

7:30 p.m. Call to Order.

Invocation: Rabbi Harvey Spivak of the Congregation of Moses.

Pledge of Allegiance.

Roll Call.

Proclamations:

- A. Approval of the Special and Regular Meeting Minutes of May 14, 2013.
- * B. Approval of Consent Agenda Motions.
- * C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of May 28, 2013, as presented.
- D. Public Hearings:
- E. Petitions and Statements of Citizens:
- F. Reports from the Administration:
 - 1. Communication from the City Manager recommending that City Council approve the Fiscal Year 2013-2014 Budget.
 - * 2. Communication from the City Manager recommending that City Council adopt the:
 - a. Bond Resolution authorizing the sale of Capital Improvement Bonds, Series 2013, in the amount of \$3,130,000; and
 - b. Resolution approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Bonds, Series 2013.
 - * 3. Communication from the City Manager recommending that City Council:
 - a. approve Contract 13-5228 between the Michigan Department of Transportation (MDOT) and the City of Portage for improvements on Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane);
 - b. adopt a Resolution authorizing the City Manager to sign Contract 13-5228; and authorize the City Manager to sign all other documents related to the Michigan Department of Transportation for this project on behalf of the city.
 - * 4. Communication from the City Manager recommending that City Council:
 - a. approve Contract 13-5171 with the Michigan Department of Transportation (MDOT) for removal and reconstruction of the Kilgore Road Bridge over Portage Creek;
 - b. amend an engineering services contract with Abonmarche Consultants, Incorporated, to perform construction oversight and administration in the not to exceed amount of \$88,695;
 - c. adopt a Resolution authorizing the City Manager to sign Contract 13-5171; and authorize the City Manager to sign all other documents related to the Michigan Department of Transportation and the consultant contracts for this project on behalf of the city.
 - * 5. Communication from the City Manager recommending that City Council:
 - a. approve a contract with Consumers Energy to furnish streetlight service;
 - b. adopt a Resolution to enter into a contract with Consumers Energy; and authorize the City Manager to execute all documents related to the contract on behalf of the city.
 - * 6. Communication from the City Manager recommending that City Council authorize the City Manager to proceed with marketing for sale and disposition of the city outlots at 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue.

- * 7. Communication from the City Manager recommending that City Council accept by resolution the Kalamazoo County Hazard Mitigation Plan.
- * 8. Communication from the City Manager recommending that City Council hold a closed session immediately following the regularly scheduled City Council Meeting of May 28, 2013, to discuss an attorney/client communication.
- * 9. Communication from the City Manager providing background information regarding the property offered for sale at 1614 West Osterhout – Information Only.
- * 10. Communication from the City Manager regarding the April 2013 Summary Environmental Activity Report - Information Only.
- * 11. Department Monthly Reports.

G. Communications:

H. Unfinished Business:

- * 1. Communication from the City Manager recommending that City Council take final action on a Resolution to grant an access easement to Consumers Energy over a portion of city-owned property addressed as 6301 Newport Road and authorize the City Manager to execute the access easement on behalf of the city.

* I. Minutes of Boards and Commissions Meetings:

- 1. Portage Zoning Boards of Appeals of April 8, 2013.
- 2. Portage Board of Education Special of April 10, Special and Regular of April 15, Policy Governance of April 16, Special of April 18, and Special of April 29, 2013.
- 3. Portage Youth Advisory Committee of April 22, 2013.
- 4. Portage Planning Commission of May 2, 2013.

J. Ad-Hoc Committee Reports:

K. New Business:

L. Bid Tabulations:

M. Other City Matters:

- 1. Statements of Citizens.
- 2. From City Council and City Manager.

* 3. Reminder of Meetings:

- a. Monday, June 3, 5:30 p.m., Local Officers Compensation Commission, City Hall Room #2.
- b. Wednesday, June 5, 6:30 p.m., Park Board, Lexington Green Park.
- c. Wednesday, June 5, 8:15 a.m., Historic District Commission, City Hall Room #2.
- d. Thursday, June 6, 7:00 p.m., Planning Commission, Council Chambers.
- e. Monday, June 10, 6:30 p.m., Youth Advisory Committee, City Hall Room #1.
- f. Monday, June 10, 7:00 p.m., Zoning Board of Appeals, Council Chambers.

N. Materials Transmitted of May 10 and 14, 2013.

Adjournment.

City Council Meeting Summary

May 14, 2013

PROCLAMATIONS

- ◆ Mayor Strazdas issued a Safe Boating Week Proclamation.

ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Accounts Payable Register of May 14, 2013, as presented.

PUBLIC HEARING

- ◆ Held a Public hearing on the Fiscal Year 2013-2014 proposed Budget and the tax rate of 10.7778 mills required to support the proposed budget

REPORTS FROM THE ADMINISTRATION

- ◆ Approved Addendum No. 3 to the District Court Consolidation Agreement and authorized the City Manager to sign the Addendum on behalf of the City of Portage.
- ◆ Approved the Community Development Block Grant (CDBG) Program FY 2013-14 Annual Action Plan element of the Consolidated Plan and authorized the City Manager to submit the application to the Department of Housing and Urban Development.
- ◆ Approved a five-year extension for the *City of Portage – Township of Schoolcraft Sanitary Sewage Disposal Agreement* and authorized the Mayor to sign the agreement extension on behalf of the city.
- ◆ Approved the 24-month extension of the TDS, Metrocom Telecommunications Services Agreement for the provision of telephone services at an approximate annual cost of \$51,637 and authorized the City Manager to execute all documents related to the contract on behalf of the city.
- ◆ Approved a two-year contract renewal with The Hartford for employee basic life, basic accidental death and dismemberment, contributory life, contributory accidental death and dismemberment, dependent life and long-term disability insurance and authorized the City Manager to execute all documents on behalf of the city.
- ◆ Approved the Final Plan for Southwest Michigan Dermatology, 3000 Old Centre Road.

COMMUNICATION

- ◆ Received the Annual Presentation by Historic District Commission Chairperson Mark Reile.

UNFINISHED BUSINESS

- ◆ Mayor Strazdas reviewed past emergencies and introduced Public Safety Director – Police / Fire Chief Richard White, who provided a presentation regarding the City of Portage emergency preparedness.

AD HOC COMMITTEE REPORTS

- ◆ Received a presentation from Councilmember Randall regarding the recent activity of the Property Committee

NEW BUSINESS

- ◆ Appointed Sami Ahmad, Lauren Ammar, Lauren Bates, Amanda Boelman, Eli Cartier, Ansh Chaudhary, Stephen Chow, Liberty Curley, Kyle Huitt, Nadia Javeed, Sharat Kamath, Sisira Kavuri, Kitu Komya, Anjana Krishnan, Brandon Luevano, Kelcie McGowan, Kasia Mietusiewicz, Humza Mirza, Alexander Molner, Sophie Morin, Ugo Nwagbo, Sarah Patton, Aayushi Priya, Leah Roach, Audrey Searing, Genevieve Sertic, Taylor Snyder, Jodie Stoffer, Mitchell Symes, Jill Syrotchen, Ali Thomas, Jr., and Logan Wilson with terms ending June 30, 2014, to the Youth Advisory Committee; appointed Genevieve Sertic with term ending June 30, 2014, as Youth Participant to the Environmental Board; appointed Brandon Luevano with term ending June 30, 2014, as Youth Participant to the Historic District Commission; appointed Kitu Komya with term ending June 30, 2014, as Youth Participant to the Human Services Board; appointed Luren Ammar with term ending June 30, 2014, as Youth Participant to the Park Board; appointed Kyle Huitt with term ending June 30, 2014, as Youth Participant to the Senior Citizens Advisory Board; reappointed Lawrence Schmidt and George Theodoru and appointed Barney Martlew with terms ending June 1, 2016, to the Construction Board of Appeals; reappointed Paul Welch and appointed Betty Schimmel and Henry Kerr with terms ending May 31, 2016, to the Planning Commission; reappointed Don Ramlow with term ending May 31, 2016, to the Public Media Network Board; appointed Roger Smith with unfulfilled term ending October 1, 2013, and Charles Thomas commencing September 1, 2013, with unfulfilled term ending October 1, 2015, to the Park Board; appointed Theresa Bunch with unfulfilled term ending December 31, 2014, to the Historic District Commission; and, appointed Bill Stannard with unfulfilled term ending January 31, 2014, to the Board of Review.
- ◆ Reviewed a Draft Proclamation Allied Disposal Site, Alcott Superfund Site, in Kalamazoo and decided not to issue it from the City of Portage as a whole, but to support it individually as Councilmembers if desired.
- ◆ Rescinded the decision to form an Assessment Options Committee of the Whole and related tasks assigned to the City Administration at the meeting of City Council, April 23, 2013.

BID TABULATION

- ◆ Approved the purchase of a Durapatcher Trailer Mounted Spray Injection Road Repair Machine for a cost of \$51,432, and authorized the City Manager to execute all documents related to this action on behalf of the city.

STATEMENTS OF CITY COUNCIL

- ◆ Councilmember Randall invited everyone to attend the bike event, Saturday, May 18, 2013, to wrap up Bike Week is the Mayor to Mayor bike ride starting at 9:00 a.m., Celery Flats, with Portage Mayor Pete Strazdas and Kalamazoo City Mayor Bobby Hopewell participating. Also, she mentioned the Susan G. Komen Southwest Michigan Race for the Cure®, Sunday, May 19, 2013, starting at the Arcadia Festival Site in downtown Kalamazoo from 11:30 a.m. to 3:30 p.m. and the Memorial Day Parade down South Westnedge Avenue.
- ◆ Councilmember Sackley thanked Councilmember Randall for mentioning the Susan G. Komen Southwest Michigan Race for the Cure® as he will be running the 5k this year.
- ◆ Councilmember Urban concurred and mentioned that his sister was a victim of breast cancer less than a year ago and expressed his support for the cause.
- ◆ Mayor Pro Tem Reid highlighted the earlier meeting with applicants for the City Boards and Commissions and paid special attention to the youth who volunteered for the Youth Advisory Committee.
- ◆ Mayor Strazdas concurred, invited everyone to the Mayor to Mayor bike event starting at Celery Flats and congratulated the City of Kalamazoo for coming in second in the country as Beer City U.S.A.

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.

DRAFT

MINUTES OF THE SPECIAL MEETING OF THE PORTAGE CITY COUNCIL OF MAY 14, 2013 - BOARDS AND COMMISSIONS APPLICANTS

Mayor Peter Strazdas called the meeting to order at 5:17 p.m. The following Councilmembers were present: Councilmembers Jim Pearson, Patricia Randall, Ed Sackley and Terry Urban, Mayor Pro Tem Claudette Reid and Mayor Peter Strazdas. Councilmember Elizabeth Campbell was absent with notice. Also present were City Manager Maurice Evans and City Clerk James Hudson.

City Councilmembers introduced themselves and interviewed the following applicants who were present for the Youth Advisory Committee (YAC) and Youth Participants on various Boards and Commissions. Mayor Strazdas asked each of them to express a Board, Commission or Committee preference:

* 5:17-6:01 p.m., Sami Ahmad, Lauren Ammar, Lauren Bates, Amanda Boelman, Eli Cartier, Liberty Curley, Kyle Huitt, Nadia Javeed, Sharat Kamath, Sisira Kavuri, Kitu Komya, Anjana Krishnan, Brandon Luevano, Kasia Mietusiewicz, Humza Mirza, Sophie Morin, Ugo Nwagbo, Sarah Patton, Aayushi Priya, Leah Roach, Audrey Searing, Genevieve Sertic, Mitchell Symes, Jill Syrotchen, and Logan Wilson. YAC Chairperson Sujay Dewan and YAC Liaison Deputy City Clerk Adam Herringa was present for questions. Discussion followed.

City Council continued to interview applicants for the following City Council Advisory Boards and Commissions:

* 6:02-6:11 p.m., Barney Martlew, Henry Kerr and Larry Schmidt for the Construction Board of Appeals. Discussion followed.

* 6:12 -6:28 p.m., Betty Schimmel, Roger Smith and Henry Kerr for the Planning Commission. Planning Commission Chair Jim Cheeseboro was present for questions. Discussion followed.

* 6:29 -6:32 p.m., Don Ramlow for Public Media Network. Discussion followed.

* 6:33 -6:43 p.m., Roger Smith and Charles Thomas for Park Board. Discussion followed.

* 6:44 -6:49 p.m., Theresa Bunch for Historic District Commission. Historic District Commission Chair Mark Reile provided a review of recent activities of the Commission. Discussion followed.

* 6:50 -7:10 p.m., Bill Stannard, Keith Hearit and Jay Woodhams, who arrived at 7:07 p.m., for Board of Review. Discussion followed.

ADJOURN: Mayor Strazdas adjourned the meeting at 7:11 p.m.

James R. Hudson, City Clerk

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

At the request of Mayor Strazdas, Pastor Adam Davidson of the Portage Free Methodist Church 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 Jim Pearson, Patricia M. Randall, Edward J. Sackley and Terry R. Urban, Mayor Pro Tem Claudette S. Reid and Mayor Peter J. Strazdas. Councilmember Elizabeth A. Campbell was absent with excuse. Also in attendance were City Manager Maurice S. Evans, City Attorney Randy Brown and City Clerk James R. Hudson.

PROCLAMATION: Mayor Strazdas issued a Safe Boating Week Proclamation.

APPROVAL OF MINUTES: After a request and a clarification from Councilmember Pearson, Councilmember Sackley took exception to the use of the word “all” by Councilmember Pearson in the April 23, 2013 Regular Meeting Minutes when he stated, “that we have all had an issue with this (the Assessor’s) department.” Discussion followed. Councilmember Pearson agreed to have the minutes reflect himself and others. Councilmember Sackley indicated that he has never had an issue with the Assessor Department and Councilmember Urban, Mayor Pro Tem Reid and Mayor Strazdas indicated that each of them has never had an issue with the Assessor Department and all wished the minutes to reflect that fact. Motion by Sackley, seconded by Reid, to approve the April 23, 2013 Regular Meeting Minutes as corrected and April 30, 2013 Budget Work Session Minutes as presented. Upon a roll call vote, motion carried 6 to 0.

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

* **APPROVAL OF ACCOUNTS PAYABLE OF MAY 14, 2013:** Motion by Pearson, seconded by Reid, to approve the Check Register of May 14, 2013. Upon a roll call vote, motion carried 6 to 0.

PUBLIC HEARING:

PUBLIC HEARING ON THE FISCAL YEAR 2013-2014 PROPOSED BUDGET:

Mayor Strazdas introduced City Manager Maurice Evans, who summarized some of the points contained in the proposed 2013-14 Fiscal Year Budget. He indicated that the total budget is \$62.59 million that includes the General Fund, the Capital Improvement Fund, Curbside Recycling Fund, Leaf Pick-up Fund, Spring Clean-up Fund and the Municipal Street Fund. He pointed out that this proposed budget maintains the overall city tax rate (millage) at 10.7778 mills, the same as Fiscal Year 2012-13, and the incorporation of an approximately 2 percent reduction in property tax revenues, or approximately \$250,000, combined with an approximate 4 percent increase in state revenue sharing, or approximately \$134,000, for a net loss in revenue. He also mentioned the incorporation of the Economic Vitality Incentive Program (EVIP) from the State of Michigan resulting in payments of approximately \$289,000 and a continuation of support from the General Fund of the Capital Improvement Project (CIP) fund in the Major Street Fund and the Local Street Fund. He indicated that remaining elements of the original South Westnedge Enhancement Projects (SWEPs) have been deferred or eliminated and he reviewed how the city plans to address improvements in municipal sanitary sewer service, treatment of “Tier” Growth Construction Plan for street construction areas, water utility improvements and incorporation of the *Placemaking* initiative undertaken in order to capitalize on past infrastructure investments directed to bikeway and trailway development.

Mr. Evans listed the top five projects in the Capital Improvement Program (CIP). He also indicated that the City of Portage continues to remain in the lower 25 percent of all Michigan cities of greater than 25,000 in population in terms of millage level. Mayor Strazdas opened the public hearing for comments and input from the audience. There being no discussion or comment, motion by Urban, seconded by Reid, to close the public hearing on the Fiscal Year 2013-2014 proposed Budget. Upon a voice vote, motion carried 6 to 0. Discussion followed and Mayor Strazdas indicated that the Fiscal Year 2013-2014 proposed Budget will be considered for approval on May 28, 2013, and that this will be one more opportunity for public input.

REPORTS FROM THE ADMINISTRATION:

* **ADDENDUM NO. 3 TO THE DISTRICT COURT CONSOLIDATION AGREEMENT:** Motion by Pearson, seconded by Reid, to approve Addendum No. 3 to the District Court Consolidation Agreement and authorize the City Manager to sign the Addendum on behalf of the City of Portage. Upon a roll call vote, motion carried 6 to 0.

* **FY 2013-14 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM:** Motion by Pearson, seconded by Reid, to approve the Community Development Block Grant (CDBG) Program FY 2013-14 Annual Action Plan element of the Consolidated Plan and authorize the City Manager to submit the application to the Department of Housing and Urban Development. Upon a roll call vote, motion carried 6 to 0.

* **CITY OF PORTAGE – TOWNSHIP OF SCHOOLCRAFT SANITARY SEWAGE DISPOSAL AGREEMENT:** Motion by Pearson, seconded by Reid, to approve a five-year extension for the *City of Portage – Township of Schoolcraft Sanitary Sewage Disposal Agreement* and authorize the Mayor to sign the agreement extension on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **TELEPHONE SERVICES AGREEMENT:** Motion by Pearson, seconded by Reid, to approve the 24-month extension of the TDS, Metrocom Telecommunications Services Agreement for the provision of telephone services at an approximate annual cost of \$51,637 and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **LIFE AND LONG-TERM DISABILITY INSURANCE:** Motion by Pearson, seconded by Reid, to approve a two-year contract renewal with The Hartford for employee basic life, basic accidental death and dismemberment, contributory life, contributory accidental death and dismemberment, dependent life and long-term disability insurance and authorize the City Manager to execute all documents on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **FINAL PLAN FOR SOUTHWEST MICHIGAN DERMATOLOGY, 3000 OLD CENTRE ROAD:** Motion by Pearson, seconded by Reid, to approve the Final Plan for Southwest Michigan Dermatology, 3000 Old Centre Road. Upon a roll call vote, motion carried 6 to 0.

COMMUNICATION:

ANNUAL PRESENTATION BY HISTORIC DISTRICT COMMISSION
CHAIRPERSON MARK REILE: Historic District Commission Chairperson Mark Reile provided an update on the activities of the Historic District Commission. Discussion followed. Motion by Reid,

seconded by Urban, to receive the Annual Presentation by Historic District Commission Chairperson Mark Reile. Upon a voice vote, motion carried 6 to 0.

UNFINISHED BUSINESS:

PRESENTATION BY PUBLIC SAFETY DIRECTOR RICHARD WHITE: Mayor Strazdas reviewed past emergencies and introduced Public Safety Director – Police / Fire Chief Richard White, who provided a presentation regarding the City of Portage emergency preparedness. Discussion followed.

* **MINUTES OF BOARDS AND COMMISSIONS:** City Council received the minutes for the following boards and commissions:

Portage Youth Advisory Committee of March 25, 2013.
Portage Park Board of April 3, 2013.

AD HOC COMMITTEE REPORTS:

AD HOC PROPERTY COMMITTEE: Councilmember Randall indicated that the Property Committee met May 2, 2013, without Councilmember Campbell, who chairs the Committee, but could not be present, and May 14, 2013, without Councilmember Campbell and Councilmember Sackley, who could not be present. Also present were City Manager Maurice Evans and Community Development Director Vicki Georgeau. She reviewed the discussion of three City Outlots: 7200 Balfour, 7138 Capri Street and 1600 Friendly Avenue. She also reviewed the discussion of 10323 Archwood Drive and 1614 West Osterhout Avenue. Mayor Strazdas asked Councilmember Sackley if he had anything to add and discussion followed.

Mayor Pro Tem Reid asked for information on the Outlot Policy and asked if there was any discussion whether any of the lots could be used by Habitat for Humanity. Discussion followed. Community Development Director Vicki Georgeau explained the 1998 Outlot Policy used to dispose of property saying that an appraisal must be obtained before considering the sale of city-owned property.

Discussion followed and Ms. Georgeau explained that because these specific properties have been set aside for quite some time as future land connections and have been used by the neighboring property owners, the recommendation is to offer the properties to them, first. Also, all of these properties are zoned R-1B and Habitat for Humanity may not be able to build a home that meets the minimum floor area that would work for their families, so they would probably not be the first party interested in one of these purchases. Discussion followed. Councilmember Urban objected and indicated that the appraisal price is too high if the resultant is a lot line adjustment with extra square footage added to the yard of a property owner as opposed to the value of a non-conforming buildable lot. Discussion followed.

Motion by Urban, seconded by Pearson, to table until the next regularly scheduled meeting so that more information can be provided on the size of these lots, as well as the adjacent topography and lot layout, so that all of the Councilmembers would have information on them, to include some kind of sales outline plan for the 60-day offer to neighbors, 90 day offer to the open market and contingencies on what to do with the properties. Upon a roll call vote, motion carried 6 to 0.

Mayor Strazdas indicated discussion regarding 10323 Archwood Drive would now commence and Councilmember Sackley recused himself.

Motion by Urban, seconded by Reid, to authorize the City Manager to negotiate a real estate purchase agreement with Mr. Jim Talbert. Upon a roll call vote, motion carried 5 to 0 with Councilmember Sackley abstaining.

Mayor Strazdas asked for discussion from City council regarding the property at 1614 West Osterhout Avenue, and Councilmember Pearson asked why there is no appraisal suggested for the

purchase of this property when there was a requirement to obtain an appraisal for the Outlot properties and 10323 Archwood Drive. City Manager Evans explained that this property is being purchased, not sold, and the Administration had confidence in the valuation of this parcel as it appears on the City's books, and there was a difference in opinion of whether to get an appraisal among the Property Committee, so the decision was made to have City Council of the Whole decide.

In answer to Mayor Pro Tem Reid, City Manager explained there are tactical differences in the negotiations if the appraisal comes in very high or very low and recommended that the appraisal should be done beforehand. Discussion followed.

Motion by Sackley, seconded by Pearson, to obtain an appraisal for 1614 West Osterhout Avenue, and that at the May 28, 2013 Regular City Council Meeting that the City Administration provide the report that they have already provided to the Property Committee with the recommendation, the ariel views, etc., to enable the City Council to take up the matter directly. Upon a roll call vote, motion carried 6 to 0.

NEW BUSINESS:

* **APPOINTMENTS TO VARIOUS BOARDS AND COMMISSIONS:** Motion by Pearson, seconded by Reid, to appoint Sami Ahmad, Lauren Ammar, Lauren Bates, Amanda Boelman, Eli Cartier, Ansh Chaudhary, Stephen Chow, Liberty Curley, Kyle Huitt, Nadia Javeed, Sharat Kamath, Sisira Kavuri, Kitu Komya, Anjana Krishnan, Brandon Luevano, Kelcie McGowan, Kasia Mietusiewicz, Humza Mirza, Alexander Molner, Sophie Morin, Ugo Nwagbo, Sarah Patton, Aayushi Priya, Leah Roach, Audrey Searing, Genevieve Sertic, Taylor Snyder, Jodie Stoffer, Mitchell Symes, Jill Syrotchen, Ali Thomas, Jr., and Logan Wilson with terms ending June 30, 2014, to the Youth Advisory Committee; to appoint Genevieve Sertic with term ending June 30, 2014, as Youth Participant to the Environmental Board; to appoint Brandon Luevano with term ending June 30, 2014, as Youth Participant to the Historic District Commission; to appoint Kitu Komya with term ending June 30, 2014, as Youth Participant to the Human Services Board; to appoint Luren Ammar with term ending June 30, 2014, as Youth Participant to the Park Board; to appoint Kyle Huitt with term ending June 30, 2014, as Youth Participant to the Senior Citizens Advisory Board; to reappoint Lawrence Schmidt and George Theodoru and appoint Barney Martlew with terms ending June 1, 2016, to the Construction Board of Appeals; to reappoint Paul Welch and appoint Betty Schimmel and Henry Kerr with terms ending May 31, 2016, to the Planning Commission; to reappoint Don Ramlow with term ending May 31, 2016, to the Public Media Network Board; to appoint Roger Smith with unfulfilled term ending October 1, 2013, and Charles Thomas commencing September 1, 2013, with unfulfilled term ending October 1, 2015, to the Park Board; to appoint Theresa Bunch with unfulfilled term ending December 31, 2014, to the Historic District Commission; and, to appoint Bill Stannard with unfulfilled term ending January 31, 2014, to the Board of Review. Upon a roll call vote, motion carried 6 to 0.

ALLIED DISPOSAL SITE, LOCATED BETWEEN ALCOTT STREET AND CORK STREET: Mayor Strazdas handed out a draft proclamation regarding the Allied Disposal Site, Alcott Superfund Site, in Kalamazoo and explained. Councilmember Sackley indicated he personally agrees with the essence of the proclamation and is on the steering committee, but objected and explained that this could become a "slippery slope." Councilmember Pearson concurred completely. Mayor Pro Tem asked how support can be proffered to Kalamazoo without going down the "slippery slope." Councilmember Pearson answered, "...individually with our names." Discussion followed.

ASSESSMENT OPTIONS COMMITTEE OF THE WHOLE: Councilmember Sackley referred to the motion from the April 23, 2013 Regular City Council Meeting: to form an Assessment Options Committee of the Whole that outlines the issue of staff analysis for further consideration, to refer the matter to the City Manager for a review and a report be brought back to the Committee of the Whole, including cost and service, and to have a "pre-report." He indicated that he expected City Council would go into a closed session at this time to discuss the "pre-report" legal opinion from the

City Attorney. Discussion followed. City Attorney Brown indicated that the motion needs to read that City Council enter into a closed session to discuss an attorney client written opinion, and the motion requires a vote of two thirds of City Council, or five City Councilmembers. Discussion followed. Councilmember Sackley indicated that he was prepared to make a motion to go into closed session and, should the motion fail, he was prepared to make another motion regarding the matter. Motion by Sackley, seconded by Reid, to hold a closed session to discuss a written legal opinion.

Councilmember Pearson advocated going into closed session at the next City Council Meeting with all members of City Council present with notice that there would be a closed session. Councilmember Randall concurred and indicated that it was important to her that a full Council is present for the discussion; that she was not prepared to discuss the matter since she was busy with Mother's Day activities over the weekend; that she reviewed the materials on Monday, found it was not on the agenda, inquired whether it was discussed at the pre-Council Meeting and it was not, so she did not think it was a topic that would be brought up; and, that this is her third meeting at City Hall today and would want to pace herself for such a session. Councilmember Urban indicated he was not prepared to address the matter. Mayor pro Tem Reid indicated that the appropriate place to address any questions or concerns would be in closed session with the City Attorney. Councilmember Urban indicated he did not wish to deal with the matter at this City Council Meeting and recognized Councilmember Sackley had a prepared motion should this motion fail. Discussion followed. Upon a roll call vote, motion failed 4 to 0. Yeas: Mayor Pro Tem Reid and Councilmember Sackley. No: Councilmembers Pearson, Randall, and Urban and Mayor Strazdas.

Mayor Strazdas directed the City Clerk to place the closed session for the purpose of discussing an attorney/client written legal opinion on the next meeting of City Council. Discussion followed regarding placing new business items on the agenda. City Attorney Brown referred to City Charter Section 4.6(m) that reads, "No business shall be considered by the Council, unless placed upon the agenda for the meeting not later than 12 o'clock noon, on the Friday preceding the meeting, except upon approval of four or more members of the Council." Discussion followed. In answer to Councilmember Sackley, City Attorney Brown indicated that a majority of those present would be necessary to approve an item of business.

Motion by Sackley, seconded by Urban, that the decision to form an Assessment Options Committee of the Whole and related tasks assigned to the City Administration at the meeting of City Council, April 23, 2013, be rescinded. Councilmember Urban urged Mayor Strazdas to consider this motion proper and not out of order since the motion to which it refers was made in the same way with the same surprise. Mayor Strazdas indicated he would allow it, admitted he was perhaps in error at the last meeting, but admonished City Council that City Charter Section 4.6(m) will be carefully implemented in the future. City Attorney Brown indicated this is for all items where action by City Council is necessary, but a discussion of an item is not subject to City Charter Section 4.6(m).

At the request of Councilmember Pearson, Councilmember Sackley read the motion as stated. Discussion followed. In the final analysis, Mayor Pro Tem Reid acknowledged that City Council will be going into closed session for the purpose of discussing an attorney/client written legal opinion at the next meeting of City Council. She also mentioned the discussion of the legal opinion would be of help going forward. Discussion followed. Upon a roll call vote, motion carried 4 to 2. Yeas: Councilmembers Sackley and Urban, Mayor Pro Tem Reid and Mayor Strazdas. No: Councilmembers Pearson and Randall.

BID TABULATION:

* **EQUIPMENT PURCHASE RECOMMENDATION - DURAPATCHER:** Motion by Pearson, seconded by Reid, to approve the purchase of a Durapatcher Trailer Mounted Spray Injection Road Repair Machine for a cost of \$51,432, and authorize the City Manager to execute all documents related to this action on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: Bill Patterson, Planning Commissioner, 5302 Bala Cynwyd Court, indicated that his property, 1614 Osterhout Avenue, discussed under the Property Committee Report, is a “short sale” property, not a foreclosed property as mentioned earlier; that it is excess inventory owing to the recent housing crisis; and, in answer to Councilmember Urban, that it is adjacent to the Eliason Nature Reserve on the north boundary line. Discussion followed.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Randall invited everyone to attend the bike event, Saturday, May 18, 2013, to wrap up Bike Week is the Mayor to Mayor bike ride starting at 9:00 a.m., Celery Flats, with Portage Mayor Pete Strazdas and Kalamazoo City Mayor Bobby Hopewell participating. Also, she mentioned the Susan G. Komen Southwest Michigan Race for the Cure®, Sunday, May 19, 2013, starting at the Arcadia Festival Site in downtown Kalamazoo from 11:30 a.m. to 3:30 p.m. and the Memorial Day Parade down South Westnedge Avenue.

Councilmember Sackley thanked Councilmember Randall for mentioning the Susan G. Komen Southwest Michigan Race for the Cure® as he will be running the 5k this year.

Councilmember Urban concurred and mentioned that his sister was a victim of breast cancer less than a year ago and expressed his support for the cause.

Mayor Pro Tem Reid highlighted the earlier meeting with applicants for the City Boards and Commissions and paid special attention to the youth who volunteered for the Youth Advisory Committee.

Mayor Strazdas concurred, invited everyone to the Mayor to Mayor bike event starting at Celery Flats and congratulated the City of Kalamazoo for coming in second in the country as Beer City U.S.A.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:33 p.m.

James R. Hudson, City Clerk

*Indicates items included on the Consent Agenda.



TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager

SUBJECT: Accounts Payable Register

SUPPORTING PERSONNEL: Daniel Foecking, Director of Finance

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of May 28, 2013 as presented.

EXECUTIVE SUMMARY:

Bi-weekly the City Council reviews and approves the Accounts Payable Register that includes checks issued to vendors and the electronic funds transfer register. The time period noted totals \$250,972.58 for checks issued to vendors and \$267,739.26 for electronic transfers or a total of \$518,711.84. This is the first time the electronic funds transfer amount has exceeded the check total since the electronic option was initiated.

BACKGROUND INFORMATION:

Attached please find the Accounts Payable Register for the period April 28, 2013 through May 12, 2013, which is recommended for approval.

FUNDING: N/A

Attachments: Accounts Payable Register

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	CHECK AMOUNT
05/03/2013	284941	ADP, INC.	3305		1,098.64
05/03/2013	284942	HARRISON, CHRISTINA	999999		300.00
05/10/2013	284943	A M LEONARD	1382		320.86
05/10/2013	284944	AT&T	849		49.50
05/10/2013	284945	AILSTOCK, NICHOLAS B.	999999		50.00
05/10/2013	284946	AIRGAS GREAT LAKES	106		71.90
05/10/2013	284947	ALL POINTS COVERED PAINTING	3275		4,050.00
05/10/2013	284948	ALLEGRA PRINT & IMAGING	533		548.43
05/10/2013	284949	AMERICAN PUBLIC WORKS ASSOC	716		85.00
05/10/2013	284950	APPLIED INDUSTRIAL TECHNOLOGIE	1944		540.39
05/10/2013	284951	TODD ARBANAS ENTERPRISES INC.	1704		2,955.00
05/10/2013	284952	AUTOBODY USA - SOUTHSIDE	1060		404.06
05/10/2013	284953	ADP, INC.	3305		837.72
05/10/2013	284954	B S & A SOFTWARE	1148		6,715.00
05/10/2013	284955	BEHRENS, CHRISTINE	999999		150.00
05/10/2013	284956	BERGMANN ASSOCIATES	4845		1,582.81
05/10/2013	284957	BESCO WATER TREATMENT, INC.	3339		11.00
05/10/2013	284958	BREAD OF LIFE, LLC	4729		109.83
05/10/2013	284959	BREAKAWAY BICYCLES	1356		1,446.87
05/10/2013	284960	BRINK'S, INC	153		277.89
05/10/2013	284961	BUCKYS CAFE INC	999999		291.50
05/10/2013	284962	BURKE, GREG	532		120.00
05/10/2013	284963	BYHOLT INC.	68		733.22
05/10/2013	284964	C & E CONSTRUCTION	4631		2,125.00
05/10/2013	284965	C B C INNOVIS INC	2887		17.10
05/10/2013	284966	C T S TELECOM, INC.	4768		674.17
05/10/2013	284967	CADWELL APPARELL	1845		239.00
05/10/2013	284968	CAMZIES PIZZA	4879		160.00
05/10/2013	284969	CHARTER COMMUNICATIONS	3080		224.24
05/10/2013	284970	CITY OF KALAMAZOO (TRAMS MILLA	4649		187.82
05/10/2013	284971	CITY OF KALAMAZOO TREASURER	540		26.86
05/10/2013	284972	CLASSIC GLASS, INC.	4849		234.99
05/10/2013	284973	COLE CENTURY BUICK PONTIAC GMC	902		26.84
05/10/2013	284974	COLT DEFENSE LLC	999999		900.00
05/10/2013	284975	CONSUMERS ENERGY	743		40,182.48
05/10/2013	284976	CONSUMERS ENERGY-BILL PMT CNT	189		1,599.00
05/10/2013	284977	CONSUMERS ENERGY-BILL PMT CNT	189		4,338.36
05/10/2013	284978	COSS, ELIZABETH	999999		1,000.00
05/10/2013	284979	COSTAR REALTY INFORMATION, INC	4620		294.68
05/10/2013	284980	CRANDALL, GEORGE	999999		250.00
05/10/2013	284981	DEATON & SON INC.,HJ	4206		1,199.17
05/10/2013	284982	DETROIT SALT CO.	1653		15,847.04
05/10/2013	284983	JACK DOHENY SUPPLIES INC.	69		1,584.31
05/10/2013	284984	ED & TED'S EXCELLENT ADVENTURE	3315		7,232.00
05/10/2013	284985	EKLOV, ERICA	532		236.38
05/10/2013	284986	EMERGENCY VEHICLE PRODUCTS	2948		11,183.54
05/10/2013	284987	EMERGENCY VEHICLE PRODUCTS	2948		151.28
05/10/2013	284988	ENCORE PUBLICATIONS	999999		490.00
05/10/2013	284989	ENGINEERING SUPPLY & IMAGING	2615		176.06
05/10/2013	284990	FARRAN, YOUSSEF I.	999999		50.00
05/10/2013	284991	FIRE RESCUE BLADES OF DELRAY B	4876		1,444.00

PROGRAM: GM350L
CITY OF PORTAGE

FROM 04/28/2013 TO 05/12/2013

BANK CODE

ALL

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
05/10/2013	284992	GORNO FORD	2967	44,152.00
05/10/2013	284993	GRAHAM FORESTRY SERVICE, INC.	464	3,105.00
05/10/2013	284994	GRIMM, SUSAN	999999	70.00
05/10/2013	284995	GUEST SERVICES, INC.	3526	167.32
05/10/2013	284996	GUEST SERVICES, INC.	3526	300.48
05/10/2013	284997	HALT FIRE, INC.	4781	911.00
05/10/2013	284998	HARTMAN, CHARLES	913	94.00
05/10/2013	284999	HESS, JILL	999999	135.29
05/10/2013	285000	HETTIG, VICKI	999999	135.00
05/10/2013	285001	HOADLEY, LEO	4228	132.00
05/10/2013	285002	HOLLISTER, CLAY	532	106.06
05/10/2013	285003	HOME DEPOT	691	286.93
05/10/2013	285004	INT'L PERSONNEL MGMT ASSOC	1048	121.14
05/10/2013	285005	IYETEK LLC	3901	1,660.00
05/10/2013	285006	KALAMAZOO AREA TRANSPORTATION	4285	1,620.00
05/10/2013	285007	KALAMAZOO COUNTY TREASURER	514	6,547.69
05/10/2013	285008	KALAMAZOO FLAG COMPANY	4787	785.55
05/10/2013	285009	KALAMAZOO GAZETTE	4756	83.10
05/10/2013	285010	KALAMAZOO LANDSCAPE SUPPLIES	90	782.25
05/10/2013	285011	KALAMAZOO REG'L EDUC SVS AGENG	721	2,500.04
05/10/2013	285012	KALAMAZOO VALLEY COMMUNITY COL	230	1,642.86
05/10/2013	285013	KELLY RADIATOR & AUTO REPAIR	4591	801.00
05/10/2013	285014	KLOOSTER, FRAN	999999	65.00
05/10/2013	285015	KNUTH, KATIE	999999	100.00
05/10/2013	285016	KUIPER BROTHERS MOVING INC.	1066	183.00
05/10/2013	285017	LACOSTA FACILITY SUPPORT SERVI	4838	3,625.00
05/10/2013	285018	LANDRY-KECKLER, RAVEN	999999	1,250.00
05/10/2013	285019	LAWSON PRODUCTS, INC	240	840.63
05/10/2013	285020	LEWIS PAPER PLACE, INC.	242	41.70
05/10/2013	285021	LINDNER, DAVID	4877	120.00
05/10/2013	285022	LONG LAKE LAKE BOARD	1720	675.00
05/10/2013	285023	LOUTHAN, WILLIAM F	3021	94.00
05/10/2013	285024	LYNELL CORP.	244	122.50
05/10/2013	285025	M P E L R A	2305	45.00
05/10/2013	285026	MAIL MANAGEMENT	2130	216.00
05/10/2013	285027	MICH AMATEUR SOFTBALL ASSOC	1435	3,960.00
05/10/2013	285028	MICH. RECREATION & PARK ASSOC.	895	458.00
05/10/2013	285029	MICHIGAN NENA	999999	295.00
05/10/2013	285030	MICHNICK, TYLER	999999	135.04
05/10/2013	285031	MIDWEST AIR FILTER, INC.	3788	169.48
05/10/2013	285032	MLIVE MEDIA GROUP	89	1,984.56
05/10/2013	285033	MUNICIPAL CODE CORPORATION	89	83.10
05/10/2013	285034	MUNICIPAL CODE CORPORATION	981	9.69
05/10/2013	285035	NEM FRESH CLEANING SERVICE	4351	1,380.00
05/10/2013	285036	A NEW LEAF	635	163.60
05/10/2013	285037	NYE UNIFORMS	299	385.89
05/10/2013	285038	OAKLAND COMMUNITY COLLEGE	999999	150.00
05/10/2013	285039	OAKLAND COMMUNITY COLLEGE	999999	1,250.00
05/10/2013	285041	OFFICE DEPOT, INC.	1721	1,810.37
05/10/2013	285042	OFFICEMAX INCORPORATED	301	163.56
05/10/2013	285043	OTTEN TROPHIES	304	150.00

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

 CHECK AMOUNT

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	BANK CODE	CHECK AMOUNT
05/10/2013	285044	PARK PLACE ASSISTED LIVING	999999		75.00
05/10/2013	285045	PATESEL, TERRY	4455		141.00
05/10/2013	285046	PCM SALES, INC.	4852		5,471.38
05/10/2013	285047	PETERMAN CONCRETE CO.	310		216.00
05/10/2013	285048	PETTY CASH-CITY HALL	767		362.00
05/10/2013	285049	PETTY CASH-PARKS	536		334.85
05/10/2013	285050	PETTY CASH-SENIOR CENTER	537		238.09
05/10/2013	285051	PINCUS, JONATHAN I.	999999		40.00
05/10/2013	285052	POLDERMAN'S FLOWER SHOP	4157		46.95
05/10/2013	285053	PORTAGE DISTRICT LIBRARY	810		851.42
05/10/2013	285054	PORTAGE PUBLIC SCHOOLS	590		5,499.78
05/10/2013	285055	PORTAGE TYPEWRITER SALES	889		144.00
05/10/2013	285056	POSTMAN INC., THE	4790		2,400.00
05/10/2013	285057	PRANSKATIS, ROBERT J & M J	999999		600.00
05/10/2013	285058	PRO APPRAISAL SERVICES, LLC	4843		500.00
05/10/2013	285059	RAGOTZY, KRISTA	4843		898.50
05/10/2013	285060	RATHCO SAFETY SUPPLY, INC.	327		683.83
05/10/2013	285061	REPUBLIC SERVICES OF WEST MICH	4443		2,015.66
05/10/2013	285062	RIDGE AUTO NAPA	438		2.16
05/10/2013	285063	RIETH-RILEY CONSTRUCTION CO.,	4386		560.00
05/10/2013	285064	ROMENCE GARDENS, INC	343		175.00
05/10/2013	285065	SIGNWRITER & SERIGRAPHICS	2376		700.00
05/10/2013	285066	SKILLS, RAE	4571		184.96
05/10/2013	285067	SKILLQUEST INTERNATIONAL LLC	456		90.00
05/10/2013	285068	SOPJES, MARK	999999		156.00
05/10/2013	285069	STATE OF MICH - STATE POLICE	367		399.50
05/10/2013	285070	STATE OF MICHIGAN	369		29.99
05/10/2013	285071	STATE SYSTEMS RADIO, INC	3988		5,288.06
05/10/2013	285072	T-MOBILE USA INC	3665		3,085.00
05/10/2013	285073	JOHANNA THOMPSON	4682		22.92
05/10/2013	285074	TOO CLEAN JANITORIAL	2220		3,462.00
05/10/2013	285075	TRACTOR SUPPLY CORP.	2817		271.28
05/10/2013	285076	U S POSTMASTER	332		75.18
05/10/2013	285077	ULINE, INC.	4449		1,226.00
05/10/2013	285078	UNITED PARCEL SERVICE	545		2,300.00
05/10/2013	285079	UNITED PARTY & EVENT SERVICES	2177		607.20
05/10/2013	285080	VALLEY CITY ENVIRONMENTAL SERV	4467		677.51
05/10/2013	285081	VANDERBILT, JOHN	668		2,099.74
05/10/2013	285082	VANGUARD FIRE & SUPPLY CO., IN	3996		174.00
05/10/2013	285083	VARDA COMPANY	4187		43.40
05/10/2013	285085	VERIZON WIRELESS SERVICES, LLC	4653		5,144.51
05/10/2013	285086	WESSENDORF, GREG	532		25.20
05/10/2013	285087	WEST MICHIGAN STAMP & SEAL, INC	415		440.81
05/10/2013	285088	WINDEMULLER ELECTRIC, INC.	3061		150.00
05/10/2013	285089	WINDER POLICE EQUIPMENT, INC.	429		100.00
05/10/2013	285090	XEROX CORPORATION	2684		195.00
05/10/2013	285091	ZNIDARCIC, HEATHER	999999		
05/10/2013	285092	36TH CIRCUIT COURT	999999		
05/10/2013	285093	57TH DISTRICT COURT	999999		

DATE RANGE TOTAL * 250,972.58 *

PAYMENT NO	VENDOR NO	VENDOR NAME	TRANSFER DATE	AMOUNT	TRACE NUMBER	EFT BATCH	BANK CODE
1918		ABONMARCHE CONSULTANTS, INC	05/10/2013	14,891.75	072000320000001	0000001	00
1919		ALRO STEEL CORPORATION	05/10/2013	98.30	072000320000002	0000001	00
1920		AMERICAN SAFETY & FIRST AID	05/10/2013	82.17	072000320000003	0000001	00
1921		ANDRUS TRAVEL, GAIL	05/10/2013	660.00	072000320000004	0000001	00
1922		ANIMAL REMOVAL SERVICE, LLC	05/10/2013	820.00	072000320000005	0000001	00
1923		APOLLO FIRE EQUIPMENT COMPANY	05/10/2013	3,573.19	072000320000006	0000001	00
1924		BATTERIES PLUS	05/10/2013	181.44	072000320000007	0000001	00
1925		BEBBE, RON	05/10/2013	258.50	072000320000008	0000001	00
1926		BLUESTONE PSYCH	05/10/2013	425.00	072000320000009	0000001	00
1927		C M P DISTRIBUTORS, INC.	05/10/2013	95.80	072000320000010	0000001	00
1928		CAPITAL ADVANTAGE LEASING	05/10/2013	22,737.20	072000320000011	0000001	00
1929		CARRIER & GABLE	05/10/2013	1,574.40	072000320000012	0000001	00
1930		CONTINENTAL LINEN SERVICES	05/10/2013	46.26	072000320000013	0000001	00
1931		CUSTOMIZED CLEANING SERVICES, INC.	05/10/2013	580.00	072000320000014	0000001	00
1932		D & D PRINTING CO.	05/10/2013	106.42	072000320000015	0000001	00
1933		EMPLOYMENT GROUP, INC.	05/10/2013	1,030.75	072000320000016	0000001	00
1934		ETNA SUPPLY, INC.	05/10/2013	1,263.54	072000320000017	0000001	00
1935		FISHBECK THOMPSON CARR & HUBER, INC	05/10/2013	1,315.00	072000320000018	0000001	00
1936		FORSHEE, MARK	05/10/2013	176.00	072000320000019	0000001	00
1937		INDUSCO SUPPLY CO., INC.	05/10/2013	617.72	072000320000020	0000001	00
1938		KEHOE, EDWARD J	05/10/2013	450.00	072000320000021	0000001	00
1939		KOPEC, CASEY	05/10/2013	90.00	072000320000022	0000001	00
1940		KUIPER BUILDING SERVICES LLC	05/10/2013	380.00	072000320000023	0000001	00
1941		KUSHNER & COMPANY, INC.	05/10/2013	366.07	072000320000024	0000001	00
1942		MAURER'S TEXTILE RENTAL SERVICES	05/10/2013	324.82	072000320000025	0000001	00
1943		MCCARTHY SMITH LAW GROUP, PLC	05/10/2013	4,275.70	072000320000026	0000001	00
1944		MEDEMA, TIMOTHY	05/10/2013	57.00	072000320000027	0000001	00
1945		MORRIS, JOY E	05/10/2013	180.00	072000320000028	0000001	00
1946		ORTNER, RICHARD	05/10/2013	120.00	072000320000029	0000001	00
1947		PACIFIC TELEMGT SERVS, JAROTH INC	05/10/2013	303.00	072000320000030	0000001	00
1948		PECKELS, CHRISTINE	05/10/2013	360.00	072000320000031	0000001	00
1949		POULIOT, GRETCHEN	05/10/2013	60.00	072000320000032	0000001	00
1950		PRECISION PRINTER SERVICES INC	05/10/2013	896.75	072000320000033	0000001	00
1951		ROAD EQUIPMENT PARTS CENTER	05/10/2013	302.83	072000320000034	0000001	00
1952		SNELL, DEBRA	05/10/2013	144.00	072000320000035	0000001	00
1953		SUBURBAN MECHANICAL	05/10/2013	539.00	072000320000036	0000001	00
1954		THOMPSON, HELENE	05/10/2013	266.00	072000320000037	0000001	00
1955		UNITED WATER ENVIRONMENTAL SERVICES	05/10/2013	167,775.40	072000320000038	0000001	00
1956		VANDERBERG, WARD M	05/10/2013	47.00	072000320000039	0000001	00
1957		VISION SERVICE PLAN INSURANCE CO	05/10/2013	1,972.75	072000320000040	0000001	00
1958		WEST, STEVE	05/10/2013	198.00	072000320000041	0000001	00
1959		WIGHTMAN & ASSOCIATES, INC.	05/10/2013	13,345.00	072000320000042	0000001	00
1960		WIGHTMAN & ASSOCIATES, INC.	05/10/2013	23,500.00	072000320000043	0000001	00
1961		WINGFOOT COMMERCIAL TIRE	05/10/2013	597.28	072000320000044	0000001	00
1962		WOOD PLUMBING LLC, D	05/10/2013	655.22	072000320000045	0000001	00

GRAND TOTAL: 267,739.26 NO. OF CHECKS: 45

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: Fiscal Year 2013-2014 Budget Approval

SUPPORTING PERSONNEL: Daniel Foecking, Director of Finance

ACTION RECOMMENDED: That City Council approve the Fiscal Year 2013-2014 Budget.

