minutes as submitted. The minutes were unanimously approved.

### SITE/FINAL PLANS:

None.

### PUBLIC HEARINGS:

None.

### PLATS/RESIDENTIAL CONDOS:

None.

### OLD BUSINESS:

1. 2011-2021 Capital Improvement Program. Mr. Forth provided an overview of the 2011-2021 Capital Improvement Program (CIP) document that was provided to the Planning Commission during the March 3, 2011 meeting. Mr. Forth summarized each category of the CIP with emphasis on the FY 2011-2012 budget year:

- Streets Category – Commissioner Pearson asked what impact the CIP would have on the percentage of streets rated good, fair and poor and whether the overall condition of city streets would improve, degrade or remain stable. Mr. Forth stated he did not have that information readily available so a follow-up response would be prepared and provided to the Commission.
- Sidewalks/Bikeways Category – The Commission did not have any questions or comments regarding this category.

- Water Category – The Commission did not have any questions or comments regarding this category.
- Sanitary Sewer Category – Commissioner Dargitz asked if there were any sanitary sewer projects planned for the same roadway segments that are included in the Local Street and Major Street Reconstruction Programs for FY2011-12. Mr. Forth stated no and indicated that sewer projects and roadway reconstruction projects are coordinated since the sanitary sewer main is typically installed beneath the roadway.
- Police Category – The Commission did not have any questions or comments regarding this category.
- Fire Category – The Commission did not have any questions or comments regarding this category.
- Public Facilities Category – Commissioner Reiff asked whether the City would be selling the former Portage Community Outreach Center property located on South Westnedge Avenue after the building was demolished. Mr. Forth stated that City Council will be considering the sale of this property during the March 22, 2011 meeting.
- Parks & Recreation Category – Commissioner Pearson asked whether the City has built any new softball fields since the last citizen survey was conducted where softball recreation was ranked high. Mr. Forth stated that he did not believe any new fields had been constructed, but would confirm with the Parks & Recreation Department. Commissioner Pearson also asked for clarification regarding the Parks & Recreation Department budget. Commissioner Pearson stated that City Council had earmarked Parks & Recreation for budget cuts; however, the spending proposed for FY2011-2012 (\$144,000) represents a substantial increase compared to the current FY2010-2011 budget year (\$80,000). Mr. Forth stated he would research and provide a response to the Commission. Chairman Cheesebro asked why the planned spray park had been removed from the CIP. Since Commissioner Pearson was personally involved with this project, he responded by stating that efforts to secure private funding were not successful.
- Debt Services Category – Mr. Forth discussed the decrease in debt service over the past several years from \$62.7 million in the 2006-2016 CIP to \$45.2 million in the proposed 2011-2021 CIP. Mr. Forth stated that debt reduction continues to be a high priority of the City Administration and progress has been made over the past several years. Commissioner Pearson asked for clarification regarding the debt service figures cited by Mr. Forth. In speaking with the City Manager and as indicated in a January 2011 report to the City Council, Commissioner Pearson stated that \$8.8 million in debt was paid in 2010-2011 and \$98 million in debt remained, of which approximately two-thirds (\$65 million) was CIP debt. Commissioner Pearson did not understand the difference in remaining CIP debt (\$45.2 million vs. \$65 million) and asked for clarification. Mr. Forth stated he would research and provide a response to the Commission. Commissioner Stoffer asked how much debt is being added with the 2011-2012 CIP budget year projects. Mr. Forth indicated he would discuss the question with the Finance Department and provide a response to the Commission.

The Commission discussed a recommendation to City Council. Commissioner Reiff stated that he believes the questions asked and follow-up information to be provided by staff would not affect the ability of the Commission to formulate a recommendation to City Council regarding the CIP document. The Commission concurred and asked that staff responses to questions be provided in a subsequent communication. After additional discussion, a motion was made by Commissioner Patterson, seconded by Commissioner Reiff, to recommend to City Council that the FY 2011-2021 CIP be approved (FY2011-2012 budget year and remaining nine-year planning projects). Mr. Forth stated a formal communication with answers to Commissioner questions would be provided with subsequent agenda materials. The motion was unanimously approved.

## 2. 2011 Major Thoroughfare Plan Status Update Report and 2011-2021 Capital Improvement Program.

Mr. Forth referred the Commission to the 2011 Major Thoroughfare Plan Status Update Report that was previously provided during the March 3, 2011 meeting. Mr. Forth summarized the report and asked the Commission if there were any questions or comments. Commissioner Pearson inquired about the high vehicle crash rate for West Melody, between Shaver and Dolphin. Mr. Forth indicated the high crash rate is partially attributed to the short roadway segment (.077 mile) and referred the Commission to Table C-6, bottom page A-6. Mr. Forth stated this roadway segment experienced a total of three crashes (non injury/fatality) during the three

year period. After additional discussion, a motion was made by Commissioner Pearson, seconded by Commissioner Dargitz, to accept the 2011 Major Thoroughfare Plan Status Update Report. The motion was unanimously approved.

**NEW BUSINESS:**

1. Mixed-Use Zoning Ordinance Proposal (referral from City Council). Mr. Forth reviewed the March 11, 2011 staff report and the three mixed-use ordinance proposals recommended by the Housing and Neighborhood Ad Hoc Committee. Mr. Forth summarized the major provisions of the three proposals: 1) City Centre Area – Mixed Use Floating Zone; 2) Commercial Corridor Mixed-Use Floating Zone; and 3) Work/Live Accommodations. Mr. Forth suggested a special meeting of the Planning Commission to further discuss the three mixed-use ordinance proposals. The Commission briefly discussed the preliminary concepts contained in the three ordinance proposals and reviewed potential special meeting dates. After additional discussion, a motion was made by Commissioner Reiff, seconded by Commissioner Patterson, to schedule a special meeting for Monday, March 28, 2011 at 7:00pm to discuss the Mixed-Use Zoning Ordinance proposals subject to the availability of Commissioner Welch and Commissioner Bosch. Chairman Cheesebro indicated he would contact Commissioner Welch and Commissioner Bosch to confirm their availability and suggested an alternative date of Tuesday, March 29, 2011. The motion was unanimously approved.

2. 2010-2011 City Council Assigned Goals and Objectives Update (April 2011) and Recommended 2011-2012 Goals and Objectives. Mr. West introduced the item and summarized the staff report dated March 11, 2011. Mr. West then reviewed the draft memo from the Planning Commission to City Council and asked for comments. Commissioner Stoffer suggested Item 8 be added to the Recommended 2011-2012 Goals and Objectives that would reference the conveyance of updates to the City Council in November 2011 and April 2012 and recommended goals for FY 2012-2013 in April 2012. Commissioner Dargitz suggested a revision to the third bullet under Item 2 in the Recommended 2011-2012 Goals and Objectives to read as follows: "Protection of environmentally sensitive areas such as those identified on the City of Portage Sensitive Land Use Inventory Map including regulated wetlands, ground water and surface water." After a brief discussion, a motion was made by Commissioner Patterson, seconded by Commissioner Dargitz, to forward the 2010-2011 City Council Assigned Goals and Objectives Update (April 2011) and Recommended 2011-2012 Goals and Objectives to City Council with the above changes. The motion was unanimously approved.

**STATEMENT OF CITIZENS:**

None.

**ADJOURNMENT:**

Commissioner Stoffer asked when update of the Comprehensive Plan was scheduled. Mr. Forth stated the Comprehensive Plan was scheduled for review and update in FY 2012-2013. Mr. Forth indicated that U.S. Census information should be available and the City would retain the services of a consultant to assist in the process.