EXECUTIVE SUMMARY:

In accordance with Section 7.5 of the City Charter, the proposed 2013-2014 Fiscal Year Budget is presented to City Council for adoption. Following City Council budget review sessions on April 11 and April 30 and the public hearing on May 14, the adoption of the General Appropriations Act, the Salary and Wage Resolution and the Reimbursement Resolution will complete the Fiscal Year 2013-2014 budget and authorize implementation beginning July 1, 2013.

BACKGROUND INFORMATION:

The Fiscal Year 2013-2014 Budget is a conservative financial plan that maintains a high level of excellence in service. The ongoing financial challenges of the state economy continue to affect local governments, bringing uncertainty regarding the future ability to tax personal property, revenue sharing monies, Act 51 funds and other state and federal awards and entitlements. However, effective financial controls and planning instituted by the City Administration will minimize the effects of future budget challenges.

This budget is a sound financial plan for the community that:

- addresses and meets service demands with reduction to the millage levy for the Curbside Recycling Fund and the Municipal Streets Fund. Maintaining a 10.7778 mill levy keeps the city in the position of being in the lowest quarter of all Michigan cities with populations greater than 25,000 in terms of millage level;
- maintains the Council-prescribed fund balance at 25 percent, which will assist the city in addressing future revenue uncertainties;
- adequately supports economic development efforts through \$11.8 million of infrastructure related improvements in the Capital Improvement Program; and
- continues a balanced, efficient, cost-containment approach to service delivery by providing a high level of both municipal and privatized services.

The attached General Appropriations Act Resolution has been prepared to conform to all requirements of the City Charter and State Statutes. The Salary and Wage Resolution, necessary to establish salary and wage schedules for the upcoming fiscal year is also attached. At the recommendation of Bond Counsel John Axe, approval is also requested for the Reimbursement

Resolution demonstrating that City Council approves the issuance of bonds at a later date. The special assessment bonds and related city share bonding authorized in the Capital Improvement program will be issued after resolution 5 has been approved for two water main projects. Bond Counsel has indicated that this resolution helps fulfill one of the many due diligence requirements related to bond issuance. In accordance with the timeline prescribed by the City Charter, City Council adoption of these three resolutions is recommended.

FUNDING: N/A

Attachments: General Appropriations Act Resolution
Salary and Wage Resolution
Reimbursement Resolution

GENERAL APPROPRIATIONS ACT
 RESOLUTION TO ADOPT THE BUDGET
 OF THE CITY OF PORTAGE FOR THE FISCAL YEAR
 JULY 1, 2013 TO JUNE 30, 2014
 AND TO MAKE APPROPRIATIONS THEREFORE

Moved by
 Supported by

WHEREAS, Chapter 7 of the City Charter requires: That the City Manager submit a budget proposal with his recommendation to the City Council; that a public hearing be held on said budget proposal; that the City Council by resolution adopt a budget for the ensuing fiscal year, make an appropriation of the money needed therefore, and designate the sum to be raised by taxation; and

WHEREAS, the Manager has submitted said budget and recommendations and a public hearing has been held thereon;

NOW, THEREFORE, BE IT RESOLVED as provided in Chapter 7 of the City Charter, and in conformity with Public Act 621 of 1978, the Uniform Budgeting and Accounting Act, that the budgets attached hereto and made a part hereof by reference are hereby considered and adopted, to be administered on an activity level, with the exception of the Capital Improvement Fund, which will be administered on a program/project level, as the budgets of the City of Portage to cover the operations and expenditures thereof for the fiscal year July 1, 2013 to June 30, 2014.

BE IT FURTHER RESOLVED that the sum of \$21,217,400 be raised by taxation by the levy of 10.7778 mills for operations on the taxable value of all real and personal property in the City as follows:

General Operating Fund	7.5000 mills	\$14,764,700
Capital Improvement Fund	2.0000 mills	3,937,200
Curbside Recycling Fund	0.3049 mills	600,200
Leaf Pickup/Spring Cleanup Fund	0.3455 mills	680,200
Municipal Street Fund	<u>0.6274 mills</u>	<u>1,235,100</u>
	<u>10.7778 mills</u>	<u>\$21,217,400</u>

BE IT FURTHER RESOLVED that the City Manager be authorized to transfer necessary amounts between activities/ departments within a fund and make any adjustments within or between funds which do not change ending fund balance. The Capital Improvement Funds shall be considered one fund for the purposes of this provision.

BE IT FURTHER RESOLVED that for the General Fund, the fund balance shall be at least 25% of the 2013-2014 appropriations, including transfers.

BE IT FURTHER RESOLVED that a copy of this budget resolution be furnished to the City Assessor, who together with the Finance Director shall then proceed to assess and collect the taxes in accordance with the City Charter and State Statutes.

YES:
 NO:
 ABSENT:

 James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
 COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 28th day of May, 2013 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 28th day of May, 2013

 James R. Hudson, City Clerk

SALARY AND WAGE RESOLUTION
RESOLUTION TO ADOPT THE SALARY AND WAGE SCHEDULES FOR
THE FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014

Moved by
Supported by

WHEREAS, Section 6.18(a) of the City Charter and Section 248.06 of the City Code require that upon recommendation of the City Manager, the City Council shall establish uniform salary and wage scales for all officers and employees of the City;

NOW, THEREFORE, BE IT RESOLVED that for the period beginning July 1, 2013 and until otherwise directed, salaries and wages shall be established and adjusted as follows:

- (1) Personnel of the following bargaining unit shall receive compensation effective July 1, 2013 in accordance with applicable collective bargaining agreement:
International Association of Firefighters (IAFF)
- (2) Personnel of the following bargaining units shall receive compensation in accordance with bargaining agreements to be negotiated during the fiscal year ending June 30, 2014:
Portage Police Officers Association (PPOA)
Portage Police Command Officers Association (PPCOA)
United Auto Workers (UAW) – Parks, Streets & Equipment Divisions of Parks, Recreation & Public Services
- (3) Department Head and regular full-time non-union employees shall receive salary adjustments as provided for in the Non-Union Employee Compensation and Classification Plan, as recommended by the City Manager and adopted with the budget on May 28, 2013. The 2013/2014 recommended budget provides for merit bonus or adjustments for Department Head and regular full-time Non-Union employees and for organizational restructuring and certain attainment adjustments authorized by the City Manager during the fiscal year. Total adjustments for Department Head and regular full-time Non-Union employees shall not exceed \$119,000. Part-time and seasonal employees receive wage increases as approved by the City Manager. The 2013/2014 recommended budget does not provided for wage adjustments for part-time and seasonal employees. Compensation for the City Manager shall be determined by the City Council.

YES:
NO:
ABSENT:

James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 28th day of May, 2013 the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 28th day of May, 2013.

James R. Hudson, City Clerk

CITY OF PORTAGE

At a regular meeting of the City Council of the City of Portage, Michigan, held on the 28th day of May, 2013, at 7:30 p.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 _____:

**REIMBURSEMENT RESOLUTION
City of Portage**

WHEREAS, there have been prepared and presented to the City Council (the "Council") of the City of Portage, Michigan (the "City"), a description of capital improvements (the "Capital Improvement Project") all as more fully described in EXHIBIT A; and

WHEREAS, it has been estimated that the total cost of the Capital Improvement Project and issuing the Bonds will not exceed \$425,000 to be provided by the proceeds from the sale of bonds by the City; 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.

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

1. **Official Intent:** The Director of Finance of the City of Portage (the "Director of Finance") is hereby authorized to declare official intent of the City with respect to reimbursement.

2. **Individual Declarations of Intent:** Each declaration of official intent shall be substantially in the form set forth in APPENDIX I 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.

3. **Filing Official Intent:** The Director of Finance 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.

4. **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.

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

6. **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.

STATE OF MICHIGAN)
)ss.
CITY OF PORTAGE)

CERTIFICATION

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 regular meeting held on the day of May 28, 2013, 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

EXHIBIT A

[INSERT DESCRIPTION OF CAPITAL IMPROVEMENT PROJECT WITH MAXIMUM COST OF EACH]

Metsa Court Water Main Extension \$ 50,000

Install water main on Metsa Court, a private drive extending west from Portage Road approximately 240 feet, to service four existing residences on Metsa Court.

South Westnedge Avenue Water Main Osterhout Avenue to south end \$ 375,000

Installation of new water mains in South Westnedge Avenue from Osterhout Avenue to the south end with a loop connection to Marylynn Court.

APPENDIX I

FORM OF DECLARATION
OF OFFICIAL INTENT

I, the undersigned Director of Finance 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>
\$425,000	as listed in Exhibit A

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

- (A) the following general character, type or purpose:
Utility Improvement and expansion.
- (B) the following cost: \$425,000; 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: Special Assessment Bonds and Limited Tax General Obligation Bonds.

7. The expected source of funds to be used to pay debt service on the Reimbursement Obligation is as follows: Special assessments levied on benefiting properties and utility revenues in the case of utility related debt.

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 July 1, 2013, 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 29th day of May, 2013.

Daniel S. Foecking
Director of Finance

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager



SUBJECT: Adoption of Bond Resolutions

SUPPORTING PERSONNEL: Daniel Foecking, Director of Finance

ACTION RECOMMENDED: That City Council adopt the:

- a. Bond Resolution authorizing the sale of Capital Improvement Bonds, Series 2013, in the amount of \$3,130,000; and
- b. Resolution approving the Undertaking to Provide Continuing Disclosure by the City of Portage for the Capital Improvement Bonds, Series 2013.

EXECUTIVE SUMMARY:
As a funding mechanism to pay for needed Capital Improvement Projects contained in the approved 2013-2023 CIP, the issuance of bonds is being proposed in the amount of \$3.13 million. Council is being presented with the two resolutions to initiate the bonding process.

BACKGROUND INFORMATION:
The attached bond resolutions provide for the initiation of the legal process required to issue bonds for the funding of Fiscal Year 2013-14 Capital Improvement Program projects. Resolutions were prepared by Bond Counsel John Axe.

Projects for which the bonds are to be issued are the following:

<u>Sewer Project</u>	
South 12 th Street Lift Station Renovation (north)	\$ <u>325,000</u> 325,000
<u>Water Projects</u>	
Storm Drainage Improvements	85,000
Northwest Water Storage Facility	390,000
S. Westnedge Water Main Replacement, Melody to South Shore	400,000
Consolidated Drain Rehabilitation Program	<u>275,000</u>
	1,150,000
<u>Capital Improvement Projects</u>	
Major Street Reconstruction Program	26,000
Local Street Reconstruction Program	267,000
Bikeway Improvements	35,000
Automated External Defibrillators (AED's)	45,000
Replace two Chevy Blazers	75,000
Fire Station No. 2 parking lot	100,000
City Hall Improvements	150,000

Picnic Support Equipment Improvements	\$25,000
Court Resurfacing/Repair	40,000
Park Parking Lot/Walkway Improvements	50,000
Playground Improvements	<u>105,000</u>
	918,000
<u>Vehicles & Equipment</u>	
Ford F-350 with service body and plow	47,685
Ford F-350 with service body	38,524
Ford F-250 with plow	27,164
Ford F-250	22,759
Ford F-250 with lift gate	25,500
Ford Focus SE	13,368
Vac Con truck (sewer water jetting/vacuuming)*	377,000
Truck, 20 ton, with belly snow plow, dump bed with salt spreader*	<u>185,000</u>
	737,000
Total bond issue	\$ 3,130,000
* budgeted equipment	

FUNDING: N/A

Attachments: Bond Resolution
Continuing Disclosure Resolution

CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage, Michigan, held on the ____ day of _____, 2013, 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 2013**

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 \$3,130,000 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 \$3,130,000, 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 2013" (the "Bonds") and shall be dated July 1, 2013 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 October 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2015	\$240,000	2022	\$210,000	2029	\$100,000
2016	245,000	2023	175,000	2030	80,000
2017	245,000	2024	180,000	2031	80,000
2018	245,000	2025	105,000	2032	80,000
2019	245,000	2026	105,000	2033	80,000
2020	215,000	2027	105,000	2034	75,000
2021	215,000	2028	105,000		

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 April 1, 2014 and each October 1 and April 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 October 1, 2022, shall not be subject to redemption prior to maturity. Bonds maturing on and after October 1, 2022 shall be subject to redemption in whole or in part on any date on and after October 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 its full faith and credit for the repayment of the Bonds and will pledge 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. Once all proposals are received, the City Finance Director shall determine the lowest true interest cost proposed and thereafter award the Bonds to the proposer meeting that criteria. 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, 2013 or on the first day of any month thereafter in 2013 or 2014 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, 2013. 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.

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 _____, 2013, 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: _____, 2013

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EXHIBIT A

DESCRIPTION OF PROJECT

Please see attached.

TOTAL COST ESTIMATES

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

\$3,130,000

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PROJECT DESCRIPTION
Portage - Capital Improvement Project Profile

South 12th Street Lift Station Renovation (north) - \$325,000

Replacement of control panels, pumps, wet well and additional site landscaping.

Storm Drainage Improvements Program - \$85,000

Address identified flooding problem areas that adversely impact public streets, commercial areas and private properties. Improvements planned under this program include expansion of retention basins, structural modifications, storm retention basins, berming to redirect storm flows, storm sewer improvements, and drainage channel regarding among others.

FY 2013-14 - Zylman Drain and Prosperity Drive and Chapel Avenue, Oakland Drive to Vanderbilt Avenue.

Northwest Water Storage Facility - \$390,000

The project involves the design and construction of the replacement of Haverhill elevated water tank with a larger facility to serve the city.

FY 2013-14: Design engineering.

South Westnedge Avenue Water Main Replacement, Melody Avenue to South Shore Drive - \$400,000

Replacement of deteriorating water mains in South Westnedge Avenue from Melody Avenue to South Shore Drive.

Consolidated Drain Rehabilitation Program - \$275,000

Soils and water testing, analysis, pipe repair and rehabilitation of the existing Consolidated Drain facility. Current emphasis is on stabilization of soils and replacement of settled pipe system south of Romence Road.

Major Street Reconstruction Program - \$26,000

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 replacement/repair, repair of necessary drive approaches and lawn restoration as appropriate. This project involves reconstructing the following street sections in FY 2013-14:

- Portage Road, Lakeview Drive to east Centre Avenue

- South Westnedge Avenue, Osterhout Avenue to Melody Avenue
- Angling Road, Frontier Avenue to West Centre Avenue

These projects will be designed to include "complete street" enhancements such as pedestrian refuge islands and widened sidewalks, where appropriate, and are part of the "Natural Place to Move" initiative.

These roadway projects will be constructed during the 2014 constructions season.

Local Street Reconstruction Program - \$267,000

Reconstruction of local streets that were previously strip paved, or that require a greater level of subbase pavement rehabilitation to ensure long-term serviceability. Projects will include localized storm drainage improvements, curb, gutter and paved shoulder replacement/repair, sidewalk repairs including installation of specified handicap ramps and necessary drive approaches and lawn restoration.

FY 2013-14: Local streets to be reconstructed within this project include the following:

- Harvest Lane, Fall Avenue, Autumn Avenue
- Harris Drive, Williams Avenue
- Vickery Road
- Oregon Avenue

These projects will be designed to include "complete street" enhancements such as improved crosswalk signage and pavement markings, intersection street lighting and similar pedestrian safety improvements, which are part of the "Natural Place to Move" initiative.

Bikeway Improvements - \$35,000

FY 2013-14: Paved shoulder bikeway overlays, upgrade signs and ongoing maintenance to existing off road trails.

Automated External Defibrillator (AED) - \$45,000

Equip all public safety vehicles with automated external defibrillators.

Replace two Blazers - \$75,000

Replace two four-wheel drive Blazers for Emergency Operations to be replaced by SUV four-wheel drive Tahoe type vehicles.

Fire Station No. 2 Parking Lot - \$100,000

Replace the rear parking lot at Fire Station No. 2.

City Hall Improvements - \$150,000

FY 2013-14: Painting of walls and trim Council Chambers and throughout City Hall; new dais seating in Council Chambers, new acoustic panels in Council Chambers and throughout City Hall; installation of new flooring in work areas and conference rooms; refurbishment of bathrooms and customer service counters.

Picnic Support Equipment Improvements - \$25,000

FY 2013-14 and FY 2019-20: Activities will include the purchase and installation of uniform refuse receptacles, park benches and the replacement of park grills and picnic tables.

Court Resurfacing/Repair - \$40,000

FY 2013-14: Complete rebuild of Westfield Park tennis courts. Upgrade perimeter gate and fencing and replace accessories as needed. Crack sealing repairs to Westfield basketball court. Asphalt overlay to basketball courts and color coating basketball and tennis courts at Oakland Drive Park.

Park Parking Lot/Walkway Improvements - \$50,000

FY 2013-14: Repair subsurface and replace the upper lot at South Westledge Park and overlay West Lake Nature Preserve lot. Add walkway access to Oakland Drive Park. Repair failed asphalt, seal drives, lots and asphalt walkways, and restripe parking lots at other parks.

Playground Improvements - \$105,000

FY 2013-14: Replacement of the play structures and swing sets at Bicentennial Park, Oakland Drive Park and Lakeview Park (near picnic shelters) is needed to maintain safe play areas for the community.

Vehicles and Equipment

- Van Con truck (cleans sewers by water jetting and vacuuming) \$ 377,000
 - Truck, 20 ton, with belly snow plow, dump bed with salt spreader \$ 185,000
 - Ford F-350 with service body and plow \$ 47,685
 - Ford F-350 with service body \$ 38,524
 - Ford F-250 with plow \$ 27,164
 - Ford F-250 \$ 22,759
 - Ford F-250 with lift gate \$ 25,500
 - Ford focus SE \$ 13,368
- Total All Projects: \$3,130,000**

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APPENDIX I

**NOTICE OF INTENTION OF THE CITY OF PORTAGE
TO ISSUE NOT TO EXCEED \$3,130,000 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 \$3,130,000 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 \$3,130,000, the term of the Bonds shall not exceed 25 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 \$3,130,000.

**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

South 12th Street Lift Station Renovation (north) - \$325,000

Replacement of control panels, pumps, wet well and additional site landscaping.

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• Ford focus SE	\$ 13,368
Total All Projects:	\$3,130,000

TOTAL COST ESTIMATES

Construction Costs, Acquisition Costs,
Engineering Costs, Equipment Costs, & Contingency **\$3,130,000**

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:

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 _____, _____.

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[FORM OF BOND]

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

CITY OF PORTAGE
CAPITAL IMPROVEMENT BOND, SERIES 2013

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

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 2013."

_____, 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)

las.r1-por202

[FORM OF REQUEST FOR PROPOSAL]

§ _____

CITY OF PORTAGE, STATE OF MICHIGAN

CITY OF PORTAGE
CAPITAL IMPROVEMENT BONDS, SERIES 2013

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, 2nd 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>
-------------	------------------	-------------	------------------

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 inheritance and estate 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.idealprospectus.com/PDF.asp?doc= or at 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 2013."

Daniel Foecking
Finance Director,
City of Portage

las.r1-por202

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 _____, 2013 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 2013

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 2013 in the principal amount of not to exceed \$3,130,000 (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 _____, 2013, 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, 2026, 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

SEAL

las.rc-por202

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: Michigan Department of Transportation Contract 13-5228 – Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane)

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

ACTION RECOMMENDED: That City Council:

- a. approve Contract 13-5228 between the Michigan Department of Transportation (MDOT) and the City of Portage for improvements on Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane);
- b. adopt a Resolution authorizing the City Manager to sign Contract 13-5228; and
authorize the City Manager to sign all other documents related to the Michigan Department of Transportation for this project on behalf of the city.

EXECUTIVE SUMMARY:

One of City Council's adopted goals regarding transportation is to *"continue to plan and implement improvements to move people and commerce safely and effectively through the community."* A Council objective to reach this goal is to *"implement projects proposed within the major thoroughfare plan."* To this end, a resolution and contract with MDOT are being presented to Council related to the repairs of sections of two major streets in the community. The costs related to the two projects are estimated at \$761,100, of which \$224,100 is the local share. It is anticipated the road improvements will commence in August.

BACKGROUND INFORMATION:

The City Administration recently received a proposed contract between the Michigan Department of Transportation (MDOT) and the City of Portage for improvements to Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane). The planned improvements include milling existing asphalt pavement, new asphalt pavement, pavement markings and sidewalk upgrades necessary for compliance with the *Americans With Disabilities Act*.

The Local Transportation Improvement Plan (TIP) is administered by the Kalamazoo Area Transportation Study (KATS). The 2011 – 14 TIP includes the Romence Road Parkway and Angling Road projects as part of the 2013 Construction Program. Romence Road Parkway was last reconstructed in 1999 and Angling Road in 1993.

Both KATS and MDOT have approved the Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane) projects for federal funding. The cost of all planned improvements related to the projects is estimated at \$761,100 with a maximum federal funding contribution of \$537,000. The city share of the project cost is estimated at \$224,100 which will be funded through the Municipal Street fund.

It has been MDOT's policy over the years to submit cost sharing agreements to local municipalities once the project has been advertised for construction bids. MDOT cannot award a construction contract without a signed cost sharing agreement from the local municipality. The city share of expenses is based on estimated construction costs developed by the consulting engineer and refined by MDOT staff engineers.

Once the contract is awarded by MDOT, construction of this project will commence in the summer of 2013. Subsequent to contract award by MDOT, the project is turned over to the city for construction inspection and administration. Construction is anticipated to occur in August and September 2013.

It is recommended that City Council approve Contract 13-5228 between the Michigan Department of Transportation and the City of Portage for street improvements on Romence Road Parkway (Lovers Lane to Portage Road) and Angling Road (West Centre Avenue to Squire Heath Lane); adopt a Resolution authorizing the City Manager to sign Contract 13-5228 and all other documents related to the Michigan Department of Transportation for this project on behalf of the city.

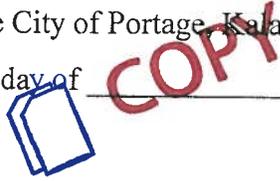
FUNDING: The cost of all planned improvements related to the projects is estimated at \$761,100 with a maximum federal funding contribution of \$537,000. The city share of the project cost is estimated at \$224,100 which will be funded through the Municipal Street fund (FY 2012-13 Capital Improvement Program funding).

Attachments: Resolution for Contract 13-5228

CITY OF PORTAGE

RESOLUTION

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the _____ day of _____, 2013 at 7:30 p.m., local time.



PRESENT: _____

ABSENT: _____

The following resolution was offered by Councilmember _____ and seconded by Councilmember _____.

RESOLVED, that the City Council for the City of Portage does hereby authorize the City Manager, Maurice S. Evans, to sign Contract 13-5228 between the City of Portage and the Michigan Department of Transportation. This contract is for, new HMA pavement, sidewalk improvements and restoration on Romence Road Parkway, (Lovers Lane to Portage Road) and Angling Road, (West Centre Avenue to Angling Road) located within the corporate limits of the city.

ADOPTED: YEAS:
NAYS:
ABSENT:

James R. Hudson, City Clerk

CERTIFICATION

APPROVED AS TO FORM
DATE 5/16/13
Rcy
CITY ATTORNEY

I hereby certify this _____ day of _____, 2013 that the foregoing is a true and complete copy of the original on file in my office.

James R. Hudson, City Clerk

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager



SUBJECT: Michigan Department of Transportation Contract – Kilgore Road Bridge Replacement

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

ACTION RECOMMENDED: That City Council:

- a. approve Contract 13-5171 with the Michigan Department of Transportation (MDOT) for removal and reconstruction of the Kilgore Road Bridge over Portage Creek;
 - b. amend an engineering services contract with Abonmarche Consultants, Incorporated, to perform construction oversight and administration in the not to exceed amount of \$88,695;
 - c. adopt a Resolution authorizing the City Manager to sign Contract 13-5171; and
- authorize the City Manager to sign all other documents related to the Michigan Department of Transportation and the consultant contracts for this project on behalf of the city.

EXECUTIVE SUMMARY:

The replacement of the Kilgore Road Bridge is a project that has been planned for several years. This project also addresses one of Council's adopted goals to *"continue to plan and implement improvements to move people and commerce safely and effectively through the community."* Further, this falls under Council's objective to reach such goals as to *"implement projects proposed within the major thoroughfare plan."* Council is being asked to approve the contracts and resolutions that will advance this project. The costs related to this project are estimated at \$735,800, of which \$45,500 is the city share. It is anticipated this project will commence near the end of July.

BACKGROUND INFORMATION:

The City Administration recently received a proposed contract between the Michigan Department of Transportation (MDOT) and the City of Portage concerning the planned replacement of the Kilgore Road Bridge over Portage Creek. In 2010, the City Administration received approval of State Bridge Funding to replace the Kilgore Road Bridge. The planned construction includes bridge removal, new bridge construction, storm sewer installation, new pavement and sidewalk improvements to include *Americans With Disabilities Act* compliant upgrades.

The Local Transportation Improvement Plan (TIP) is administered by the Kalamazoo Area Transportation Study (KATS). The 2011 – 14 TIP includes the Kilgore Road Bridge project as part of the 2013 Construction Program. The Kilgore Road Bridge was constructed in 1960 and is currently posted for load restrictions. Both KATS and MDOT have approved the Kilgore Road Bridge for State Bridge Funding.

It has been MDOT's policy over the years to submit cost sharing agreements to local municipalities once the project has been advertised for construction bids. MDOT cannot award a construction contract without a signed cost sharing agreement from the local municipality. The city share of expenses is based on estimated construction costs developed by the consulting engineer and refined by MDOT staff engineers.

Once the contract is awarded by MDOT, construction of this project will commence in the summer of 2013 and conclude in November 2013. Subsequent to contract award by MDOT, the project is turned over to the city for construction inspection and administration. Due to the complete bridge replacement, Kilgore Road at the bridge will be closed for the duration of the project and a detour route of Burdick Street/Cork Street/Lovers Lane has been coordinated with the City of Kalamazoo.

On January 27, 2009, City Council awarded a design engineering contract to Abonmarche Consultants, Incorporated, to prepare the necessary plans, specifications and a MDOT program application for this project on behalf of the city. To maintain continuity from design to construction inspection and administration, city staff requested a cost proposal from the same consultant to perform the necessary construction inspection, administration and reporting, as required by MDOT and the Federal Highway Administration. The cost proposal in the amount of \$88,695 was received and is considered to be reasonable and appropriate for the required work. The performance of Abonmarche Consultants, Incorporated, has been excellent on other recently completed city projects. Funds for this work have been budgeted in the Fiscal Year 2012-13 Capital Improvement Program.

It is recommended that City Council approve Contract 13-5171 with the Michigan Department of Transportation for removal and reconstruction of the Kilgore Road Bridge over Portage Creek; amend an engineering services contract with Abonmarche Consultants, Incorporated, to perform construction oversight and administration in the not to exceed amount of \$88,695; adopt a Resolution authorizing the City Manager to sign Contract 13-5171 and all other documents related to the Michigan Department of Transportation and the consultant contract for this project on behalf of the city.

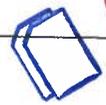
FUNDING: The cost of all planned improvements related to the Kilgore Road Bridge project is estimated at \$735,800 with a maximum state funding contribution of \$690,400. The city share of the project cost is estimated at \$45,400 which has been budgeted in the Fiscal Year 2012-13 Capital Improvement Program.

Attachments: Resolution for Contract 13-5171

**CITY OF PORTAGE
RESOLUTION**

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the _____ day of _____, 2013 at 7:30 p.m., local time.

COPY



PRESENT: _____

ABSENT: _____

The following resolution was offered by Councilmember _____ and seconded by Councilmember _____.

RESOLVED, that the City Council for the City of Portage does hereby authorize the City Manager, Maurice S. Evans, to sign Contract 13-5171 between the City of Portage and the Michigan Department of Transportation. This contract is for all necessary work related to the removal and replacement of the Kilgore Road Bridge over Portage Creek located within the corporate limits of the city.

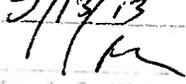
ADOPTED: YEAS:
NAYS:
ABSENT:

James R. Hudson, City Clerk

CERTIFICATION

I hereby certify this _____ day of _____, 2013 that the foregoing is a true and complete copy of the original on file in my office.

James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 5/13/13


TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager



SUBJECT: Consumers Energy Streetlight Contract Renewal

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

ACTION RECOMMENDED:

That City Council:

- a. approve a contract with Consumers Energy to furnish streetlight service;
 - b. adopt a Resolution to enter into a contract with Consumers Energy; and
- authorize the City Manager to execute all documents related to the contract on behalf of the city.

EXECUTIVE SUMMARY:

Consumers Energy provides the majority of electric service to the Portage community. Included in those provisions is a system for street illumination (poles and lights). The current contract for the streetlighting system is expired and a new contract has been negotiated. Council is being presented with a contract and resolution for approval to address Consumers Energy continually furnishing streetlight services.

BACKGROUND INFORMATION:

On April 20, 1983, the City of Portage entered into a 30-year agreement with Consumers Power Company (now Consumers Energy) for streetlight services. Consumers Energy has recently finished a complete audit of their streetlighting system in the City of Portage and prepared a standard streetlighting contract renewal for the city's consideration. Consumers Energy currently owns 2,788 streetlights in the City of Portage and the city General Fund budget allocates approximately \$400,000 annually for streetlight service costs. Municipal streetlighting services and costs are reviewed and approved by the Michigan Public Service Commission.

Streetlight fixture repairs and requests are coordinated through the city's Department of Transportation & Utilities. Streetlight fixtures in Portage consist of Mercury Vapor (MV) and High Pressure Sodium (HPS) bulbs. As a result of the streetlight audit, Consumers Energy will be converting the remaining Mercury Vapor (MV) lighting fixtures to High Pressure Sodium (HPS) fixtures. Through this process approximately 1,100 MV fixtures will be converted over the next two years. HPS bulbs cast a yellow light and use less energy than MV fixtures. The conversion to HPS fixtures will result in an annual savings to the city of approximately \$30,000.

It is recommended that City Council approve a contract with Consumers Energy to furnish streetlight services and adopt a Resolution to enter into the contract and authorize the City Manager to execute all documents related to the contract on behalf of the city. The contract term is for one (1) initial year and continues year to year terms until terminated by either party.

FUNDING: N/A

Attachments: Resolution



STANDARD LIGHTING CONTRACT
(COMPANY-OWNED)
PART I

Effective Date of Agreement: 3/1/2013
(Month/Day/Year)

Company: **CONSUMERS ENERGY COMPANY**
Customer: Portage
 City Village Township

a Michigan Corporation a Michigan Municipal Corporation
ONE ENERGY PLAZA Kalamazoo
JACKSON MI 49201-2276 (County)
49002 (Zip Code)

General Service Unmetered Lighting Rate GUL, Standard High Intensity Discharge as identified in Exhibit A.
 General Unmetered Experimental Lighting Rate GU-XL as identified in Exhibit B.

Initial Term: 1 year(s) beginning with the Effective Date of Agreement stated above.

PART II, TERMS AND CONDITIONS, is attached hereto and is a part of this Agreement. CUSTOMER ACKNOWLEDGES HAVING READ SAID TERMS AND CONDITIONS.

CONSUMERS ENERGY COMPANY City of Portage
(Customer)

By: _____ By: _____
(Signature) (Signature)

Linda Marklin _____
(Print or Type Name) (Print or Type Name)

Title: Team Leader Title*: _____

Attest: _____
(Clerk*)

*See Resolution dated _____

APPROVED AS TO FORM
DATE 5/2/13
[Signature]
CITY ATTORNEY

**STANDARD LIGHTING CONTRACT
TERMS AND CONDITIONS
PART II**

1. The Company agrees to furnish the Customer with lighting service respecting the luminaires, lamps and other equipment constituting the installation(s) listed in Part I and also to furnish lighting service respecting any additional luminaires, lamps and other equipment to be installed hereunder as may be authorized by the Customer through execution of an Authorization for Change in Standard Lighting Contract, attached to and made a part of this Agreement as Exhibit C.
2. The Company's service lines necessary to supply the energy for said lighting equipment shall be constructed in the public streets and highways of the Customer, or on private property, as mutually agreed between the Company and the Customer. In cases where such lines are to be constructed upon private property, the Customer shall obtain and furnish to the Company adequate written easements granting permission to install and maintain such lines.
3. Neither party shall be liable to the other for damages for any act, omission or circumstance occasioned by or in consequence of any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or by any other cause or causes beyond such party's control, including any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party hereto; provided, however, that the Company's responsibility for interruptions in service, phase failure or reversal, or variations in the service characteristics shall be as provided in the Company's Electric Rate Book as filed with and approved by the Michigan Public Service Commission and such amendments thereof as may be filed with and approved by the Michigan Public Service Commission from time to time. A copy of said Electric Rate Book will be furnished to the Customer upon request.
4. The Customer shall pay the Company for the lighting service herein provided for in accordance with the Company's applicable lighting rate, and in accordance with such revisions and amendments thereof, supplements thereto, or substitutions therefor as may be filed with and approved by the Michigan Public Service Commission from time to time.
5. The Company shall render to the Customer, as soon as possible after the first day of each month, a bill for all lighting service furnished hereunder during the preceding month. Such bills shall be due and payable within twenty-one days after their issuance.
6. The Company agrees to furnish a service for lighting and the Customer agrees to take service for lighting in accordance with the terms and conditions of the Company's General Service Unmetered Lighting Rate GUL and General Unmetered Experimental Lighting Rate GU-XL in accordance with such revisions and amendments thereof, supplements thereto, or substitutions therefor as may be filed with and approved by the Michigan Public Service Commission.
7. Further, the Company will, under the terms and conditions hereof and of the Company's General Service Unmetered Lighting Rate GUL and General Unmetered Experimental Lighting Rate GU-XL and such revisions and amendments thereof, supplements thereto, or substitutions therefor as may be filed with and approved by the Michigan Public Service Commission from time to time and at such locations as may be authorized by the Customer through execution of an Authorization for Change in Standard Lighting Contract (Exhibit C), relocate any lighting equipment which is included in the initial Company-owned installation or in the additional Company-owned lighting equipment identified in Part I, provided that:
 - (a) Upon relocation of any of such lighting equipment, the Customer shall reimburse the Company for the Company's actual costs of such relocation regardless of the time period that such equipment has been installed, and
 - (b) The relocated equipment shall conform with the provisions in such application rates.
8. In addition, the Company will, upon termination of this Agreement for any reason, remove all of the aforesaid Company-owned lighting equipment which is then installed and not thereupon covered by another lighting contract. Upon removal of all of such lighting equipment, upon termination of this Agreement as aforesaid, the Customer shall reimburse the Company for the Company's actual costs of removing such equipment regardless of the time period that such equipment has been installed. The Company reserves the right to require special contractual arrangements respecting the replacement of any of the Company-owned lighting equipment or the removal thereof prior to the termination of this Agreement.

9. This Agreement shall become effective on the Effective Date of Agreement identified in Part I and shall continue in effect for an initial term as stated in Part I and from year to year thereafter until terminated by mutual consent or upon twelve months' written notice given by either party to the other. This Agreement, when effective, shall supersede all existing contracts with relation to the lighting service herein provided for.
10. This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.
11. Additional Items: None

RESOLUTION

RESOLVED, that it is hereby deemed advisable to enter into a contract with Consumers Energy Company of Jackson, Michigan, for furnishing lighting service within the City Village Township of Portage for a period of 1 year(s) and thereafter from year to year, in accordance with the terms of the contract heretofore submitted to and considered by this Commission Council Board; and

RESOLVED, further, that the _____ and the Clerk be and are authorized and directed to execute such contract on behalf of the City Village Township.

STATE OF MICHIGAN)
) ss
COUNTY OF Kalamazoo)

I, _____, Clerk of the City Village Township of Portage do hereby certify that the foregoing resolution was duly adopted by the Commission Council Board of said municipality, at the meeting held on _____.

 City Village Township Clerk

Dated:

APPROVED AS TO FORM
DATE 5/2/13

CITY ATTORNEY

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager



SUBJECT: City outlots at 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue

SUPPORTING PERSONNEL: Victoria Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council authorize the City Manager to proceed with marketing for sale and disposition the city outlots at 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue.

EXECUTIVE SUMMARY:

Three city outlots identified by the City Council Property Committee, which no longer have an identified public use or purpose, have received property appraisals. As a result, the City Administration is seeking authorization to proceed with the marketing and disposition of these lots in accordance with the recommended process identified by the Property Committee.

BACKGROUND INFORMATION:

In the fall of 2012, the City Council Property Committee requested the City Administration research residentially zoned, city-owned outlots to determine if there were any properties that no longer had an identified public use or purpose. In response to this request, research was completed and is summarized in the attached January 17, 2013 report from Community Development Director Georgeau. Three outlots located at 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue, previously reserved for access to future development, were determined to no longer serve this public purpose/use due to adjacent development patterns. On February 12, 2013, the Property Committee reported its findings to City Council and the City Administration was authorized to obtain appraisals of the outlots for the purpose of marketing these three buildable lots for sale, in accordance with the 1999 Outlot Valuation Policy adopted by Council. As indicated in the attached April 22, 2013 communication from Director Georgeau, the above referenced buildable outlots were appraised and determined to have estimated market values as follows: 1) 7200 Balfour Drive - \$16,000; 2) 7138 Capri Street - \$18,000; and 3) 1600 Friendly Avenue - \$12,000.

Based on the above, it is recommended the outlots be first offered for sale to adjacent property owners for the minimum estimated market value, which could be sold as a whole to an adjacent property owner be divided and sold to each respective adjacent property owner. If after 60 days there is no interest from adjacent property owners, or offers received are less than the minimum estimated market value, subsequent to review by the Property Committee, the outlots can be marketed for sale to the community at large for a period of 90 days. If no offers are received after marketing the properties for sale to the community at large, or if the offers received are not acceptable, the above outlined approach to selling the three outlots can be re-evaluated by the Property Committee and City Council.

FUNDING: Not applicable

Attachments: January 17, 2013 communication regarding 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue;
 April 22, 2013 communication regarding City-owned residential properties reports

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
Brian J. Bowling, Deputy City Manager

DATE: January 17, 2013

FROM: Vicki Georgeau, ^{VG} Director of Community Development

SUBJECT: City-owned residential properties

As indicated in my November 9, 2012 communication regarding residentially-zoned city-owned property, the vast majority are used for public facilities, public street rights-of-way (existing and future right-of-way), public water, sanitary sewer and storm sewer utility purposes (e.g. sewer lift stations, well house/pumps, storm water retention basins, etc.), parks and trail ways. In addition, some properties have been purchased to facilitate capital improvement projects and/or economic development projects. As noted, all but 15 “vacant” properties have a specified public use that would make the disposition inappropriate. Of these 15 vacant properties, six were purchased as part of the South Westnedge Enhancement Projects (SWEPS), five properties serve as buffers between I-94 or a railroad ROW (and are not otherwise buildable lots), and the remaining four properties also have development limitations.

With regard to properties with an identified “Access” public use, additional research has been accomplished to determine if there is development potential for these parcels, or if they could be disposed of through a side-lot arrangement, where the parcel is split and sold to adjacent property owners. The attached table provides more detail in regard to the properties identified with an “access” or “vacant” public use. Of the properties listed, there are three properties that no longer have a public use or purpose:

- 7200 Balfour Drive, Outlot E of Meadow-Lane No. 2 (platted in 1960): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 133 feet in depth. Outlot E was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since the development of Pleasant Meadow #2 to the west, no future street connection is feasible. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot E is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover are met, the property appears buildable (note: other lots within the plat are non-conforming with regard to width and area).
- 7138 Capri Street, Outlot B of Holiday Village (platted in 1961): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 125 feet in depth. Outlot B was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since development of the Portage Soccer Complex, no future street connection is necessary. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot B is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet the minimum 80 foot lot width and area of 9,600 square feet).

- 1600 Friendly Avenue, Outlot A of Breezy-Hills Garden (platted in 1948): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 165 feet in depth and has a public sewer lead. Prior to the construction of Woods Edge Learning Center at 1501 East Milham Road/5821 Lovers Lane, this outlot was reserved for a street connection to potential future development to the south. Since construction of the school on the property to the south, disposition of Outlot A can be recommended as there are no public utilities located on the property and there is no apparent public use or purpose for the property. While the width of Outlot A is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet or exceed the minimum 80 foot lot width).

The above listed properties are located within plats that were recorded prior to the Subdivision Control Act of 1967. Per the attached opinion from the City Attorney, these three properties can be considered buildable because prior plat acts did not provide a specific definition of “outlot”, and there is no wording on the plat documents that indicate the outlots were reserved or set aside as something other than a building site (e.g., future street connection, drainage basin, utility easement, etc.).

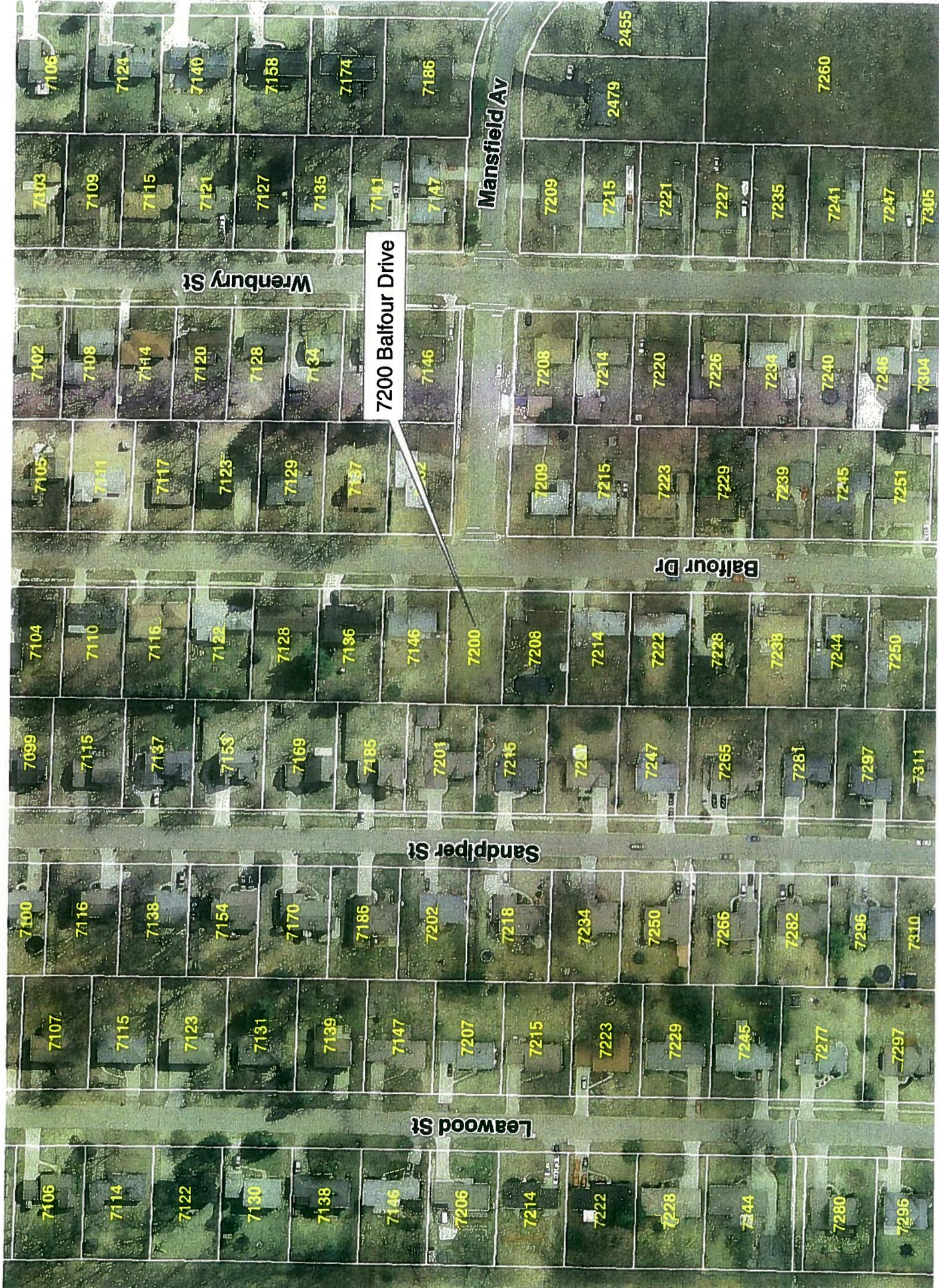
With regard to the potential sale of the outlots, the city has Quit Claim Deeds for the two outlots at 7200 Balfour Drive and 7138 Capri Street, and the sale of these properties would be fairly straight forward. However, there is no proof of ownership for 1600 Friendly Avenue and the City Attorney has recommended a title search be completed in regard to this property to determine if the property can be sold.

With regard to all of the above properties, because they do not conform to the minimum width and/or area requirements, if the properties were offered for sale, it may be appropriate to first offer the outlots to adjacent property owners. Under this scenario, the outlots would be evenly split and sold to adjacent property owners. If adjacent properties owners are not interested in purchasing the outlots, the city could subsequently market the properties for sale to any interested parties. Finally, should a determination be made that the above properties should be sold, it is recommended an appraisal be prepared to determine the market value and an appropriate sales price.

If you have any questions or comments, I am available to meet with you at your convenience.

Attachments: List of city-owned residentially zoned properties with an “access” or “vacant” public use designation
Maps of 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue
January 17, 2013 City Attorney opinion

ADDRESS	ACREAGE	PUBLIC USE	Map #	DETAILS/DESCRIPTION
10244 PORTAGE RD	0.65	ACCESS	189	FUTURE DEVELOPMENT ACCESS
1121 WOODLAND DR	0.06	ACCESS	218	ACCESS TO WELL SITE AT 1123 WOODLAND
1600 FRIENDLY AV	0.25	ACCESS	130	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS
2220 WINTERS DR	0.41	ACCESS	152	FUTURE DEVELOPMENT ACCESS
4204 TIFFANY AV	0.82	ACCESS	121	ACCESS TO DRAIN/BASIN
4400 FIRESIDE AV	0.51	ACCESS	164	FUTURE DEVELOPMENT ACCESS
5113 GREENHILL ST	0.28	ACCESS	168	FUTURE DEVELOPMENT ACCESS
5153 S 12TH ST	0.32	ACCESS	28	ACCESS TO FUTURE WELL SITE
5219 GREENHILL ST	0.30	ACCESS	169	FUTURE DEVELOPMENT ACCESS / WATER MAIN ENCROACHMENT
5411 OAKLAND DR	0.36	ACCESS	24	ROW TO WELL SITE / BUFFER NEXT TO I-94
5530 ANGLING RD	0.32	ACCESS	129	HARBORS WEST PARK WALKWAY ACCESS
601 SOUTHLAND AV	0.21	ACCESS	206	ACCESS TO ADJACENT LAND
6700 SUNBURST DR	0.61	ACCESS	210	DRAIN/RETENTION BASIN
7138 CAPRI ST	0.34	ACCESS	170	66' WIDE NON-BUILDABLE OUTLOT WITH SIDE LOT SALE OPPORTUNITY
820 RAINBOW AV	0.20	ACCESS	201	66' WIDE OUTLOT WITH WATER MAIN ENCROACHMENT
8620 S SPRINKLE RD	0.61	ACCESS	180	FUTURE DEVELOPMENT ACCESS
9024 S WESTNEDGE AV	0.21	ACCESS	192	ACCESS TO SOUTH WESTNEDGE PARK
9110 S WESTNEDGE AV	0.20	ACCESS	193	ACCESS TO REAR LAND
117 AMOS AV	0.20	VACANT	146	SWEPS ACQUISITION
118 AMOS AV	0.20	VACANT	142	SWEPS ACQUISITION
124 AMOS AV	0.20	VACANT	143	SWEPS ACQUISITION
129 AMOS AV	0.20	VACANT	145	SWEPS ACQUISITION
130 AMOS AV	0.20	VACANT	144	SWEPS ACQUISITION
212 IDAHO AV	0.21	VACANT	22	SWEPS ACQUISITION
1905 FAIRFIELD RD	0.40	VACANT	155	BUFFER NEXT TO I-94
1922 BENDER RD	0.01	VACANT	156	BUFFER NEXT TO I-94
2100 INDIAN RD	0.68	VACANT	158	BUFFER NEXT TO I-94
2125 BENDER RD	0.25	VACANT	157	BUFFER NEXT TO I-94
730 CIRCLEWOOD SOUTH DR	1.00	VACANT	8	BUFFER NEXT TO RAILROAD
2527 W MILHAM AV	0.14	VACANT	37	36' WIDE UNBUILDABLE PARCEL, MAINTAINED BY ADJACENT OWNER
431 SOUTHLAND AV	0.20	VACANT	205	66' WIDE OUTLOT ENCROACHED BY STORM SEWER
5916 OAKLAND DR	0.45	VACANT	147	FUTURE OAKLAND DRIVE ROW ENCROACHMENT
7200 BALFOUR DR	0.20	VACANT	183	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS



7200 Balfour Drive

Vicinity Map
7200 Balfour Drive



1 inch = 150 feet



05342086R
CITY OF PORTAGE
7200 BALFOUR DR
more details...
parcel report...

City of Portage Map Document



1:900

Map Publication:

Wed Dec 12 2012 05:16:29 PM

Disclaimer:

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"MEADOW-LANE No. 2"

SECTION 17, T.35, R.11W.
TOWNSHIP OF PORTAGE, COUNTY OF KALAMAZOO,
MICHIGAN.

SCALE: ONE INCH EQUALS 100 FEET

ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF

CURVE DATA

CURVE NO.	RADIUS	CENTRAL ANGLE	TANGENT	CHORD	ARC
1	94.85'	50°42'10"	96.02'	134.94'	150.15'
2	28.85'	"	29.21'	41.05'	48.87'



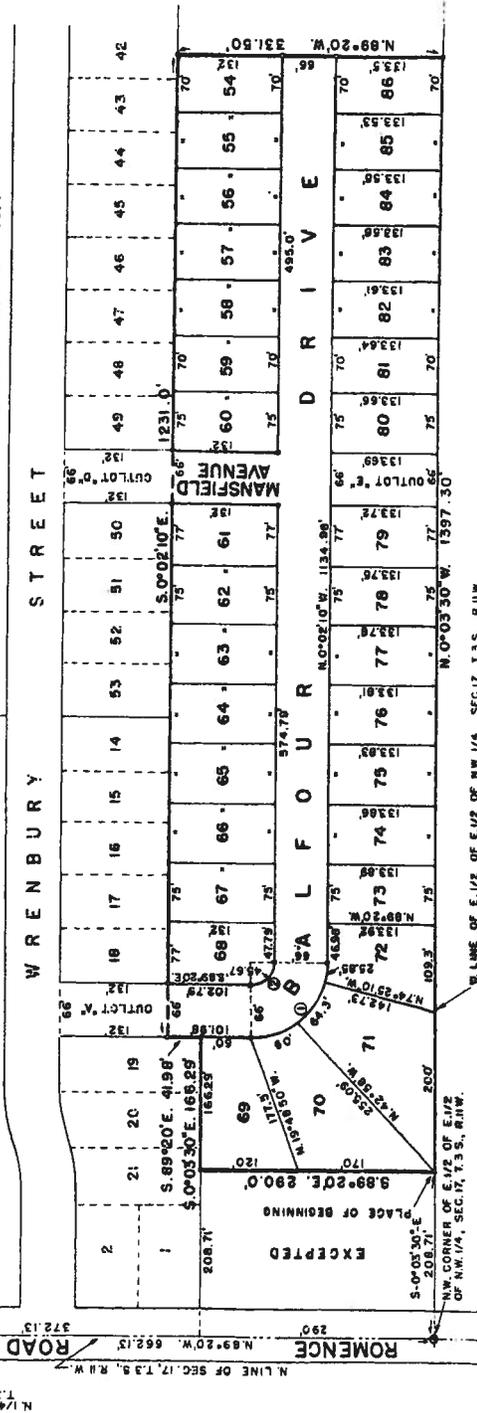
N. & S. 1/4 LINE, SEC. 17, T.35, R.11W.

OUTLOT "A" DECEDED TO KALAMAZOO COUNTY
ROAD COMMISSION BY RELEASE OF RIGHT OF WAY.
(LIBER 767, PAGE 774)

OUTLOT "D" DECEDED TO KALAMAZOO COUNTY
ROAD COMMISSION BY RELEASE OF RIGHT OF WAY.
(LIBER 777, PAGE 774)

PLAT OF "MEADOW-LANE"

PLAT OF "MEADOW-LANE No. 1"



N. LINE OF SEC. 17, T.35, R.11W.

N. LINE OF E. 1/2 OF E. 1/2 OF NW 1/4, SEC. 17, T.35, R.11W.



1600 Friendly Avenue

Vicinity Map
1600 Friendly Avenue



1 inch = 150 feet



City of Portage Map Document

web mapping by
AIMALIGANI LLC

1:3500
Map Publication:
 Wed Dec 12 2012 05:26:54 PM

Disclaimer:
 This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.

"BREEZY-HILLS-GARDENS"

Section 3, T. 3 S., R. 11 W.
TOWNSHIP OF PORTAGE, COUNTY OF KALAMAZOO, MICHIGAN

Scale, 100 feet per inch



DESCRIPTION

The land embraced in the annexed plat of "Breezy-Hills-Gardens" is located in the Southeast quarter (SE-1/4) of Section 3, T. 3 S., R. 11 W., Township of Portage, County of Kalamazoo, Michigan and is more particularly described as follows:

Commencing at the Southeast corner of Section 3, T. 3 S., R. 11 W. and running thence North along the East line of said Section, 115.0 feet for the place of beginning of the land embraced in the annexed plat; thence North 89° 54' 30" West, 369.62 feet to the Southeast corner of the "Assessor's Plat of Hamelink-Kingsbury Plat"; thence North 89° 54' 30" West along the south line of said plat and its extension Westwardly, 1154.26 feet to the line of Lovens Lane; thence South 3° 38' West along the centerline of Lovens Lane, 209.33 feet to the intersection of the south line of Section 3, T. 3 S., R. 11 W., 112 feet; thence South 3° 38' West, 163.84 feet; thence North 89° 54' 30" East 189.24 feet to the place of beginning.

SURVEYORS CERTIFICATE

I hereby certify that the plat hereon delineated is a correct one and that permanent monuments, consisting of metal bars of not less than one-half (1/2) inch in diameter by forty-eight (48) inches in length, have been placed at all points marked thereon (O), as thereon shown, at all angles in the bounds hereon platted and at all the intersections of the Avenue and Lane, and at the intersections of the Avenue and Lane with the boundary of the plat.

W. J. WILKINS
WILLIAM H. WILKINS,
Registered Land Surveyor

DEDICATION

KNOW ALL MEN BY THESE PRESENTS: That we, Joseph E. Schmitt and Colette Schmitt, his wife, as proprietors, have censed the land embraced in the annexed plat to be surveyed, laid out and platted, to be known as "Breezy-Hills-Gardens," Section 3, T. 3 S., R. 11 W., Township of Portage, County of Kalamazoo, Michigan, to be held in common and subdivided by name to be their heirs, assigns and assigns forever, and the boundaries of said Plat are hereby dedicated to the public.

Witnessed by
KENNETH E. WILKINS, Joseph E. Schmitt (L.S.)
ALLAN H. GILLMAN, Colette Schmitt (L.S.)
STATE OF MICHIGAN
County of Kalamazoo

On this 3 day of December, A. D. 1944, before me, a Notary Public in and for said County, appeared Joseph Schmitt and Colette Schmitt, his wife, as proprietors, known to me to be the same persons who executed the above instrument and acknowledged by name to be their free act and deed.

My Commission expires May 21, 1952.

CERTIFICATE OF APPROVAL BY BOARD OF COUNTY ROAD COMMISSIONERS

COUNTY OF KALAMAZOO }
State of Michigan }
The annexed plat was examined and approved by the Kalamazoo County Board of Road Commissioners on Nov. 15 1944.

C. L. RAEBMAN, Chairman
FOREST B. WEINBERG, Member
ERNEST JACKSON, Member

CERTIFICATE OF APPROVAL BY TOWNSHIP BOARD

TOWNSHIP OF PORTAGE }
County of Kalamazoo }
The annexed plat was approved by the Township Board on Nov. 15 1944.

CLAUSS SCHURING, Township Clerk

CERTIFICATE OF APPROVAL BY COUNTY BOARD OF EXAMINERS

COUNTY OF KALAMAZOO }
State of Michigan }
The annexed plat was approved by the County Board of Examiners on Nov. 17 1944.

LEONARD J. SCHMITZ, SR., Registrar of Deeds, Chairman
ANTHONY STAMM, County Clerk
LEONARD KLOET, County Treasurer

COUNTY TAX CERTIFICATE

I hereby certify that I have examined the records in my office relating to the lands in "Breezy-Hills-Gardens," Section 3, T. 3 S., R. 11 W., Township of Portage, County of Kalamazoo, Michigan, dated November 15 1944, and from such examination it appears that all the taxes have been fully paid for five years preceding said date, and that there are no tax liens or claims held by the State or individual for five years preceding said date.

LEONARD KLOET, County Treasurer

NOTE: All dimensions are in feet and decimals thereof.

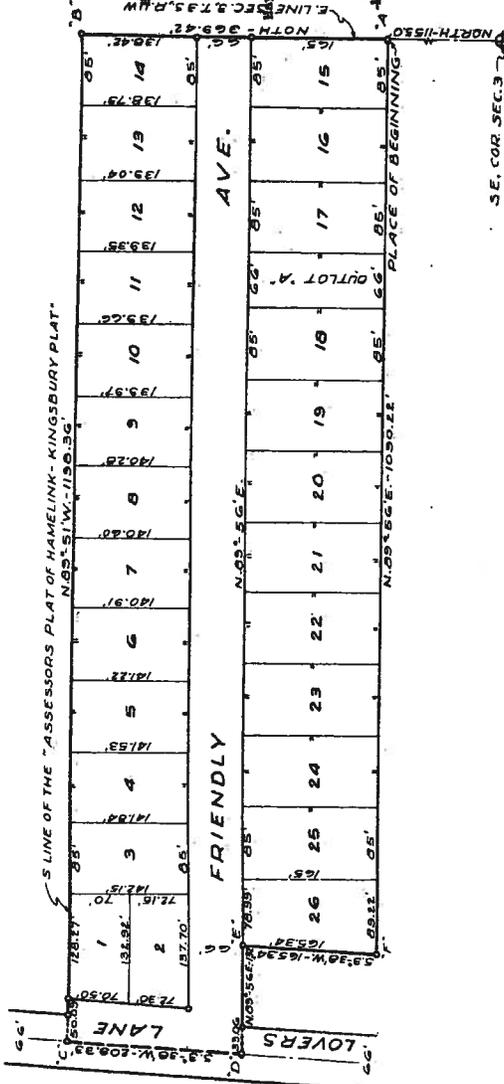
COPY
Plat's Office
Plat of Breezy Hills Gardens
was Recorded on Nov. 19 1944
R. H. H. Libor, 17 of P.L.L.
on Page 21
ORIGINAL ON FILE

HEREBY CERTIFY THAT THIS COPY IS A TRUE COPY OF THE MAP OR PLAT FORWARDED THE REGISTER OF DEEDS FOR RECORDING.

COMPARED Nov. 15, 1944
REGISTER OF DEEDS

Examined and Approved
Nov. 15, 1944
Notary Public, Kalamazoo County, Michigan

FILED IN AUDITOR GENERAL'S DEPT.
Nov. 22, 1944
Auditor General





7138 Capri Street

Vicinity Map
7138 Capri Street



1 inch = 150 feet



City of Portage Map Document



 1:400

Map Publication:
Mon Dec 24 2012 12:41:11 PM

Disclaimer:
This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.

RANDALL L. BROWN
& ASSOCIATES, PLC

ATTORNEYS AND COUNSELORS AT LAW

RANDALL L. BROWN
CHARLES R. BEAR
JULIE A. BRADFIELD

DENNIS E. KORDISH (1996-2008)

January 7, 2013

1662 EAST CENTRE AVENUE
PORTAGE, MICHIGAN 49002

TELEPHONE (269) 323-8812
FACSIMILE (269) 323-0055
brownandassociates@att.net

PERSONAL & CONFIDENTIAL
ATTORNEY/CLIENT PRIVILEGE

Ms. Victoria Georgeau, Director
Department of Community Development
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

Via Email

Re: Disposition of 3 City Owned Outlots

Dear Vicki:

You have asked whether three particular outlots are buildable as development sites. All three outlots were platted after the Plat Act of 1929, but before the Subdivision Control Act of 1967, effective January 1, 1968. You have advised that 7200 Balfour, Outlot E of Meadow-Lane No. 2 and 7138 Capri, Outlot B of Holiday Lane, were quit claimed to the City by the Kalamazoo County Road Commission. Since you have not found a deed giving the City interest in 1600 Friendly, Outlot A of Breezy Hills Gardens, a title search will have to be done to determine the City's interest in this outlot.

With regard to the other two, however, it would appear the Attorney General Opinion of March 1, 1971 would be applicable. This opinion states that a "building permit may not be denied on the basis that the proposed building site is an outlot within a plat approved pursuant to the Plat Act of 1929".¹ As you may know, the Plat Act of 1929 did not expressly prohibit building upon outlots. However, the Subdivision Control Act of 1967, effective January 1, 1968, defined an outlot as "a lot set aside for purposes other than a building site, park or other land dedicated to public use or reserved to private use".² Since the City holds title to 7200 Balfour, Outlot E, as well as 7138 Capri, Outlot B, the City may sell these properties by quit claim deed. As with previous practice, a resolution and quit claim deed must be on file with the City Clerk for 28 days before final action is taken by City Council.

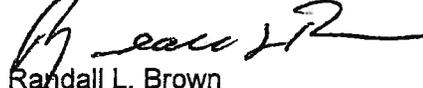
¹ The Plat Act may not prohibit the outlot from being buildable, but compliance with City ordinances and any other state law is still necessary.

² The 1954 amendment to the Plat Act for the first time distinguished "outlots and private parks" from lots "intended for sale" and provided that such property be designated as such infringing upon the plat and shall be lettered respectively or given a name. However, there is no indication that the 1954 amendment intended that outlots not be buildable.

Lastly, although 1600 Friendly, Outlot A would also be a buildable lot, we do not know whether the City holds a quit claim deed to the property, or whether the City owns the property at all. Therefore, I cannot, at this time, determine what procedures to use for its sale, if any. A title search must be ordered and if this is desired, I will order same with Attorneys Title Company. Please advise.

If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,



Randall L. Brown
City Attorney

RLB/jat:

cc: Maurice S. Evans
Brian J. Bowling

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
Brian J. Bowling, Deputy City Manager

DATE: April 22, 2013

FROM: Vicki Georgeau,  Director of Community Development

SUBJECT: City-owned residential properties

The following information is provided in regard to outstanding items for the Ad Hoc Property Committee, which presented a report to the full City Council on February 12, 2013.

✓ City Outlots at 7200 Balfour Drive, 7138 Capri Street and 1600 Friendly Avenue: As indicated in prior communications, a review of residentially-zoned city-owned property determined the vast majority have a specific public use or purpose. However, it was determined that the above referenced outlots, which had been reserved for access to adjacent land, were no longer needed for this public use/purpose due to development activity on adjacent property.

Subsequent to the Ad Hoc Property Committee report to Council on February 12th, a title search was completed by the Office of City Attorney which confirmed city ownership of 1600 Friendly Avenue, which was conveyed by the State of Michigan to the city in October 1983. Subsequently, an appraisal of these properties was completed by PRO Appraisal Services, LLC. As indicated in the attached appraisal reports, the estimated market value for these properties is:

- 7200 Balfour Drive: \$16,000
- 7138 Capri Street: \$18,000
- 1600 Friendly Avenue: \$12,000

As reported by the Ad Hoc Property Committee to City Council, it is recommended that the properties be first offered for sale to adjacent property owners for the minimum estimated market value listed above, which would be in accordance with the established Outlot Valuation Policy. Each of the city-owned outlots could be sold as a whole to an adjacent property owner, or could be divided and sold to each respective adjacent property owner. If after a period of time (e.g. 90 days) there is no interest or adjacent property owners decline the offer to purchase the city-owned outlot, the properties could be marketed for sale to the community at large.

10323 Archwood Drive: The Department has undertaken efforts to market the sale of this vacant property, with stipulations as approved by City Council. Efforts utilized included: direct mailings to approximately 30 contractors that obtained new home construction permits over the past five years, advertisements in the Kalamazoo Gazette, the Home Builders Association of Greater Kalamazoo e-newsletter, postings on Craigslist and the city web site, and placement of a

For Sale sign on the property. To date, the city has received one written offer to purchase the property for the list price of \$18,000 (which is also the estimated market value of the property). The marketing information for the property established a deadline for receipt of offers for May 6, 2013.

As you are aware, a request to establish a community garden on this property from neighborhood resident Pamela Stafford-Prihoda has been received and research has been completed in conjunction with the City Attorney in regard to this request, including development of a standard lease agreement to permit a community garden on the property. However, it is recommended that action on this request be delayed until a decision on the offer to purchase the property is made by the full City Council.

Purchase of property at 117 East Centre Avenue: Mr. Schieffler offered the vacant property to the city, and City Council approved the city to proceed with due diligence to purchase the land. Subsequent to this action, it was determined that the property owner is currently in bankruptcy. The City Attorney has received no new information regarding the status of the bankruptcy proceedings and how this issue impacts the ability of the city to proceed with purchasing the property. Therefore, no action is recommended at this time with regard to this property.

If you have any questions or comments, I am available to meet with you at your convenience. Otherwise, I am prepared to discuss the above matters with the Ad Hoc Property Committee once a meeting is scheduled.

Attachments: Appraisals for 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue

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Property Address: 7200 Balfour Dr	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49024-4006

PRO Appraisal Services, LLC.
 Stephanie B. Norg - Certified Residential Appraiser



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APPRAISAL OF



VACANT LAND

LOCATED AT:

7200 Balfour Dr
Portage, MI 49024-4006

FOR:

City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

BORROWER:

N/A

AS OF:

April 9, 2013

BY:

Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
Real Estate Appraisers

File No. 01010570

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

File Number: 01010570

Dear Vicki;

In accordance with your request, I have appraised the real property at:

7200 Balfour Dr
Portage, MI 49024-4006

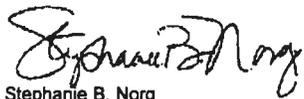
The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of April 9, 2013 is:

\$16,000
Sixteen Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Thank You,



Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010570

The purpose of this summary appraisal report is to provide the lender/client with an accurate and adequately supported opinion of the market value of the subject property.

CLIENT AND PROPERTY IDENTIFICATION

Property Address: **7200 Balfour Dr** City: **Portage** State: **MI** Zip: **49024-4006**
 Borrower: **N/A** Owner of Public Record: **CITY OF PORTAGE** County: **Kalamazoo**
 Legal Description: **MEADOW LANE #2, OUTLOT E. .20 AC - INTENDED FOR STREET ROW**
 Assessor's Parcel #: **05342-086-R** Tax Year: **2012** R.E. Taxes: **0.00**
 Neighborhood Name: **Portage** Map Reference: **K-19** Census Tract: **0020.05**
 Special Assessments: **None** PUD Yes No HOA: \$ **N/A** Per Year Per Month
 Property Rights Appraised: Fee Simple Leasehold Other (describe) _____
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) **Market Value Inquiry for resale.**
 Lender/Client: **City of Portage** Address: **7900 South Westnedge Avenue, Portage, MI 49002**

CONTRACT ANALYSIS

I did I did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
N/A

Contract Price \$: _____ Date of Contract: _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. \$ _____

NEIGHBORHOOD DESCRIPTION

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %			
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	2 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input checked="" type="checkbox"/> Over 6 mths	9 Low	0	Multi-Family	3 %
Neighborhood Boundaries: Area typically known as Central Portage, area to South borders Centre. North is Milham Rd., Westnedge to East and US 131 to West.								735 High	120	Commercial	5 %
								130 Pred.	40	Other Vacant	10 %

	Good	Aver.	Fair	Poor		Good	Aver.	Fair	Poor
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Primary Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Police/Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Neighborhood Description: **See Attached Addendum**

Market Conditions (including support for the above conclusions): **See Attached Addendum**

SITE DESCRIPTION

Dimensions: **66 x 136.69 x 66 x 133.72** Area: **8924** Acres Sq.Ft. Shape: **Rectangular** View: **Residential**
 Zoning Classification: **R-1B** Zoning Description: **Residential**
 Zoning Compliance: Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe) _____
 Uses permitted under current zoning regulations: **Residential Improved.**
 Highest & Best Use: **Residential Improved.**
 Describe any improvements: **None**
 Do present improvements conform to zoning? Yes No No improvements If No, explain: _____

Present use of subject site: **Vacant/Residential** Current or proposed ground rent? Yes No If Yes, \$ _____
 Topography: **Basically Level** Size: **Typical for the area** Drainage: **Surface appears adequate**
 Corner Lot: Yes No Underground Utilities: Yes No Fenced: Yes No If Yes, type: _____
 Special Flood Hazard Area Yes No FEMA Flood Zone: **X** FEMA Map #: **26077C0303D** FEMA Map Date: **02/17/2010**

UTILITIES	Public		Other	Provider or Description	Off-Site Improvements		Type/Description	Public		Other
	Yes	No			Yes	No		Yes	No	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Street Surface	<input checked="" type="checkbox"/>	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Street Type/Influence	<input checked="" type="checkbox"/>	Residential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	<input checked="" type="checkbox"/>	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Sidewalk	<input checked="" type="checkbox"/>	Concrete	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Street Lights	<input checked="" type="checkbox"/>	Area	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		Alley	<input type="checkbox"/>	None	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are the utilities and off-site improvements typical for the market? Yes No If No, describe: _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe: _____

Site Comments: **See Attached Addendum**

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010570

There are 25 comparable sites currently offered for sale in the subject neighborhood ranging in price from \$ 4,900 to \$ 50,000				
There are 9 comparable sites sold in the past 12 months in the subject neighborhood ranging in sale price from \$ 11,000 to \$ 50,000				
COMPARABLE SALES				
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Address	7200 Balfour Dr	4230 Gray St	1427 Romence Rd	6203 S 12th St
City/State/Zip	Portage	Portage, MI 49024	Portage, MI 49024	Portage, MI 49024
Proximity to Subject		4.52 miles ESE	0.76 miles ENE	1.67 miles NW
Data Source(s)	Inspection	SWMRIC-MLS/11009717	SWMRIC-MLS/11038432	SWMRIC-MLS/12058148
Verification Source(s)	of property	Tax Records/DOM: 566	Tax Records/DOM: 0	Tax Records/DOM: 9
Sale Price	\$ N/A	\$ 12,900	\$ 12,000	\$ 29,000
Price/	\$ 0.00	\$ 0.99	\$ 0.89	\$ 0.44
Date of Sale (MO/DA/YR)	N/A	10/12/2012	01/27/2012	11/28/2012
Days on Market	N/A	0	0	9
Financing Type	N/A	Land Contract	Cash	Cash
Concessions	N/A	0	0	0
Location	Suburban	Suburban	Suburban/Busy	Suburban/Busy
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site Size Sq.Ft.	8,924	13068 sf	13504 sf	66647 sf
View	Residential	Residential;Park	Residential	Residential
Topography	Basically Level	Basically Level	Basically Level	Basically Level
Available Utilities	Elec,Gas,PbW/S	Elec,Gas	Elec,Gas,PbW/S	Elec,Gas,PbS
Street Frontage	66 ±	99 ±	84 ±	132 ±
Street Type	Residential	Residential	Residential	Residential
Water Influence	None	None	None	None
Fencing	None	None	None	None
Improvements	None	None	None	Wooded
		0	0	0
Net Adjustment (Total, in \$)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 5,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 9,500
Adjusted sales price of the Comparable Sales (in \$)		Net Adj. 23.3% Gross Adj. 23.3% \$ 15,900	Net Adj. 41.7% Gross Adj. 41.7% \$ 17,000	Net Adj. -32.8% Gross Adj. 67.2% \$ 19,500
The Appraiser has researched the transfer history of the subject property for the past 3 years and the listing history of the subject for the past 12 months prior to the effective date of this appraisal. The appraiser has also researched the transfer and listing history of the comparable sales for the past 12 months.				
The appraiser's research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.				
Data Sources: SWMRIC-MLS, Deed and Tax Records;				
The appraiser's research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.				
Data Sources: SWMRIC-MLS, Deed and Tax Records				
The appraiser's research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior listings of the subject property or comparable sales for the year prior to the effective date of the appraisal.				
Data Sources: SWMRIC-MLS, Deed and Tax Records				
Listing/Transfer History	Transfer/Sale (ONLY) of the Subject in past 36 months:	Listing and Transfer history of Comp 1 in past 12 months:	Listing and Transfer history of Comp 2 in past 12 months:	Listing and Transfer history of Comp 3 in past 12 months:
(if more than two, use comments section or an addendum.)	\$ None	\$	\$	\$
	\$	\$	\$	\$
Subject Property Is Currently Listed For Sale? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Data Source:				
Current Listing History	List Date	List Price	Days on Market	Data Source
	None	\$		
Subject Property has been listed within the last 12 Months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Data Source:				
12 Month Listing History	List Date	List Price	Days on Market	Data Source
		\$		
		\$		
Comments on Prior Sales/Transfers and Current and Prior Listings: None				
Summary of the Sales Comparison Approach: See Attached Addendum (including listing and sales data).				
25 Actively listed comparable residential parcels offered on the MLS in Portage are offered at a median price of \$25,450 with total days on Market noted on average of 264/350 CDOM; (oversupply, lack of buyer interest for new construction development at this time.)				
9 Sold residential comparable parcels reported on the MLS in Portage were noted as sold at a median price of \$29,000 with total days on Market noted on average of 188 CDOM.				
Recent increased trend in construction contracts. Trend indicates the properties are recovering slowly from a declining trend as a result of oversupply and while higher in median price, they will and are taking considerably longer to purchase. Few note in developments. Most often at the purchase of a cash investor or builder.				
Reconciliation Comments: Value emphasis placed on the Sales Comparison Approach. See above. Estimate of value is based on a reasonable exposure period offered within a current median pricing.				
This appraisal is made <input checked="" type="checkbox"/> "as is", or <input type="checkbox"/> subject to the following conditions or inspections: Original report has table of contents, showing all pages, if missing, this may not be a true copy. Appraisers signature is computer generated and password protected.				
Based on a complete visual inspection of the subject site and those improvements upon said site, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of market value, as defined, of the real property that is the subject of this report is:				
Opinion of Market Value: \$ 16,000 , as of: 04/09/2013 , which is the date of inspection and the effective date of this appraisal.				

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010570

PRODUCT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s): Detached Attached
 Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal Name of Project: _____
 Total number of phases: _____ Total number of units: _____ Total number of units sold: _____
 Total number of units rented: _____ Total number of units for sale: _____ Data source(s): _____
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion: _____
 Does the project contain any multi-dwelling units? Yes No Data Source: _____
 Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion: _____

Describe common elements and recreational facilities: _____

CERTIFICATIONS AND LIMITING CONDITIONS

This report form is designed to report an appraisal of a parcel of land which may have some minor improvements but is not considered to be an "improved site". All improvements are considered to be of relatively minor value impact on the overall value of the site. This report form is not designed to report on an "improved site" where significant value is derived from the improvements. This appraisal report form may be used for single family, multi-family sites and may be included within a PUD development.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions and certifications. The appraiser must, at a minimum; (1) perform a complete visual inspection of the subject site and any limited improvements, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions and conclusions in this appraisal report.

INTENDED USE: The intended use of the appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this report is the lender/client identified within the appraisal report.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what they consider their own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale. (Source: OCC, OTS, FRS, & FDIC joint regulations published June 7, 1994)

* Adjustments to the comparables must be made for special or creative concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect the subject property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the subject property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties express or implied. The appraiser will not be responsible for any such conditions that do exist or for the engineering or testing that might be required to discover whether such condition exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal must not be considered as an environmental assessment of the property.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject site and any limited improvements. I have reported the information in factual and specific terms. I identified and reported the deficiencies of the subject site that could affect the utility of the site and its usefulness as a building lot(s).
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them unless indicated elsewhere within this report as there are no or very limited improvements and these approaches to value are not deemed necessary for credible result and/or reliable indicators of value for this appraisal assignment.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of the sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining multiple transactions into reported sales
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I have verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010570

CERTIFICATIONS AND LIMITING CONDITIONS (continued)

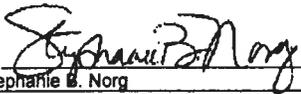
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believed to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq, or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

SIGNATURES

APPRAISER

Signature 
 Name Stephanie E. Norg
 Company Name PRO Appraisal Services, LLC.
 Company Address 341 Point O Woods Drive,
Portage, MI 49002
 Telephone Number 269-324-4301
 Email Address stephanienorg@aol.com
 Date of Signature and Report 12/11/2012
 Effective Date of Appraisal 04/09/2013
 State Certification # 1201008909
 or State License # _____
 or Other (describe) _____ State # _____
 State MI
 Expiration Date of Certification or License 07/31/2013

ADDRESS OF PROPERTY APPRAISED
7200 Balfour Dr
Portage, MI 49024-4006
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 16,000
 LENDER/CLIENT
 Name Vicki Georgeau, AICP
 Company Name City of Portage
 Company Address 7900 South Westnedge Avenue
Portage, MI 49002
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

ADDENDUM

Borrower: N/A	File No.: 01010570
Property Address: 7200 Balfour Dr	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49024-4006

Neighborhood Description

Homes in the area are a mixture of single and multi-level residences which appear to be properly maintained. No adverse conditions were noted. Schools, employment and shopping are within a reasonable distance and do not appear to have an effect on market value. Commercial and 2-4 family noted in present land use percentage is in the general area (typically secondary arterial roadways), and does not appear to have an effect on the overall market value of the subject at this time (subject basically located in a residential area).

City of Portage is the county's second largest city with a population of over 44,000. It is part of the regional center/economic hub for the area. Police and Fire Departments provided. Property taxes are assessed according to the school district in which the subject is located (typical for Michigan). Municipal water and sewer typically available. Crossed by I-94 and US-131 Highways, the City is considered one of the fastest growing in the area.

Neighborhood Market Conditions

PREDOMINATE VALUE NOTED ON PAGE ONE:

It should be noted that the predominate value for this area includes sales of properties that are on multi-acre sites, waterfront and/or superior developments with gross living areas that exceed 6,000 sq.ft. The Neighborhood Description portion of the report addresses the eclectic range of dwellings within the area. The marketability of the subject is not affected by the diversity of the market area as properties that bracket the subjects' site and amenities have sold within the past several months. These sales are utilized within the report as comparables and show that properties similar to the subject are marketable. It should also be noted that these sales are within a reasonable distance and have sold within the past six months.

PREDOMINATE PRICING WITHIN THE SURROUNDING AREA/MARKET CONDITIONS:

For all Single Family residential dwellings within the greater Portage city area, the current predominate median List price is \$137,550 (92/130 CDOM) and the predominate median Sale price is \$130,000 (70/96 CDOM) with 591 sales from the last 12 months 97.5% List to Sale ratio. By comparison, findings from the prior 12 month period, or 2010/2011; predominate Sale price indicated \$122,500 (78/111 CDOM) with 545 sales at 96% List to Sale ratio. Overall improved results in values from an increased volume of reported MLS sales at improved L/S ratios (this was researched over the same 12 month period). Stable general market conditions.

SUBJECT MARKET WITHIN NEIGHBORHOOD BOUNDARIES:

Subject defined marketing area for comparable base is considered the criteria used by a prospective buyer of the subject property.

Demand for this vacant residential land is low as reflected in lack of new construction and financing available. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 8 miles away). For this report, a search within a 2 mile radius of the subject area was considered appropriate as the subject is located in a well defined, yet large suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

Property value trends as a Nation, Michigan and within the Greater Kalamazoo area market have been noted as mixed rating, by comparison, the subject marketing area (as defined above) appears to reflect a stable trend. This market appears to have an over supply. The next 120 days may see seasonal change, going into the "summer" market. See sales comparison grid for market reaction to comparables; when most properties are priced appropriately to market conditions, few have still shown to have more than 180 days of marketing.