Chairman Cheesebro congratulated Commissioner Welch and his wife and the recent birth of their twins.

There being no further business, the meeting was adjourned at 8:15 p.m.

Respectfully submitted,



Christopher Forth, AICP  
Deputy Director of Planning and Development Services

# CITY OF PORTAGE

# COMMUNICATION

**TO:** Honorable Mayor and City Council

**DATE:** March 30, 2011

**FROM:** Maurice S. Evans, City Manager

**SUBJECT:** City Council Ad Hoc Sign Committee Business Sign Information

**ACTION RECOMMENDED:** That City Council receive the information from the Ad Hoc Sign Committee and refer the proposed business banner sign language to the Planning Commission for consideration and to initiate the Zoning Code amendment process.

Information about the work of the Ad Hoc Sign Committee was presented to the City Council at the March 22, 2011 meeting. The following is provided to convey the recommendations made by the Committee for further action by the City Council.

On January 18, 2011, the City Council Ad Hoc Sign Committee met to discuss business signage and the Zoning Code regulations pertaining to signs. The City Administration provided a historical overview of sign issues and regulations within the City of Portage. Business signs permitted by the Zoning Code that provide opportunities for advertising include freestanding signs, wall signs, various temporary signs, the use of banners and changeable copy boards, and electronic message displays. Issues discussed by the Ad Hoc Sign Committee included the history of the sign regulations, current sign provisions in the Zoning Code, the increased potential for "banner signs" to be used by businesses, permit requirements for changes to "business tenant panels" in existing freestanding signs, window displays, and the advantages to educational materials that could be provided to the business community about the current sign regulations.

The City Administration prepared a "Summary Guide To Business Signs," which incorporated Frequently Asked Questions (FAQs), background information on regulatory issues concerning allowing changes to "business tenant panels" in existing freestanding signs and proposed Zoning Code language that included provisions to expand the use and increase the flexibility for businesses to use "banner signs." After additional review by the Ad Hoc Sign Committee at a March 21, 2011 meeting, the Committee concurred that the "Summary Guide To Business Signs" be utilized as an educational/informational brochure and recommended that City Council refer the proposed "banner sign" language to the Planning Commission to consider as a modification to the Zoning Code. Attached are communications from the Community Development Director that were considered by the Ad Hoc Sign Committee with the final version of the "Summary Guide To Business Signs" brochure and the draft language concerning "banner signs."

It is recommended that City Council receive the information from the Ad Hoc Sign Committee and refer the "banner sign" language to the Planning Commission for consideration and to initiate the Zoning Code amendment process as recommended by the Committee.

Attachments: November 3, 2010 communication from the Community Development Director  
March 4, 2011 communication from the Community Development Director (with updated attachments)

# CITY OF PORTAGE

# COMMUNICATION

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**TO:** Maurice S. Evans, City Manager

**DATE:** November 3, 2010

**FROM:** Jeffrey M. Erickson, Director of Community Development

**SUBJECT:** Zoning Code Signage Issues – City Council Retreat Information

Per prior discussions, previous written communications provided on the subject of sign requirements specified in the Zoning Code and the brief City Council discussion at the October 5, 2010 meeting, following is information for your review. The following information is organized to assist the City Council and City Administration as this subject is discussed:

- A brief historical overview/background on sign regulations in the community
- Summary of the Zoning Code sign regulations applicable to businesses
- Review of 2005 – 2010 period and business sign permits
- Overview of 2005 – 2010 Zoning Board of Appeals variance applications

A conclusion/summary is at the end of this communication.

## Historical Overview/Background

From time-to-time, signage issues seem to come to the forefront. There are various factors that may generate this discussion that could include the declining economic situation/business environment, efforts by businesses to advertise, attract consumers and differentiate themselves, attempts to adapt new technology/techniques, among others. Notwithstanding these factors, regulations to address the use of advertising signs are common by municipalities across the country. In Michigan, sign regulations were the subject of Michigan Supreme Court decision as early as 1937 (Michigan Zoning and Planning, 3<sup>rd</sup> Edition, Clan Crawford, Jr., page 328). The intent of sign regulations is straightforward and the Portage Zoning Code intent and purpose section presents the overall objective of community sign regulations:

“...regulate the use, construction, reconstruction, placement and design of signs in order to protect the public health, safety, peace and general welfare. The regulations involve a recognition that the individual user’s right to convey a message must be balanced against the public’s right to be free of signs which unreasonably compete, distract drivers and pedestrians, and produce confusion.” (Section 42-540 A. and B.)

The Zoning Code identifies several reasons that sign regulations are desirable, which include in summary:

“...prevent traffic injuries and property damage...minimize risk of damage from signs that are dilapidated, wind blown, electric shock hazards...achieve uniformity...enhance aesthetics of the community...prevent blight...encourage equality among business and property...(and)...protect the public health, safety, peace and general welfare.” (Section 42-540 D.)

There is some history to sign regulations in the City of Portage. In the late 1970s, there was considerable concern about signage in the community and the City of Portage Environmental Board was instrumental in the development of the first, comprehensive sign regulations that were incorporated into the Zoning Code. As reflected in the March 17, 1976 Environmental Board meeting minutes, the board members were particularly concerned about the “...*design, size and position of signs as well as with blinking and portable signs which can distract one while driving.*” The Board also discussed the existing regulations and expressed concern that the 1976 sign code and zoning ordinance were “*incomprehensible*” (September 16, 1976 meeting minutes). The Planning Commission assisted the Environmental Board over the course of several years, and culminating on August 14, 1979, City Council approved a comprehensive amendment to

the Zoning Code establishing sign regulations with an effective date of September 7, 1979. Attached are several photos of business signage that were taken in the late 1970s within Portage business areas that help illustrate the concerns expressed by the Environmental Board and other community members.

The community discussion about the sign regulations continued for a number of years. Amendments to the sign regulations occurred during this period. In the effort to reach agreeable regulatory compromise, City Council formed ad hoc committees on several occasions in the early to mid 1980s to suggest amendments to the sign regulations. Of note, on December 20, 1983, City Council convened a work session on sign regulations and at the following regular meeting established a seven member Ad Hoc Sign Committee with business, citizen at-large, sign industry, City Administration and Environmental Board participants. The charge to the committee was to report back in February 1984 and: *"...to see what areas they can still improve the overall appearance of our city but still modify the present ordinance to be easier for the businesses to comply."* (December 20, 1983 Council meeting minutes, page 469). The results of this effort are summarized in January 31, 1984 correspondence from the committee chairperson that recommended changes to allow temporary signs (40 square foot sign, increased use/display days and for non-commercial public service events), changes to nonconforming signs (five-year non-conforming sign agreement), and changes to existing freestanding signs (allow changeable copy signage to be permanently attached to a sign).

In 1986, with continuing discussion of signage, a formal survey of residents and businesses was authorized by City Council that involved mailing of 2,142 surveys. All businesses in Portage received a survey and every 12<sup>th</sup> resident in the Property Tax Master File also received a survey. A very good response rate of 28% (605 returned surveys) resulted. While there were differences between the responses from businesses and the responses from residents about signage, the report to City Council indicated that, in general, respondents believed that the sign regulations in the Zoning Code were reasonable and appropriate. The report concluded that no modifications were recommended. The conclusion was also based, in part, on the concern that too-frequent code changes and modifications would create confusion, inequities and inconsistencies in administration with additional negative impacts on the community.