Seller paid financial assistance is prevalent, yet does not appear to have a noticeable impact on this market. Seller contributions have remained consistent at an estimated rate of 1-6% noted over the last 12 months. Foreclosures also appear to have a significant impact on the general marketing conditions.

Data for these conclusions is largely based on the Association of Realtors' Southwestern Michigan Listing Service; SWMRIC-MLS, supported by this appraiser's knowledge, online census/county records, use of prior appraisal assignments within this market, conversations with local assessors, realtors and/or appraiser's peers. Statistical data also from online agencies such as the National Bureau of Economic Research, Michigan Department of Energy, Labor & Economic Growth and Michigan.gov. Recent sales should reflect any market change due to the current market conditions. Short term appreciation or depreciation, as found in market analysis above, will be adjusted within the grid on page two, when considered necessary. The most similar sales were provided as support for the estimated market value of the subject.

Market Influences: Mixed results to the economic recovery within the region, State of Michigan and the USA as a nation. Improved employment conditions both State and National reports. Yet, foreclosure trends, consumer confidence and lending standards have contributed to slow change, yet recovering in many markets. National Bureau of Economic Research Announces Official End To Most Recent Recession. On September 20, 2010, the National Bureau of Economic Research (NBER) announced that the U.S. economy reached a trough in June 2009, making the 18-month recession that began in December 2007 the longest economic downturn since the Great Depression. Measured in quarters, the most recent recession began in 2007Q4 and ended in 2009Q2.

*According to the National Association of REALTORS®, total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops. February existing home sale report indicated that sales increased 0.8% from the previous month and 10.2% over February of 2012. They also reported that sale prices were up 11.6% over February 2012 and that existing inventory increased by 9.6% from the previous month. 25% of all sales in February were of distressed homes (15% foreclosures and 10% short sales), down from 34% one year ago but up from 23% one month ago. The February buyer demographic: 30% were first time buyers, unchanged from January, down from 32% in February 2012. All cash sales comprised 32% of transactions last month, up from 28% the previous month but down from 33% one year ago. 22% of all sales in February were to investors, also up from January (19%) but down from February 2012 (23%). Pending sales were up 4.5% from (a downwardly revised) January but up 9.5% from January of 2012. www.realtor.org/press_room/news releases.

*The Federal Housing Finance Agency (FHFA) on March 21, 2013 reported that their Home Price Index (HPI) for January was up 0.6% from the previous month and also up 6.5% from the previous year. Their news release last Thursday indicated that the HPI was down 14.7% from its peak in April 2007 and was at approximately the same level as it was in September 2004.

*The national unemployment rate for February 2013 is at 7.7% according to figures released by the Bureau of Labor Statistics.

ADDENDUM

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The national unemployment rate in January was 7.9 percent, seasonally adjusted, down from 8.3 percent a year earlier. In 2011, 30 states posted statistically significant unemployment rate decreases, the largest of which was in Michigan (-2.4 percentage points). The largest over-the-month increase in employment in January 2013 occurred in Michigan (+26,500). Michigan's unemployment rate for January 2013 reporting at 8.9%. Seasonally unadjusted unemployment rates rose in all of Michigan's 17 major labor market areas in January, according to the Michigan Department of Technology, Management & Budget. Total employment and labor force levels fell seasonally in all regions over the month. "Michigan's local labor market changes in January were seasonal as employment typically falls in the winter months throughout the state," said Rick Waclawek, director of the Bureau of Labor Market Information & Strategic Initiatives. "In general, the state's local regions reported improvement since January 2012. Over the past year, unemployment rates declined and payroll jobs were up in the majority of areas." The January unemployment rate for the Kalamazoo-Portage Metropolitan Statistical Area, which includes all of Kalamazoo and Van Buren counties, rose to 7.7 percent, up from 7.3 percent in December. The represents 12,200 people without work in a civilian workforce of 157,500 people. The January rate was down, however, from January 2012, when it was 8.5 percent. Taken separately, the jobless rate for the Kalamazoo County was 6.8 percent, up from 6.7 percent in December but down from 7.5 percent in January of 2012. "Jobless rates increased seasonally in January in all regional counties, ranging from +0.1 percentage points in Kalamazoo to +1.3 points in Van Buren County," Leonidas Murembya, regional analyst for the Michigan Bureau of Labor Market Relations & Strategic Initiatives, wrote in his analysis of Southwest Michigan. Some individuals who were temporarily employed during the holiday season withdrew from the labor market, Murembya reported, "leading to a decline in the overall level of the regional civilian labor force. The exception was Van Buren County, where labor force inched up by +75." He reported that labor force reductions ranged from -25 in Barry to -2,100 in Berrien County. Other counties that recorded considerable workforce losses in January include Kalamazoo (-1,300) and Calhoun (-900). "During the entire 2012 year, the labor forces in almost all regional counties saw losses, from -50 in Allegan to -1,950 in Kalamazoo County. The labor force expanded over the year in Barry County (+175). Looking at the year as a whole, unemployment rates for the region have inched down by an average of about -0.6 percentage points, according to Murembya. "The deepest rate reductions were recorded in St. Joseph (-1.8 percentage points) and Allegan (-1.0) counties," he reported.

*The Conference Board Consumer Confidence Index®, which had declined in January 2013, rebounded in February. The index now stands at 69.6 (1985=100), up from 58.4 in January. The Present Situation Index increased to 63.3 from 56.2. The Expectations Index improved to 73.8 from 59.9 last month. The monthly Consumer Confidence Survey®, based on a probability-design random sample, is conducted for The Conference Board by Nielsen, a leading global provider of information and analytics around what consumers buy and watch. The cutoff date for the preliminary results was February 14, 2013. Lynn Franco, Director of Economic Indicators at The Conference Board "Consumer Confidence rebounded in February as the shock effect caused by the fiscal cliff uncertainty and payroll tax cuts appears to have abated. Consumers' assessment of current business and labor market conditions is more positive than last month. Looking ahead, consumers are cautiously optimistic about the outlook for business and labor market conditions. Income expectations, which had turned rather negative last month, have improved modestly." www.conference-board.org/press.

*February 26, 2013 – Data through December 2012, released by S&P Dow Jones Indices for its S&P/Case-Shiller Home Price Indices, "the leading measure of U.S. home prices", showed that all three headline composites ended the year with strong gains. The national composite posted an increase of 7.3% for 2012. The 10- and 20-City Composites reported annual returns of 5.9% and 6.8% in 2012. Month-over-month, both the 10- and 20-City Composites moved into positive territory with gains of 0.2%; more than reversing last month's losses. "Home prices ended 2012 with solid gains," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "Housing and residential construction led the economy in the 2012 fourth quarter. In December's report all three headline composites and 19 of the 20 cities gained over their levels of a year ago. Month-over-month, 9 cities and both Composites posted positive monthly gains. Seasonally adjusted, there were no monthly declines across all 20 cities.

*Foreclosures have influenced the market reflecting lower median pricing and oversupplies. RealtyTrac® (www.realtytrac.com), the leading online marketplace for foreclosure properties, released December 13, 2012 its U.S. Foreclosure Market Report™ for February 2013, which shows foreclosure filings — default notices, scheduled auctions and bank repossessions — were reported on 154,281 U.S. properties in February, an increase of 2 percent from the previous month but still down 25 percent from February 2012. The report also shows one in every 849 U.S. housing units with a foreclosure filing during the month. "At a high level the U.S. foreclosure inferno has been effectively contained and should be reduced to a slow burn in the next two years," said Daren Blomquist, vice president at RealtyTrac. "But dangerous foreclosure flare-ups are still popping up in states where foreclosures have been delayed by a lengthy court process or by new legislation making it more difficult to foreclose outside of the court system. Foreclosure starts have been steadily building in those states over the last several months and likely will end up as bank repossessions or short sales later this year. This site reporting Michigan above average rates of documented one in 422 housing units received a foreclosure filing in February. With an average sales price of properties in some stage of foreclosure: default, scheduled for auction or bank-owned (REO): was \$61,506. One in every 980 Kalamazoo County households reported foreclosure February 2013 filing. With an average sales price of properties in some stage of foreclosure: default, scheduled for auction or bank-owned (REO): was \$100,000. One in every 433 Van Buren County households reported foreclosure February 2013 filing. There are many appraisal assignments where, in order to achieve credible results, it is necessary to use "distress" (e.g., REO or Short Sales) properties as comparable sales. However, foreclosure sales, defined by Black's Law Dictionary as "the sale of mortgaged property, authorized by a court decree or a power-of-sale clause, to satisfy the debt" are seldom based on market expectations. When there is a glut of distress sales in the marketplace, and those properties are truly comparable to the subject, it would be misleading not to use them as part (or in some cases all) of the basis for a value conclusion.

National vacancy rates in the fourth quarter 2012 were 8.7 percent for rental housing and 1.9 percent for homeowner housing, per the Department of Commerce's Census Bureau announced January 29, 2013. The rental vacancy rate of 8.7 percent was 0.7 percentage points lower than the rate in the fourth quarter 2011 (+/-0.4 percentage points) and 0.1 percentage point higher than the rate last quarter (+/-0.4). The homeowner vacancy rate of 1.9 percent was 0.4 percentage points lower than the fourth quarter 2011 rate (+/-0.2) and approximately the same (+/-0.1)* as the rate last quarter. The homeownership rate of 65.4 percent was 0.6 percentage points (+/-0.4) lower than the fourth quarter 2011 rate (66.0 percent) and 0.1 percentage point (+/-0.4)* lower than the rate last quarter (65.5 percent). For the fourth quarter 2012, the homeowner vacancy rate was higher in the South (2.2 percent) than in the Midwest (1.8 percent) and West (1.6 percent), but not statistically different from the Northeast. The rates in the Northeast, Midwest, and West were not significantly different from each other. The homeowner vacancy rates in the Midwest and West were lower than a year ago, while the rates in the Northeast and South were not statistically different from the fourth quarter 2011 rates. This had also reported Michigan to have a 2012 Q3 rating of 2.5 confidence interval and a rate of 12.3% as compared to the Q2 at 11.6%. These are heavily weighed down by the Eastern Detroit area, which is significantly higher as reported by comparison to Western Michigan Grand Rapids Metro, showing Q3 at 7.5% confidence interval at 8.3% vs Detroit Q3 at 4% confidence interval at a 15.5%. Greater Kalamazoo area not covered in

ADDENDUM

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Property Address: 7200 Balfour Dr		Case No.:	
City: Portage	State: MI	Zip: 49024-4006	
Lender: City of Portage			

this study. Homeownership rates also reported Michigan at Q3 rating of 2.1 confidence interval and a rate of 75% as compared to the Q2 at 2.2% and rate of 74.8. New Residential Vacancies and Homeownership data for the first quarter 2013 will be released on Tuesday, April 30, 2013 at 10:00 A.M. EDT. www.census.gov/housing/hvs.

*Builder confidence in the market for newly built, single-family homes paused for a third consecutive month in March, with a two-point reduction to 44 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). www.nahb.org/news.

* The latest Michigan Housing Index from the Home Builders association of Michigan covers the time period of January through March 2013. The first quarter 2013 index for builders was 59, which was up sharply from 38 in December of 2012, and 44 recorded in March 2012. www.buildingmichigan.org

Sales of new single-family houses privately-owned units authorized by building permits in January 2013 were at a seasonally adjusted annual rate of 437,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development February 26, 2013. This is 15.6 percent (±18.9%) above the revised December rate of 378,000 and is 28.9 percent (±21.7%) above the January 2012 estimate of 339,000. The median sales price of new houses sold in January 2013 was \$226,400; the average sales price was \$286,300. The seasonally adjusted estimate of new houses for sale at the end of January was 150,000. This represents a supply of 4.1 months at the current sales rate. www.census.gov/construction.

In conclusion, the next 120 days will likely see a change in most markets as Southwestern Michigan is also considered a seasonal market affected by slower periods of residential sales due to winter weather conditions and buying trends. Traditionally slowing down after school start in September, with a modest return of sales in February.

Site Comments

Dwellings within the immediate area typically have public water and sewer. Properties to the immediate North have connected to public connections. If a problem develops with the installation of these systems, there could be an impact on the market value and/or marketability of the subject. No future assessment has been reported during the course of this assignment. Value estimate is made based on current condition of a vacant parcel.

Estimated cost for water/septic improvements are typically absorbed by the potential buyer of such residential vacant sites; **March 2013**

Water- Front footage assessment (66 feet) 1.25 inch water lead, 0.75 inch meter; estimate total \$3,448.

Sewer Tap and Front footage assessment (66 feet); estimate total \$4,178.

Private Contractor Connection of water and sewer service \$10,000 - \$12,000 (including installation of sewer lead).

Parcel is smaller than lots in the immediate neighborhood and considered substandard but buildable. Other similar sized parcels are improved within the neighborhood boundaries of competing developments supporting the appeal and marketability of the subject parcel size.

Comments on Sales Comparison

Most weight given to Comparable's One, Two and Three as they have the least amount of adjustments and appear most similar to the subject. Sales all located in similar economic areas. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 10 miles away). For this report, a focused search within the greater Portage area was considered appropriate as the subject is located in a well defined, yet large outlying suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

No short term appreciation nor depreciation noted for sales within last 3 months. Comparable sales which closed greater than 6 months ago were considered and used as needed due to their proximity or similar appeal to the subject. A minimal of two sales within the last 3 to 6 months are provided.

The sales used "bracket" the subject in Size and Adjusted Sale Prices. They are all from the same or similar areas and would typically be considered by potential purchasers of the subject, thus they are considered to be the best comparables for estimating the subject market value at this time. Due to the lack of sales from the market, none were identified to better support the subject estimate of value. Site adjustments, or lack thereof were made for the site size differences to reflect the overall market value differences of the sites (not just site size), which takes into account, road frontage, depth, topography, functional utility and surrounding site market values.

Listings are provided as additional support. The "Active" comparable prices noted above are the listing prices, not sale prices, thus the adjusted values could change if/when the comparables are sold. A "time on market" adjustment based on the average Sale to List ratio was made to support the estimated, adjusted values. Current Sale to List price ratio has been estimated at 92%. Similar adjustments were made with these comparable properties as with sales comparables and are based on the market value differences, not cost.

1-Listing for \$16,500 at 1041 E Osterhout Ave, Portage, MI 49002 Active (11/02/12). \$15,180; busier street, larger site, same district, and water and sewer available at street.

2-Listing sold for \$18,000 at 2381 McClish Ct, Portage, MI 49002 (12/21/12) 64 DOM. Listed at \$22,000; Austin Lake, multi family zoning; overall higher appeal. Underpriced.

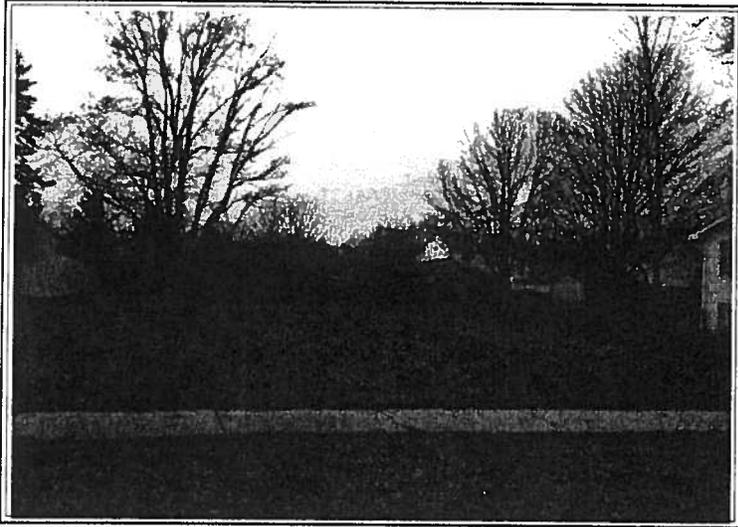
3-Listing for \$29,900 at 1090 Ludington Ave, Portage, MI 49002 Active (listed 09/02/12 for \$31,900 now 219 DOM). \$27,508; Near subject development, superior area of newer homes, builder will sell outright due to a lack of buyer interest.

4-Expired listing 03/13/2013 for \$40,000 1318 Ashton Woods Ct., Portage, MI 49024 Listed for same 03/19/2012. Superior area, culdesac location of superior construction, wooded site, water and sewer also available. Overpriced.

Comparable sales are considered the best available and most recent at this time. While these sales are not as ideal in their proximity to the subject, they bracket the appealing factors of the subject site. Adjustments were made based on the market value of the improvements for the area, not the cost.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010570	
Property Address: 7200 Balfour Dr	Case No.:	
City: Portage	State: MI	Zip: 49024-4006
Lender: City of Portage		

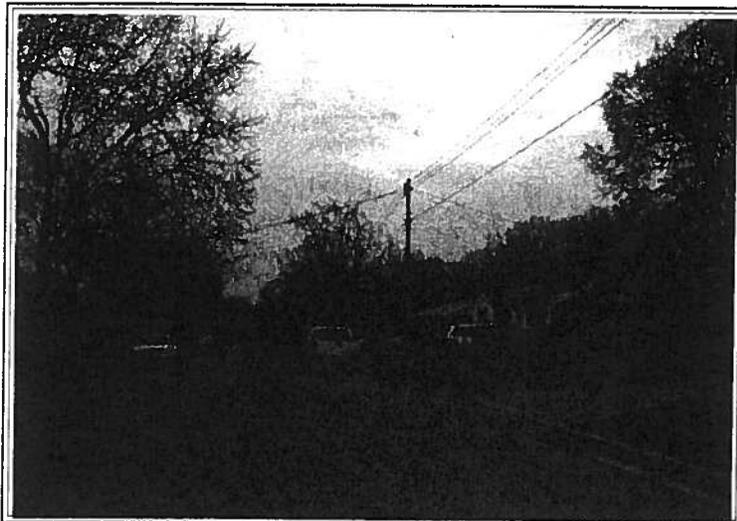


**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: April 9, 2013
Appraised Value: \$ 16,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

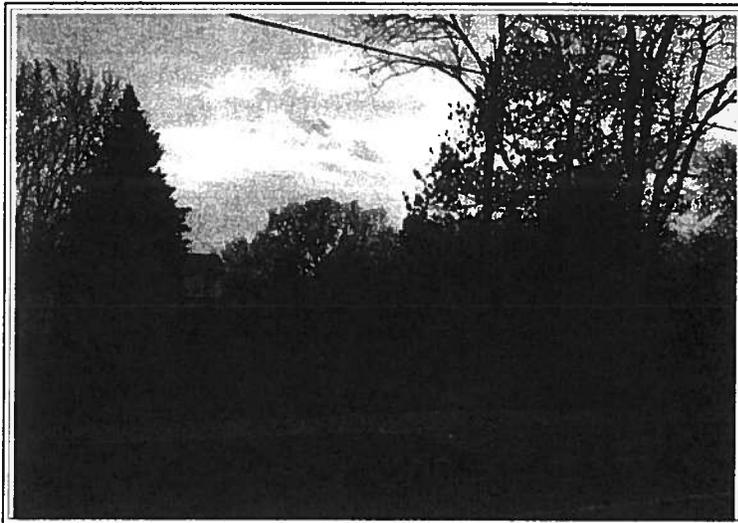
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010570	
Property Address: 7200 Balfour Dr	Case No.:	
City: Portage	State: MI	Zip: 49024-4006
Lender: City of Portage		



COMPARABLE SALE #1

4230 Gray St
Portage, MI 49024
Sale Date: 10/12/2012
Sale Price: \$ 12,900



COMPARABLE SALE #2

1427 Romence Rd
Portage, MI 49024
Sale Date: 01/27/2012
Sale Price: \$ 12,000



COMPARABLE SALE #3

6203 S 12th St
Portage, MI 49024
Sale Date: 11/28/2012
Sale Price: \$ 29,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010570	
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City: Portage	State: MI	Zip: 49024-4006
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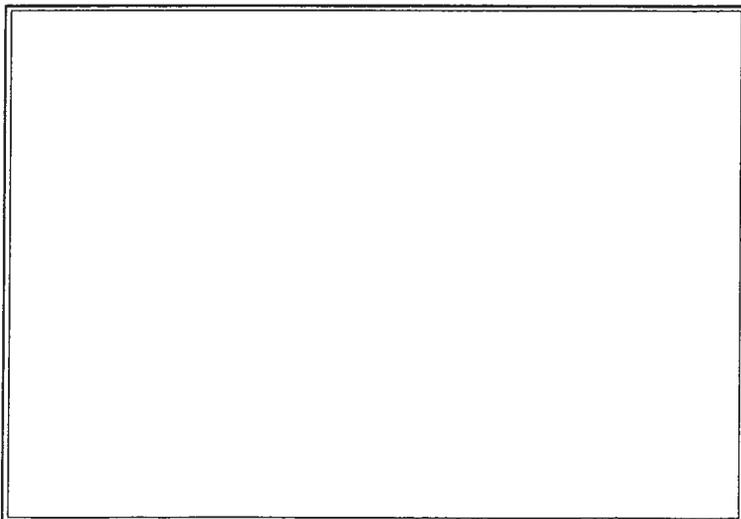
COMPARABLE SALE #4

803 Idaho
Portage, MI 49024
Sale Date: EXPIRED
Sale Price: \$ 6,000



COMPARABLE SALE #5

1041 E Osterhout Ave
Portage, MI 49024
Sale Date: ACTIVE
Sale Price: \$ 16,500



COMPARABLE SALE #6

Sale Date:
Sale Price: \$

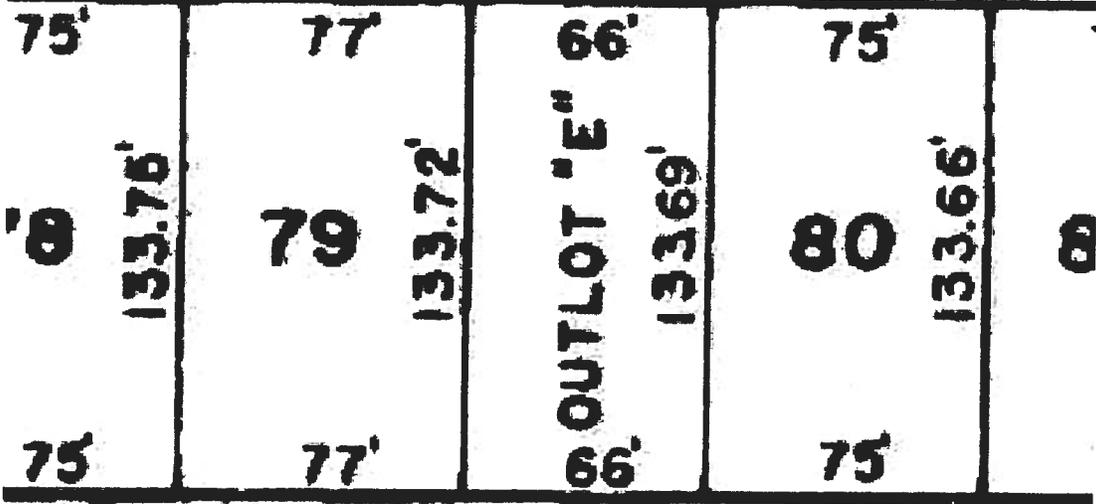
PLAT MAP

Borrower: N/A	File No.: 01010570
Property Address: 7200 Balfour Dr	Case No.:
City: Portage	State: MI Zip: 49024-4006
Lender: City of Portage	



D

W. 1134.98'



30" W. 1397.30'

.11 W.

FLOOD MAP

Borrower: N/A

File No.: 01010570

Property Address: 7200 Balfour Dr

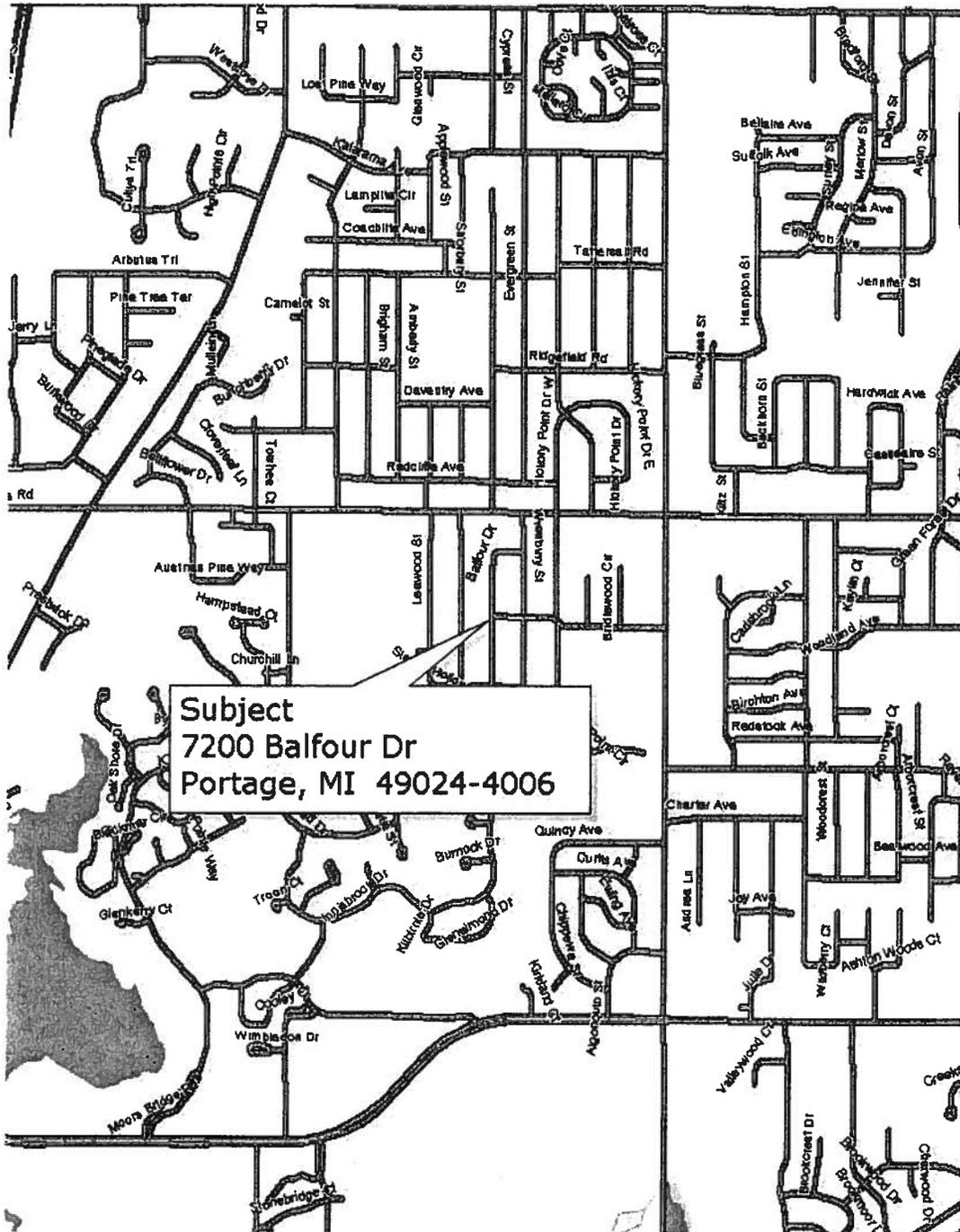
Case No.:

City: Portage

State: MI

Zip: 49024-4006

Lender: City of Portage



Subject
7200 Balfour Dr
Portage, MI 49024-4006

FloodMap Legend

Flood Zones

-  Areas inundated by 500-year flooding
-  Areas outside of the 100- and 500-year floodplains
-  Areas inundated by 100-year flooding
-  Areas inundated by 100-year flooding with velocity hazard
-  Floodway areas
-  Floodway areas with velocity hazard
-  Areas of undetermined but possible flood hazards
-  Areas not mapped on any published FIRM

Flood Information

Community: 260577 - PORTAGE, CITY OF
 Property is not in a FEMA special flood hazard area.
 Map Number: 26077C0303D Map Date: 02/17/2010
 Panel: 0303D FIPS: 26077
 Zone: X

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

AERIAL MAP

Borrower: N/A

File No.: 01010570

Property Address: 7200 Balfour Dr

Case No.:

City: Portage

State: MI

Zip: 49024-4006

Lender: City of Portage



3/28/2009

***** INVOICE *****

File Number: 01010570

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

Borrower : N/A

Invoice # : 01010570
Order Date : 03/19/2013
Reference/Case # :
PO Number :

Vacant residential parcel

7200 Balfour Dr
Portage, MI 49024-4006

Appraisal of Subject Property	\$	200.00
	\$	

Invoice Total	\$	200.00
State Sales Tax @ 0%	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	200.00

Terms: Payable within five working days

Please Make Check Payable To:

PRO Appraisal Services, LLC
341 Point O Woods Drive
Portage, MI 49002

Fed. I.D. #: 27-3531312

Thank you for your business!

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010570
Property Address: 7200 Balfour Dr	Case No.:
City: Portage	State: MI Zip: 49024-4006
Lender: City of Portage	

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
 Brian J. Bowling, City Manager

DATE: January 17, 2013

FROM: Vicki Georgeau, Director of Community Development

SUBJECT: City-owned residential properties

As indicated in my November 9, 2012 communication regarding residentially-zoned city-owned property, the vast majority are used for public facilities, public street rights-of-way (existing and future right-of-way), public water, sanitary sewer and storm sewer utility purposes (e.g. sewer lift stations, well house/pumps, storm water retention basins, etc.), parks and trail ways. In addition, some properties have been purchased to facilitate capital improvement projects and/or economic development projects. As noted, all but 15 "vacant" properties have a specified public use that would make the disposition inappropriate. Of these 15 vacant properties, six were purchased as part of the South Westnedge Enhancement Projects (SWEPS), five properties serve as buffers between I-94 or a railroad ROW (and are not otherwise buildable lots), and the remaining four properties also have development limitations.

With regard to properties with an identified "Access" public use, additional research has been accomplished to determine if there is development potential for these parcels, or if they could be disposed of through a side-lot arrangement, where the parcel is split and sold to adjacent property owners. The attached table provides more detail in regard to the properties identified with an "access" or "vacant" public use. Of the properties listed, there are three properties that no longer have a public use or purpose:

- 7200 Balfour Drive, Outlot E of Meadow Lane No. 2 (platted in 1960): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 133 feet in depth. Outlot E was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since the development of Pleasant Meadow #2 to the west, no future street connection is feasible. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot E is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover are met, the property appears buildable (note: other lots within the plat are non-conforming with regard to width and area).
- 7138 Capri Street, Outlot B of Holiday Village (platted in 1961): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 125 feet in depth. Outlot B was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since development of the Portage Soccer Complex, no future street connection is necessary. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot B is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet the minimum 80 foot lot width and area of 9,600 square feet).

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010570	
Property Address: 7200 Balfour Dr	Case No.:	
City: Portage	State: MI	Zip: 49024-4006
Lender: City of Portage		

City-Owned Residential Properties,
Page 2

- 1600 Friendly Avenue, Outlot A of Breezy-Hills Garden (platted in 1948): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 165 feet in depth and has a public sewer lead. Prior to the construction of Woods Edge Learning Center at 1501 East Milham Road/5821 Lovers Lane, this outlot was reserved for a street connection to potential future development to the south. Since construction of the school on the property to the south, disposition of Outlot A can be recommended as there are no public utilities located on the property and there is no apparent public use or purpose for the property. While the width of Outlot A is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet or exceed the minimum 80 foot lot width).

The above listed properties are located within plats that were recorded prior to the Subdivision Control Act of 1967. Per the attached opinion from the City Attorney, these three properties can be considered buildable because prior plat acts did not provide a specific definition of "outlot", and there is no wording on the plat documents that indicate the outlots were reserved or set aside as something other than a building site (e.g., future street connection, drainage basin, utility easement, etc.).

With regard to the potential sale of the outlots, the city has Quit Claim Deeds for the two outlots at 7200 Balfour Drive and 7138 Capri Street, and the sale of these properties would be fairly straight forward. However, there is no proof of ownership for 1600 Friendly Avenue and the City Attorney has recommended a title search be completed in regard to this property to determine if the property can be sold.

With regard to all of the above properties, because they do not conform to the minimum width and/or area requirements, if the properties were offered for sale, it may be appropriate to first offer the outlots to adjacent property owners. Under this scenario, the outlots would be evenly split and sold to adjacent property owners. If adjacent properties owners are not interested in purchasing the outlots, the city could subsequently market the properties for sale to any interested parties. Finally, should a determination be made that the above properties should be sold, it is recommended an appraisal be prepared to determine the market value and an appropriate sales price.

If you have any questions or comments, I am available to meet with you at your convenience.

Attachments: List of city-owned residentially zoned properties with an "access" or "vacant" public use designation
Maps of 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue
January 17, 2013 City Attorney opinion

S:\2012-2013 Department Files\Memos\Manager\2013\16 VG city owned properties.doc

CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010570
 Property Address: 7200 Balfour Dr Case No.:
 City: Portage State: MI Zip: 49024-4006
 Lender: City of Portage

ADDRESS	ACREAGE	PUBLIC USE	Map #	DETAILS/DESCRIPTION
10244 PORTAGE RD	0.65	ACCESS	189	FUTURE DEVELOPMENT ACCESS
1121 WOODLAND DR	0.06	ACCESS	218	ACCESS TO WELL SITE AT 1123 WOODLAND
1600 FRIENDLY AV	0.25	ACCESS	130	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS
2220 WINTERS DR	0.41	ACCESS	152	FUTURE DEVELOPMENT ACCESS
4204 TIFFANY AV	0.82	ACCESS	121	ACCESS TO DRAINBASIN
4400 FIRESIDE AV	0.51	ACCESS	164	FUTURE DEVELOPMENT ACCESS
5113 GREENHILL ST	0.28	ACCESS	168	FUTURE DEVELOPMENT ACCESS
5153 S 12TH ST	0.32	ACCESS	28	ACCESS TO FUTURE WELL SITE
5219 GREENHILL ST	0.30	ACCESS	169	FUTURE DEVELOPMENT ACCESS / WATER MAIN ENCROACHMENT
5411 OAKLAND DR	0.36	ACCESS	24	ROW TO WELL SITE / BUFFER NEXT TO I-94
5530 ANGLING RD	0.32	ACCESS	129	HARBORS WEST PARK WALKWAY ACCESS
601 SOUTHLAND AV	0.21	ACCESS	206	ACCESS TO ADJACENT LAND
6700 SUNBURST DR	0.61	ACCESS	210	DRAINRETENTION BASIN
7138 CAPRI ST	0.34	ACCESS	170	66' WIDE NON-BUILDABLE OUTLOT WITH SIDE LOT SALE OPPORTUNITY
820 RAINBOW AV	0.20	ACCESS	201	66' WIDE OUTLOT WITH WATER MAIN ENCROACHMENT
8620 S SPRINKLE RD	0.61	ACCESS	180	FUTURE DEVELOPMENT ACCESS
9024 S WESTNEDGE AV	0.21	ACCESS	192	ACCESS TO SOUTH WESTNEDGE PARK
9110 S WESTNEDGE AV	0.20	ACCESS	193	ACCESS TO REAR LAND
117 AMOS AV	0.20	VACANT	146	SWEPS ACQUISITION
118 AMOS AV	0.20	VACANT	142	SWEPS ACQUISITION
124 AMOS AV	0.20	VACANT	143	SWEPS ACQUISITION
129 AMOS AV	0.20	VACANT	145	SWEPS ACQUISITION
130 AMOS AV	0.20	VACANT	144	SWEPS ACQUISITION
212 IDAHO AV	0.21	VACANT	22	SWEPS ACQUISITION
1905 FAIRFIELD RD	0.40	VACANT	155	BUFFER NEXT TO I-94
1927 BENDER RD	0.01	VACANT	156	BUFFER NEXT TO I-94
2100 INDIAN RD	0.68	VACANT	158	BUFFER NEXT TO I-94
2125 BENDER RD	0.25	VACANT	157	BUFFER NEXT TO I-94
730 CIRCLEWOOD SOUTH DR	1.00	VACANT	8	BUFFER NEXT TO RAILROAD
2527 W MILHAM AV	0.14	VACANT	37	36' WIDE UNBUILDABLE PARCEL, MAINTAINED BY ADJACENT OWNER
431 SOUTHLAND AV	0.20	VACANT	205	66' WIDE OUTLOT ENCRACHED BY STORM SEWER
5916 OAKLAND DR	0.45	VACANT	147	FUTURE OAKLAND DRIVE ROW ENCROACHMENT
7200 BALFOUR DR	0.20	VACANT	183	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS

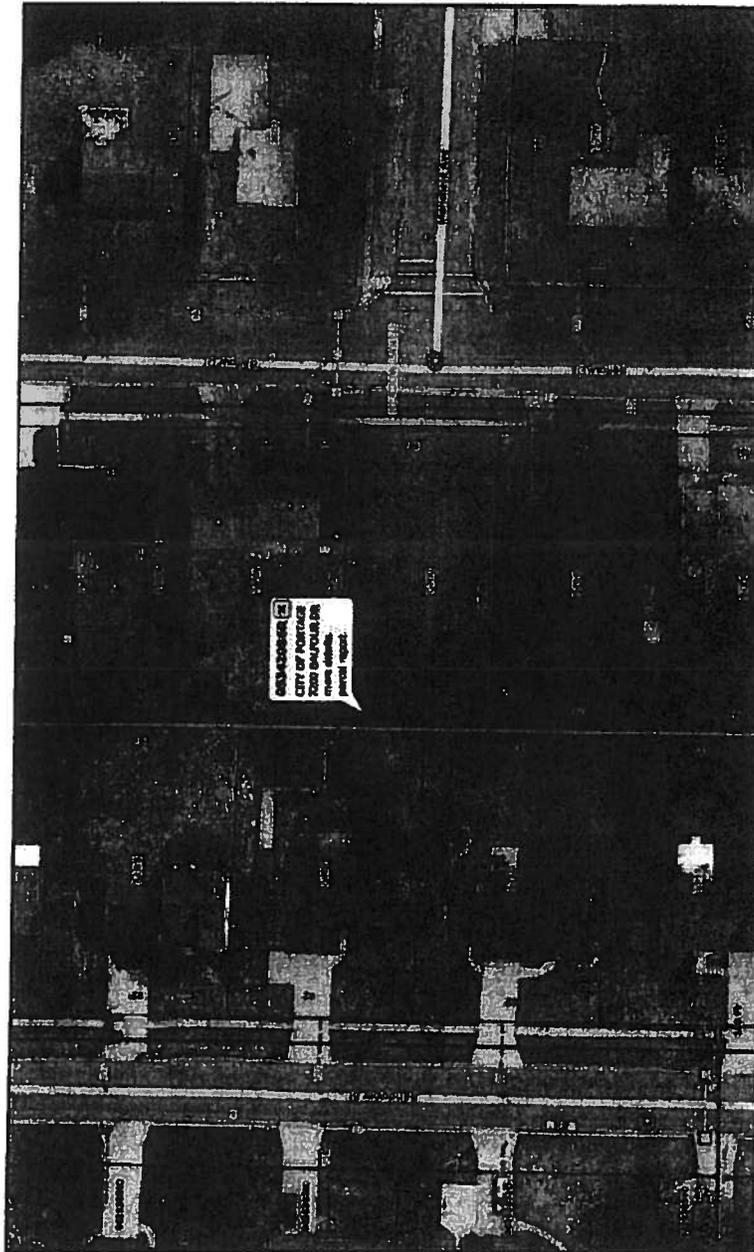
CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010570
Property Address: 7200 Balfour Dr Case No.:
City: Portage State: MI Zip: 49024-4006
Lender: City of Portage



CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010570
Property Address: 7200 Balfour Dr Case No.:
City: Portage State: MI Zip: 49024-4006
Lender: City of Portage



Disclaimer:

This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.



1:900

Map Publication:

Wed Dec 12 2012 05:16:29 PM

City of Portage Map Document



Borrower: N/A

File No.: 01010570

Property Address: 7200 Balfour Dr

Case No.:

City: Portage

State: MI

Zip: 49024-4006

Lender: City of Portage

COPY 3
SHEET 1 OF 3

42476

"MEADOW-LANE No. 2"

SECTION 17, T34N, R14E
TOWNSHIP OF PORTAGE, COUNTY OF BALAMONDO,
MICHIGAN
SCALE ONE INCH EQUALS 100 FEET
ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF

CURVE DATA

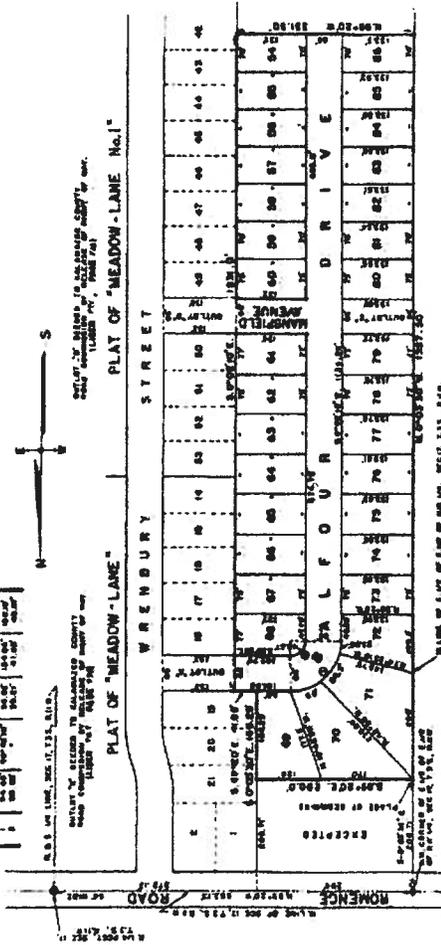
LINE NO.	BEARING	CHORD	ANGLE	ARC
1	S 89° 07' 00" W	100.000'	100.000'	100.000'
2	S 89° 07' 00" W	100.000'	100.000'	100.000'



SECTION 17, T34N, R14E
TOWNSHIP OF PORTAGE, COUNTY OF BALAMONDO,
MICHIGAN
SCALE ONE INCH EQUALS 100 FEET

SECTION 17, T34N, R14E
TOWNSHIP OF PORTAGE, COUNTY OF BALAMONDO,
MICHIGAN
SCALE ONE INCH EQUALS 100 FEET

SECTION 17, T34N, R14E
TOWNSHIP OF PORTAGE, COUNTY OF BALAMONDO,
MICHIGAN
SCALE ONE INCH EQUALS 100 FEET



MARKET STUDY

Borrower: N/A	File No.: 01010570
Property Address: 7200 Balfour Dr	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49024-4006

	City 80224	65 66 x 135	Balfour	\$163,000.00		
Active: 5	Pending: 5	Sold: 17	Other: 0	Total: 27		
	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM/CDOM
Minimum	3	2	1,100	\$78,000	\$121,000	0/4
Average	3	2.78	1,491	\$162,153	\$152,874	67/86
Median	3	3	1,508	\$164,900	\$159,000	42/44
Maximum	5	3	1,776	\$223,900	\$185,000	108/505
Total Dollar Value					\$2,598,850	

Average DOM Breakdown and Average % of Listing Price received on Solds by Market time:						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	120+ Days	
No. of Listings	8	1	3	2	3	NORTH CENTRAL QUARTER
Breakdown %	47.06	5.88	17.65	11.76	17.65	East S. Westside
Avg SP % LP	98.11	38.18	96.57	91.67	96.52	North Midham
						Centre South
						131 West

	Avg site value	\$26,000
good prox to employment/shopping	\$3,000 into site street traffic	-\$8,000
avg prox to hwy	\$500 older age predominate	-\$6,000
avg construction appeal	\$500 moderate remodeling	-\$1,000
avg walking distance to park rec/schools	\$3,000 above avg traffic street	-\$5,000
above predominate values	\$5,000 average-less site size appeal	-\$2,000
typical site view	50	
buildable	50	\$22,000
	\$12,000	\$16,000

USPAP ADDENDUM

File No. 01010570

Borrower: N/A
 Property Address: 7200 Balfour Dr
 City: Portage County: Kalamazoo State: MI Zip Code: 49024-4006
 Lender: City of Portage

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

Self Contained (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
 Summary (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
 Restricted Use (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any uspap-related issues requiring disclosure and any state mandated requirements:

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Client noted on page one. The Intended Use is to evaluate the property that is the subject of this appraisal for market value to possible sale transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Reasonable Exposure Time

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: over 6 months

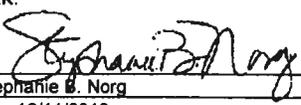
<p>APPRAISER:</p> <p>Signature: <u></u> Name: <u>Stephanie B. Norg</u> Date Signed: <u>12/11/2012</u> State Certification #: <u>1201006909</u> or State License #: _____ or Other (describe): _____ State #: _____ State: <u>MI</u> Expiration Date of Certification or License: <u>07/31/2013</u> Effective Date of Appraisal: <u>04/09/2013</u></p>	<p>SUPERVISORY APPRAISER (only if required):</p> <p>Signature: _____ Name: _____ Date Signed: _____ State Certification #: _____ or State License #: _____ State: _____ Expiration Date of Certification or License: _____</p> <p>Supervisory Appraiser inspection of Subject Property: <input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior</p>
---	--

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Borrower: N/A	File No.: 01010571
Property Address: 7138 Capri	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-9415

PRO Appraisal Services, LLC.
Stephanie B. Norg - Certified Residential Appraiser



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APPRAISAL OF



VACANT LAND

LOCATED AT:

7138 Capri
Portage, MI 49002-9415

FOR:

City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

BORROWER:

N/A

AS OF:

April 9, 2013

BY:

Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
Real Estate Appraisers

File No. 01010571

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

File Number: 01010571

Dear Vicki;

In accordance with your request, I have appraised the real property at:

7138 Capri
Portage, MI 49002-9415

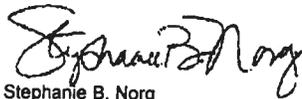
The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of April 9, 2013 is:

\$18,000
Eighteen Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Thank You,



Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010571

The purpose of this summary appraisal report is to provide the lender/client with an accurate and adequately supported opinion of the market value of the subject property.

CLIENT AND PROPERTY IDENTIFICATION

Property Address: 7138 Capri City: Portage State: MI Zip: 49002-9415
 Borrower: N/A Owner of Public Record: CITY OF PORTAGE County: Kalamazoo
 Legal Description: HOLIDAY VILLAGE, OUTLOT B. 19 AC - ACCESS TO REAR LAND
 Assessor's Parcel #: 03640-041-R Tax Year: 2012 R.E. Taxes: 0.00
 Neighborhood Name: Portage Map Reference: K-19 Census Tract: 0019.05
 Special Assessments: None PUD Yes No HOA: \$ N/A Per Year Per Month
 Property Rights Appraised: Fee Simple Leasehold Other (describe) _____
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) Market Value Inquiry for resale.
 Lender/Client: City of Portage Address: 7900 South Westnedge Avenue, Portage, MI 49002

CONTRACT ANALYSIS

did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
N/A

Contract Price \$: _____ Date of Contract: _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. \$ _____

NEIGHBORHOOD DESCRIPTION

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	2 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input checked="" type="checkbox"/> Over 6 mths	9 Low	0	Multi-Family	3 %
Neighborhood Boundaries: <u>Area typically known as Eastern Portage, area to South and East borders city limits. North is Milham Rd., Sprinkle to West.</u>								735 High	120	Commercial	5 %
								130 Pred.	40	Other Vacant	10 %

Convenience				Property Compatibility			
Good	Aver.	Fair	Poor	Good	Aver.	Fair	Poor
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Neighborhood Description: See Attached Addendum

Market Conditions (including support for the above conclusions): See Attached Addendum

SITE DESCRIPTION

Dimensions: 66 x 125.15 Area: 8260 Acres Sq.Ft. Shape: Rectangular View: Residential
 Zoning Classification: R-1B Zoning Description: Residential
 Zoning Compliance: Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe) _____
 Uses permitted under current zoning regulations: Residential Improved.
 Highest & Best Use: Residential Improved.
 Describe any improvements: None
 Do present improvements conform to zoning? Yes No No improvements If No, explain: _____

Present use of subject site: Vacant/Residential Current or proposed ground rent? Yes No If Yes, \$ _____
 Topography: Basically Level Size: Typical for the area Drainage: Surface appears adequate
 Corner Lot: Yes No Underground Utilities: Yes No Fenced: Yes No If Yes, type: _____
 Special Flood Hazard Area Yes No FEMA Flood Zone: X FEMA Map #: 26077C0310D FEMA Map Date: 02/17/2010

UTILITIES	Public	Other	Provider or Description	Off-Site Improvements	Type/Description	Public	Other
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Surface	<u>Asphalt</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Type/Influence	<u>Residential</u>		
Water	<input type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	<u>None</u>	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>		Sidewalk	<u>None (area)</u>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Street Lights	<u>Yes</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Alley	<u>None</u>	<input type="checkbox"/>	<input type="checkbox"/>

Are the utilities and off-site improvements typical for the market? Yes No If No, describe: _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe: _____

Site Comments: See Attached Addendum

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010571

There are **25** comparable sites currently offered for sale in the subject neighborhood ranging in price from \$ 4,900 to \$ 50,000
 There are **9** comparable sites sold in the past 12 months in the subject neighborhood ranging in sale price from \$ 11,000 to \$ 50,000

COMPARABLE SALES

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Address	7138 Capri	4230 Gray St	1427 Romence Rd	6203 S 12th St
City/SV/Zip	Portage	Portage, MI 49024	Portage, MI 49024	Portage, MI 49024
Proximity to Subject		1.62 miles S	3.65 miles W	5.81 miles W
Data Source(s)	Inspection	SWMRIC-MLS/11009717	SWMRIC-MLS/11038432	SWMRIC-MLS/12058148
Verification Source(s)	of property	Tax Records/DOM: 566	Tax Records/DOM: 0	Tax Records/DOM: 9
Sale Price	\$ N/A	\$ 12,900	\$ 12,000	\$ 29,000
Price/	\$ 0.00	\$ 0.99	\$ 0.89	\$ 0.44
Date of Sale (MO/DA/YR)	N/A	10/12/2012	01/27/2012	11/28/2012
Days on Market	N/A	0	0	9
Financing Type	N/A	Land Contract	Cash	Cash
Concessions	N/A	0	0	0
Location	Suburban	Suburban	Suburban/Busy	Suburban/Busy
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site Size Sq.Ft.	8,260	13068 sf	13504 sf	66847 sf
View	Residential	Residential Park	Residential	Residential
Topography	Basically Level	Basically Level	Basically Level	Basically Level
Available Utilities	Elec, Gas, PbW/S	Elec, Gas	Elec, Gas, PbW/S	Elec, Gas, PbS
Street Frontage	66 ±	99 ±	84 ±	132 ±
Street Type	Residential	Residential	Residential	Residential
Water Influence	None	None	None	None
Fencing	None	None	None	None
Improvements	None	None	None	Wooded
		0	0	-3,500
				0
Net Adjustment (Total, in \$)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 5,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 8,500
Adjusted sales price of the Comparable Sales (in \$)		Net Adj. 23.3% Gross Adj. 23.3% \$ 15,900	Net Adj. 41.7% Gross Adj. 41.7% \$ 17,000	Net Adj. -29.3% Gross Adj. 63.8% \$ 20,500

The Appraiser has researched the transfer history of the subject property for the past 3 years and the listing history of the subject for the past 12 months prior to the effective date of this appraisal. The appraiser has also researched the transfer and listing history of the comparable sales for the past 12 months.

The appraiser's research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.

Data Sources: **SWMRIC-MLS, Deed and Tax Records;**

The appraiser's research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Sources: **SWMRIC-MLS, Deed and Tax Records**

The appraiser's research did did not reveal any prior listings of the subject property or comparable sales for the year prior to the effective date of the appraisal.

Data Sources: **SWMRIC-MLS, Deed and Tax Records**

Listing/Transfer History (If more than two, use comments section or an addendum.)	Transfer/Sale (ONLY) of the Subject in past 36 months:	Listing and Transfer history of Comp 1 in past 12 months:	Listing and Transfer history of Comp 2 in past 12 months:	Listing and Transfer history of Comp 3 in past 12 months:
	\$ None	\$	\$	\$
	\$	\$	\$	\$

Subject Property Is Currently Listed For Sale? Yes No Data Source:

Current Listing History	List Date	List Price	Days on Market	Data Source
None		\$		

Subject Property has been listed within the last 12 Months? Yes No Data Source:

12 Month Listing History	List Date	List Price	Days on Market	Data Source
		\$		
		\$		

Comments on Prior Sales/Transfers and Current and Prior Listings: **None**

Summary of the Sales Comparison Approach: **See Attached Addendum (including listing and sales data).**

25 Actively listed comparable residential parcels offered on the MLS in Portage are offered at a median price of \$25,450 with total days on Market noted on average of 264/350 CDOM; (oversupply, lack of buyer interest for new construction development at this time.)

9 Sold residential comparable parcels reported on the MLS in Portage were noted as sold at a median price of \$29,000 with total days on Market noted on average of 188 CDOM.

Recent increased trend in construction contracts. Trend indicates the properties are recovering slowly from a declining trend as a result of oversupply and while higher in median price, they will and are taking considerably longer to purchase. Few note in developments. Most often at the purchase of a cash investor or builder.

Reconciliation Comments: **Value emphasis placed on the Sales Comparison Approach. See above. Estimate of value is based on a reasonable exposure period offered within a current median pricing.**

This appraisal is made "as is", or subject to the following conditions or inspections: **Original report has table of contents, showing all pages, if missing, this may not be a true copy. Appraisers signature is computer generated and password protected.**

Based on a complete visual inspection of the subject site and those improvements upon said site, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of market value, as defined, of the real property that is the subject of this report is:

Opinion of Market Value: \$ **18,000** as of: **04/09/2013**, which is the date of inspection and the effective date of this appraisal.

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010571

PRODUCT INFORMATION FOR PUDS (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s): Detached Attached
 Provide the following information for PUDS ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
 Legal Name of Project: _____
 Total number of phases: _____ Total number of units: _____ Total number of units sold: _____
 Total number of units rented: _____ Total number of units for sale: _____ Data source(s): _____
 Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion: _____
 Does the project contain any multi-dwelling units? Yes No Data Source: _____
 Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion: _____

Describe common elements and recreational facilities: _____

CERTIFICATIONS AND LIMITING CONDITIONS

This report form is designed to report an appraisal of a parcel of land which may have some minor improvements but is not considered to be an "improved site". All improvements are considered to be of relatively minor value impact on the overall value of the site. This report form is not designed to report on an "improved site" where significant value is derived from the improvements. This appraisal report form may be used for single family, multi-family sites and may be included within a PUD development.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions and certifications. The appraiser must, at a minimum; (1) perform a complete visual inspection of the subject site and any limited improvements, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions and conclusions in this appraisal report.

INTENDED USE: The intended use of the appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this report is the lender/client identified within the appraisal report.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what they consider their own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale. (Source: OCC, OTS, FRS, & FDIC joint regulations published June 7, 1994)

* Adjustments to the comparables must be made for special or creative concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect the subject property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the subject property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties express or implied. The appraiser will not be responsible for any such conditions that do exist or for the engineering or testing that might be required to discover whether such condition exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal must not be considered as an environmental assessment of the property.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject site and any limited improvements. I have reported the information in factual and specific terms. I identified and reported the deficiencies of the subject site that could affect the utility of the site and its usefulness as a building lot(s).
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them unless indicated elsewhere within this report as there are no or very limited improvements and these approaches to value are not deemed necessary for credible result and/or reliable indicators of value for this appraisal assignment.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of the sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining multiple transactions into reported sales.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I have verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010571

CERTIFICATIONS AND LIMITING CONDITIONS (continued)

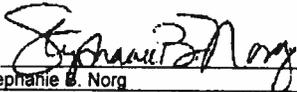
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believed to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

SIGNATURES

APPRAISER

Signature 
 Name Stephanie E. Norg
 Company Name PRO Appraisal Services, LLC.
 Company Address 341 Point O Woods Drive,
Portage, MI 49002
 Telephone Number 269-324-4301
 Email Address stephanienorg@aol.com
 Date of Signature and Report 12/11/2012
 Effective Date of Appraisal 04/09/2013
 State Certification # 1201006909
 or State License # _____
 or Other (describe) _____ State # _____
 State MI
 Expiration Date of Certification or License 07/31/2013

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

ADDRESS OF PROPERTY APPRAISED

7138 Capri
Portage, MI 49002-9415
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 18,000

LENDER/CLIENT

Name Vicki Georgeau, AICP
 Company Name City of Portage
 Company Address 7900 South Westnedge Avenue
Portage, MI 49002
 Email Address _____

ADDENDUM

Borrower: N/A		File No.: 01010571
Property Address: 7138 Capri		Case No.:
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		

Neighborhood Description

Homes in the area are a mixture of single and multi-level residences which appear to be properly maintained. No adverse conditions were noted. Schools, employment and shopping are within a reasonable distance and do not appear to have an effect on market value. Commercial and 2-4 family noted in present land use percentage is in the general area (typically secondary arterial roadways), and does not appear to have an effect on the overall market value of the subject at this time (subject basically located in a residential area).

City of Portage is the county's second largest city with a population of over 44,000. It is part of the regional center/economic hub for the area. Police and Fire Departments provided. Property taxes are assessed according to the school district in which the subject is located (typical for Michigan). Municipal water and sewer typically available. Crossed by I-94 and US-131 Highways, the City is considered one of the fastest growing in the area.

Neighborhood Market Conditions

PREDOMINATE VALUE NOTED ON PAGE ONE:

It should be noted that the predominate value for this area includes sales of properties that are on multi-acre sites, waterfront and/or superior developments with gross living areas that exceed 6,000 sq.ft. The Neighborhood Description portion of the report addresses the eclectic range of dwellings within the area. The marketability of the subject is not affected by the diversity of the market area as properties that bracket the subjects' site and amenities have sold within the past several months. These sales are utilized within the report as comparables and show that properties similar to the subject are marketable. It should also be noted that these sales are within a reasonable distance and have sold within the past six months.

PREDOMINATE PRICING WITHIN THE SURROUNDING AREA/MARKET CONDITIONS:

For all Single Family residential dwellings within the greater Portage city area, the current predominate median List price is \$137,550 (92/130 CDOM) and the predominate median Sale price is \$130,000 (70/96 CDOM) with 591 sales from the last 12 months 97.5% List to Sale ratio. By comparison, findings from the prior 12 month period, or 2010/2011; predominate Sale price indicated \$122,500 (78/111 CDOM) with 545 sales at 96% List to Sale ratio. Overall improved results in values from an increased volume of reported MLS sales at improved L/S ratios (this was researched over the same 12 month period). Stable general market conditions.

SUBJECT MARKET WITHIN NEIGHBORHOOD BOUNDARIES:

Subject defined marketing area for comparable base is considered the criteria used by a prospective buyer of the subject property.

Demand for this vacant residential land is low as reflected in lack of new construction and financing available. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 8 miles away). For this report, a search within a 2 mile radius of the subject area was considered appropriate as the subject is located in a well defined, yet large suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

Property value trends as a Nation, Michigan and within the Greater Kalamazoo area market have been noted as mixed rating, by comparison, the subject marketing area (as defined above) appears to reflect a stable trend. This market appears to have an over supply. The next 120 days may see seasonal change, going into the "summer" market. See sales comparison grid for market reaction to comparables; when most properties are priced appropriately to market conditions, few have still shown to have more than 180 days of marketing.

Seller paid financial assistance is prevalent, yet does not appear to have a noticeable impact on this market. Seller contributions have remained consistent at an estimated rate of 1-6% noted over the last 12 months. Foreclosures also appear to have a significant impact on the general marketing conditions.

Data for these conclusions is largely based on the Association of Realtors' Southwestern Michigan Listing Service; SWMRIC-MLS, supported by this appraiser's knowledge, online census/county records, use of prior appraisal assignments within this market, conversations with local assessors, realtors and/or appraiser's peers. Statistical data also from online agencies such as the National Bureau of Economic Research, Michigan Department of Energy, Labor & Economic Growth and Michigan.gov. Recent sales should reflect any market change due to the current market conditions. Short term appreciation or depreciation, as found in market analysis above, will be adjusted within the grid on page two, when considered necessary. The most similar sales were provided as support for the estimated market value of the subject.

Market influences: Mixed results to the economic recovery within the region, State of Michigan and the USA as a nation. Improved employment conditions both State and National reports. Yet, foreclosure trends, consumer confidence and lending standards have contributed to slow change, yet recovering in many markets. National Bureau of Economic Research Announces Official End To Most Recent Recession. On September 20, 2010, the National Bureau of Economic Research (NBER) announced that the U.S. economy reached a trough in June 2009, making the 18-month recession that began in December 2007 the longest economic downturn since the Great Depression. Measured in quarters, the most recent recession began in 2007Q4 and ended in 2009Q2.

*According to the National Association of REALTORS®, total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops. February existing home sale report indicated that sales increased 0.8% from the previous month and 10.2% over February of 2012. They also reported that sale prices were up 11.6% over February 2012 and that existing inventory increased by 9.6% from the previous month. 25% of all sales in February were of distressed homes (15% foreclosures and 10% short sales), down from 34% one year ago but up from 23% one month ago. The February buyer demographic: 30% were first time buyers, unchanged from January, down from 32% in February 2012. All cash sales comprised 32% of transactions last month, up from 28% the previous month but down from 33% one year ago. 22% of all sales in February were to investors, also up from January (19%) but down from February 2012 (23%). Pending sales were up 4.5% from (a downwardly revised) January but up 9.5% from January of 2012. www.realtor.org/press_room/news_releases.

*The Federal Housing Finance Agency (FHFA) on March 21, 2013 reported that their Home Price Index (HPI) for January was up 0.6% from the previous month and also up 6.5% from the previous year. Their news release last Thursday indicated that the HPI was down 14.7% from its peak in April 2007 and was at approximately the same level as it was in September 2004.

*The national unemployment rate for February 2013 is at 7.7% according to figures released by the Bureau of Labor Statistics.

ADDENDUM

Borrower: N/A		File No.: 01010571
Property Address: 7138 Capri		Case No.:
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		

The national unemployment rate in January was 7.9 percent, seasonally adjusted, down from 8.3 percent a year earlier. In 2011, 30 states posted statistically significant unemployment rate decreases, the largest of which was in Michigan (-2.4 percentage points). The largest over-the-month increase in employment in January 2013 occurred in Michigan (+26,500). Michigan's unemployment rate for January 2013 reporting at 8.9%. Seasonally unadjusted unemployment rates rose in all of Michigan's 17 major labor market areas in January, according to the Michigan Department of Technology, Management & Budget. Total employment and labor force levels fell seasonally in all regions over the month. "Michigan's local labor market changes in January were seasonal as employment typically falls in the winter months throughout the state," said Rick Waclawek, director of the Bureau of Labor Market Information & Strategic Initiatives. "In general, the state's local regions reported improvement since January 2012. Over the past year, unemployment rates declined and payroll jobs were up in the majority of areas." The January unemployment rate for the Kalamazoo-Portage Metropolitan Statistical Area, which includes all of Kalamazoo and Van Buren counties, rose to 7.7 percent, up from 7.3 percent in December. The represents 12,200 people without work in a civilian workforce of 157,500 people. The January rate was down, however, from January 2012, when it was 8.5 percent. Taken separately, the jobless rate for the Kalamazoo County was 6.8 percent, up from 6.7 percent in December but down from 7.5 percent in January of 2012. "Jobless rates increased seasonally in January in all regional counties, ranging from +0.1 percentage points in Kalamazoo to +1.3 points in Van Buren County," Leonidas Murembya, regional analyst for the Michigan Bureau of Labor Market Relations & Strategic Initiatives, wrote in his analysis of Southwest Michigan. Some individuals who were temporarily employed during the holiday season withdrew from the labor market. Murembya reported, "leading to a decline in the overall level of the regional civilian labor force. The exception was Van Buren County, where labor force inched up by +75." He reported that labor force reductions ranged from -25 in Barry to -2,100 in Berrien County. Other counties that recorded considerable workforce losses in January include Kalamazoo (-1,300) and Calhoun (-900). "During the entire 2012 year, the labor forces in almost all regional counties saw losses, from -50 in Allegan to -1,950 in Kalamazoo County. The labor force expanded over the year in Barry County (+175). Looking at the year as a whole, unemployment rates for the region have inched down by an average of about -0.6 percentage points, according to Murembya. "The deepest rate reductions were recorded in St. Joseph (-1.8 percentage points) and Allegan (-1.0) counties," he reported.

*The Conference Board Consumer Confidence Index®, which had declined in January 2013, rebounded in February. The index now stands at 69.6 (1985=100), up from 58.4 in January. The Present Situation Index increased to 63.3 from 56.2. The Expectations Index improved to 73.8 from 59.9 last month. The monthly Consumer Confidence Survey®, based on a probability-design random sample, is conducted for The Conference Board by Nielsen, a leading global provider of information and analytics around what consumers buy and watch. The cutoff date for the preliminary results was February 14, 2013. Lynn Franco, Director of Economic Indicators at The Conference Board "Consumer Confidence rebounded in February as the shock effect caused by the fiscal cliff uncertainty and payroll tax cuts appears to have abated. Consumers' assessment of current business and labor market conditions is more positive than last month. Looking ahead, consumers are cautiously optimistic about the outlook for business and labor market conditions. Income expectations, which had turned rather negative last month, have improved modestly." www.conference-board.org/press.

*February 26, 2013 – Data through December 2012, released by S&P Dow Jones Indices for its S&P/Case-Shiller Home Price Indices, "the leading measure of U.S. home prices", showed that all three headline composites ended the year with strong gains. The national composite posted an increase of 7.3% for 2012. The 10- and 20-City Composites reported annual returns of 5.9% and 6.8% in 2012. Month-over-month, both the 10- and 20-City Composites moved into positive territory with gains of 0.2%; more than reversing last month's losses. "Home prices ended 2012 with solid gains," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "Housing and residential construction led the economy in the 2012 fourth quarter. In December's report all three headline composites and 19 of the 20 cities gained over their levels of a year ago. Month-over-month, 9 cities and both Composites posted positive monthly gains. Seasonally adjusted, there were no monthly declines across all 20 cities.

*Foreclosures have influenced the market reflecting lower median pricing and oversupplies. RealtyTrac® (www.realtytrac.com), the leading online marketplace for foreclosure properties, released December 13, 2012 its U.S. Foreclosure Market Report™ for February 2013, which shows foreclosure filings — default notices, scheduled auctions and bank repossessions — were reported on 154,281 U.S. properties in February, an increase of 2 percent from the previous month but still down 25 percent from February 2012. The report also shows one in every 849 U.S. housing units with a foreclosure filing during the month. "At a high level the U.S. foreclosure inferno has been effectively contained and should be reduced to a slow burn in the next two years," said Daren Blomquist, vice president at RealtyTrac. "But dangerous foreclosure flare-ups are still popping up in states where foreclosures have been delayed by a lengthy court process or by new legislation making it more difficult to foreclose outside of the court system. Foreclosure starts have been steadily building in those states over the last several months and likely will end up as bank repossessions or short sales later this year. This site reporting Michigan above average rates of documented one in 422 housing units received a foreclosure filing in February. With an average sales price of properties in some stage of foreclosure: default, scheduled for auction or bank-owned (REO); was \$61,506. One in every 980 Kalamazoo County households reported foreclosure February 2013 filing. With an average sales price of properties in some stage of foreclosure: default, scheduled for auction or bank-owned (REO); was \$100,000. One in every 433 Van Buren County households reported foreclosure February 2013 filing. There are many appraisal assignments where, in order to achieve credible results, it is necessary to use "distress" [e.g., REO or Short Sales] properties as comparable sales. However, foreclosure sales, defined by Black's Law Dictionary as "the sale of mortgaged property, authorized by a court decree or a power-of-sale clause, to satisfy the debt" are seldom based on market expectations. When there is a glut of distress sales in the marketplace, and those properties are truly comparable to the subject, it would be misleading not to use them as part (or in some cases all) of the basis for a value conclusion.

National vacancy rates in the fourth quarter 2012 were 8.7 percent for rental housing and 1.9 percent for homeowner housing, per the Department of Commerce's Census Bureau announced January 29, 2013. The rental vacancy rate of 8.7 percent was 0.7 percentage points lower than the rate in the fourth quarter 2011 (+/-0.4 percentage points) and 0.1 percentage point higher than the rate last quarter (+/-0.4). The homeowner vacancy rate of 1.9 percent was 0.4 percentage points lower than the fourth quarter 2011 rate (+/-0.2) and approximately the same (+/-0.1)* as the rate last quarter. The homeownership rate of 65.4 percent was 0.6 percentage points (+/-0.4) lower than the fourth quarter 2011 rate (66.0 percent) and 0.1 percentage point (+/-0.4)* lower than the rate last quarter (65.5 percent). For the fourth quarter 2012, the homeowner vacancy rate was higher in the South (2.2 percent) than in the Midwest (1.8 percent) and West (1.6 percent), but not statistically different from the Northeast. The rates in the Northeast, Midwest, and West were not significantly different from each other. The homeowner vacancy rates in the Midwest and West were lower than a year ago, while the rates in the Northeast and South were not statistically different from the fourth quarter 2011 rates. This had also reported Michigan to have a 2012 Q3 rating of 2.5 confidence interval and a rate of 12.3% as compared to the Q2 at 11.6%. These are heavily weighed down by the Eastern Detroit area, which is significantly higher as reported by comparison to Western Michigan Grand Rapids Metro, showing Q3 at 7.5% confidence interval at 8.3% vs Detroit Q3 at 4% confidence interval at a 15.5%. Greater Kalamazoo area not covered in

ADDENDUM

Borrower: N/A		File No.: 01010571
Property Address: 7138 Capri		Case No.:
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		

this study. Homeownership rates also reported Michigan at Q3 rating of 2.1 confidence interval and a rate of 75% as compared to the Q2 at 2.2% and rate of 74.8. New Residential Vacancies and Homeownership data for the first quarter 2013 will be released on Tuesday, April 30, 2013 at 10:00 A.M. EDT. www.census.gov/housing/hvs.

*Builder confidence in the market for newly built, single-family homes paused for a third consecutive month in March, with a two-point reduction to 44 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI), www.nahb.org/news.

Sales of new single-family houses privately-owned units authorized by building permits in January 2013 were at a seasonally adjusted annual rate of 437,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development February 26, 2013. This is 15.6 percent (±18.9%) above the revised December rate of 378,000 and is 28.9 percent (±21.7%) above the January 2012 estimate of 339,000. The median sales price of new houses sold in January 2013 was \$226,400; the average sales price was \$286,300. The seasonally adjusted estimate of new houses for sale at the end of January was 150,000. This represents a supply of 4.1 months at the current sales rate. www.census.gov/construction.

In conclusion, the next 120 days will likely see a change in most markets as Southwestern Michigan is also considered a seasonal market affected by slower periods of residential sales due to winter weather conditions and buying trends. Traditionally slowing down after school start in September, with a modest return of sales in February.

Site Comments

Dwellings within the immediate area typically have public water and sewer. Properties within the immediate neighborhood have connected to public connections. If a problem develops with the installation of these systems, there could be an impact on the market value and/or marketability of the subject. No future assessment has been reported during the course of this assignment. Value estimate is made based on current condition of a vacant parcel.

Estimated cost for water/septic improvements are typically absorbed by the potential buyer of such residential vacant sites: **March 2013**

Water: Front footage assessment (66 feet) 1.25 inch water lead, 0.75 inch meter; estimate total \$3,448.

Sewer Tap and Front footage assessment (66 feet); estimate total \$4,178.

Private Contractor Connection of water and sewer service \$10,000 - \$12,000 (including installation of sewer lead).

Parcel is smaller than lots in the immediate neighborhood and considered substandard but buildable. Other similar sized parcels are improved within the neighborhood boundaries of competing developments supporting the appeal and marketability of the subject parcel size.

Comments on Sales Comparison

Most weight given to Comparable's One, Two and Three as they have the least amount of adjustments and appear most similar to the subject. Sales all located in similar economic areas. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 10 miles away). For this report, a focused search within the greater Portage area was considered appropriate as the subject is located in a well defined, yet large outlying suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

No short term appreciation nor depreciation noted for sales within last 3 months. Comparable sales which closed greater than 6 months ago were considered and used as needed due to their proximity or similar appeal to the subject. A minimal of two sales within the last 3 to 6 months are provided.

The sales used "bracket" the subject in Size and Adjusted Sale Prices. They are all from the same or similar areas and would typically be considered by potential purchasers of the subject, thus they are considered to be the best comparables for estimating the subject market value at this time. Due to the lack of sales from the market, none were identified to better support the subject estimate of value. Site adjustments, or lack thereof were made for the site size differences to reflect the overall market value differences of the sites (not just site size), which takes into account, road frontage, depth, topography, functional utility and surrounding site market values.

Listings are provided as additional support. The "Active" comparable prices noted above are the listing prices, not sale prices, thus the adjusted values could change if/when the comparables are sold. A "time on market" adjustment based on the average Sale to List ratio was made to support the estimated, adjusted values. Current Sale to List price ratio has been estimated at 92%. Similar adjustments were made with these comparable properties as with sales comparables and are based on the market value differences, not cost.

1-Listing for \$16,500 at 1041 E Osterhout Ave, Portage, MI 49002 Active (11/02/12). \$15,180; busier street, larger site, same district, and water and sewer available at street.

2-Listing sold for \$18,000 at 2381 McClish Ct, Portage, MI 49002 (12/21/12) 64 DOM. Listed at \$22,000; Austin Lake, multi family zoning; overall higher appeal. Underpriced.

3-Listing for \$29,900 at 1090 Ludington Ave, Portage, MI 49002 Active (listed 09/02/12 for \$31,900 now 219 DOM). \$27,508; Near subject development, superior area of newer homes, builder will sell outright due to a lack of buyer interest.

4-Expired listing 03/13/2013 for \$40,000 1318 Ashton Woods Ct., Portage, MI 49024 Listed for same 03/19/2012. Superior area, culdesac location of superior construction, wooded site, water and sewer also available. Overpriced.

Comparable sales are considered the best available and most recent at this time. While these sales are not as ideal in their proximity to the subject, they bracket the appealing factors of the subject site. Adjustments were made based on the market value of the improvements for the area, not the cost.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010571	
Property Address: 7138 Capri	Case No.:	
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: April 9, 2013
Appraised Value: \$ 18,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010571	
Property Address: 7138 Capri	Case No.:	
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		



COMPARABLE SALE #1

4230 Gray St
Portage, MI 49024
Sale Date: 10/12/2012
Sale Price: \$ 12,900



COMPARABLE SALE #2

1427 Romence Rd
Portage, MI 49024
Sale Date: 01/27/2012
Sale Price: \$ 12,000

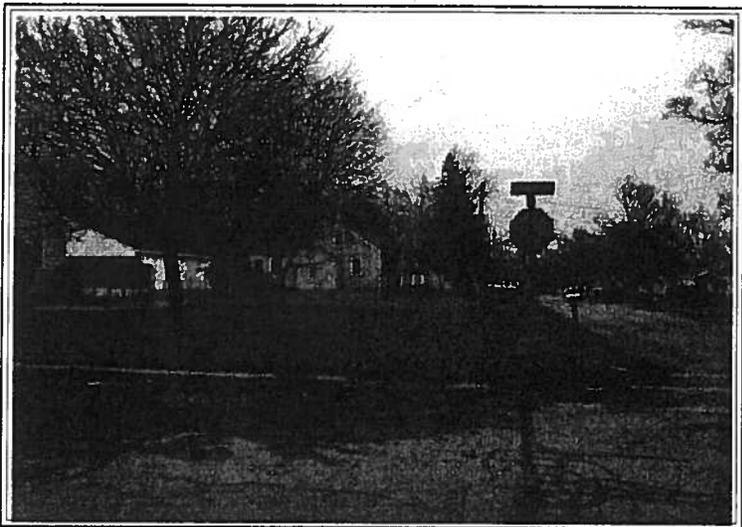


COMPARABLE SALE #3

6203 S 12th St
Portage, MI 49024
Sale Date: 11/28/2012
Sale Price: \$ 29,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010571	
Property Address: 7138 Capri	Case No.:	
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		



COMPARABLE SALE #4

803 Idaho
Portage, MI 49024
Sale Date: EXPIRED
Sale Price: \$ 6,000

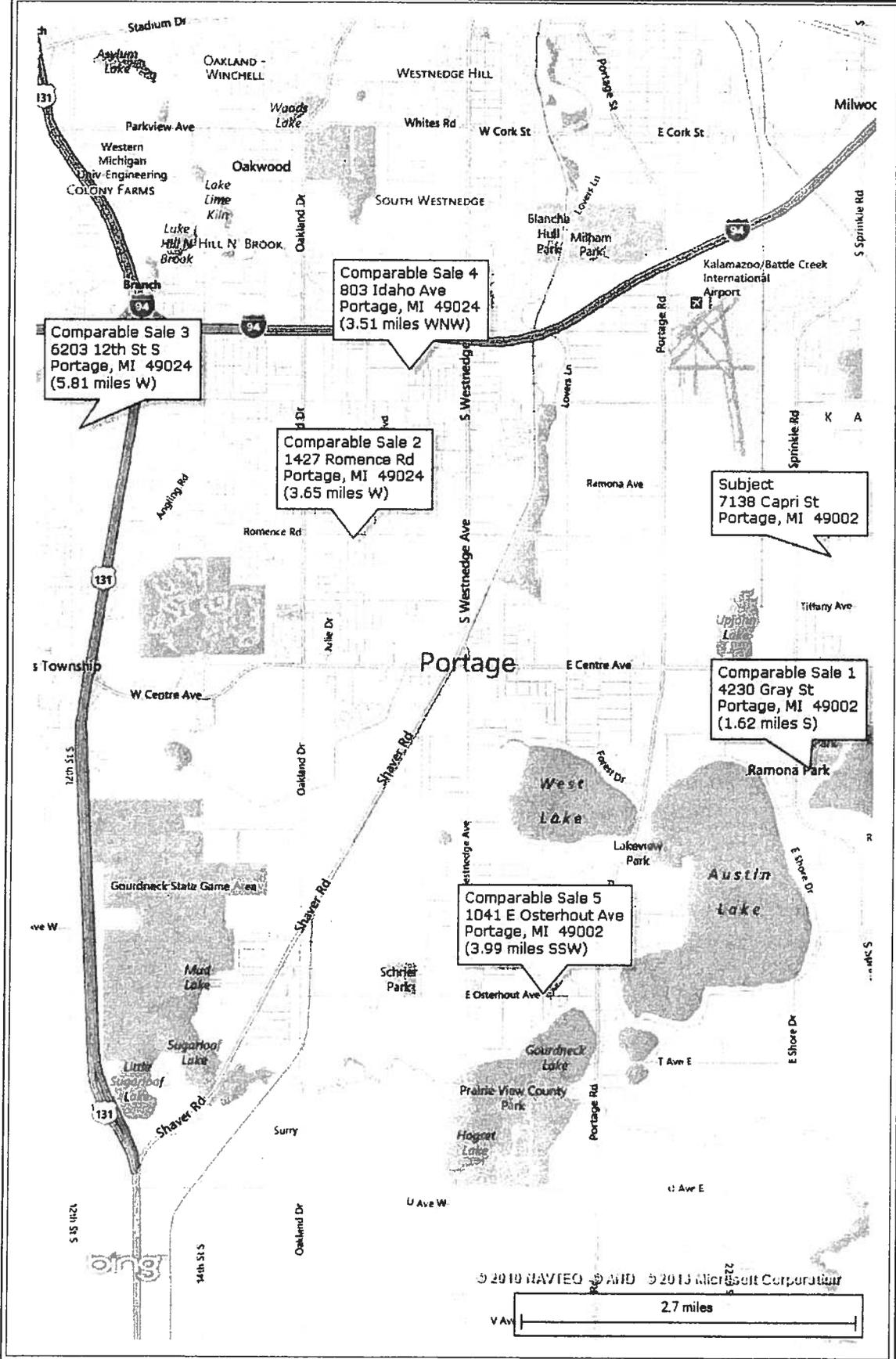


COMPARABLE SALE #5

1041 E Osterhout Ave
Portage, MI 49024
Sale Date: ACTIVE
Sale Price: \$ 16,500

LOCATION MAP

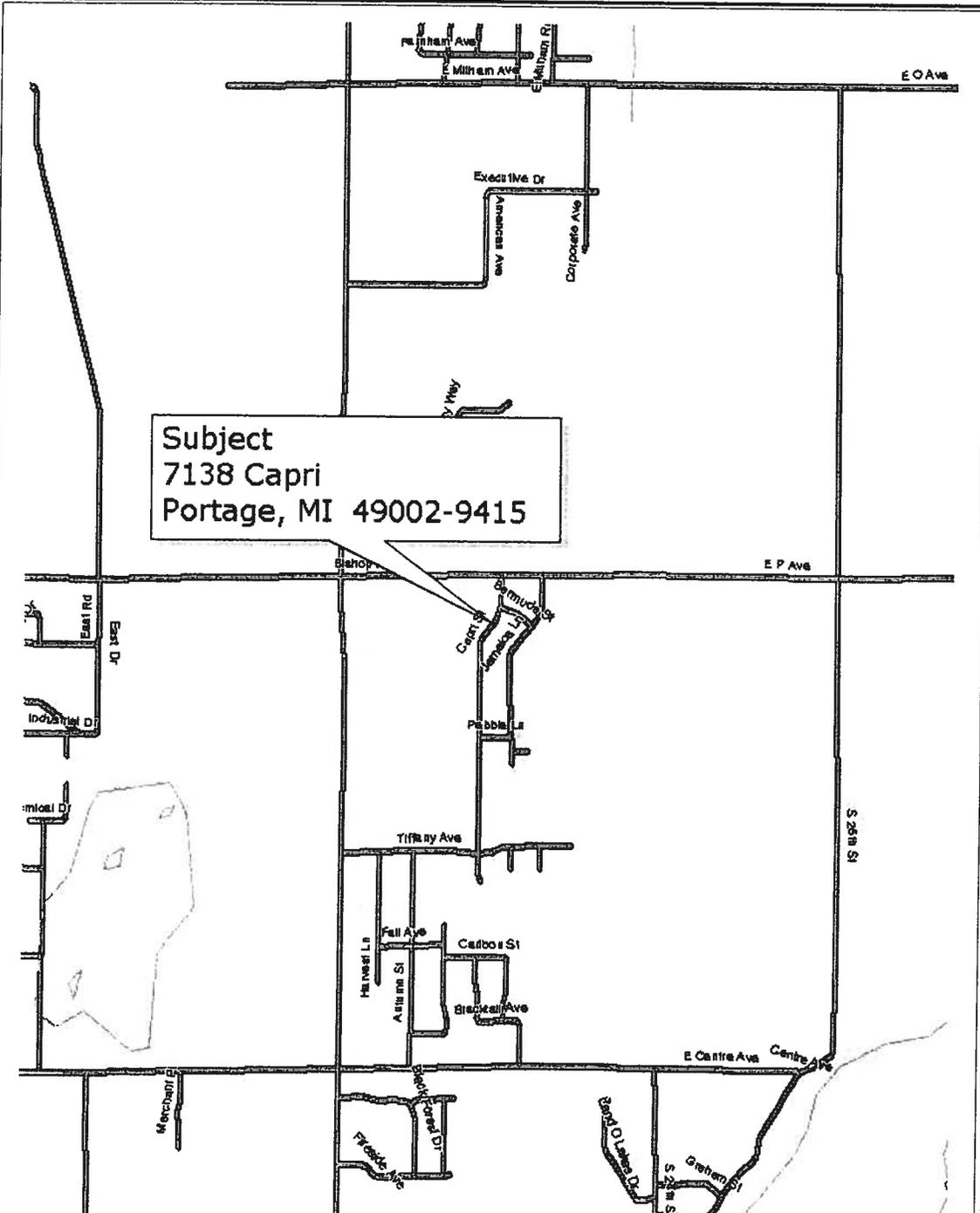
Borrower: N/A	File No.: 01010571
Property Address: 7138 Capri	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-9415



© 2010 NAVTEQ AND © 2013 Microsoft Corporation
 2.7 miles

FLOOD MAP

Borrower: N/A	File No.: 01010571
Property Address: 7138 Capri	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-9415



Subject
7138 Capri
Portage, MI 49002-9415

FloodMap Legend

Flood Zones

-  Areas inundated by 500-year flooding
-  Areas outside of the 100- and 500-year floodplains
-  Areas inundated by 100-year flooding
-  Areas inundated by 100-year flooding with velocity hazard
-  Floodway areas
-  Floodway areas with velocity hazard
-  Areas of undetermined but possible flood hazards
-  Areas not mapped on any published FIRMs

Flood Information

Community: 260577 - PORTAGE, CITY OF
 Property is not in a FEMA special flood hazard area.
 Map Number: 26077C0310D Map Date: 02/17/2010
 Panel: 0310D FIPS: 26077
 Zone: X

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

AERIAL MAP

Borrower: N/A	File No.: 01010571	
Property Address: 7138 Capri	Case No.:	
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		



3/28/2009

***** INVOICE *****

File Number: 01010571

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

Borrower : N/A

Invoice # : 01010571
Order Date : 03/19/2013
Reference/Case # :
PO Number :

Vacant residential parcel

7138 Capri
Portage, MI 49002-9415

Appraisal of Subject Property	\$	200.00
	\$	-----
Invoice Total	\$	200.00
State Sales Tax @ 0%	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	200.00

Terms: Payable within five working days

Please Make Check Payable To:

PRO Appraisal Services, LLC
341 Point O Woods Drive
Portage, MI 49002

Fed. I.D. #: 27-3531312

Thank you for your business!