In December 2001, the Zoning Code was the subject of a comprehensive update that concluded with approval by City Council of the ordinance update on February 18, 2003. In this amendment, 29 substantive changes were recommended, which included sign regulation changes. Additional sign flexibility was incorporated for business wall signage, for example, as were changes to definitions, sign measurements, among others. A copy of the changes to the sign regulations that was summarized and provided to the City Council in January 2003 is attached.

In addition, the sign regulations in the Zoning Code have been the subject of regular review and, where appropriate, amended. The purposes for this review include incorporating emerging sign technology and techniques, clarification and correction of sign provisions and improved/uniform administration. Following is a summary of sign regulation changes since 2003:

2006:

Section 42-552(E), Signs in the B-2/B-3 Zoning Districts -- Distance between two freestanding signs. Before the amendment, this section referred to "a developed B-2 parcel." Consistent with other sections of the Zoning Code, this section was amended to refer to zoning lot since there may be more than one parcel of land. This section also uniformly applies to signs in the B-3 district.

Section 42-553(C)(2), Billboard Sign Area -- When the Zoning Code was updated in 2003, the consultant inadvertently changed the maximum sign area: The maximum area was corrected and is 300 square feet as previously established.

2007:

Section 42-542(I), Electronic or Mechanical Sign Elements -- Electronic message display (EMD) signs added.

2009:

Section 42-545(C), Single-family Residential Subdivision Signs – Construction of a sign to identify a single-family residential subdivision in R-1A, R-1B R-1C R-1D, R-1E and R-1T residential districts has been permitted and now pertains to the PD, planned development district.

2010:

Section 42-545(B)(C), Signs Permitted in the Single-family and Attached Districts -- Increased the size of wall and freestanding signs for non-residential uses permitted in the R-1A through R-1T districts.

Section 42-546(D), Signs Permitted in the RM-1 and RM-2 Districts -- Increased the size of wall and freestanding signs for non-residential uses permitted in the RM-1 and RM-2 districts.

Section 42-550(A), Signs Permitted in the OS-1 and OTR districts; and Section 42-551(A), Signs Permitted in the B-1, local business District. Modifications to these two sections involved clarification of the statement "...with a minimum sign size of 32 square feet..." The changes to Sections 42-550(A) and 42-551(A) clarified that 1) a variance from the ZBA is not required if a smaller sign size is desired by a business owner and 2) the maximum sign size for a lot less than 80 feet in width is 32 square feet.

2010 Zoning Code Sign Regulations Applicable to Businesses

A two-page summary table of the existing sign regulations applicable to the business community is attached. As apparent, freestanding, wall and other types of signage are permitted for all businesses. Signage is regulated by zoning lot and by business use to ensure fairness, consistency and uniformity with applicable law and judicial decisions. A variety of signage is permitted with significant flexibility to assist retail, office, service, specialty business uses that operate in differing situations (i.e., in individual buildings, in multi-use business centers, on small and large parcels, in ownership/lease tenancies, in new business development projects, redevelopment projects, and so forth). Additionally, "temporary" signage is specifically permitted for business purposes and can be standard signs, strings of flags, streamers, balloons, etc., electronic message signs, or other types. These various types of signs are allowed within the context of the applicable sign regulations and in: "... the recognition that the individual user's right to convey a message must be balanced against the public's right to be free of signs which unreasonably compete, distract drivers and pedestrians and produce confusion."

With specific regard to stationary/mobile electronic message signs for business use, these signs are permitted and can be permanent or temporary signs. Stationary/permanent electronic message display (EMD) sign examples include among others the new Sonic Restaurant sign, the Mulligan's Restaurant sign, the electronic elements on the Walgreens signs and, also, the Shoppes at Romence Village sign. For mobile/temporary sign examples, EMD signs can be/have been used as a 40 square foot grand opening, change/going out of business sign and, also, as a 64 square foot public noncommercial service event sign.

Finally, the sign regulations include other elements that provide "flexibility" in the interests of assisting businesses. First, legal, nonconforming signs are allowed to continue to exist and be used. It is intended that these signs conform to the regulations over time. Provisions that allow re-use and encourage eventual conformity have been incorporated into the regulations including allowing unlimited sign changes for a five year period after which the legal nonconforming sign must conform and the attachment of changeable copy signage to any sign to assist businesses with temporary sales, special event activities, and so forth. Also, the standards for variances involving re-use of legal nonconforming signs (i.e., reduction in the degree of nonconformity and replacement signs that are more in conformance with the code) assist the business community. Further, there are unregulated sign/messaging options available to businesses. These options include, among others, advertising on licensed motor vehicles, costumed/mascot advertising in the parking area or along a public street and interior window displays, which are commonly employed by businesses. Finally, the Zoning Code provides the Zoning Board of Appeals with the responsibility to hear appeals and to consider interpretations of code provisions, which can be helpful to businesses seeking clarification or the ability to use certain sign/messaging technologies/techniques.

FY2005 – 2010 Sign Permit and Zoning Board of Appeals Information

A brief analysis of sign permits that were issued and Zoning Board of Appeals (ZBA) sign variance/appeal applications that were acted on during the FY2005/06 to FY2009/10 period was accomplished. With regard to the issuance of permits, 797 sign permits were issued during this five-year period. These permits were for the following sign types:

Permit Type	Number of Permits
Freestanding sign	333
Wall Sign	348
Temporary Sign	116

On an annual basis, 159 sign permits were issued during this period. As for fees, a sign permit cost is as follows – Permanent freestanding or wall sign is \$110.00; Temporary sign is \$55.00. (The fees associated with sign permits have not been increased since January 2006.) For convenience, sign permits may be submitted by mail, or electronically, for review and approval.

The ZBA applications involving signage that were acted on during this five-year period were also reviewed. A total of 37 signage applications were considered (involving 28 properties), or an average of seven applications annually. Twenty-nine (29) applications were approved by the ZBA (78%), while eight were not approved (22%). Specifically regarding signs for businesses that were considered by the ZBA over the five-year period, 22 applications were considered, with 16 applications (73%) approved. Seven applications involved freestanding signs and required sign area, setback or separation distance. Also, six applications involved changes to nonconforming signs. The next category of business sign application considered by the ZBA was wall sign area (four applications), where a larger wall sign(s) was requested. The remaining five applications involving businesses considered by the ZBA involved one appeal of a denied permit, one roof sign variance and three non-accessory (billboard) requests. In summary, during the past five years, an average of 159 sign permits have been annually issued. During this same period, an average of only seven ZBA sign applications was annually received.