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010571
Property Address: 7138 Capri	Case No.:
City: Portage	State: MI Zip: 49002-9415
Lender: City of Portage	

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
Brian J. Bowling, City Manager

DATE: January 17, 2013

FROM: Vicki Georgeau, ^{MS} Director of Community Development

SUBJECT: City-owned residential properties

As indicated in my November 9, 2012 communication regarding residentially-zoned city-owned property, the vast majority are used for public facilities, public street rights-of-way (existing and future right-of-way), public water, sanitary sewer and storm sewer utility purposes (e.g. sewer lift stations, well house/pumps, storm water retention basins, etc.), parks and trail ways. In addition, some properties have been purchased to facilitate capital improvement projects and/or economic development projects. As noted, all but 15 "vacant" properties have a specified public use that would make the disposition inappropriate. Of these 15 vacant properties, six were purchased as part of the South Westledge Enhancement Projects (SWEPs), five properties serve as buffers between I-94 and a railroad ROW (and are not otherwise buildable lots), and the remaining four properties also have development limitations.

With regard to properties with an identified "Access" public use, additional research has been accomplished to determine if there is development potential for these parcels, or if they could be disposed of through a side-lot arrangement, where the parcel is split and sold to adjacent property owners. The attached table provides more detail in regard to the properties identified with an "access" or "vacant" public use. Of the properties listed, there are three properties that no longer have a public use or purpose:

- 7200 Balfour Drive, Outlot E of Meadow Lane No. 2 (platted in 1960): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 133 feet in depth. Outlot E was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since the development of Pleasant Meadow #2 to the west, no future street connection is feasible. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot E is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover are met, the property appears buildable (note: other lots within the plat are non-conforming with regard to width and area).
- 7138 Capri Street, Outlot B of Holiday Village (platted in 1961): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 125 feet in depth. Outlot B was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since development of the Portage Soccer Complex, no future street connection is necessary. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot B is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet the minimum 80 foot lot width and area of 9,600 square feet).

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010571	
Property Address: 7138 Capri	Case No.:	
City: Portage	State: MI	Zip: 49002-9415
Lender: City of Portage		

City-Owned Residential Properties,
Page 2

- 1600 Friendly Avenue, Outlot A of Breezy-Hills Garden (platted in 1948): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 165 feet in depth and has a public sewer lead. Prior to the construction of Woods Edge Learning Center at 1501 East Milham Road/5821 Lovers Lane, this outlot was reserved for a street connection to potential future development to the south. Since construction of the school on the property to the south, disposition of Outlot A can be recommended as there are no public utilities located on the property and there is no apparent public use or purpose for the property. While the width of Outlot A is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet or exceed the minimum 80 foot lot width).

The above listed properties are located within plats that were recorded prior to the Subdivision Control Act of 1967. Per the attached opinion from the City Attorney, these three properties can be considered buildable because prior plat acts did not provide a specific definition of "outlot", and there is no wording on the plat documents that indicate the outlots were reserved or set aside as something other than a building site (e.g., future street connection, drainage basin, utility easement, etc.).

With regard to the potential sale of the outlots, the city has Quit Claim Deeds for the two outlots at 7200 Balfour Drive and 7138 Capri Street, and the sale of these properties would be fairly straight forward. However, there is no proof of ownership for 1600 Friendly Avenue and the City Attorney has recommended a title search be completed in regard to this property to determine if the property can be sold.

With regard to all of the above properties, because they do not conform to the minimum width and/or area requirements, if the properties were offered for sale, it may be appropriate to first offer the outlots to adjacent property owners. Under this scenario, the outlots would be evenly split and sold to adjacent property owners. If adjacent properties owners are not interested in purchasing the outlots, the city could subsequently market the properties for sale to any interested parties. Finally, should a determination be made that the above properties should be sold, it is recommended an appraisal be prepared to determine the market value and an appropriate sales price.

If you have any questions or comments, I am available to meet with you at your convenience.

Attachments: List of city-owned residentially zoned properties with an "access" or "vacant" public use designation
Maps of 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue
January 17, 2013 City Attorney opinion

S:\2012-2013 Department Files\Memos\Manager\2013\16 VG city owned properties.doc

CITY OF PORTAGE COMMUNICATION

Borrower: N/A
 Property Address: 7138 Capri
 City: Portage
 Lender: City of Portage

File No.: 01010571
 Case No.:
 State: MI
 Zip: 49002-9415

ADDRESS	ACREAGE	PUBLIC USE	Map #	DETAILS/DESCRIPTION
10244 PORTAGE RD	0.65	ACCESS	189	FUTURE DEVELOPMENT ACCESS
1121 WOODLAND DR	0.06	ACCESS	218	ACCESS TO WELL SITE AT 1123 WOODLAND
1600 FRIENDLY AV	0.25	ACCESS	130	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS
2220 WINTERS DR	0.41	ACCESS	152	FUTURE DEVELOPMENT ACCESS
4204 TIFFANY AV	0.82	ACCESS	121	ACCESS TO DRAINBASIN
4400 FIRESIDE AV	0.51	ACCESS	164	FUTURE DEVELOPMENT ACCESS
5113 GREENHILL ST	0.28	ACCESS	168	FUTURE DEVELOPMENT ACCESS
5153 S 12TH ST	0.32	ACCESS	28	ACCESS TO FUTURE WELL SITE
5219 GREENHILL ST	0.30	ACCESS	169	FUTURE DEVELOPMENT ACCESS / WATER MAIN ENCROACHMENT
5411 OAKLAND DR	0.36	ACCESS	24	ROW TO WELL SITE / BUFFER NEXT TO I-94
5530 ANGLING RD	0.32	ACCESS	129	HARBORS WEST PARK WALKWAY ACCESS
601 SOUTHLAND AV	0.21	ACCESS	206	ACCESS TO ADJACENT LAND
6700 SUNBURST DR	0.61	ACCESS	210	DRAINRETENTION BASIN
7138 CAPRI ST	0.34	ACCESS	170	66' WIDE NON-BUILDABLE OUTLOT WITH SIDE LOT SALE OPPORTUNITY
820 RAINBOW AV	0.20	ACCESS	201	66' WIDE OUTLOT WITH WATER MAIN ENCROACHMENT
8620 S SPRINKLE RD	0.61	ACCESS	180	FUTURE DEVELOPMENT ACCESS
9024 S WESTNEDGE AV	0.21	ACCESS	192	ACCESS TO SOUTH WESTNEDGE PARK
9110 S WESTNEDGE AV	0.20	ACCESS	193	ACCESS TO REAR LAND
117 AMOS AV	0.20	VACANT	146	SWEPS ACQUISITION
118 AMOS AV	0.20	VACANT	142	SWEPS ACQUISITION
124 AMOS AV	0.20	VACANT	143	SWEPS ACQUISITION
129 AMOS AV	0.20	VACANT	145	SWEPS ACQUISITION
130 AMOS AV	0.20	VACANT	144	SWEPS ACQUISITION
212 IDAHO AV	0.21	VACANT	22	SWEPS ACQUISITION
1905 FAIRFIELD RD	0.40	VACANT	155	BUFFER NEXT TO I-94
1922 BENDER RD	0.61	VACANT	156	BUFFER NEXT TO I-94
2100 INDIAN RD	0.68	VACANT	158	BUFFER NEXT TO I-94
2125 BENDER RD	0.25	VACANT	157	BUFFER NEXT TO I-94
730 CIRCLEWOOD SOUTH DR	1.00	VACANT	8	BUFFER NEXT TO RAILROAD
2527 W MILHAM AV	0.14	VACANT	37	36' WIDE UNBUILDABLE PARCEL, MAINTAINED BY ADJACENT OWNER
431 SOUTHLAND AV	0.20	VACANT	205	66' WIDE OUTLOT ENCROACHED BY STORM SEWER
5916 OAKLAND DR	0.45	VACANT	147	FUTURE OAKLAND DRIVE ROW ENCROACHMENT
7200 BALFOUR DR	0.20	VACANT	183	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS

CITY OF PORTAGE COMMUNICATION

Borrower: N/A

File No.: 01010571

Property Address: 7138 Capri

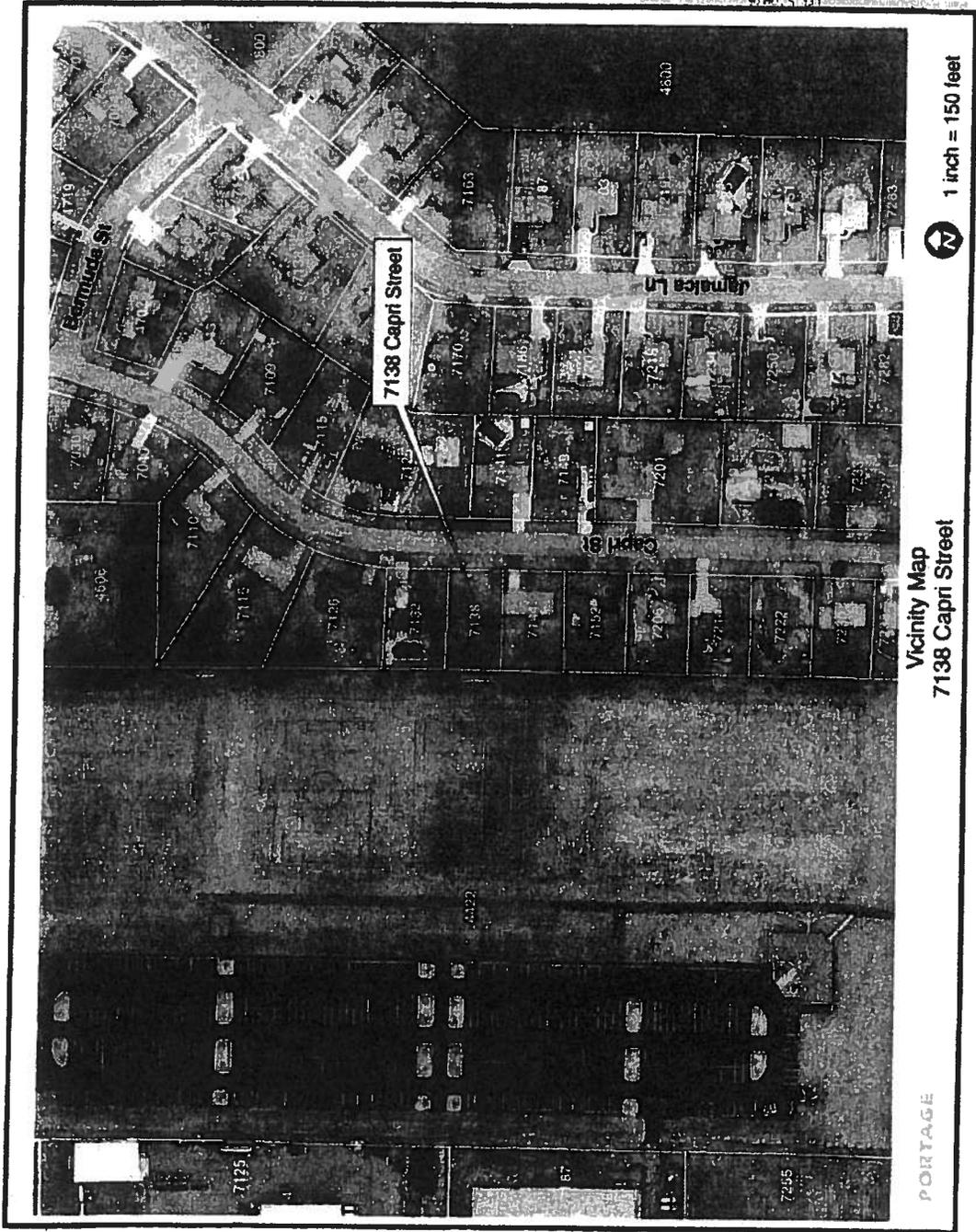
Case No.:

City: Portage

State: MI

Zip: 49002-9415

Lender: City of Portage



CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010571
Property Address: 7138 Capri Case No.:
City: Portage State: MI Zip: 49002-9415
Lender: City of Portage

City of Portage Map Document

PORTAGE

Disclaimer:
This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.

Map Publications:
1:400
Mon Dec 24 2012 12:41:11 PM

Callout Box:
CITY OF PORTAGE
7138 CAPRI ST
more details
parcel report

MARKET STUDY

Borrower: N/A	File No.: 01010571
Property Address: 7138 Capri	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-9415

0.19	.8260	66 66 x 125.5	Capri	\$18,000.00
Active: 3	Pending: 1	Sold: 7	Other: 0	Total: 11
	Bedrooms	Bathrooms	Square Feet	List Price
Minimum	2	1	1,120	\$65,000
Average	3	2.73	1,471	\$153,656
Median	3	3	1,396	\$154,900
Maximum	4	4	1,800	\$196,500
Total Dollar Value				\$974,800

Average DOM Breakdown and Average % of Listing Price received on Solds by Market time:

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	120+ Days	
No. of Listings	5	2	0	0	0	EAST & SOUTH QUARTER
Breakdown %	71.43	28.57	0	0	0	West Sprinkle
Avg SP % LP	97.98	98.36	0	0	0	North Millham
						City limits South and East

	Avg site value	\$26,000
average prox to employment/shopping	\$500 closet to airport	-\$8,000
good prox to hwy	\$1,000 older age predominate	-\$6,000
avg-gd construction appeal	\$1,000 low to moderate remodeling	-\$1,500
rear recreational	\$5,000 avg traffic street	-\$3,000
above predominate values	\$5,000 average-less site size appeal	-\$2,000
typical site view	\$0	
buildable	\$0	-\$20,500
	\$12,500	
		\$18,000

USPAP ADDENDUM

File No. 01010571

Borrower: N/A
 Property Address: 7138 Capri
 City: Portage County: Kalamazoo State: MI Zip Code: 49002-9415
 Lender: City of Portage

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

Self Contained (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
 Summary (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
 Restricted Use (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3
 I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification
 Note any uspap-related issues requiring disclosure and any state mandated requirements:

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Client noted on page one. The Intended Use is to evaluate the property that is the subject of this appraisal for market value to possible sale transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Reasonable Exposure Time
 My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: over 6 months

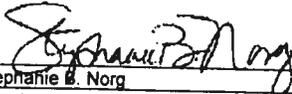
<p>APPRAISER:</p> <p>Signature: </p> <p>Name: <u>Stephanie B. Norg</u></p> <p>Date Signed: <u>12/11/2012</u></p> <p>State Certification #: <u>1201006909</u></p> <p>or State License #: _____</p> <p>or Other (describe): _____ State #: _____</p> <p>State: <u>MI</u></p> <p>Expiration Date of Certification or License: <u>07/31/2013</u></p> <p>Effective Date of Appraisal: <u>04/09/2013</u></p>	<p>SUPERVISORY APPRAISER (only if required):</p> <p>Signature: _____</p> <p>Name: _____</p> <p>Date Signed: _____</p> <p>State Certification #: _____</p> <p>or State License #: _____</p> <p>State: _____</p> <p>Expiration Date of Certification or License: _____</p> <p>Supervisory Appraiser inspection of Subject Property: <input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior</p>
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Borrower: N/A	File No.: 01010572	
Property Address: 1600 Friendly Ave	Case No.:	
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		

PRO Appraisal Services, LLC.
Stephanie B. Norg - Certified Residential Appraiser



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APPRAISAL OF



VACANT LAND

LOCATED AT:

1600 Friendly Ave
Portage, MI 49002-1652

FOR:

City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

BORROWER:

N/A

AS OF:

April 9, 2013

BY:

Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
Real Estate Appraisers

File No. 01010572

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

File Number: 01010572

Dear Vicki;

In accordance with your request, I have appraised the real property at:

1600 Friendly Ave
Portage, MI 49002-1652

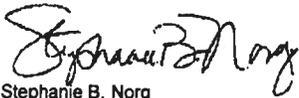
The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of April 9, 2013 is:

\$12,000
Twelve Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Thank You,



Stephanie B. Norg
MI Certified Residential Appraiser #1201006909

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010572

The purpose of this summary appraisal report is to provide the lender/client with an accurate and adequately supported opinion of the market value of the subject property.

CLIENT AND PROPERTY IDENTIFICATION

Property Address: **1600 Friendly Ave** City: **Portage** State: **MI** Zip: **49002-1652**
 Borrower: **N/A** Owner of Public Record: **CITY OF PORTAGE** County: **Kalamazoo**
 Legal Description: **BREEZY HILLS GARDENS, OUTLOT A .25 AC - ACCESS TO REAR LAND**
 Assessor's Parcel #: **00820-025-R** Tax Year: **2012** R.E. Taxes: **0.00**
 Neighborhood Name: **Portage** Map Reference: **K-19** Census Tract: **0035.00**
 Special Assessments: **None** PUD Yes No HOA: \$ **N/A** Per Year Per Month
 Property Rights Appraised: Fee Simple Leasehold Other (describe) _____
 Assignment Type: Purchase Transaction Refinance Transaction Other (describe) **Market Value Inquiry for resale.**
 Lender/Client: **City of Portage** Address: **7900 South Westedge Avenue, Portage, MI 49002**

CONTRACT ANALYSIS

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
N/A

Contract Price \$: _____ Date of Contract: _____ Is the property seller the owner of public record? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. \$ _____

NEIGHBORHOOD DESCRIPTION

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends			One-Unit Housing		Present Land Use %		
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	2 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input checked="" type="checkbox"/> Over 6 mths	9 Low	0	Multi-Family	3 %
Neighborhood Boundaries: Area typically known as Northern Portage, area to South borders Milham. North and East City limits and 12th St. to West.								735 High	120	Commercial	5 %
								130 Pred.	40	Other Vacant	10 %
				Good	Aver.	Fair	Poor				
Convenience to Employment				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility			
Convenience to Shopping				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties			
Convenience to Primary Education				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Police/Fire Protection			
Convenience to Recreational Facilities				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions			
Employment Stability				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall Appeal to Market			

Neighborhood Description: **See Attached Addendum**

Market Conditions (including support for the above conclusions): **See Attached Addendum**

SITE DESCRIPTION

Dimensions: **66 x 165** Area: **10890** Acres Sq.Ft. Shape: **Rectangular** View: **Residential**
 Zoning Classification: **R-1B** Zoning Description: **Residential**
 Zoning Compliance: Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe) _____
 Uses permitted under current zoning regulations: **Residential Improved.**
 Highest & Best Use: **Residential Improved.**
 Describe any improvements: **None**
 Do present improvements conform to zoning? Yes No No improvements If No, explain: _____

Present use of subject site: **Vacant/Residential** Current or proposed ground rent? Yes No If Yes, \$ _____
 Topography: **Basically Level** Size: **Typical for the area** Drainage: **Surface appears adequate**

Corner Lot: Yes No Underground Utilities: Yes No Fenced: Yes No If Yes, type: _____
 Special Flood Hazard Area Yes No FEMA Flood Zone: **X** FEMA Map #: **26077C0302D** FEMA Map Date: **02/17/2010**

UTILITIES	Public	Other	Provider or Description	Off-Site Improvements	Type/Description	Public	Other
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Surface	Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Type/Influence	Residential	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	None	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>		Sidewalk	None	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Street Lights	None	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>		Alley	None	<input type="checkbox"/>	<input type="checkbox"/>

Are the utilities and off-site improvements typical for the market? Yes No If No, describe: _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe: _____

Site Comments: **See Attached Addendum**

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010572

There are **25** comparable sites currently offered for sale in the subject neighborhood ranging in price from \$ **4,900** to \$ **50,000**
 There are **9** comparable sites sold in the past 12 months in the subject neighborhood ranging in sale price from \$ **11,000** to \$ **50,000**

COMPARABLE SALES						
FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3
Address	1600 Friendly Ave Portage	4230 Gray St Portage, MI 49024	1427 Romence Rd Portage, MI 49024	6203 S 12th St Portage, MI 49024		
Proximity to Subject		3.45 miles SSE	2.22 miles SW	3.93 miles W		
Data Source(s)	Inspection	SWMRIC-MLS/11009717	SWMRIC-MLS/11038432	SWMRIC-MLS/12058148		
Verification Source(s)	of property	Tax Records/DOM: 566	Tax Records/DOM: 0	Tax Records/DOM: 9		
Sale Price	\$ N/A	\$ 12,900	\$ 12,000	\$ 29,000		
Price/	\$ 0.00	\$ 0.99	\$ 0.89	\$ 0.44		
Date of Sale (MO/DA/YR)	N/A	10/12/2012	01/27/2012	11/28/2012		
Days on Market	N/A	0	0	9		
Financing Type	N/A	Land Contract	Cash	Cash		
Concessions	N/A	0	0	0		
Location	Suburban	Suburban	Suburban/Busy	Suburban/Busy	5,000	5,000
Property Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple		
Site Size Sq. Ft.	10,890	13068 sf	13504 sf	66647 sf		-8,000
View	Residential	Residential Park	Residential	Residential		
Topography	Basically Level	Basically Level	Basically Level	Basically Level		
Available Utilities	Elec, Gas, PbW/S	Elec, Gas	Elec, Gas, PbW/S	Elec, Gas, PbS		0
Street Frontage	66 ±	99 ±	84 ±	132 ±		-10,000
Street Type	Residential	Residential	Residential	Residential		
Water Influence	None	None	None	None		
Fencing	None	None	None	None		
Improvements	None	None	None	Wooded		-3,500
		0	0	0		
Net Adjustment (Total, in \$)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 2,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 0	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 16,500		
Adjusted sales price of the		Net Adj. -15.5%	Net Adj. 0.0%	Net Adj. -56.9%		
Comparable Sales (in \$)		Gross Adj. 62.0% \$ 10,900	Gross Adj. 83.3% \$ 12,000	Gross Adj. 91.4% \$ 12,500		

The Appraiser has researched the transfer history of the subject property for the past 3 years and the listing history of the subject for the past 12 months prior to the effective date of this appraisal.
 The appraiser has also researched the transfer and listing history of the comparable sales for the past 12 months.

The appraiser's research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal.

Data Sources: **SWMRIC-MLS, Deed and Tax Records;**

The appraiser's research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Sources: **SWMRIC-MLS, Deed and Tax Records**

The appraiser's research did did not reveal any prior listings of the subject property or comparable sales for the year prior to the effective date of the appraisal.

Data Sources: **SWMRIC-MLS, Deed and Tax Records**

Listing/Transfer History (if more than two, use comments section or an addendum.)	Transfer/Sale (ONLY) of the Subject in past 36 months:	Listing and Transfer history of Comp 1 in past 12 months:	Listing and Transfer history of Comp 2 in past 12 months:	Listing and Transfer history of Comp 3 in past 12 months:
	\$ None	\$	\$	\$

Subject Property Is Currently Listed For Sale? Yes No Data Source:

Current Listing History	List Date	List Price	Days on Market	Data Source
None		\$		

Subject Property has been listed within the last 12 Months? Yes No Data Source:

12 Month Listing History	List Date	List Price	Days on Market	Data Source
		\$		
		\$		

Comments on Prior Sales/Transfers and Current and Prior Listings: **None**

Summary of the Sales Comparison Approach: **See Attached Addendum (including listing and sales data).**

25 Actively listed comparable residential parcels offered on the MLS in Portage are offered at a median price of \$25,450 with total days on Market noted on average of 264/350 CDOM; (oversupply, lack of buyer interest for new construction development at this time.)

9 Sold residential comparable parcels reported on the MLS in Portage were noted as sold at a median price of \$29,000 with total days on Market noted on average of 188 CDOM.

Recent increased trend in construction contracts. Trend indicates the properties are recovering slowly from a declining trend as a result of oversupply and while higher in median price, they will and are taking considerably longer to purchase. Few note in developments. Most often at the purchase of a cash investor or builder.

Reconciliation Comments: **Value emphasis placed on the Sales Comparison Approach. See above. Estimate of value is based on a reasonable exposure period offered within a current median pricing.**

This appraisal is made "as is", or subject to the following conditions or inspections: **Original report has table of contents, showing all pages, if missing, this may not be a true copy. Appraisers signature is computer generated and password protected.**

Based on a complete visual inspection of the subject site and those improvements upon said site, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of market value, as defined, of the real property that is the subject of this report is:

Opinion of Market Value: \$ **12,000** as of: **04/09/2013**, which is the date of inspection and the effective date of this appraisal.

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010572

PRODUCTION INFORMATION FOR PUDS (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s): Detached Attached
Provide the following information for PUDS ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project: _____

Total number of phases: _____ Total number of units: _____ Total number of units sold: _____
Total number of units rented: _____ Total number of units for sale: _____ Data source(s): _____

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion: _____

Does the project contain any multi-dwelling units? Yes No Data Source: _____

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion: _____

Describe common elements and recreational facilities: _____

CERTIFICATIONS AND LIMITING CONDITIONS

This report form is designed to report an appraisal of a parcel of land which may have some minor improvements but is not considered to be an "improved site". All improvements are considered to be of relatively minor value impact on the overall value of the site. This report form is not designed to report on an "improved site" where significant value is derived from the improvements. This appraisal report form may be used for single family, multi-family sites and may be included within a PUD development.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions and certifications. The appraiser must, at a minimum; (1) perform a complete visual inspection of the subject site and any limited improvements, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions and conclusions in this appraisal report.

INTENDED USE: The intended use of the appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this report is the lender/client identified within the appraisal report.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what they consider their own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale. (Source: OCC, OTS, FRS, & FDIC joint regulations published June 7, 1994)

* Adjustments to the comparables must be made for special or creative concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect the subject property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the subject property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties express or implied. The appraiser will not be responsible for any such conditions that do exist or for the engineering or testing that might be required to discover whether such condition exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal must not be considered as an environmental assessment of the property.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject site and any limited improvements. I have reported the information in factual and specific terms. I identified and reported the deficiencies of the subject site that could affect the utility of the site and its usefulness as a building lot(s).
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them unless indicated elsewhere within this report as there are no or very limited improvements and these approaches to value are not deemed necessary for credible result and/or reliable indicators of value for this appraisal assignment.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of the sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining multiple transactions into reported sales.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I have verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.

PRO Appraisal Services, LLC
LAND APPRAISAL REPORT

File No. 01010572

CERTIFICATIONS AND LIMITING CONDITIONS (continued)

13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believed to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower, another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature", as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

SIGNATURES

APPRAISER

Signature 
 Name Stephanie B. Norg
 Company Name PRO Appraisal Services, LLC.
 Company Address 341 Point O Woods Drive,
Portage, MI 49002
 Telephone Number 269-324-4301
 Email Address stephaniernorg@aol.com
 Date of Signature and Report 12/11/2012
 Effective Date of Appraisal 04/09/2013
 State Certification # 1201006909
 or State License # _____
 or Other (describe) _____ State # _____
 State MI
 Expiration Date of Certification or License 07/31/2013

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

ADDRESS OF PROPERTY APPRAISED
1600 Friendly Ave
Portage, MI 49002-1652
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 12,000
 LENDER/CLIENT
 Name Vicki Georgeau, AICP
 Company Name City of Portage
 Company Address 7900 South Westnedge Avenue
Portage, MI 49002
 Email Address _____

ADDENDUM

Borrower: N/A		File No.: 01010572
Property Address: 1600 Friendly Ave		Case No.:
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		

Neighborhood Description

Homes in the area are a mixture of single and multi-level residences which appear to be properly maintained. No adverse conditions were noted. Schools, employment and shopping are within a reasonable distance and do not appear to have an effect on market value. Commercial and 2-4 family noted in present land use percentage is in the general area (typically secondary arterial roadways), and does not appear to have an effect on the overall market value of the subject at this time (subject basically located in a residential area). City of Portage is the county's second largest city with a population of over 44,000. It is part of the regional center/economic hub for the area. Police and Fire Departments provided. Property taxes are assessed according to the school district in which the subject is located (typical for Michigan). Municipal water and sewer typically available. Crossed by I-94 and US-131 Highways, the City is considered one of the fastest growing in the area.

Neighborhood Market Conditions

PREDOMINATE VALUE NOTED ON PAGE ONE:

It should be noted that the predominate value for this area includes sales of properties that are on multi-acre sites, waterfront and/or superior developments with gross living areas that exceed 6,000 sq.ft. The Neighborhood Description portion of the report addresses the eclectic range of dwellings within the area. The marketability of the subject is not affected by the diversity of the market area as properties that bracket the subjects' site and amenities have sold within the past several months. These sales are utilized within the report as comparables and show that properties similar to the subject are marketable. It should also be noted that these sales are within a reasonable distance and have sold within the past six months.

PREDOMINATE PRICING WITHIN THE SURROUNDING AREA/MARKET CONDITIONS:

For all Single Family residential dwellings within the greater Portage city area, the current predominate median List price is \$137,550 (92/130 CDOM) and the predominate median Sale price is \$130,000 (70/96 CDOM) with 591 sales from the last 12 months 97.5% List to Sale ratio. By comparison, findings from the prior 12 month period, or 2010/2011; predominate Sale price indicated \$122,500 (78/111 CDOM) with 545 sales at 96% List to Sale ratio. Overall improved results in values from an increased volume of reported MLS sales at improved L/S ratios (this was researched over the same 12 month period). Stable general market conditions.

SUBJECT MARKET WITHIN NEIGHBORHOOD BOUNDARIES:

Subject defined marketing area for comparable base is considered the criteria used by a prospective buyer of the subject property.

Demand for this vacant residential land is low as reflected in lack of new construction and financing available. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 8 miles away). For this report, a search within a 2 mile radius of the subject area was considered appropriate as the subject is located in a well defined, yet large suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

Property value trends as a Nation, Michigan and within the Greater Kalamazoo area market have been noted as mixed rating, by comparison, the subject marketing area (as defined above) appears to reflect a stable trend. This market appears to have an over supply. The next 120 days may see seasonal change, going into the "summer" market. See sales comparison grid for market reaction to comparables; when most properties are priced appropriately to market conditions, few have still shown to have more than 180 days of marketing.

Seller paid financial assistance is prevalent, yet does not appear to have a noticeable impact on this market. Seller contributions have remained consistent at an estimated rate of 1-6% noted over the last 12 months. Foreclosures also appear to have a significant impact on the general marketing conditions.

Data for these conclusions is largely based on the Association of Realtors' Southwestern Michigan Listing Service; SWMRIC-MLS, supported by this appraiser's knowledge, online census/county records, use of prior appraisal assignments within this market, conversations with local assessors, realtors and/or appraiser's peers. Statistical data also from online agencies such as the National Bureau of Economic Research, Michigan Department of Energy, Labor & Economic Growth and Michigan.gov. Recent sales should reflect any market change due to the current market conditions. Short term appreciation or depreciation, as found in market analysis above, will be adjusted within the grid on page two, when considered necessary. The most similar sales were provided as support for the estimated market value of the subject.

Market Influences: Mixed results to the economic recovery within the region, State of Michigan and the USA as a nation. Improved employment conditions both State and National reports. Yet, foreclosure trends, consumer confidence and lending standards have contributed to slow change, yet recovering in many markets. National Bureau of Economic Research Announces Official End To Most Recent Recession. On September 20, 2010, the National Bureau of Economic Research (NBER) announced that the U.S. economy reached a trough in June 2009, making the 18-month recession that began in December 2007 the longest economic downturn since the Great Depression. Measured in quarters, the most recent recession began in 2007Q4 and ended in 2009Q2.

*According to the National Association of REALTORS®, total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops. February existing home sale report indicated that sales increased 0.8% from the previous month and 10.2% over February of 2012. They also reported that sale prices were up 11.6% over February 2012 and that existing inventory increased by 9.6% from the previous month. 25% of all sales in February were of distressed homes (15% foreclosures and 10% short sales), down from 34% one year ago but up from 23% one month ago. The February buyer demographic: 30% were first time buyers, unchanged from January, down from 32% in February 2012. All cash sales comprised 32% of transactions last month, up from 28% the previous month but down from 33% one year ago. 22% of all sales in February were to investors, also up from January (19%) but down from February 2012 (23%). Pending sales were up 4.5% from (a downwardly revised) January but up 9.5% from January of 2012. www.realtor.org/press_room/news releases.

*The Federal Housing Finance Agency (FHFA) on March 21, 2013 reported that their Home Price Index (HPI) for January was up 0.6% from the previous month and also up 6.5% from the previous year. Their news release last Thursday indicated that the HPI was down 14.7% from its peak in April 2007 and was at approximately the same level as it was in September 2004.

*The national unemployment rate for February 2013 is at 7.7% according to figures released by the Bureau of Labor Statistics. The national unemployment rate in January was 7.9 percent, seasonally adjusted, down from 8.3 percent a year earlier. In 2011, 30 states posted statistically significant unemployment rate decreases, the largest of which was in Michigan (-2.4

ADDENDUM

Borrower: N/A		File No.: 01010572	
Property Address: 1600 Friendly Ave		Case No.:	
City: Portage	State: MI	Zip: 49002-1652	
Lender: City of Portage			

percentage points). The largest over-the-month increase in employment in January 2013 occurred in Michigan (+26,500). Michigan's unemployment rate for January 2013 reporting at 8.9%. Seasonally unadjusted unemployment rates rose in all of Michigan's 17 major labor market areas in January, according to the Michigan Department of Technology, Management & Budget. Total employment and labor force levels fell seasonally in all regions over the month. "Michigan's local labor market changes in January were seasonal as employment typically falls in the winter months throughout the state," said Rick Waclawek, director of the Bureau of Labor Market Information & Strategic Initiatives. "In general, the state's local regions reported improvement since January 2012. Over the past year, unemployment rates declined and payroll jobs were up in the majority of areas." The January unemployment rate for the Kalamazoo-Portage Metropolitan Statistical Area, which includes all of Kalamazoo and Van Buren counties, rose to 7.7 percent, up from 7.3 percent in December. The represents 12,200 people without work in a civilian workforce of 157,500 people. The January rate was down, however, from January 2012, when it was 8.5 percent. Taken separately, the jobless rate for the Kalamazoo County was 6.8 percent, up from 6.7 percent in December but down from 7.5 percent in January of 2012. "Jobless rates increased seasonally in January in all regional counties, ranging from +0.1 percentage points in Kalamazoo to +1.3 points in Van Buren County," Leonidas Murembya, regional analyst for the Michigan Bureau of Labor Market Relations & Strategic Initiatives, wrote in his analysis of Southwest Michigan. Some individuals who were temporarily employed during the holiday season withdrew from the labor market, Murembya reported, "leading to a decline in the overall level of the regional civilian labor force. The exception was Van Buren County, where labor force inched up by +75." He reported that labor force reductions ranged from -25 in Barry to -2,100 in Berrien County. Other counties that recorded considerable workforce losses in January include Kalamazoo (-1,300) and Calhoun (-900). "During the entire 2012 year, the labor forces in almost all regional counties saw losses, from -50 in Allegan to -1,950 in Kalamazoo County. The labor force expanded over the year in Barry County (+175). Looking at the year as a whole, unemployment rates for the region have inched down by an average of about -0.6 percentage points, according to Murembya. "The deepest rate reductions were recorded in St. Joseph (-1.8 percentage points) and Allegan (-1.0) counties," he reported.

*The Conference Board Consumer Confidence Index®, which had declined in January 2013, rebounded in February. The index now stands at 69.6 (1985=100), up from 58.4 in January. The Present Situation Index increased to 63.3 from 56.2. The Expectations Index improved to 73.8 from 59.9 last month. The monthly Consumer Confidence Survey®, based on a probability-design random sample, is conducted for The Conference Board by Nielsen, a leading global provider of information and analytics around what consumers buy and watch. The cutoff date for the preliminary results was February 14, 2013. Lynn Franco, Director of Economic Indicators at The Conference Board "Consumer Confidence rebounded in February as the shock effect caused by the fiscal cliff uncertainty and payroll tax cuts appears to have abated. Consumers' assessment of current business and labor market conditions is more positive than last month. Looking ahead, consumers are cautiously optimistic about the outlook for business and labor market conditions. Income expectations, which had turned rather negative last month, have improved modestly." www.conference-board.org/press.

*February 26, 2013 – Data through December 2012, released by S&P Dow Jones Indices for its S&P/Case-Shiller Home Price Indices, "the leading measure of U.S. home prices", showed that all three headline composites ended the year with strong gains. The national composite posted an increase of 7.3% for 2012. The 10- and 20-City Composites reported annual returns of 5.9% and 6.8% in 2012. Month-over-month, both the 10- and 20-City Composites moved into positive territory with gains of 0.2%; more than reversing last month's losses. "Home prices ended 2012 with solid gains," says David M. Blitzer, Chairman of the Index Committee at S&P Dow Jones Indices. "Housing and residential construction led the economy in the 2012 fourth quarter. In December's report all three headline composites and 19 of the 20 cities gained over their levels of a year ago. Month-over-month, 9 cities and both Composites posted positive monthly gains. Seasonally adjusted, there were no monthly declines across all 20 cities.

*Foreclosures have influenced the market reflecting lower median pricing and oversupplies. RealtyTrac® (www.realtytrac.com), the leading online marketplace for foreclosure properties, released December 13, 2012 its U.S. Foreclosure Market Report™ for February 2013, which shows foreclosure filings — default notices, scheduled auctions and bank repossessions — were reported on 154,281 U.S. properties in February, an increase of 2 percent from the previous month but still down 25 percent from February 2012. The report also shows one in every 849 U.S. housing units with a foreclosure filing during the month. "At a high level the U.S. foreclosure inferno has been effectively contained and should be reduced to a slow burn in the next two years," said Daren Blomquist, vice president of RealtyTrac. "But dangerous foreclosure flare-ups are still popping up in states where foreclosures have been delayed by a lengthy court process or by new legislation making it more difficult to foreclose outside of the court system. Foreclosure starts have been steadily building in those states over the last several months and likely will end up as bank repossessions or short sales later this year. This site reporting Michigan above average rates of documented one in 422 housing units received a foreclosure filing in February. With an average sales price of properties in some stage of foreclosure: default, scheduled for auction or bank-owned (REO); was \$61,506. One in every 980 Kalamazoo County households reported foreclosure February 2013 filing. With an average sales price of properties in some stage of foreclosure; default, scheduled for auction or bank-owned (REO); was \$100,000. One in every 433 Van Buren County households reported foreclosure February 2013 filing. There are many appraisal assignments where, in order to achieve credible results, it is necessary to use "distress" (e.g., REO or Short Sales) properties as comparable sales. However, foreclosure sales, defined by Black's Law Dictionary as "the sale of mortgaged property, authorized by a court decree or a power-of-sale clause, to satisfy the debt" are seldom based on market expectations. When there is a glut of distress sales in the marketplace, and those properties are truly comparable to the subject, it would be misleading not to use them as part (or in some cases all) of the basis for a value conclusion.

National vacancy rates in the fourth quarter 2012 were 8.7 percent for rental housing and 1.9 percent for homeowner housing, per the Department of Commerce's Census Bureau announced January 29, 2013. The rental vacancy rate of 8.7 percent was 0.7 percentage points lower than the rate in the fourth quarter 2011 (+/-0.4 percentage points) and 0.1 percentage point higher than the rate last quarter (+/-0.4). The homeowner vacancy rate of 1.9 percent was 0.4 percentage points lower than the fourth quarter 2011 rate (+/-0.2) and approximately the same (+/-0.1)* as the rate last quarter. The homeownership rate of 65.4 percent was 0.6 percentage points (+/-0.4) lower than the fourth quarter 2011 rate (66.0 percent) and 0.1 percentage point (+/-0.4)* lower than the rate last quarter (65.5 percent). For the fourth quarter 2012, the homeowner vacancy rate was higher in the South (2.2 percent) than in the Midwest (1.8 percent) and West (1.6 percent), but not statistically different from the Northeast. The rates in the Northeast, Midwest, and West were not significantly different from each other. The homeowner vacancy rates in the Midwest and West were lower than a year ago, while the rates in the Northeast and South were not statistically different from the fourth quarter 2011 rates. This had also reported Michigan to have a 2012 Q3 rating of 2.5 confidence interval and a rate of 12.3% as compared to the Q2 at 11.6%. These are heavily weighed down by the Eastern Detroit area, which is significantly higher as reported by comparison to Western Michigan Grand Rapids Metro, showing Q3 at 7.5% confidence interval at 8.3% vs Detroit Q3 at 4% confidence interval at a 15.5%. Greater Kalamazoo area not covered in this study. Homeownership rates also reported Michigan at Q3 rating of 2.1 confidence interval and a rate of 75% as compared to the Q2 at 2.2% and rate of 74.8. New Residential Vacancies and Homeownership data for the first quarter 2013 will be

ADDENDUM

Borrower: N/A		File No.: 01010572
Property Address: 1600 Friendly Ave		Case No.:
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		

released on Tuesday, April 30, 2013 at 10:00 A.M. EDT. www.census.gov/housing/hvs.

*Builder confidence in the market for newly built, single-family homes paused for a third consecutive month in March, with a two-point reduction to 44 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI), www.nahb.org/news.

Sales of new single-family houses privately-owned units authorized by building permits in January 2013 were at a seasonally adjusted annual rate of 437,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development February 26, 2013. This is 15.6 percent (±18.9%) above the revised December rate of 378,000 and is 28.9 percent (±21.7%) above the January 2012 estimate of 339,000. The median sales price of new houses sold in January 2013 was \$226,400; the average sales price was \$286,300. The seasonally adjusted estimate of new houses for sale at the end of January was 150,000. This represents a supply of 4.1 months at the current sales rate. www.census.gov/construction.

In conclusion, the next 120 days will likely see a change in most markets as Southwestern Michigan is also considered a seasonal market affected by slower periods of residential sales due to winter weather conditions and buying trends. Traditionally slowing down after school start in September, with a modest return of sales in February.

Site Comments

Dwellings within the immediate area typically have public water and sewer. Properties within the immediate neighborhood have connected to public connections. If a problem develops with the installation of these systems, there could be an impact on the market value and/or marketability of the subject. No future assessment has been reported during the course of this assignment. Value estimate is made based on current condition of a vacant parcel.

Estimated cost for water/septic improvements are typically absorbed by the potential buyer of such residential vacant sites;

March 2013

Water: Front footage (assessment previously paid) 1.25 inch water lead, 0.75 inch meter; City fee estimate total \$1,380.

Sewer: Tap \$300 and Front footage (assessment previously paid) ; estimate total \$300.

Private Contractor Connection of water and sewer service \$5,000 - \$8,000 (sewer lead already installed).

Parcel is located on a low traffic street with residential dwellings predominate of a lower estimate to the values within the greater Portage market. See attached market study for variables considered in the estimate of value as it relates to predominate value single family residential sites.

Comments on Sales Comparison

Most weight given to Comparable's One, Two and Three as they have the least amount of adjustments and appear most similar to the subject. Sales all located in similar economic areas. Typically buyers in this area will consider other competing neighborhoods outside of the subject's immediate neighborhood (traveling upwards of 10 miles away). For this report, a focused search within the greater Portage area was considered appropriate as the subject is located in a well defined, yet large outlying suburban location. Any adjustments for any submarket neighborhood differences of these areas will be reflected in the site comparison section of the grid on page two.

No short term appreciation nor depreciation noted for sales within last 3 months. Comparable sales which closed greater than 6 months ago were considered and used as needed due to their proximity or similar appeal to the subject. A minimal of two sales within the last 3 to 6 months are provided.

The sales used "bracket" the subject in Size and Adjusted Sale Prices. They are all from the same or similar areas and would typically be considered by potential purchasers of the subject, thus they are considered to be the best comparables for estimating the subject market value at this time. Due to the lack of sales from the market, none were identified to better support the subject estimate of value. Site adjustments, or lack thereof were made for the site size differences to reflect the overall market value differences of the sites (not just site size), which takes into account, road frontage, depth, topography, functional utility and surrounding site market values.

Listings are provided as additional support. The "Active" comparable prices noted above are the listing prices, not sale prices, thus the adjusted values could change if/when the comparables are sold. A "time on market" adjustment based on the average Sale to List ratio was made to support the estimated, adjusted values. Current Sale to List price ratio has been estimated at 92%. Similar adjustments were made with these comparable properties as with sales comparables and are based on the market value differences, not cost.

1-Listing for \$16,500 at 1041 E Osterhout Ave, Portage, MI 49002 Active (11/02/12). \$15,180; busier street, larger site, same district, and water and sewer available at street.

2-Listing sold for \$18,000 at 2381 McClish Ct, Portage, MI 49002 (12/21/12) 64 DOM. Listed at \$22,000; Austin Lake, multi family zoning; overall higher appeal. Underpriced.

3-Listing for \$29,900 at 1090 Ludington Ave, Portage, MI 49002 Active (listed 09/02/12 for \$31,900 now 219 DOM). \$27,508; Near subject development, superior area of newer homes, builder will sell outright due to a lack of buyer interest.

4-Expired listing 03/13/2013 for \$40,000 1318 Ashton Woods Ct., Portage, MI 49024 Listed for same 03/19/2012. Superior area, culdesac location of superior construction, wooded site, water and sewer also available. Overpriced.

Comparable sales are considered the best available and most recent at this time. While these sales are not as ideal in their proximity to the subject, they bracket the appealing factors of the subject site. Adjustments were made based on the market value of the improvements for the area, not the cost.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010572	
Property Address: 1600 Friendly Ave	Case No.:	
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		

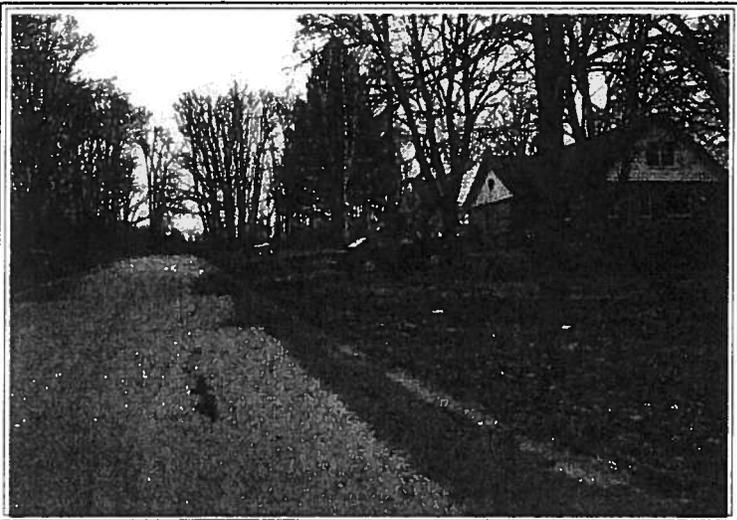


**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: April 9, 2013
Appraised Value: \$ 12,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010572	
Property Address: 1600 Friendly Ave	Case No.:	
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		



COMPARABLE SALE #1

4230 Gray St
Portage, MI 49024
Sale Date: 10/12/2012
Sale Price: \$ 12,900



COMPARABLE SALE #2

1427 Romence Rd
Portage, MI 49024
Sale Date: 01/27/2012
Sale Price: \$ 12,000

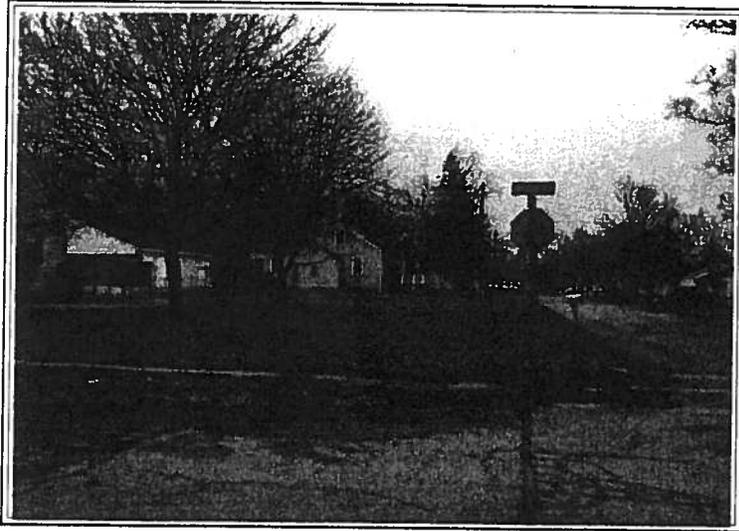


COMPARABLE SALE #3

6203 S 12th St
Portage, MI 49024
Sale Date: 11/28/2012
Sale Price: \$ 29,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: 01010572	
Property Address: 1600 Friendly Ave	Case No.:	
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		



COMPARABLE SALE #4

803 Idaho
Portage, MI 49024
Sale Date: EXPIRED
Sale Price: \$ 6,000

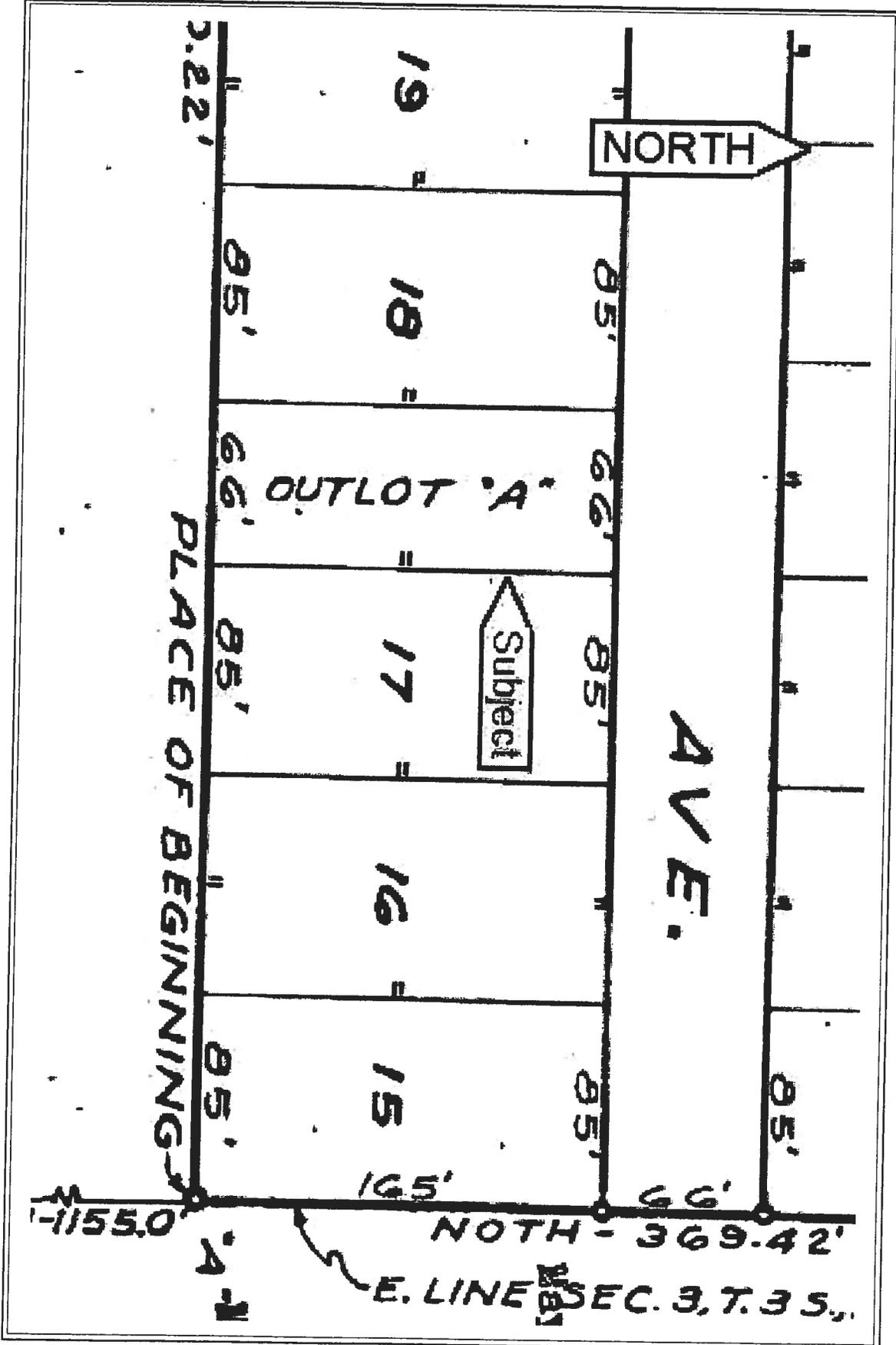


COMPARABLE SALE #5

1041 E Osterhout Ave
Portage, MI 49024
Sale Date: ACTIVE
Sale Price: \$ 16,500

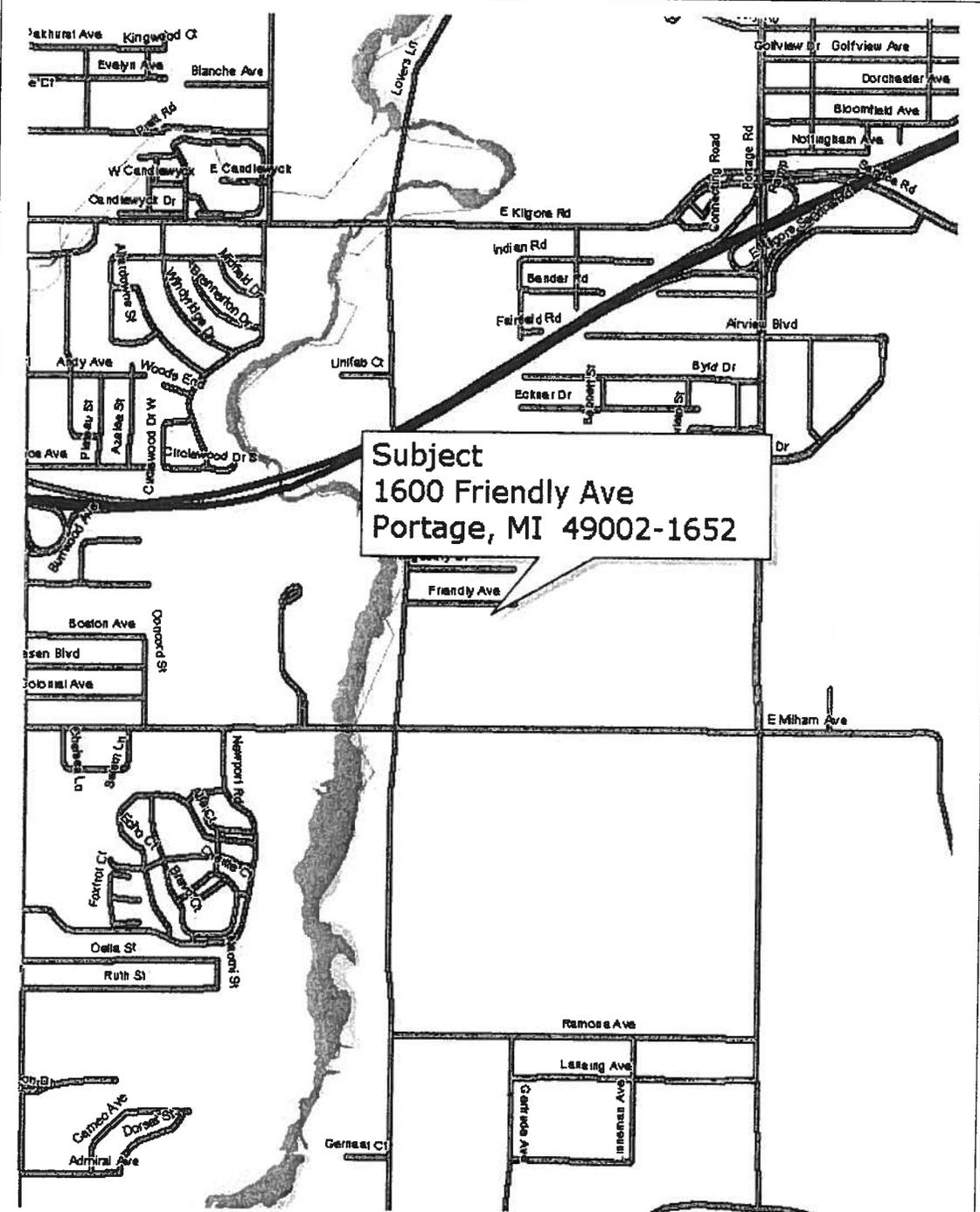
PLAT MAP

Borrower: N/A
Property Address: 1600 Friendly Ave
City: Portage
Lender: City of Portage
File No.: 01010572
Case No.:
State: MI
Zip: 49002-1652



FLOOD MAP

Borrower: N/A File No.: 01010572
 Property Address: 1600 Friendly Ave Case No.:
 City: Portage State: MI Zip: 49002-1652
 Lender: City of Portage



Subject
 1600 Friendly Ave
 Portage, MI 49002-1652

FloodMap Legend

Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRMs

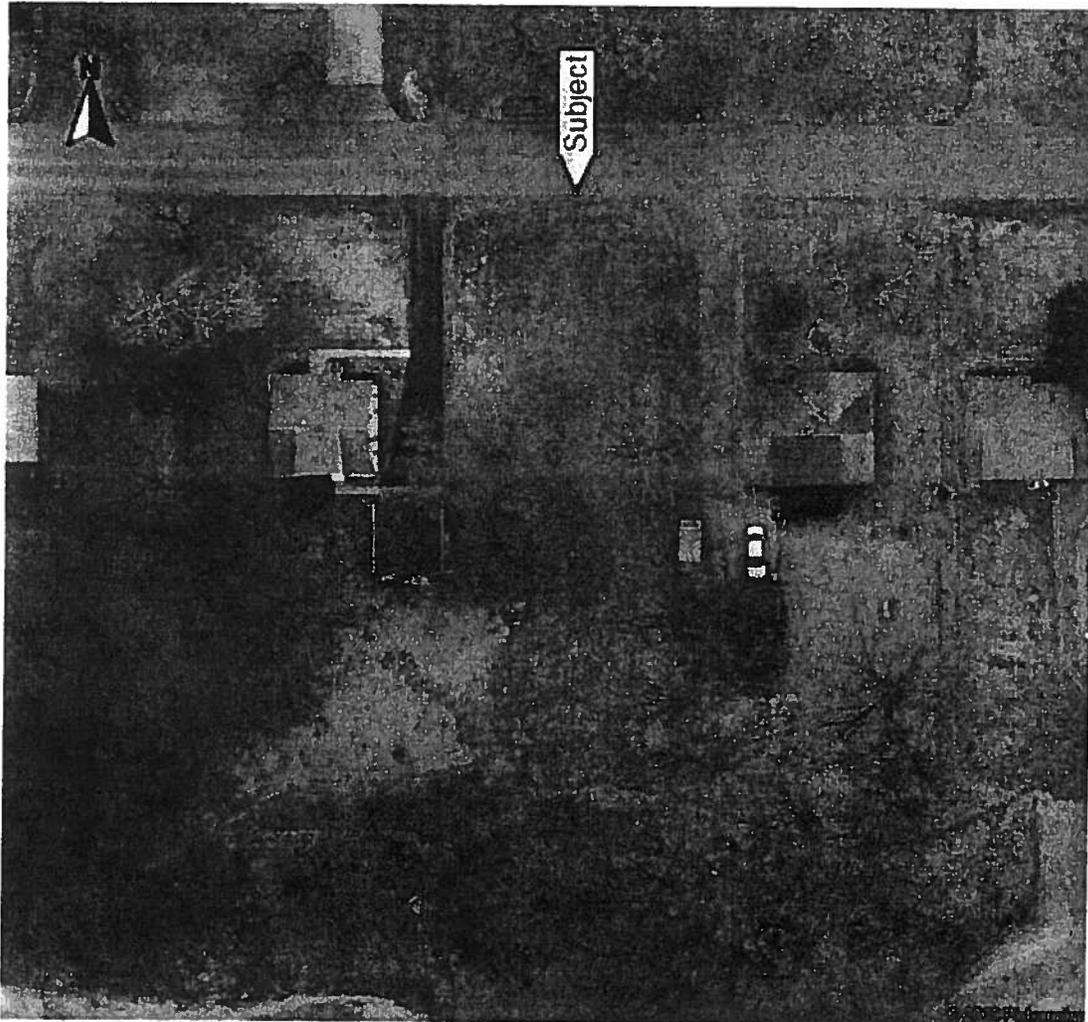
Flood Information

Community: 260577 - PORTAGE, CITY OF
 Property is not in a FEMA special flood hazard area.
 Map Number: 26077C0302D Map Date: 02/17/2010
 Panel: 0302D FIPS: 26077
 Zone: X

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

AERIAL MAP

Borrower: N/A	File No.: 01010572	
Property Address: 1600 Friendly Ave	Case No.:	
City: Portage	State: MI	Zip: 49002-1652
Lender: City of Portage		



3/28/2009

***** INVOICE *****

File Number: 01010572

04/09/2013

Vicki Georgeau, AICP
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

Borrower : N/A

Invoice # : 01010572
Order Date : 03/19/2013
Reference/Case # :
PO Number :

Vacant residential parcel

1600 Friendly Ave
Portage, MI 49002-1652

Appraisal of Subject Property	\$	200.00
	\$	-----
Invoice Total	\$	200.00
State Sales Tax @ 0%	\$	0.00
Deposit	(\$)
Deposit	(\$)

Amount Due	\$	200.00

Terms: Payable within five working days

Please Make Check Payable To:

PRO Appraisal Services, LLC
341 Point O Woods Drive
Portage, MI 49002

Fed. I.D. #: 27-3531312

Thank you for your business!

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010572
Property Address: 1600 Friendly Ave	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-1652

CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
Brian J. Bowling, City Manager

DATE: January 17, 2013

FROM: Vicki Georgeau, ^{VP} Director of Community Development

SUBJECT: City-owned residential properties

As indicated in my November 9, 2012 communication regarding residentially-zoned city-owned property, the vast majority are used for public facilities, public street rights-of-way (existing and future right-of-way), public water, sanitary sewer and storm sewer utility purposes (e.g. sewer lift stations, well house/pumps, storm water retention basins, etc.), parks and trail ways. In addition, some properties have been purchased to facilitate capital improvement projects and/or economic development projects. As noted, all but 15 "vacant" properties have a specified public use that would make the disposition inappropriate. Of these 15 vacant properties, six were purchased as part of the South Westnedge Enhancement Projects (SWEPS), five properties serve as buffers between I-94 or a railroad ROW (and are not otherwise buildable lots), and the remaining four properties also have development limitations.

With regard to properties with an identified "Access" public use, additional research has been accomplished to determine if there is development potential for these parcels, or if they could be disposed of through a side-lot arrangement, where the parcel is split and sold to adjacent property owners. The attached table provides more detail in regard to the properties identified with an "access" or "vacant" public use. Of the properties listed, there are three properties that no longer have a public use or purpose:

- 7200 Balfour Drive, Outlot E of Meadow-Lane No. 2 (platted in 1960): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 133 feet in depth. Outlot E was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since the development of Pleasant Meadow #2 to the west, no future street connection is feasible. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot E is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover are met, the property appears buildable (note: other lots within the plat are non-conforming with regard to width and area).
- 7138 Capri Street, Outlot B of Holiday Village (platted in 1961): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 125 feet in depth. Outlot B was intended to serve as a street connection for future development to the west. As shown on the vicinity map, since development of the Portage Soccer Complex, no future street connection is necessary. In addition, there are no public utilities located on the property and no apparent public use or purpose for the property. While the width and area of Outlot B is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet the minimum 80 foot lot width and area of 9,600 square feet).

CITY OF PORTAGE COMMUNICATION

Borrower: N/A	File No.: 01010572
Property Address: 1600 Friendly Ave	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-1652

City-Owned Residential Properties,
Page 2

- 1600 Friendly Avenue, Outlot A of Breezy-Hills Garden (platted in 1948): This vacant parcel, zoned R-1B, one-family residential, is 66 feet wide and 165 feet in depth and has a public sewer lead. Prior to the construction of Woods Edge Learning Center at 1501 East Milham Road/5821 Lovers Lane, this outlot was reserved for a street connection to potential future development to the south. Since construction of the school on the property to the south, disposition of Outlot A can be recommended as there are no public utilities located on the property and there is no apparent public use or purpose for the property. While the width of Outlot A is nonconforming for the R-1B zoning district, provided setbacks and maximum lot cover can be met, the property appears buildable (note: other lots within the plat meet or exceed the minimum 80 foot lot width).

The above listed properties are located within plats that were recorded prior to the Subdivision Control Act of 1967. Per the attached opinion from the City Attorney, these three properties can be considered buildable because prior plat acts did not provide a specific definition of "outlot", and there is no wording on the plat documents that indicate the outlots were reserved or set aside as something other than a building site (e.g., future street connection, drainage basin, utility easement, etc.).

With regard to the potential sale of the outlots, the city has Quit Claim Deeds for the two outlots at 7200 Balfour Drive and 7138 Capri Street, and the sale of these properties would be fairly straight forward. However, there is no proof of ownership for 1600 Friendly Avenue and the City Attorney has recommended a title search be completed in regard to this property to determine if the property can be sold.

With regard to all of the above properties, because they do not conform to the minimum width and/or area requirements, if the properties were offered for sale, it may be appropriate to first offer the outlots to adjacent property owners. Under this scenario, the outlots would be evenly split and sold to adjacent property owners. If adjacent properties owners are not interested in purchasing the outlots, the city could subsequently market the properties for sale to any interested parties. Finally, should a determination be made that the above properties should be sold, it is recommended an appraisal be prepared to determine the market value and an appropriate sales price.

If you have any questions or comments, I am available to meet with you at your convenience.

Attachments: List of city-owned residentially zoned properties with an "access" or "vacant" public use designation
Maps of 7200 Balfour Drive, 7138 Capri Street, and 1600 Friendly Avenue
January 17, 2013 City Attorney opinion

S:\2012-2013 Department Files\Memos\Manager\2013\16 VG city owned properties.doc

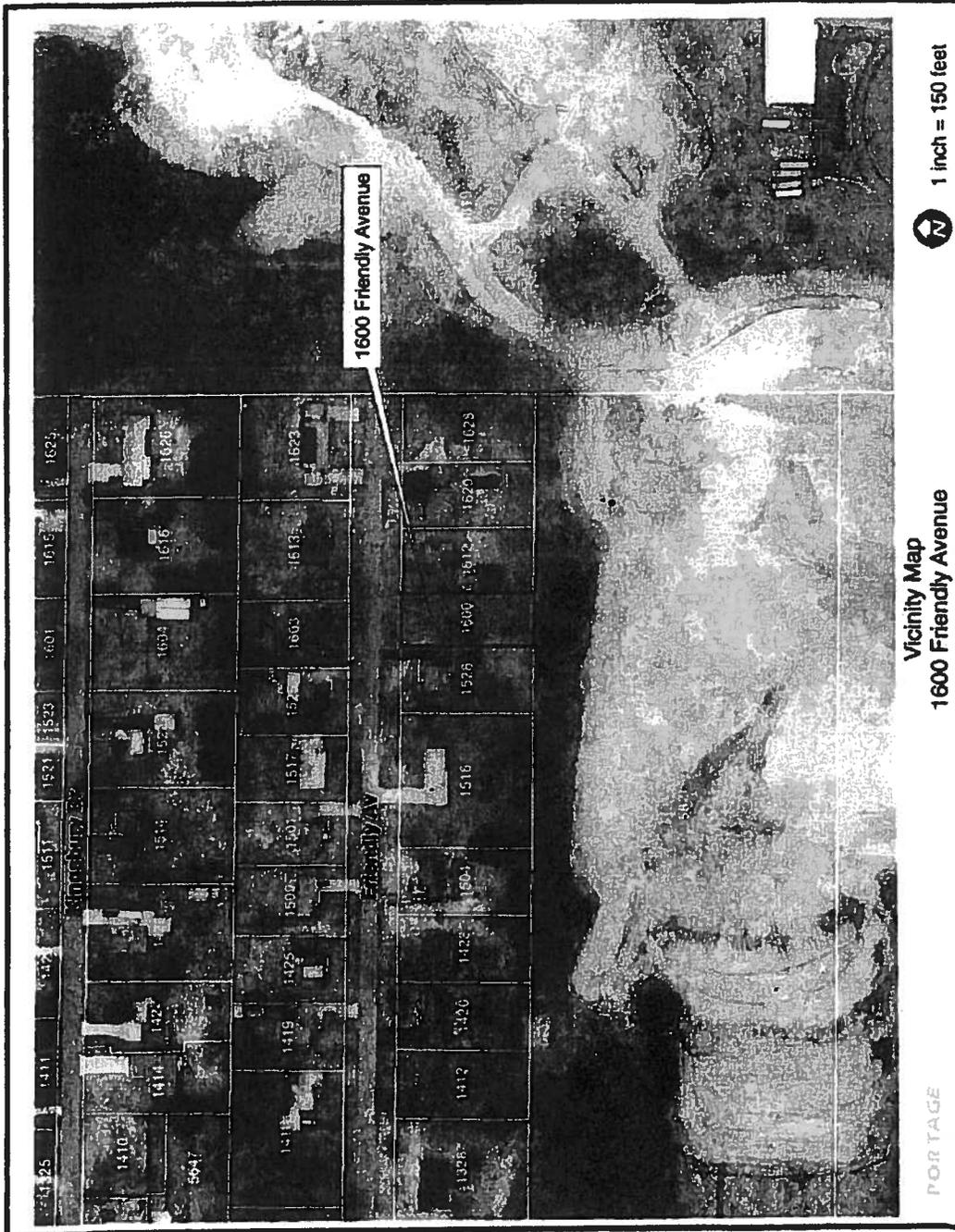
CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010572
 Property Address: 1600 Friendly Ave Case No.:
 City: Portage State: MI Zip: 49002-1652
 Lender: City of Portage

ADDRESS	ACREAGE	PUBLIC USE	Map #	DETAIL S/DESCRIPTION
10244 PORTAGE RD	0.65	ACCESS	189	FUTURE DEVELOPMENT ACCESS
1121 WOODLAND DR	0.06	ACCESS	218	ACCESS TO WELL SITE AT 1123 WOODLAND
1600 FRIENDLY AV	0.25	ACCESS	130	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS
2220 WINTERS DR	0.41	ACCESS	152	FUTURE DEVELOPMENT ACCESS
4204 TIFFANY AV	0.82	ACCESS	121	ACCESS TO DRAINBASIN
4400 FIRESIDE AV	0.51	ACCESS	164	FUTURE DEVELOPMENT ACCESS
5113 GREENHILL ST	0.28	ACCESS	168	FUTURE DEVELOPMENT ACCESS
5153 S 12TH ST	0.32	ACCESS	28	ACCESS TO FUTURE WELL SITE
5219 GREENHILL ST	0.30	ACCESS	169	FUTURE DEVELOPMENT ACCESS / WATER MAIN ENCROACHMENT
5411 OAKLAND DR	0.36	ACCESS	24	ROW TO WELL SITE / BUFFER NEXT TO I-94
5530 ANGLING RD	0.32	ACCESS	129	HARBORS WEST PARK WALKWAY ACCESS
601 SOUTHLAND AV	0.21	ACCESS	206	ACCESS TO ADJACENT LAND
6700 SUNBURST DR	0.61	ACCESS	210	DRAINRETENTION BASIN
7138 CAPRI ST	0.34	ACCESS	170	66' WIDE NON-BUILDABLE OUTLOT WITH SIDE LOT SALE OPPORTUNITY
820 RAINBOW AV	0.20	ACCESS	201	66' WIDE OUTLOT WITH WATER MAIN ENCROACHMENT
8620 S SPRINKLE RD	0.61	ACCESS	180	FUTURE DEVELOPMENT ACCESS
9024 S WESTNEDGE AV	0.21	ACCESS	192	ACCESS TO SOUTH WESTNEDGE PARK
9110 S WESTNEDGE AV	0.20	ACCESS	193	ACCESS TO REAR LAND
117 AMOS AV	0.20	VACANT	146	SWEPS ACQUISITION
118 AMOS AV	0.20	VACANT	142	SWEPS ACQUISITION
124 AMOS AV	0.20	VACANT	143	SWEPS ACQUISITION
129 AMOS AV	0.20	VACANT	145	SWEPS ACQUISITION
130 AMOS AV	0.20	VACANT	144	SWEPS ACQUISITION
212 IDAHO AV	0.21	VACANT	22	SWEPS ACQUISITION
1905 FAIRFIELD RD	0.40	VACANT	155	BUFFER NEXT TO I-94
1922 BENDER RD	0.01	VACANT	156	BUFFER NEXT TO I-94
2100 INDIAN RD	0.68	VACANT	158	BUFFER NEXT TO I-94
2125 BENDER RD	0.25	VACANT	157	BUFFER NEXT TO I-94
730 CIRCLEWOOD SOUTH DR	1.00	VACANT	8	BUFFER NEXT TO RAILROAD
2527 W MILHAM AV	0.14	VACANT	37	36' WIDE UNBUILDABLE PARCEL, MAINTAINED BY ADJACENT OWNER
431 SOUTHLAND AV	0.20	VACANT	205	66' WIDE OUTLOT ENCRACHED BY STORM SEWER
5916 OAKLAND DR	0.45	VACANT	147	FUTURE OAKLAND DRIVE ROW ENCROACHMENT
7200 BALFOUR DR	0.20	VACANT	183	66' WIDE OUTLOT WITH RESIDENTIAL DEVELOPMENT/SIDE LOT OPTIONS

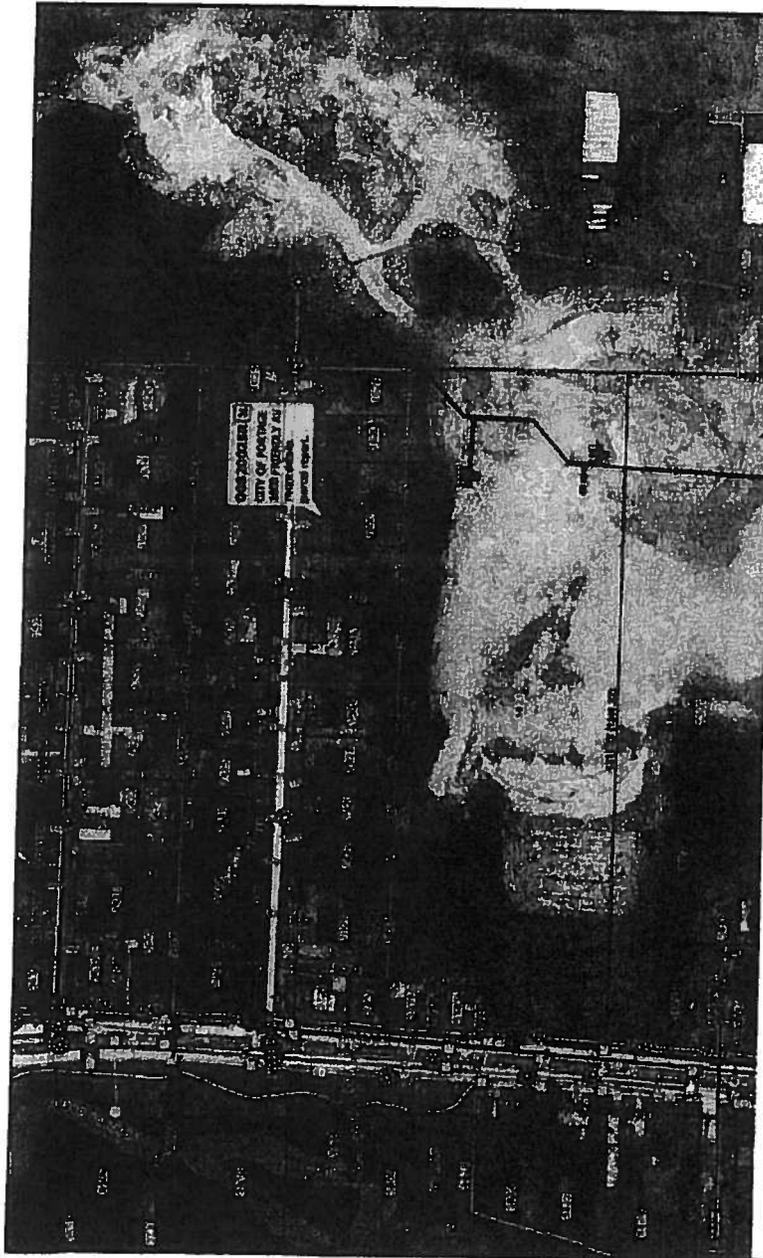
CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010572
Property Address: 1600 Friendly Ave Case No.:
City: Portage State: MI Zip: 49002-1652
Lender: City of Portage



CITY OF PORTAGE COMMUNICATION

Borrower: N/A File No.: 01010572
Property Address: 1600 Friendly Ave Case No.:
City: Portage State: MI Zip: 49002-1652
Lender: City of Portage



Disclaimer:

This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.



1:3500

Map Publication:

Wed Dec 12 2012 06:26:54 PM

City of Portage Map Document



MARKET STUDY

Borrower: N/A	File No.: 01010572
Property Address: 1600 Friendly Ave	Case No.:
City: Portage	State: MI
Lender: City of Portage	Zip: 49002-1652

	0.25	10890	16 66 x 165	Friendly		\$12,000.00
Active: 6	Pending: 5	Sold: 24	Other: 0	Total: 35		
	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM/CDOM
Minimum	3	1	960	\$59,900	\$59,900	3-Mar
Average	3	2.34	1,376	\$133,378	\$123,846	51/70
Median	3	2	1,364	\$129,900	\$128,375	29/34
Maximum	4	4	1,728	\$219,900	\$189,900	261/376
Total Dollar Value					\$2,972,300	
Average DOM Breakdown and Average % of Listing Price received on Solds by Market time:						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	120+ Days	NORTH QUARTER
No. of Listings	12	4	3	1	4	West 12th St.
Breakdown %	50	16.67	12.5	4.17	16.67	South Milham
Avg SP % LP	98.15	96.29	97.07	89.65	96.07	City limits North and East
				Avg site value	\$76,000	
low traffic street		\$6,000	near airport		-\$10,000	
average prox to employment		\$500	rear non residential		\$3,000	
good prox to hwy		\$1,000	below predominate values		\$1,000	
near complete build avg land supply		\$2,000	older age predominate		-\$6,000	
avg construction appeal		\$500	average less site view		-\$1,000	
buildable		\$0	low to moderate remodeling		\$3,000	
average site size appeal		\$0				
		\$10,000			-\$24,000	
					\$12,000	

USPAP ADDENDUM

File No. 01010572

Borrower: N/A
 Property Address: 1600 Friendly Ave
 City: Portage County: Kalamazoo State: MI Zip Code: 49002-1652
 Lender: City of Portage

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Self Contained** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Summary** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Use** (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any uspap-related issues requiring disclosure and any state mandated requirements:

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Client noted on page one. The Intended Use is to evaluate the property that is the subject of this appraisal for market value to possible sale transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Reasonable Exposure Time

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: over 6 months

APPRAISER:

Signature: 
 Name: Stephanie B. Norg
 Date Signed: 12/11/2012
 State Certification #: 1201006909
 or State License #: _____
 or Other (describe): _____ State #: _____
 State: MI
 Expiration Date of Certification or License: 07/31/2013

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Effective Date of Appraisal: 04/09/2013

Supervisory Appraiser inspection of Subject Property:

- Did Not Exterior-only from street Interior and Exterior

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: Kalamazoo County Hazard Mitigation Plan

SUPPORTING PERSONNEL: Richard White, Public Safety Director

ACTION RECOMMENDED: That City Council accept by resolution the Kalamazoo County Hazard Mitigation Plan.

EXECUTIVE SUMMARY:

The Kalamazoo County Office of Emergency Management recently updated the County Hazard Mitigation Plan, which was approved by the Kalamazoo County Board of Commissioners in January 2013. The Plan has been forwarded to local communities for subsequent adoption. Council is presented with a recommendation to adopt the Plan by resolution. Please note the entire 223 page Plan can be found on the County's website at http://kalcounty.com/em/haz_mit_plan.htm. For Council review, attached are the introduction pages and the local community section related to Portage.

BACKGROUND INFORMATION:

Under the Federal Disaster Mitigation Act of 2000, and related regulations in 2002, Congress has set aside funds to assist communities with the development of hazard mitigation plans. In 2006, Kalamazoo County had developed and approved such a plan. The Plan was adopted on August 23, 2006 by the Portage City Council. This plan has since been updated in 2012 and approved by the Federal Emergency Management Agency (FEMA) and the Kalamazoo County Board of Commissioners in 2013.

Local adoption of this plan is necessary because many of the items to be implemented in the action plan will take place at the local level or will, at least, require support at the local level for county activities. Adoption of the Plan by the City of Portage will continue to enable the city to be eligible for federal funding of hazard mitigation projects.

FUNDING: N/A

Attachments: Resolution
Kalamazoo County Hazard Mitigation Plan excerpts

CITY OF PORTAGE

RESOLUTION CONCERNING KALAMAZOO COUNTY HAZARD MITIGATION PLAN

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the _____ day of _____, 2013, at 7:30 p.m. local time.

PRESENT: _____

ABSENT: _____

Resolution offered by: _____

Seconded by: _____

WHEREAS, the City of Portage became a participant in the Kalamazoo County Hazard Mitigation Plan (hereafter "KCHMP") in August of 2006.

WHEREAS, the KCHMP represented both ongoing and future activities within the county as consistent with the City of Portage's interest in the health, safety and welfare of its citizens.

WHEREAS, the Kalamazoo County of Emergency Management has revised the KCHMP in 2012.

WHEREAS, the Kalamazoo County Board of Commissioners approved the revised KCHMP in January of 2013, and it has tentatively been approved by the Federal Emergency Management Agency.

WHEREAS, the adoption of the KCHMP will enable our city to continue to be eligible for federal funding of hazard mitigation projects.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

YEAS: _____

NAYS: _____

ABSENT: _____

RESOLUTION DECLARED _____

James R. Hudson, City Clerk

STATE OF MICHIGAN)
) SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the _____ day of _____, 2013, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereto affixed my official signature this _____ day of _____, 2013.

James R. Hudson, City Clerk

APPROVED AS TO FORM
DATE 5/9/13
h
CITY ATTORNEY

CITY OF PORTAGE

RESOLUTION CONCERNING KALAMAZOO COUNTY HAZARD MITIGATION PLAN

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the _____ day of _____, 2013, at 7:30 p.m. local time.

PRESENT: _____

ABSENT: _____

Resolution offered by: _____

Seconded by: _____

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All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

YEAS: _____

NAYS: _____

ABSENT: _____

RESOLUTION DECLARED _____

James R. Hudson, City Clerk

STATE OF MICHIGAN)
) SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the _____ day of _____, 2013, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereto affixed my official signature this _____ day of _____, 2013.

James R. Hudson, City Clerk

INTRODUCTION

Hazard mitigation is any action taken before, during, or after a disaster to reduce or permanently eliminate the impacts or long-term risks from hazards (natural, technological, or human-related) upon human life and property. It is an essential element of emergency management, along with preparedness, response, and recovery. There is a cyclical relationship between the four phases of emergency management. A community prepares for a disaster, and tries to prevent hazards from having a strong impact. When an incident occurs, the community then responds and begins to recover from any damages that had been caused. During the recovery process, hazard mitigation measures can again be adopted, because a new incident may soon occur again. When successful, hazard mitigation lessens the impacts to such a degree that succeeding occurrences will remain mere incidents and not become actual disasters.

Hazard mitigation strives to reduce the impact of hazards on people and property through the coordination of resources, programs, and authorities so that, at the very least, communities do not contribute to the increasing severity of the problem. If repairs and reconstruction merely restore damaged property as quickly as possible to pre-disaster conditions, then a repetition of pre-disaster conditions may simply result in a cycle of repeated damages. Instead, post-disaster repairs and reconstruction provide an opportunity to strengthen a community's resilience. Recovery projects can rebuild things in a safer manner, informed by the lessons of past disasters, so that future disasters will not have as much of an impact.

Through a combination of regulatory, administrative, and engineering approaches, losses can be limited by reducing a community's susceptibility to damage. Hazard mitigation provides the mechanism by which communities and individuals can break the cycle of damage, reconstruction, and damage again.

Recognizing the importance of hazard mitigation, Kalamazoo County is actively addressing the issue through the development and subsequent implementation of this plan. The many benefits to be realized from this effort include the protection of the public health and safety, preservation of essential services, prevention of property damage, and the preservation of the local economic base. These will help ensure that Kalamazoo County remains a vibrant, safe, and enjoyable place in which to live, raise a family, and conduct business.

This plan was created to protect the health, safety and economic interests of residents by reducing the impacts of hazards through hazard mitigation planning, awareness, and implementation.

This plan serves as the foundation for hazard mitigation activities within the community. Implementation of the plan's recommendations will reduce injuries, loss of life, and destruction of property due to natural and technological hazards. The plan provides a path toward continuous, proactive reduction of vulnerability to the most frequent hazards that result in repetitive and often severe social, economic and physical damage. The ideal end-state would be the total integration of hazard mitigation activities, programs, capabilities, and actions into normal, day-to-day governmental functions and management practices.

In this document, a hazard analysis section describes the nine major categories of hazards that affect Kalamazoo County (and provides some additional information about lesser hazards). The analysis of hazards is rooted in a community profile that includes a description of community organization and potential resources. The nine major hazards have been identified as severe weather, geological threats, fires, floods/drought, hazardous materials, infrastructure problems, public health emergencies, transportation incidents, and civil unrest and war. For each of the nine major hazards, the following is provided:

- Description of the hazard,
- Explanation of how it affects the County,
- Requirements/Rules affecting the County,
- Mitigation Goal(s) that have been identified, and
- Description of the Action Item proposed.

The plan provides an explanation for why these mitigation actions are proposed.

Throughout this document, the Kalamazoo County Hazard Mitigation Plan is also referred to as the KCHMP.

This new document updates the previous Kalamazoo County Hazard Mitigation Plan. It has been re-structured so that it is easier to find and use the information contained within it. This should be helpful for stakeholders to more easily find and review the information that is most relevant for their jurisdictions and areas of expertise/interest.