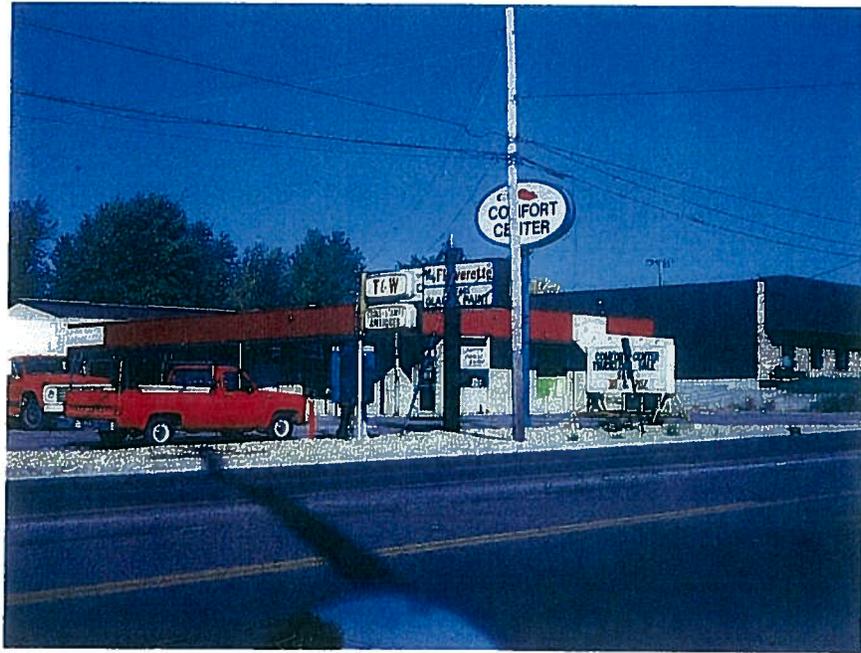
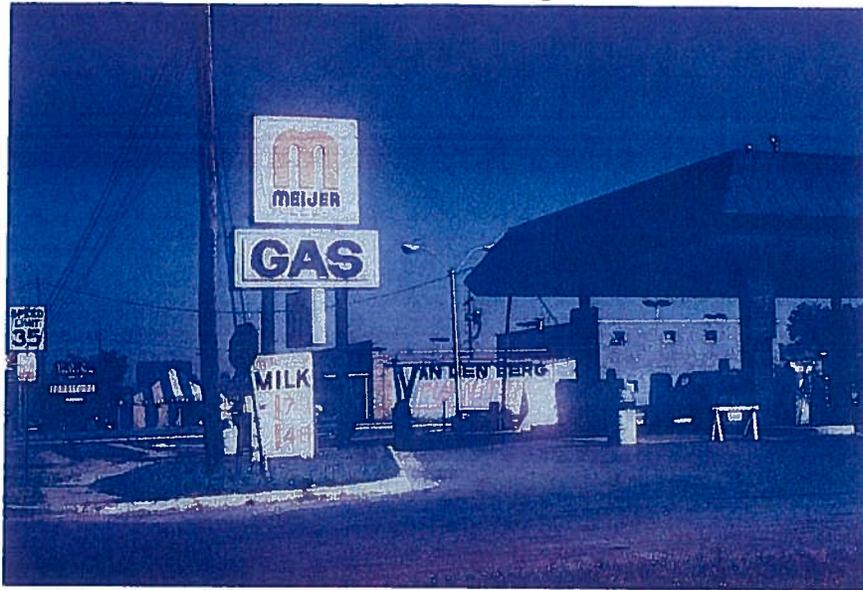
Conclusion

There exists considerable history regarding the subject of sign regulations in the community. A comprehensive sign ordinance amendment occurred in 1979 that more effectively regulated signs that could be erected in the city. Regular efforts have been made to ensure reasonable sign options for businesses by various advisory board, ad hoc committee and professional staff, with the most recent comprehensive amendment approved in 2003. Ongoing review of signage including provisions that provide flexibility for business advertising purposes and to incorporate new technology and techniques is also evident. A significant number of sign permits, including business sign permits, have been issued on an annual basis over the past five fiscal years. Also, comparatively few applications for sign variances submitted by businesses have been considered by the ZBA over this same five-year period. Where the ZBA has considered sign variance applications, a majority of applications by businesses have been approved. The sign regulations appear to have achieved an effective balance between the need for business advertising while reducing clutter and motorist distractions to enhance community quality and traffic safety.

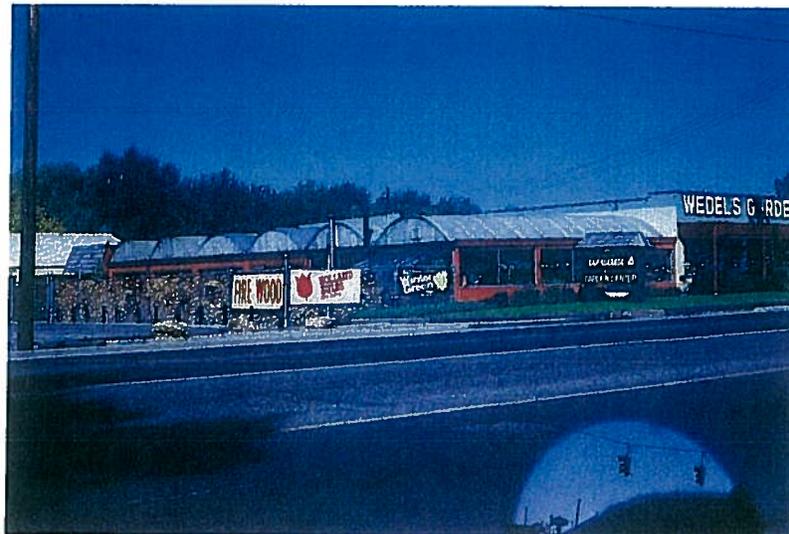
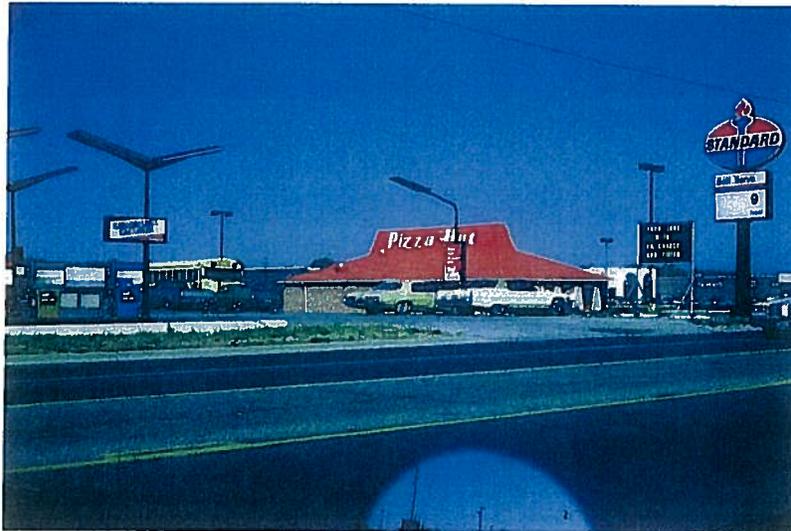
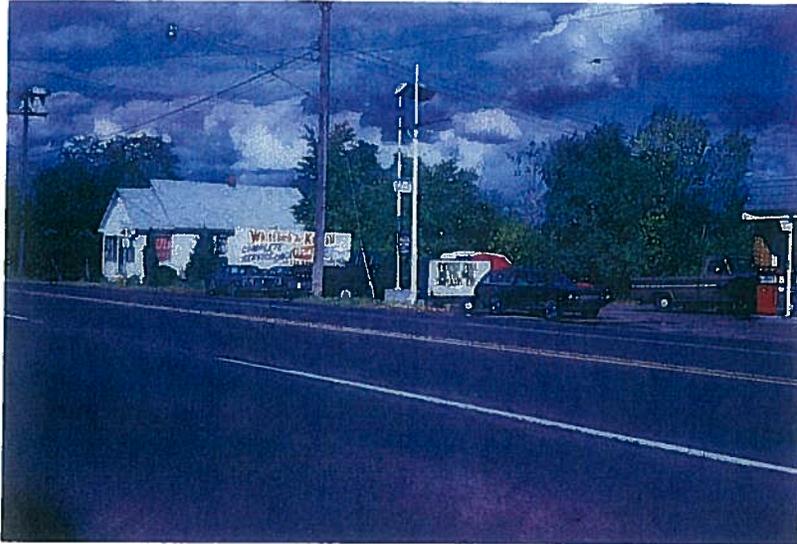
Attachments: Sign Photos from 1979-era City of Portage  
2003 Zoning Code Update: Sign changes (#25 Signs)  
2010 Zoning Code Sign Regulations Applicable to Businesses Table

c: Brian J. Bowling, Deputy City Manager

# Historical Business Sign Photos



# Historical Business Sign Photos



## 2003 Zoning Code Update – Sign Changes

### 25. Signs (Division 6, Subdivision 2)

- a. The Intent and Purpose section has been added.
- b. Several definitions were added including sign face, awning/canopy sign, construction sign and identification sign.
- c. A section related to sign measurements has been added to eliminate confusion on how to calculate and locate signage.
- d. The erection of a one-family residential construction sign identifying the builder, contractor or subcontractor is now permitted. No permit is required.
- e. A 64 square foot maximum has been established for public event signs. The current code section did not specify a maximum square footage.
- f. A section has been added which requires removal of a nonconforming sign if a substantial improvement is made to the site or building that equals or exceeds 25% of the market value of the structure or site improvement.
- g. The R-1E, OTR and CPD zoning districts have been added.
- h. In response to court decisions and Zoning Board of Appeals (ZBA) decisions involving the size of wall signs, a section has been added that allows an increase in the size of wall signs based on the size of the wall and the setback distance from a public or private street. The proposed increases are consistent with recent ZBA variances granted to several retail establishments.
- i. The current sign regulations permit one additional freestanding sign if the property is within 200 feet of any US-131 or I-94 interchange. This section has been eliminated. Uses intended to attract the interest of freeway motorists are encouraged to use the Michigan Logo Signing Program. This program allows eligible businesses to display their business logos to motorists at interchanges along freeways. Elimination of this section will create several nonconforming signs at the South Westnedge and Portage Road interchange areas. An inventory of these signs has been completed.

**SUMMARY OF ZONING CODE SIGN REGULATIONS APPLICABLE TO BUSINESSES**

ZONING DISTRICT	FREESTANDING SIGNS	WALL SIGNS	TEMPORARY AND OTHER SIGNS ALLOWED IN BUSINESS ZONING DISTRICTS
<p><b>OS-1, Office Service; OTR, Office, Technology Research; and B-1, Local Business districts</b></p>	<p><u>Sign(s) per Zoning Lot:</u></p> <ul style="list-style-type: none"> <li>▪ One (with additional sign for a zoning lot with more than 300 feet of street frontage)</li> <li>▪ In an OTR district, 1 additional sign is permitted for each vehicular entrance</li> </ul> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ 32 sq. ft. minimum to 50 sq. ft. maximum, with area based on street frontage</li> <li>▪ May be increased up to 50% for multiple use zoning lots, or from 48 sq. ft. to 75 sq. ft.</li> </ul> <p><u>Sign Setback / Height:</u> 10 feet from all property lines, increased where next to one-family residential / 15 feet high</p>	<p><u>Sign(s) per Zoning Lot:</u></p> <p>One or more wall signs are permitted for each business use</p> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ 15% of the wall area per street frontage, up to 100 sq. ft.</li> <li>▪ If no freestanding sign, area may be increased by 33% per street frontage</li> </ul> <p><u>Sign Setback / Height:</u> NA</p>	<p><u>40 sq. ft. Grand opening, Change of business or Going out of business Sign:</u></p> <ul style="list-style-type: none"> <li>▪ One per business use for 14 days (with an additional 30-days if permanent sign not available, or other hardship)</li> <li>▪ Flags, banners, balloons, etc. may be used in lieu of, or in combination with the sign up to the maximum area</li> </ul> <p><u>15 sq. ft. Copy Board Sign:</u> An additional changeable letter/panel sign may be added to any freestanding sign including a legal, nonconforming sign in any zoning district (except on new EMD signs erected since October 2007)</p>
<p><b>B-2, Community Business; B-3, General Business; and CPD, Commercial Planned Development districts</b></p>	<p><u>Sign(s) per Zoning Lot:</u></p> <ul style="list-style-type: none"> <li>▪ One, with an additional sign for a:               <ul style="list-style-type: none"> <li>- zoning lot with more than 320 feet of street frontage</li> <li>- zoning lot that is on a street corner, or</li> <li>- zoning lot with frontage on more than one street</li> </ul> </li> </ul> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ 50 sq. ft. minimum to 120 sq. ft. maximum, with area based on street frontage</li> <li>▪ May be increased up to 50% for multiple use zoning lots, or from 75 sq. ft. to 180 sq. ft.</li> <li>▪ For corner lot, if only one sign, area may be increased 100% up to a maximum of 120 sq. ft.</li> </ul> <p><u>Sign Setback / Height:</u> 10 feet from all property lines / 25 feet high</p>	<p><u>Sign(s) per Zoning Lot:</u></p> <p>One or more wall signs are permitted for each business use</p> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ 15% of the wall area per street frontage, up to 100 sq. ft.</li> <li>▪ May be increased, up to an additional 125 sq. ft. for buildings with at least 200 feet of lineal wall frontage.</li> <li>▪ Area may be further increased, up to an additional 125 sq. ft. for buildings with 200 feet of lineal wall frontage <u>and</u> a building setback of 300 feet or greater</li> <li>▪ If no freestanding sign, area may be increased by 33% per street frontage</li> </ul> <p><u>Sign Setback / Height:</u> NA</p>	<p><u>Development Sign:</u> One, 64 square foot sign per development displayed during active development, up to 2 years</p> <p><u>Real estate Sign:</u> One, 64 sq. ft. sign per building/premises, while on the market for sale/rent/lease and 30 days thereafter (No permit required)</p> <p><u>Directional Sign:</u> Up to 4 sq. ft. in area (no limit on the number of directional signs)</p> <p><u>20 sq. ft. Banner Sign:</u> One per zoning lot to identify business with additional banner permitted for each 2 acres of zoning lot subject to location requirements (B-2, B-3, CPD zoning districts only)</p> <p><u>Holiday Decorations:</u> Decorations associated with a national, state, local or religious holidays. Decorations displayed not more than 10 days [except decorations may be displayed from the day after Thanksgiving to January 2<sup>nd</sup>] (No permit required)</p>

ZONING DISTRICT	FREESTANDING SIGNS	WALL SIGNS	TEMPORARY AND OTHER SIGNS ALLOWED IN BUSINESS ZONING DISTRICTS
<b>PD, Planned Development districts</b>	<p><u>Sign(s) per Zoning Lot:</u></p> <ul style="list-style-type: none"> <li>▪ One (with additional sign for a zoning lot with more than 300 feet of street frontage)</li> </ul> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ Up to 50 sq. ft.</li> <li>▪ May be increased up to 50% for multiple use zoning lots up to 75 sq. ft.</li> </ul> <p><u>Sign Setback / Height:</u> 10 feet from all property lines, increased where next to one-family residential / 15 feet high</p>	<p><u>Sign(s) per Zoning Lot:</u></p> <p>One or more wall signs are permitted for each business use</p> <p><u>Sign Area:</u></p> <ul style="list-style-type: none"> <li>▪ 15% of the wall area per street frontage, up to 100 sq. ft.</li> <li>▪ If no freestanding sign, area may be increased by 33% per street frontage</li> </ul> <p><u>Sign Setback / Height:</u> NA</p>	<p><u>Public (noncommercial service) Event Sign:</u></p> <ul style="list-style-type: none"> <li>▪ One, 64 sq. ft. sign for each street frontage with additional 64 sq. ft. sign for each 2 acres of zoning lot</li> <li>▪ Displayed 7 days before and 2 days after event</li> </ul> <p><u>20 sq. ft. Public Event Banner Sign:</u> Banner mounted on a municipal pole on public property/right-of-way for up to 60 days per calendar year by approval of the city subject to location requirements</p>

**NOTES:**

Electronic Message Displays (EMD):

These signs may be stationary/permanent Freestanding Signs or Wall Signs, or mobile/temporary signs (that are electronically or mechanically changed) and are permitted in business zones per requirements of the zoning district and other applicable provisions in the Zoning Code. EMD sign messages must be static (limited motion/movement) and may change not more than once per four seconds. To protect neighborhoods, where 200 feet from a residential district and use, the message may not change between 10 p.m. and 7 a.m.

Existing Nonconforming Signs:

- A nonconforming sign (display area) may be changed during a five-year period after an "Agreement to Remove Nonconforming Sign" is executed with the City of Portage.
- The Zoning Board of Appeals may grant a variance to re-establish, change, move or structurally alter a nonconforming sign. Variances may be authorized if there is a reduction in degree of nonconformity of the sign, or the removal and replacement of a sign that does not meet the ordinance requirements is in keeping with the spirit and purpose of the ordinance.

# CITY OF PORTAGE

# COMMUNICATION

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**TO:** Maurice S. Evans, City Manager

**DATE:** March 4, 2011

**FROM:** Jeffrey M. Erickson, Director of Community Development

**SUBJECT:** Business Sign Issues – City Council Sign Committee

The City Council Sign Committee met during the morning of January 18, 2011 to discuss the above issue. As you know, the Committee was provided with a copy of the November 3, 2010 communication on sign issues as background information. There was a further discussion of several sign issues and Zoning Code regulations including temporary signs, changes in “business tenant panels” in existing freestanding signs and permit requirements, banner signs, window displays, a method to convey sign regulatory information to the business community such as in frequently asked question (FAQ) format that included “visuals” for general use and posting on the city website.

The City Administration indicated to the Committee that an ordinance proposal would be prepared that addressed the “business tenant panels” and permit matter, and the suggested more popular use of “banners” by businesses. An FAQ format with some “visuals” would also be prepared for discussion purposes. A subsequent Committee meeting would be scheduled at which further discussion of the business sign issues would occur.

Attached please find two items that can be considered by the City Administration and with your approval, forwarded to the Committee for discussion purposes:

1. A draft of a proposed Summary Guide to Business Signs with FAQs that incorporates photographs of signs from award entries to an annual sign competition by the International Sign Association based in Alexandria, VA. The guide is four pages and is intended to cover the basics regarding Zoning Code requirements for business signs. The guide incorporates the intent and purpose of the sign regulations, a summary table of business signs and temporary and other signs that are permitted in the Portage Zoning Code.
2. A draft of proposed regulations that would allow accomplish two things:
  - a. The changes to Section 42-542 would allow changes to business tenant panels in existing, freestanding signs where changes are permitted with no review or sign permit.
  - b. The changes to Section 42-548, 42-551 and 42-552 would allow a banner sign and expands the ability of a business to use a banner by eliminating the regulation about the “name of the business,” increasing the area for “copy” to 50% of the banner, and by adding the language in all of the business zones (B-1, B-2, B-3, CPD and PD districts).  
(This draft is shown in ordinance format, but has not been reviewed by the City Attorney and is a preliminary proposal for further discussion.)

With regard to 2.a., while this approach may be considered to be more business friendly, it is noted that challenges with the proper administration of the sign regulations may arise as a result of allowing permanent or temporary business sign changes in some, or only limited, situations with no permit. First, basic administration and enforcement involves uniform and consistent application of the applicable code requirements. Essentially, for businesses, freestanding signs

are based on property frontage and wall signs are based on building wall area. There are many situations where a formal review of an existing sign – freestanding, wall, other – is necessary and appropriate. These situations occur because businesses (tenants) open and close, property is bought and sold, or divided and combined, buildings are altered or enlarged including business tenant suites, public infrastructure is constructed/reconstructed/streets widened, and Zoning Code sign regulations are modified to achieve community objectives. Review of applications to change business signage together with permit approval and issuance, then, will allow proper and effective administration and enforcement and avoid confusion within the business community and the assertion of unfairness, or other charge. Second, some freestanding and wall signs may be legal, nonconforming signs, but not known by the business tenant, owner, or sign company. This fact would place the city and the tenant/owner/sign company in the unenviable position of needing a variance after the change has occurred, and which may not be granted. Third, a limited number of businesses, certainly a minority number, do not apply for, or obtain, required sign permits. With primary reliance on a complaint basis for administration and enforcement, issues of fairness and consistency now occur and could increase. From experience, there is no positive outcome in these “catch me if you can” situations, which will potentially increase with allowing business sign changes in some “no permit” situations. Finally, these above-noted problems have surfaced in the City of Wyoming, where staff has indicated that administration and enforcement where the ordinance has been changed to allow some changes with “no permit” has caused added problems and concern expressed by some of the business community.

To address the above-noted problems and issues, an alternative approach could be considered where a “reduced fee” permit could be established. As an example, if a permit is needed to change a freestanding sign and it is determined to be in conformance with the Zoning Code, a fee equal to one-half of the normal fee could be charged. While there will be review and research required by the City Administration to ensure fair and consistent application of the ordinance, it is believed that a minor change to an existing, freestanding sign, such as only a replacement business tenant, for example, should necessitate less time to review and be more easily finalized for permit issuance purposes.

The Department understands the importance of balancing the goal to be “business friendly” regarding the conduct and cost of business, the identification of businesses and consumer information, while at the same time ensuring that community objectives are also met in terms of appearance of business properties along commercial corridors, pedestrian and motorist safety and so forth.

I am available to meet with you to further discuss this matter at your convenience.

Attachments:     draft Sign Guide and FAQs  
                      draft ordinance-format language

c: Brian J. Bowling, Deputy City Manager

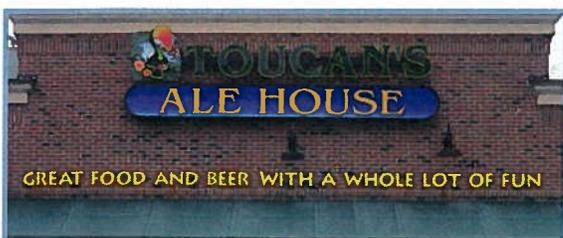
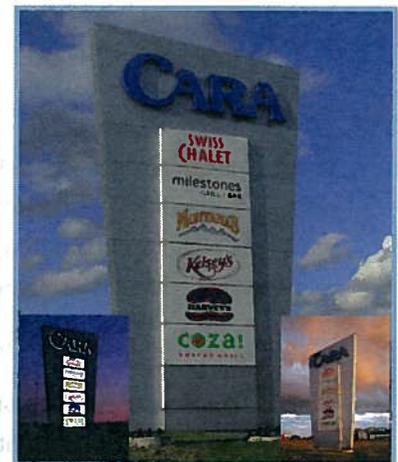
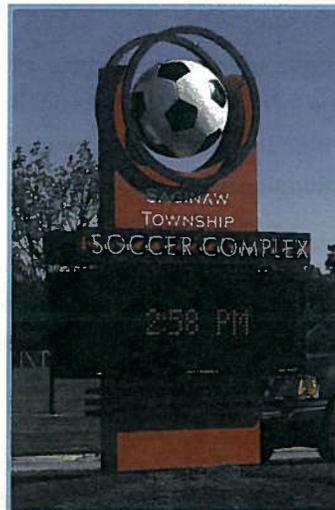
## Summary Guide To Business Signs

The City of Portage recognizes the importance of signs to local businesses and the economy. Standards have been adopted by Portage that promote the effective use of signs as a directional and communication tool, while protecting public safety and property values, and promoting community character. The intent and purpose of Portage sign regulations<sup>1</sup> is to:

- ◆ Balance the right to identify a business location and attract customers with the public right to be free of signs that unreasonably compete, distract drivers and pedestrians, and produce confusion.
- ◆ Provide businesses with equal opportunity to attract customers by achieving uniformity in the size, number and placement of signs.
- ◆ Protect public health and safety by regulating the construction of signs.
- ◆ Enhance the aesthetics of the community.

In addition to the specifications included in city sign regulations, businesses are encouraged to carefully consider the following design elements regarding signs<sup>2</sup>:

- ◆ Signs should use creative and dynamic design, yet be compatible with the surroundings.
- ◆ Signs should be designed and located in a manner that enhances sign legibility.
- ◆ Signs should be constructed and designed to avoid hazards and distractions.
- ◆ Signs should be located so they do not block pedestrian or motorist vision or line of sight.
- ◆ Signs should be constructed of durable, quality material, and should be kept in good repair.



<sup>1</sup> The Code of Ordinances is available on the city web site at: [www.portagemi.gov](http://www.portagemi.gov). (See the Code of Ordinances, Land Development Regulations, Chapter 42 of the Code of Ordinances, Article 4, Zoning, and Article 11, Signs.)

<sup>2</sup> Photos of select award entries in the 2010 Sign Competition by the International Sign Association (Alexandria, VA)

# Frequently Asked Questions Regarding Business Signs

## **1. What type of sign requires a sign permit?**

Sign permits are required to ensure that signs situated on business-zoned property meet applicable city codes. This ensures fairness and consistency for all businesses. A sign is defined in the Zoning Code, as are the rules for various freestanding signs and wall signs that are permitted. A permit is required for new signs and alterations or changes to existing signs on business-zoned property and for some temporary signs.

## **2. Are there business signs that do not require a sign permit?**

Signs that do not require a sign permit (and must meet location, size and duration of display requirements) include: real estate signs, election campaign signs, construction signs, holiday decorations, and household goods signs (e.g., garage/yard sale). Signs inside a building do not require a sign permit.

Interior window displays and advertising on the inside of a building window glass are not regulated by the Zoning Code, and provide added business advertising options.

## **3. How much does a sign permit cost?**

Fees are annually established by City Council. The current fee for a sign permit is: \$110 for a wall sign permit application; \$110 for a freestanding sign permit application; and \$55 for a temporary sign or a directional sign permit application.

## **4. What kinds of temporary signs are permitted to promote my business?**

Businesses can promote special events and sales by using an electronic message display (EMD) or changeable copy sign display. These types of signs can be incorporated into or added to a freestanding sign, for example. In addition, a temporary wall sign or a freestanding sign is permitted for business grand openings, change of business or going out of business events and must meet location, size and duration of display requirements.

## **5. How many freestanding signs and wall signs can a business use?**

For freestanding signs on the property, the number and size permitted is dependent on the business zone where the property is located, the amount of frontage on the street and the number of business uses or tenants on the property.

For wall signs on the building, the number and size permitted is dependent on the business zone where the property is located, and the wall area of the building where the business is located (building width x building height).

Also, additional freestanding signs and wall signs are permitted for a business-zoned property that has frontage on more than one street, such as a corner property.

## **6. What is a "legal nonconforming sign" and can changes be made to the sign?**

A sign is a "legal nonconforming sign" if it does not fulfill the sign requirements in the Zoning Code, but did comply with the sign requirements when it was placed on the business-zoned property. Changes are allowed in the following instances:

- ◆ The sign face may be changed after an "Agreement to Remove Nonconforming Sign" is completed by the sign owner, property owner and the City of Portage.
- ◆ The sign may be changed after an application for a variance is requested and approved by the City of Portage Zoning Board of Appeals. A variance may be authorized if the Zoning Code provisions for a variance are met.

## Summary Of Sign Regulations Applicable To Businesses

Zoning District	Freestanding Signs <sup>1</sup>	Wall Signs <sup>1</sup>
<b>OS-1, Office Service</b> and <b>OTR, Office, Technology Research</b> and <b>B-1, Local Business</b>	<u>Sign(s) per business-zoned property (zoning lot):</u> ♦ One (with additional sign for a zoning lot with more than 300 ft. of street frontage) ♦ In an OTR district, 1 additional sign is permitted for each vehicular entrance  <u>Sign Area:</u> ♦ 32 sq. ft. minimum to 50 sq. ft. maximum, with area based on street frontage ♦ May be increased up to 50% for multiple use zoning lots, or from 48 sq. ft. to 75 sq. ft.  <u>Sign Setback / Height:</u> 10 ft. from all property lines, 15 ft. next to one-family residential / 15 ft. high	<u>Sign(s) per business-zoned property (zoning lot):</u> One or more wall signs permitted per business use  <u>Sign Area:</u> ♦ 15% of the wall area per street frontage, up to 100 sq. ft. ♦ If no freestanding sign, wall sign area may be increased by 33% per street frontage  <u>Sign Setback / Height:</u> NA
<b>B-2, Community Business</b> and <b>B-3, General Business</b> and <b>CPD, Commercial Planned Development</b>	<u>Sign(s) per business-zoned property (zoning lot):</u> ♦ One, with an additional sign for a: - zoning lot with more than 320 ft. of street frontage - zoning lot that is on a street corner, or - zoning lot with frontage on more than one street  <u>Sign Area:</u> ♦ 50 sq. ft. minimum to 120 sq. ft. maximum, with area based on street frontage ♦ May be increased up to 50% for multiple use zoning lots, or from 75 sq. ft. to 180 sq. ft. ♦ For corner lot, if only one sign, area may be increased 100% up to a maximum of 120 sq. ft.  <u>Sign Setback / Height:</u> 10 ft. from all property lines / 25 ft. high	<u>Sign(s) per business-zoned property (zoning lot):</u> One or more wall signs permitted per business use  <u>Sign Area:</u> ♦ 15% of the wall area per street frontage, up to 100 sq. ft. ♦ May be increased, up to an additional 125 sq. ft. for buildings with at least 200 ft. of lineal wall frontage ♦ Area may be further increased, up to an additional 125 sq. ft. for buildings with 200 ft. of lineal wall frontage and a building setback of 300 ft. or greater ♦ If no freestanding sign, wall sign area may be increased by 33% per street frontage  <u>Sign Setback / Height:</u> NA
<b>PD, Planned Development</b>	<u>Sign(s) per business-zone property (zoning lot):</u> One (with additional sign for a zoning lot with more than 300 ft. of street frontage)  <u>Sign Area:</u> ♦ Up to 50 sq. ft. ♦ May be increased up to 50% for multiple use zoning lots, or up to 75 sq. ft.  <u>Sign Setback / Height:</u> 10 ft. from all property lines, which increases based on sign area, when abutting one-family zones / 15 ft. high	<u>Sign(s) per business-zoned property (zoning lot):</u> One or more wall signs permitted per business use  <u>Sign Area:</u> ♦ 15% of the wall area per street frontage, up to 100 sq. ft. ♦ If no freestanding sign, wall sign area may be increased by 33% per street frontage  <u>Sign Setback / Height:</u> NA

<sup>1</sup> **Electronic Message Displays (EMD):** These signs may be stationary/permanent freestanding signs or wall signs (and electronically or mechanically changed), and are permitted in zoning districts per the provisions in the Zoning Code. For example, EMD sign messages must be static (limited motion / movement) and may change not more than once per four seconds. To protect neighborhoods, the EMD message may not change between 10 p.m. and 7 a.m. when the EMD sign is located 200 feet from a residential zoning district and use.

# Temporary And Other Signs Allowed In Business Zoning Districts

**Copy Board Sign:** An additional 15-square-foot changeable letter/panel sign may be added to any freestanding sign including a legal, nonconforming sign in any zoning district (except on new EMD signs erected since October 2007)

**Banner Sign:** One 20-square-foot banner sign per business-zoned property to identify business with additional banner permitted for each 2 acres of zoning lot subject to location requirements (B-2, B-3, CPD zoning districts only)

**Directional Sign:** Up to 4 square feet in area (no limit on the number of directional signs)

**Grand Opening, Change of Business or Going out of Business Sign:**

- ◆ One 40-square-foot sign per business use on a business-zoned property for 14 days (with an additional 30 days if permanent sign not available, or other important reason)
- ◆ Flags, banners, balloons, etc. may be used in lieu of, or in combination with, up to the maximum 40-square-foot sign area

**Development Sign:** One 64-square-foot sign per development on the property may be displayed during active development for a period of up to 2 years

**Real Estate Sign:** One 64-square-foot sign per building or property, while the building or property is on the market for sale/rent/lease and 30 days thereafter (no permit required)

**Holiday Decorations:** Decorations associated with a national, state, local or religious holidays may be displayed for not more than 10 days [except decorations may be displayed from the day after Thanksgiving to January 2nd] (no permit required)

**Public (noncommercial service) Event Sign:**

- ◆ One 64-square-foot sign for a property and for each street where the property has frontage on the street with an additional 64-square-foot sign for each 2 acres of property (zoning lot)
- ◆ The public event sign may be displayed 7 days before and 2 days after event

**Public Event Banner Sign:** A 20-square-foot banner may be mounted on a municipal pole on public property/right-of-way for up to 60 days per calendar year with the approval of a permit from the City of Portage to use the municipal pole

The Department of Community Development is available and happy to assist businesses, property owners, and sign companies with verifying the number, size and location of permitted signs.

**Thank you and please call on us for assistance!**

Department of Community Development  
7900 South Westnedge Avenue  
Portage, MI 49002  
(269) 329-4477  
[www.portagemi.gov](http://www.portagemi.gov)

# DRAFT

**ORDINANCE TO AMEND THE CODE OF ORDINANCES  
OF THE CITY OF PORTAGE, MICHIGAN  
BY AMENDING SECTION 42-542 OF CHAPTER 42, LAND DEVELOPMENT REGULATIONS**

THE CITY OF PORTAGE ORDAINS:

That Sections 42-548, 42-551, and 42-552 of Chapter 42, Land Development Regulations, are hereby amended as follows:

**Section 42-548. PD, planned development district.**

F. For each zoning lot, there is permitted one banner. For a lot with frontage on more than one street, one banner is permitted for each street frontage. For each zoning lot that exceeds two acres in area, an additional banner is permitted for each two acres. All banners shall be subject to the following conditions:

1. The banner shall be setback ten feet from any property line.
2. The banner shall not exceed 25 feet in height.
3. The banner shall be not less than six feet from the surface of the ground.
4. The banner shall not exceed 20 square feet in area per side.
5. The banner shall not be attached to the surface of any building, to any existing freestanding sign or to any vehicle, or be stretched between poles or trees.
6. The banner shall not devote more than a total of 10 square feet to sign copy.
7. The owner of the zoning lot or banner shall keep the banner in reasonable repair.

G. (former F.)

H. (former G.)

**42-551. B-1, local business district.**

C. For each zoning lot, there is permitted one banner. For a lot with frontage on more than one street, one banner is permitted for each street frontage. For each zoning lot that exceeds two acres in area, an additional banner is permitted for each two acres. All banners shall be subject to the following conditions:

1. The banner shall be setback ten feet from any property line.
2. The banner shall not exceed 25 feet in height.
3. The banner shall be not less than six feet from the surface of the ground.
4. The banner shall not exceed 20 square feet in area per side.
5. The banner shall not be attached to the surface of any building, to any existing freestanding sign or to any vehicle, or be stretched between poles or trees.
6. The banner shall not devote more than a total of 10 square feet to sign copy.
7. The owner of the zoning lot or banner shall keep the banner in reasonable repair.

**Section 42-552. B-2, community business; B-3, general business; and CPD, commercial planned development districts.**

- J. For each zoning lot, there is permitted one banner. For a lot with frontage on more than one street, one banner is permitted for each street frontage. For each zoning lot that exceeds two acres in area, an additional banner is permitted for each two acres. All banners shall be subject to the following conditions:
1. The banner shall be setback ten feet from any property line.
  2. (no change)
  3. (no change)
  4. (no change)
  5. (no change)
  6. The banner shall not devote more than a total of 10 square feet to sign copy.
  7. (no change)

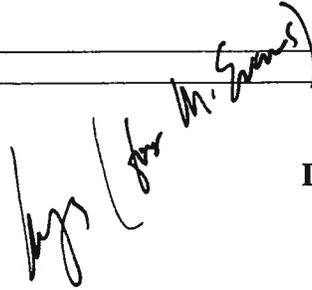
**CITY OF PORTAGE**

**COMMUNICATION**

**TO:** Honorable Mayor and City Council

**DATE:** March 25, 2011

**FROM:** Maurice S. Evans, City Manager



**SUBJECT:** Purchase of Hewlett Packard Proliant Server for SQL/.Net Applications

**ACTION RECOMMENDED:** That City Council approve the purchase of one Hewlett Packard Proliant server for \$10,909 provided through PC Mall Gov and authorize the City Manager to execute all documents related to this action.

The purchase of one Hewlett Packard Proliant server is needed in order to accommodate and take advantage of newer web-based applications built on the Microsoft SQL and .net programming language. Several of the database type applications used by the city will be rewritten in future upgrades to the SQL and/or .net programming language. The city Information Technology Department is also in the process of identifying database applications used by the city that would provide maintenance and cost advantages if rewritten in SQL and/or .net. Additional advantages of SQL/.net include scalability, security, transaction logs, automatic backup and stored procedures which provide for faster response times when troubleshooting bad database requests.

The IT Department received bids from three server vendors. The lowest and best bid of \$10,909 was submitted by PC Mall Gov for the purchase of one Hewlett Packard Proliant server. Included with this purchase is all necessary hardware, software, server management services and warranties.

It is recommended that Council approve the purchase of one Hewlett Packard Proliant server for \$10,909 provided through PC Mall Gov and authorize the City Manager to execute all documents related to this action. Funds are budgeted and available for annual server purchases.

Bid Tabulation  
Web Server

Bidder

Bid

PC Mall Gov.  
7421 Gateway Court  
Manassas, VA 20109

\$10,909.00

Dynamic Computer Corp  
23400 Industrial Park Court  
Farmington Hills, MI 48335

\$11,328.24

Netrix, LLC  
2801 Lakeside Dr.  
Bannockburn, IL 60015

Incomplete Bid