Certain information which was considered confidential or too sensitive for widespread public distribution has been kept out of this document, and would only be distributed at the discretion of the Kalamazoo County Office of Emergency Management.

Some maps may be easier to view in a digital format, rather than in a printed hard-copy edition of this document.

The Kalamazoo County Hazard Mitigation Plan was created to document the process by which the County and its individual units of local government can protect the health, safety, and economic interests of the Kalamazoo County residents and businesses by reducing the impacts of natural and technological hazards through hazard mitigation planning, awareness, and implementation. The plan serves as the description of the ongoing hazard mitigation activities and actions within the Kalamazoo County. Implementation of the recommendations outlined herein will reduce loss of life, destruction of property, and economic losses due to natural and technological hazards. The plan provides a path toward continuous improvement, and the proactive reduction of vulnerability to hazards that result in repetitive and oftentimes severe social, economic and physical damage. The ideal end state is full integration of hazard mitigation concepts into day-to-day governmental and business functions and management practices.

These practices are far from new to Kalamazoo County. Many of the elements contained in this plan have been in place or planned for months or even years. The writing of this plan was possible due to these elements of the community already working in a productive and cooperative and leadership basis. Many of the individuals identified later in this document as being a "Lead Manager Assigned" to particular elements of the mitigation strategy are also listed in the Kalamazoo County Directory 2010 - 2011 as already being the lead individual for critical community functions.

Under the Disaster Mitigation Act of 2000 (PL 106-390) and related regulations appearing in the Federal Register on February 26, 2002 and October 1, 2002 (Pages 8844-8854 and 61512-61515), Congress had set aside grant money for the purpose of assisting communities in developing hazard mitigation plans for their communities. The result was the development of an initial hazard mitigation plan for Kalamazoo County, which was approved in 2006. By 2011, due to the need for regularly updating the plan, Lt. Paul Baker, Director of the Office of Emergency Management within the Kalamazoo County Sheriff's Office, undertook the role of coordinating the development of this Hazard Mitigation Plan update for the benefit of the community, with the realization that several of the smaller communities within Kalamazoo County would be unable to assemble a hazard mitigation plan on their own due to limited resources.

A major benefit of this effort is that by the successful development of a Hazard Mitigation Plan that is approved by the Federal Emergency Management Agency (FEMA), participating communities will become eligible to apply for or directly benefit from federal grants that are available for hazard mitigation projects, including (but not limited to) some of the types of projects that are described in this plan.

It is the intention of all parties—FEMA, Michigan State Police, Kalamazoo EMD, and the communities within Kalamazoo County—that this plan be regularly updated. FEMA rules require that a plan update process take place within five years of the approval date of the previous plan.

The creators of this plan intend that it will in fact be maintained as an ongoing operation in the most logical forum for the County—the Kalamazoo County Disaster Committee (KCDC), where circles of responsibility and interest intersect and are exemplified by ongoing regularly-scheduled group and ad-hoc team activities. The KCDC has long met regularly, on a monthly basis.

Using FEMA guidelines as a reference, a collaborative planning effort took place, involving the Kalamazoo County Office of Emergency Management, the Kalamazoo County Disaster Committee, representatives from participating local jurisdictions within the County, and the state-level Emergency Management and Homeland Security Division of the Michigan State Police. Interested agencies and members of the general public were able to review draft materials, attend open meetings, and provide feedback about the plan or its process. The goals and objectives outlined later in the plan serve as a touchstone that ideally is part of an established cyclical process of plan review, evaluation, implementation, and update.

This plan employs a broad perspective in examining multi-hazard mitigation activities and opportunities in Kalamazoo County. Hazards that threaten to public health, safety, and welfare, as well as the social, economic, and physical fabric of the community, have received emphasis in this plan. The plan addresses such hazards as floods, tornadoes, windstorms, winter storms, forest fires, structural fires, hazardous material incidents, and secondary technological hazards that result from natural hazard events. Hazards are analyzed from a historical perspective as well as from individual community perspectives, and are evaluated in terms of their potential chance of occurrence and their likely impacts, when being considered and prioritized for possible mitigation actions. The plan also lays out the legal basis for planning and the tools that can be used for its implementation.

This plan focuses heavily on process. The approach involves assembling the proper individuals, groups, and functions, and the use of viable teams, focusing upon the Kalamazoo County Disaster Committee and the participating communities within the County.

The following Goals had been identified as a part of the 2006 plan:

- Goal 1: Provide disaster planning and mitigation resources to appropriate elements of Kalamazoo County.
- Goal 2: Identify hazards affecting Kalamazoo County – COMPLETED.
- Goal 3: Strengthen the effectiveness of the KCDC's ongoing processes and roles.
- Goal 4: Increase public awareness of hazard mitigation methods and resources – COMPLETED.
- Goal 5: Obtain Compliance w/FEMA requirements as a prerequisite for obtaining Mitigation Grant – COMPLETED.
- Goal 6: Complete all hazard mitigation projects described in the Mitigation Actions Chapter.

With regard to the three goals that have been marked as COMPLETED, only the second was considered to be in need of adjustment for the plan update process that took place throughout 2012. Other changes in the wording of the goals stemmed merely from a desire for clearer and more appropriate wording. The result is the following list of new goals for the planning period that starts at the beginning of 2013:

- Goal 1: Provide disaster planning and mitigation resources to appropriate elements of Kalamazoo County.
- Goal 2: Expand and refine the detailed analysis of hazards affecting Kalamazoo County.
- Goal 3: Strengthen the effectiveness of the KCDC's ongoing processes and roles.
- Goal 4: Increase public awareness of hazard mitigation methods and resources.
- Goal 5: Comply with FEMA requirements in order to obtain and use hazard mitigation grants.
- Goal 6: Complete or make progress toward implementing the most viable of the hazard mitigation projects described in the Mitigation Actions section of the KCHMP.

Special emphasis was given to hazards and projects affecting personal safety and feelings of personal and business security. This emphasis formed the basis for the ultimate selection of key projects that had been prioritized, such as:

- 1) Warning Sirens (since 2006, five new sirens were added to Charleston Township, one to Climax, 2 to Richland)
- 2) "Safe Rooms"
- 3) Emergency Shelters, and
- 4) Backup Power Generation for critical facilities and infrastructure components (e.g. water systems, fire stations. A generator has been added within the City of Kalamazoo).

The selection process for hazard mitigation alternatives included the following criteria to evaluate the feasibility of potential activities (for more information, please see Chapter 5):

- Likelihood of actual opportunities for project implementation
- Potential for a large number of persons to be affected by the hazard
- Potential for a wide geographic area to be affected by the hazard
- Potential for serious harm to be inflicted by the hazard upon persons in the community
- Potential for the hazard to inflict economic hardship upon the community
- Extent to which a project's costs will be outweighed by its benefits

The Kalamazoo County Disaster Committee (KCDC)

The KCDC currently consists of the following committees and subcommittees:

- Communications
- Disaster Exercise
- Emergency Animal Care Committee
- 5th District Medical Response Coalition
- Fire Chiefs Association
- Local Emergency Planning Committee (LEPC)
- Local Hazard Mitigation
- Local Law Enforcement
- College/University Law Enforcement
- Office of Emergency Management
- Private Industry
- Public Information
- Resources
- Schools
- Transportation

Since the last edition of this plan, in 2006, two KCDC committees (Community Emergency Response Team, and Emergency Action Guidelines) stopped meeting as a part of the KCDC, with their duties instead being taken over by the OEM.

The plan highlights the affirmation by its participants, and the organizations and communities they represent, to a commitment to continue in this cooperative effort for the good of the communities and agencies of and within the County. The subsequent adoption of this plan by the county and its participating communities signifies their intention to continue the evaluation, modification, and the general evolution of both its approach and deployment. Communities served by and participating in this plan are supportive of the outcome and benefits that the plan seeks to provide by the plan, and express their support through the representation and participation of members of their community in the ongoing development and deployment of mitigation activities as part of this plan.

Kalamazoo's hazards may change, or have the character of their effects change, due to shifts in population and economic activity, land use changes, technological advances, and new or emerging threats. For this reason, Kalamazoo's ability to prepare for and respond to its hazard base must be equally dynamic and flexible. In keeping with the all-hazards approach promoted by the FEMA, Kalamazoo County has built an emergency management system that is designed to address the multitude of hazards prevalent in the County. Those hazards—natural, technological, and human-related—present a variety of challenges to Kalamazoo's governmental agencies, local communities, businesses and industries, and individual citizens. While many of the hazards may not affect our lives on a daily basis, the threat is always there from at least a few hazards, and each threat needs to be addressed through appropriate hazard mitigation and emergency preparedness efforts at the state, local, and individual levels, because failure to do so may result in needless and tragic loss of life and property, as well as significant economic and social disruptions.

Due to its community characteristics and geographic location, the principal natural hazard threats to Kalamazoo are:

- 1) Severe winds, lightning, and tornadoes (all of which often accompany thunderstorms),
- 2) Snowstorms, ice/sleet storms, and extreme temperatures that are a part of severe winter weather, and
- 3) Riverine flooding.

Kalamazoo County's principal technological hazard threats include:

- 1) Infrastructure failures,
- 2) Fires (including structural fires, industrial explosions, and wildfires),
- 3) Transportation accidents,
- 4) Hazardous material incidents (both fixed-site and transportation-related), and
- 5) Petroleum and natural gas pipeline accidents. (It should be noted that many of these threats are a direct or indirect result of Kalamazoo hosting railways, an international airport, and two major interstate highways.

It should be noted that the technological threats faced by Kalamazoo are not unlike those present in other industrialized cities of a similar size and character.

Human-related hazards, although not as prevalent in Kalamazoo as in some other areas of the country, can still cause significant public health and safety concerns. Heat waves, for example, occur frequently and yet may not even be noticed by many County residents. However, when power outages knock out air conditioning systems or when the heat wave lasts for several days or more, serious health impacts may occur among the County's most vulnerable residents, from the elderly to the young, as well as pets and livestock. These types of concerns are therefore given consideration in this updated edition of the Kalamazoo County Hazard Mitigation Plan.

7. City of Portage

Initial community feedback from hazard questionnaire:

Hazard	Frequency or likelihood of occurrence	Severity of hazard impacts
Thunderstorms (hail, lightning)	4 a year	Strong rare casualties
Severe Winds	4 a year	Strong rare casualties
Tornadoes	1 a decade	Extreme probable casualties
Extreme Heat	5 days yearly	Mild
Severe Winter Weather (snow)	3 a year	Moderate
Ice/Sleet storms	1 every 5 years	Moderate
Extreme Cold & Freezes	5 days yearly	Mild
Fog	6 days a year	Mild
River Flooding	1 every 20 years	Moderate
Other (Non-river) Flooding	1 every 20 years	Moderate
Dam Failures	N/A	-
Drought	Once ever 25 years	Moderate
Wildfires	N/A	-
Damaging Invasive Species	N/A	-
Earthquakes	Once a century	Extreme probable casualties
Ground subsidence	N/A	-
Major Structural Fires	3 a year	Moderate
Fixed Site Hazardous Materials	Once a decade	Mild
Hazardous Mat'l Transport Accidents	1 every 2 years	Mild
Nuclear Plant Incidents	N/A	-
Petroleum or Natural Gas Pipeline Spills	(High pressure gas lines)	(Strong)
Oil and Gas Well Accidents	N/A	-
Infrastructure Failures	Once every 20 years	Moderate
Major Transportation Accidents	Once every 20 years	Strong
Civil Disturbances	Once every 30 years	Moderate
Public Health Emergencies	Once every 30 years	Moderate
Terrorism and Similar Criminal Incidents	Once every 25 years	Strong
Nuclear Attack or other WMD	Once a century	Extreme
Other (please specify)		

After the initial questionnaire was filled out, follow-up between the City and the KCHMP planning staff resulting in a general prioritization of hazards, as follows:

1. Most significant hazards for the City of Portage: Thunderstorms and severe winds
2. Second tier of most significant hazards: Tornadoes, and also major transportation accidents
3. Third tier of most significant hazards: oil/gas pipeline incidents, terrorism/weapons of mass destruction

Although thunderstorm hazards are the city's top priority, it has already taken action to prepare for such hazards. Portage has received the National Weather Service designation as a "storm ready" city. It has a good warning system in place with state-of-the-art sirens. It has NOAA weather radio operating in all major buildings, schools, the city hall, senior centers, etc.

The top priority projects proposed for thunderstorm and tornado hazards are:

- Investigate ways to encourage and increase the anchoring of mobile homes to a secure foundation, to make the units more resistant to wind and tornado effects. The city has two mobile home parks that could benefit greatly from this activity.
- Investigate the possible shelter needs for those attending football games or other outdoor events at Portage High School. If a storm blows in or a tornado warning occurs, attendees can cross the street to take shelter in schools, but it is worth checking to see whether improvements are needed to meet the sheltering needs at these events.
- Investigate the viability of renovations that would make city structures more storm-resistant. One known site is Fire Station #2 (on Oakland), which could benefit from roof adjustments to reduce its vulnerability to ice dams, and possibly include structural bracing or other wind-resistance engineering techniques.

Transportation issues include the presence of U.S. 131 on the city border (and its potential for hazardous material spills), plus having the interstate and railroad lines travel across the area. Five to six recent train-vehicle collisions render this issue a serious concern. Westnedge, mainly on its south end, and at the lumber company driveway, may benefit from some roadway enhancements or redesign effort.

The pipeline issue would mainly be addressed through education efforts, such as the use of the MISS-DIG phone line to ensure that no pipeline hazard will be caused by projects that disturb the ground. Emergency preparedness is an important part of the city's efforts. Portage is a sub-component of the county's emergency plan, and the city participates with the county in drills, plans, equipment, etc. Additional training will continue to be of benefit.

The following high-priority action is proposed for multiple hazards, such as terrorism, that have the potential to create a community-wide emergency event:

- Seek and promote interoperability of radio systems across the county. Western Michigan University and Portage are on different radio systems. Three different systems are in use across the county.

Implementation of hazard mitigation actions would generally involve authorized City officials, the City's relevant departments, some coordination with Kalamazoo County OEM, and federal hazard mitigation funds where possible.

Other listed hazards may be significant, but have not at this time been selected for hazard mitigation priority.

- Hazard mitigation concepts will be considered during the next update of the city's master plan.
- The city encourages residents to make use of NFIP flood insurance, if they have need, and supports floodplain management concepts.

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: Closed Session

SUPPORTING PERSONNEL: James Hudson, City Clerk

ACTION RECOMMENDED: That City Council hold a closed session immediately following the regularly scheduled City Council Meeting of May 28, 2013, to discuss an attorney/client communication.

EXECUTIVE SUMMARY:

A closed session is requested immediately following the regularly scheduled City Council Meeting of May 28, 2013, to discuss an attorney/client communication. City Council will reconvene in public session subsequent to the completion of the closed session.

FUNDING: N/A

Attachments: N/A

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: Proposed Acquisition of 1614 West Osterhout Avenue – Information Only

SUPPORTING PERSONNEL: Victoria Georgeau, Director of Community Development

EXECUTIVE SUMMARY:

At the May 14, 2013 regular meeting of City Council, a request was made for the presentation of background information previously shared with Council's Property Committee relative to the property at 1614 West Osterhout Avenue. The following is provided in response.

BACKGROUND INFORMATION:

On March 5, 2013, the city received a letter from Bill Patterson, JAMB II, LLC, inquiring as to the city interest in purchasing an approximate 18 acre parcel at 1614 West Osterhout Avenue, which is directly south and adjacent to the Eliason Nature Reserve property, addressed as 9501 Shaver Road.

As indicated in the attached April 25th communication from Community Development Director Georgeau, it has been a long established goal of the city to develop a paved multi-use trail extending from Kilgore Road south to Osterhout Avenue. In an effort to realize the completion of this legacy project, during the development of the Eliason Nature Reserve master plan city staff explored the feasibility of extending a bikeway trail from the southern portion of the Eliason Nature Reserve, east through the Bishop's Bog Preserve and then south through Schrier Park. However, constructing a trail suitable for bicycles would be very difficult and costly due to soils and wetland conditions. Based on these findings, alternative routes for a paved trailway were investigated and pursued by the Director of Parks, Recreation and Public Services.

In response to the offer from JAMB II, LLC, the Eliason Nature Reserve master plan was re-evaluated and it was determined feasible and more cost effective to include a paved trail extension south towards Osterhout Avenue across the property at 1614 West Osterhout Avenue. Therefore, the parcel offered for city acquisition would serve this public use/purpose, and would be more cost effective in comparison to the initially proposed trail route.

The property at 1614 West Osterhout Avenue has been offered to the city for \$155,000 and has past due property taxes of approximately \$19,000. To ensure the offer price is reasonable, and as requested by City Council at the May 14th meeting, an appraisal of the property has been ordered. Once the appraisal is received, a recommendation with regard to acquiring this property will be provided to the Council for consideration.

FUNDING: Not applicable at this time.

Attachments: April 25, 2013 and May 7, 2013 communications from Community Development Director Georgeau (with attachments relating to 1614 West Osterhout Avenue)

CITY OF PORTAGE

COMMUNICATION

TO: Brian J. Bowling, Deputy City Manager

DATE: April 25, 2013

FROM: Vicki Georgeau, ^{VJ} Director of Community Development

SUBJECT: Request for City of Portage to purchase 1614 West Osterhout Avenue

Pursuant to the request from William Patterson that the City of Portage consider purchasing 1614 West Osterhout Avenue, the following information is provided. The vacant property is approximately 18 acres in size with 66 feet of frontage/parcel width on West Osterhout Avenue, which widens to 330 feet on the north 2,337 feet of the property. The parcel is zoned RM-1, multiple-family residential, as are the properties directly to the east and west. The future land use designation for the parcel and those to the east and south are low-density residential, whereas property to west is planned for general industrial, and property to the north is designated within the Shaver Road Business corridor and also recommended primarily for industrial uses. While the property to the north at 9501 Shaver Road is zoned and planned for industrial uses, Ms. Linda Eliason generously donated this 122-acre parcel to the city for a nature reserve in 2011. Subsequently, the city has prepared a master plan for the development of this land, which is now referred to as the Eliason Nature Reserve.

As indicated in the attached communication from William Deming, Director of Parks, Recreation and Public Services, it has been a long established goal of the city to develop a paved multi-use trail extending from Kilgore Road south to Osterhout Avenue. In addition, to identify and promote this quality of life amenity, construction of trailhead entry features (similar to the sign shown in the attached photo) has also been contemplated. During the development of the Eliason Nature Reserve master plan, city staff explored the opportunity to extend a bikeway trail from the southern portion of the Eliason Nature Reserve, east through the Bishop's Bog Preserve and then south through Schrier Park. However, constructing a trail suitable for bicycles would be very difficult and costly due to soils and wetland conditions. Based on these findings, the master plan was modified to include a paved trail extension, south towards Osterhout Avenue, in a future development phase of the Eliason Nature Reserve.

The parcel offered by Mr. Patterson for city acquisition would serve this public use/purpose, and would be more cost effective in comparison to the initially proposed trail route. It is also anticipated that grant funds could be secured for a significant portion of the trail construction costs. In addition, use of this property for public recreation would be compatible with the existing and planned future land uses of adjacent parcels. Furthermore, the Office of City Assessor estimates the property has a true cash value of \$295,750, compared to the proposed sale price of \$155,000. As additional information, the 2011 and 2012 taxes (\$19,021) have not been paid, and it is understood that property owner would want the city to pay all or a portion of the outstanding taxes as part of the sale, which would be subject to mortgage lender approval as a short sale to prevent foreclosure is proposed for this property.

Based on the above, acquisition of 1614 West Osterhout Avenue is recommended for the offered purchase price of \$155,000. If the City of Portage were to pay the outstanding taxes, the total purchase price would be approximately \$175,000, not including due diligence costs (e.g. completion of a Phase 1 environmental assessment, survey, and title insurance).

If you have any questions or comments, I am available to meet with you at your convenience.

Attachments: March 12, 2013 communication from City Manager Evans
 April 24, 2013 communication from Director Deming
 Example trailhead entry sign feature – photo of Lansing River Trail

c: William Deming, Director of Parks, Recreation and Public Services



TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager

SUBJECT: 1614 West Osterhout (Patterson)

SUPPORTING PERSONNEL: William Deming, Director of Parks, Recreation and Public Services

ACTION RECOMMENDED: That City Council refer the request of Bill Patterson regarding 1614 West Osterhout to the Ad Hoc Property Committee for review and recommendation.

EXECUTIVE SUMMARY:

A letter dated March 5, 2013 was received from Mr. Bill Patterson (JAMB II, LLC), owner of the property known as 1614 West Osterhout Avenue. Mr. Patterson is inquiring as to city interest in purchasing this parcel.

BACKGROUND INFORMATION:

The City Administration received the attached letter dated March 5, 2013 from Mr. Bill Patterson (JAMB II, LLC), owner of the property known as 1614 West Osterhout Avenue, which is approximately 18.5 acres. Mr. Patterson is inquiring as to city interest in purchasing this parcel.

It is recommended that City Council refer this to the City Council Ad Hoc Property Committee for review with a recommendation by the Committee to City Council at a later date.

FUNDING: N/A

Attachments: March 5, 2013 letter from Bill Patterson
Aerial Map of 1614 West Osterhout

JAMB II, LLC
5302 Bala Cynwyd Ct.
Portage, MI 49024

March 5, 2013

Bill Deming
Parks and Recreation
7719 S. Westnedge
Portage, MI 49002

Re: 1614 West Osterhout Ave.

Dear Mr. Deming,

Thank you for speaking with me about our property located at 1614 W. Osterhout Ave. As per your advice, I am sending this updated letter to let Portage Parks and Recreation know that we are still interested in selling this property to the City of Portage.

As previously discussed, this would be a short sale with Keystone Community Bank and they have indicated a willingness to work with our listing price of \$155,000. Our goal is to sell it as soon as possible. Our preference would be to have the property added to the City's Parks system. We would appreciate a response in the next couple of weeks indicating your interest and a description of the procedure and timeframe involved to get Portage City Council approval and close the sale.

This property would make a great addition to the Eliason Nature Reserve and would provide access and parking from Osterhout Ave., consistent with the proposed development plan.

Please investigate the possibility of this purchase and keep me informed on the progress.

Thank you,



Bill Patterson
JAMB II, LLC

Vicinity Map 1614 West Osterhout Avenue



CITY OF PORTAGE

COMMUNICATION

TO: Vicki Georgeau, Community Development Director

DATE: April 24, 2013

FROM: William M. Deming, Director, Parks, Recreation & Public Services

SUBJECT: 1614 West Osterhout Road Property – Potential City Acquisition

I would recommend that the City of Portage proceed with the acquisition of the 18.2 acre parcel located at 1614 West Osterhout Road as offered to the city by William Patterson. This purchase would create an opportunity to finally realize the vision for a central bikeway trail through the community and would be an excellent proponent in support of “A Natural Place to Move.”

In 1999, in conjunction with the Shaver Road Boulevard project, the city implemented the Shaver Road Bikeway project. At that time, the Administration goal for the Shaver Road Bikeway was to gain access to Osterhout Road. When connected to the developing Portage Creek Bicentennial Park trail, the city vision was the establishment of a north/south trail from Osterhout Road north to the city limits at Kilgore Road. At that time I contacted Wanda Eliason on the potential to obtain a trail easement through corporate property which was denied. With no other feasible option to gain access to Osterhout Road, the city settled on an alternate route for the bikeway trail east to South Westnedge Avenue, but this did not meet the desired goal.

The unexpected and generous donation by Linda Eliason, which established the Eliason Nature Reserve two years ago, has revived the opportunity to continue a bikeway trail south as originally envisioned. The Eliason Nature Reserve master plan identifies a central paved bikeway trail through the property with the potential for future trail expansion in a southerly direction beyond the parcel boundary. During the fall of 2012, city staff members explored the opportunity to extend a bikeway trail from the southern portion of the Eliason Nature Reserve, east through the Bishop’s Bog Preserve and then south through Schrier Park. Constructing a trail suitable for bicycles would be very difficult due to soils and wetlands. Furthermore, even if feasible, the construction cost through the wetland and with the extra distance to Schrier Park would be exorbitant, far exceeding that to purchase and construct a trail south through the parcel offered for city acquisition.

I would therefore strongly recommend purchase of the 1614 West Osterhout property for the following reasons:

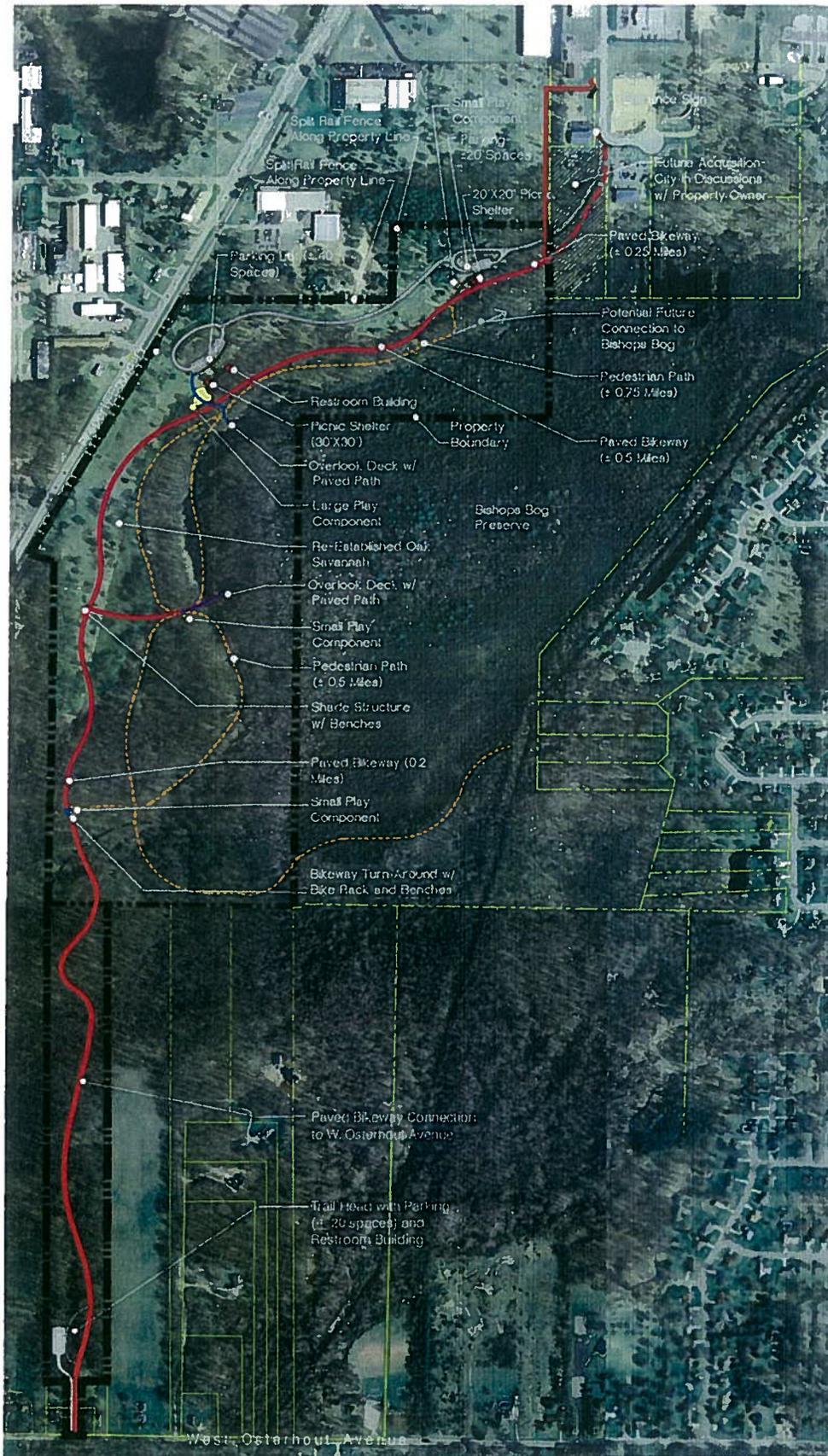
- Acquisition would be the last link necessary to pursue the original vision of a continuous green corridor and bikeway trail from Osterhout Road to Kilgore Road – over six miles in length.
- From a cost of construction perspective, this parcel is the best option available for trail development.
- Acquisition would enhance public access and planned use of the Eliason Nature Reserve by residents.
- There would be the potential to create a future southern gateway (trailhead) entry-point along Osterhout Road, similar to that at the Lover's Lane/Kilgore Road trailhead location.
- Acquisition with the intent to create the trail link would expand upon and further highlight city recreational assets, exemplifying Portage as "A Natural Place to Move."

Attached are two drawings from the landscape architectural firm of O'Boyle, Cowell, Blalock and Associates. One depicts the trail and potential future trailhead development of the 1614 West Osterhout property. The second depicts how this property would be a natural compliment for proposed development of the Eliason Nature Reserve.

I would encourage your support and please contact me if additional information is necessary.

Attachments

c: Brian J. Bowling, Deputy City Manager



Context Plan

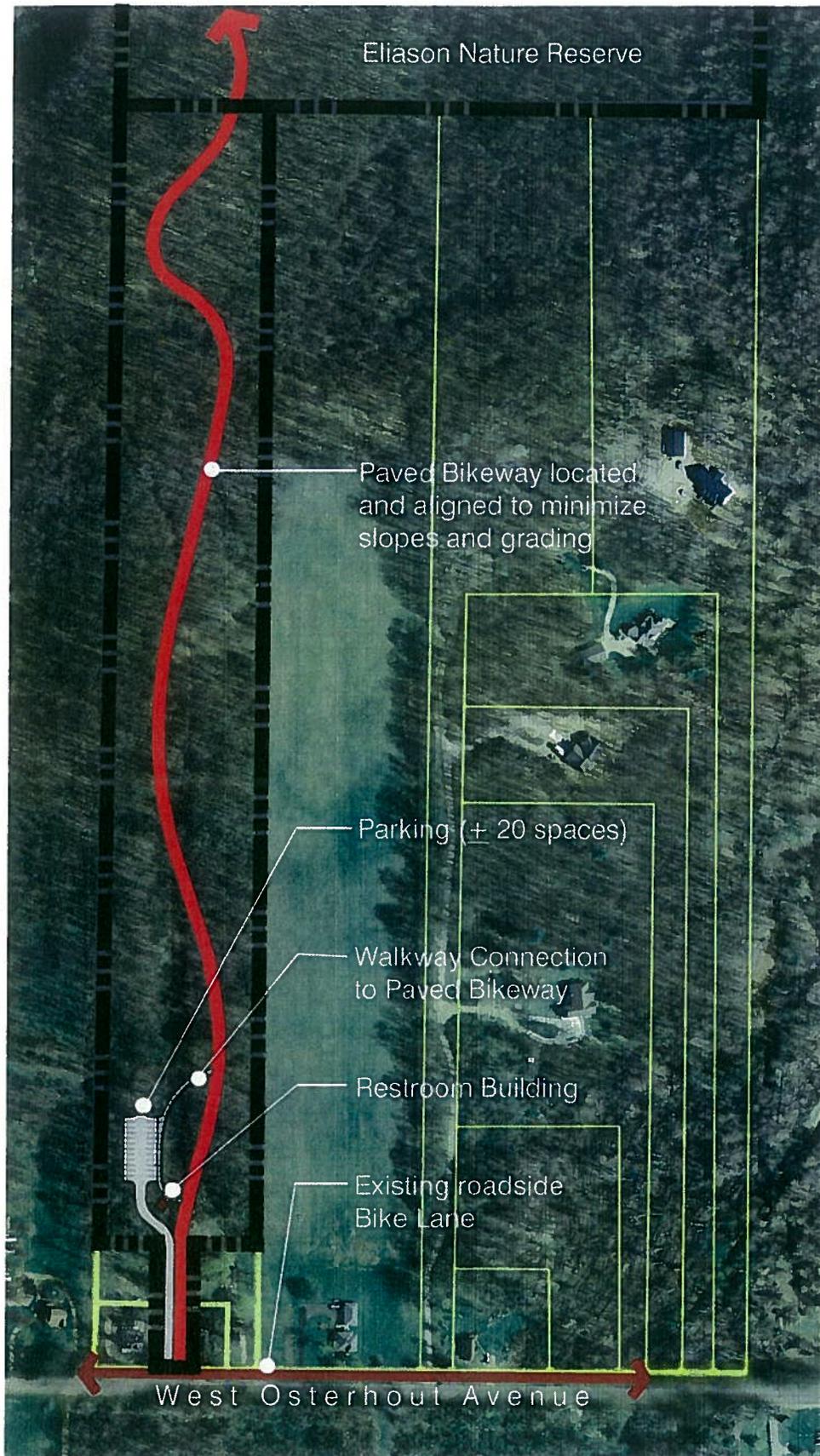
Eliason Nature Reserve - Osterhout Connection

Portage, Michigan

NOT TO SCALE



ocha
landscape
architects



Master Plan

Eliason Nature Reserve - Osterhout Connection

Portage, Michigan

NOT TO SCALE



ocha
landscape
architects



CITY OF PORTAGE

COMMUNICATION

TO: Maurice S. Evans, City Manager
Brian J. Bowling, Deputy City Manager

DATE: May 7, 2013

FROM: Vicki Georgeau, Director of Community Development

SUBJECT: 10323 Archwood Drive and 1614 West Osterhout Avenue

The following information is provided in response to the discussion during the City Council Ad Hoc Property Committee meeting on Thursday, May 2, 2013:

10323 Archwood Drive: As indicated in my April 22nd communication, the Department has undertaken efforts to market the sale of this vacant property, with stipulations as approved by City Council. The marketing information established a May 6, 2013 deadline for submission of purchase offers for the property. To date, the city has received one written offer to purchase the property for the list price of \$18,000, which has been submitted by Jim Talbert. The prospective buyer understands the stipulations for the sale and has indicated plans to construct an approximate 2,500 square foot one-story single-family dwelling, with construction targeted to start in the fall 2013. Attached are drawings that illustrate the type and style of dwelling (post-frame construction) being considered for construction by Mr. Talbert, which is permitted by the Zoning Code and Residential Building Code.

Consistent with the Council desire to facilitate the redevelopment of this vacant lot for a single-family residential use, it is recommended that the Ad Hoc Property Committee and City Council authorize the City Manager to negotiate a Real Estate Purchase Agreement with Mr. Talbert. Once an agreement has been prepared and signed by the buyer, the agreement will be provided to City Council for review and approval.

✓ 1614 West Osterhout Avenue: In response to comments raised by the Ad Hoc Committee members at the May 2nd meeting, the following additional information is provided. Attached is a communication received from Bill Paterson of JAMB II, LLC on May 6th regarding the proposed sale of the property at 1614 West Osterhout Avenue to the city. The communication indicates there are no known impediments relating to the property that would impede the proposed public use, which is to develop the property for a bikeway extension from West Osterhout Avenue north through the Eliason Nature Reserve. In addition, the outstanding mortgage for the property is approximately \$182,297 and Keystone Community Bank, which owns the loan, has indicated a willingness to accept a short-sale on the property. While a recent appraisal has not been prepared for either the seller or the city, the current estimated market value for the property has been established at \$295,750. In general, the city obtains appraisals for property purchases that may involve eminent domain proceedings, or where the sale price is near the estimated market value.

However, in this case, since the property is being offered to the city for a price that is less than 60% of its estimated value, an appraisal is not considered to be necessary.

In addition to the information provided by Mr. Patterson, the Committee requested confirmation that alternative options to purchasing property were also evaluated by the city. As discussed during the meeting, the cost of constructing a paved bikeway from the Eliason Nature Reserve extending southeast to Schier Park is cost prohibitive due to the sensitive land area and wetland soils associated with Bishops Bog. Director Deming did evaluate alternative options to purchasing property, such as acquisition of one or more easements for the proposed bikeway trail across adjacent property, such as 1512 and/or 1452 West Osterhout Avenue. Neither of these properties owners were amenable to providing the city an easement for this purpose and both properties have physical characteristics on the northern portion of the properties that present constraints with regard to cost effective trail way construction.

If you have any questions or comments, I am available to meet with you at your convenience. Otherwise, I am prepared to discuss the above matters with the Ad Hoc Property Committee once the meeting is scheduled, and/or during the May 14th City Council meeting.

Attachments: Written offer and sample elevation, floor plans and related information for 10323 Archwood Drive
May 3, 2013 communication from Bill Paterson, JAMB II, LLC ✓

JAMB II, LLC
5302 Bala Cynwyd Ct.
Portage, MI 49024

May 3, 2013

Vicki Georgeau, AICP
Director, Community Development
City of Portage
7900 South Westnedge Avenue
Portage, MI 49002

RECEIVED

MAR 06 2013

COMMUNITY DEVELOPMENT

RE: 1614 W. Osterhout Ave.

Hi Vickie,

Here is the information that you requested.

- **Possible encroachment by a neighboring house.** Randy Ligman from Ingersoll, Watson & McMachen may be able to help with this. They did preliminary plans for the previous owner. I don't have a copy of the survey, but when we purchased the property, it had been surveyed and there was no encroachment. We did a Phase I Environmental and a Wetlands Delineation before we purchased and all was clear.
- **Balance due to Keystone Community Bank.** The balance owed to Keystone is \$282,296.73. This also includes 1604 W. Osterhout. We have a tenant in that property that is willing to purchase for \$100,000 when his credit allows him to do so. The SEV for that parcel is \$51,900. This all being said, the balance attributed to 1614 W. Osterhout is about \$182,297.
- **Property Valuation.** Although there is not a current appraisal available, the SEV for 2013 is \$147,900. We went to the Board of Review in 2009 and got the SEV lowered from \$227,500. We were told that the value per acre was correct, but since we pointed out that some of the property was not buildable, they made an adjustment to the SEV to compensate for that. Using the current SEV, the property market value should be about \$295,000. We have had it for sale for a few years, but with the housing crisis, developers have not typically started new projects or added to their inventories. We have been slowly lowering our price with the approval of Keystone. The price of \$155,000 and the back taxes of about \$19,000 make this property a good value.
- **Time Frame for Short Sale Approval.** Keystone Community Bank owns the loan and we have been working with Tom Lundquist, Senior Vice President and Tom Schlueter, President. We have several other accounts going with them and an excellent working relationship. We have cleared the price with them and discussed the short sale in advance. We are assured of quick action and approval of the short sale when we get a contract to submit.

In closing, I feel that this property would make a great addition to the Portage Parks and Trail System. The value is a good one for Portage to provide the link from South Portage and the Osterhout Ave. area to the rest of the Parks and Trail System. Please call or e-mail with any further questions I may be able to help with.

Thank you,

Bill Patterson

Bill Patterson
JAMB II, LLC
269-720-2922

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: April 2013 Environmental Activity Report

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

EXECUTIVE SUMMARY:

City Council has a quality of environment goal to *“enhance environmental quality and protect natural resources.”* As a result, a monthly informational report with updates is provided to the Council that addresses numerous environmental projects and/or activities.

BACKGROUND INFORMATION:

Attached please find the April 2013 Summary Environmental Activity Report from Department of Transportation & Utilities Director, W. Christopher Barnes. New material, or material of specific interest to City Council is presented in italics.

The summary report is intended for informational purposes to comply with the goals and objectives adopted by City Council emphasizing the need to enhance environmental quality and protect natural resources. This report also serves to keep the Council, Planning Commission and Environmental Board apprised of current environmental issues.

FUNDING: N/A

Attachments: April 2013 Environmental Activity Report

SUMMARY ENVIRONMENTAL ACTIVITY REPORT

April 2013 (*updates in italics*)

<u>Project/Activity</u>	<u>Description</u>	<u>Status</u>
Portage City Landfill	Ongoing groundwater monitoring of former municipal landfill.	-City Council awarded a 3 year contract to American Hydrogeologic Corporation (AHC) on February 23, 2010 to perform annual groundwater sampling. The site groundwater data will continue to be monitored to confirm continuation of the natural attenuation process. General groundwater quality continues to improve, but site will require monitoring for the foreseeable future. 2011 sampling completed in March. Investigation into methane gas presence in the groundwater continues. First round of sampling completed in April 2012. Second round of sampling completed in June 2012. Initial results indicate no off-site impact. Annual report submitted to MDEQ. Review meeting held September 21, 2012 with MDEQ with follow-up in October. AHC currently compiling MDEQ sampling requirement costs necessary for closure at the former landfill site. <i>Weekly methane sampling is continuing on-site to collect base line data.</i>
Site Inspection/Development Project Review	Review of existing business & industries and review of proposed business and industrial development projects for environmental protection purposes and/or building plans completed.	-Coordination with property owners and City or State agencies ongoing. <i>-Review of 5site/building plans and/or plats completed in April 2013.</i>
Sewer Connection Program	Groundwater protection program requiring residential/business hookup to the sanitary sewer where available.	<i>-Sanitary sewer hookup permits issued in April 2013: 5 residential; 2 commercial.</i>
West Lake Management Program	Special assessment district designed to maintain/improve lake conditions. Special emphasis on weed control and non-point source pollution reduction.	-Five Year Lake Management Assessment District process was approved by City Council on March 23, 2010. Construction began on the Austin Dam reconstruction in December 2006 and new structure completed in March 2007. Filtration system construction was substantially completed in July 2008. Lake Association has completed 2012 plan and lake treatment completed in May 2012. Permitting complete for the 2013 season. Treatment to be performed by Aquatic Services, Inc. The Association has selected to use Restorative Lake Services for consulting services for 2013. <i>Treatment scheduled for early June application.</i>
Retention Basin Sampling Program (Groundwater Elevation)	Investigation regarding potential impact of retention basins on groundwater levels.	-Historical monitoring continues to show minor impacts at most basins. From 1993 through 2009 the monitoring program showed stable groundwater impacts due to storm water infiltration. Alternative road salt practices continue to be considered and evaluated. On March 23, 2010, City Council awarded a four-year contract to Wightman Environmental. This program will focus primarily on

groundwater level information. The 2012 report received and groundwater levels, especially on the east side of Portage, have decreased as a result of seasonal rainfall deficiencies. *Typical groundwater table elevations are stable with 2012 levels.*

Wellhead Protection Program (WHPP)
Development of program to protect City well fields and surrounding area from contamination resulting from improper land use.

-Wellhead Protection Grant award received from MDEQ on August 30, 1999 and Council accepted the grant on October 5, 1999. Council also awarded contract to Earth Tech to complete WHPP. Earth Tech completed the final wellhead protection plan and MDEQ submittal was made on October 14, 2000. Plan was reviewed by MDEQ with written approval received in March, 2001. Staff has met internally to discuss the future needs to update the plan pending grant opportunities. Plan implementation is ongoing.

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

-City Council awarded contract on August 21, 2001 to Soil & Materials Engineers for monitoring and analysis of groundwater impact of the new compost operation. Drilling was completed in October 2001 and first sampling cycle was completed in February 2002. Semi annual sampling was performed from 2002 to 2011 in June and January. Sampling and analysis results continue to show no groundwater impacts from the leaf composting. Sampling schedule was reduced to annual sampling in 2009 with results showing continued minor impact on groundwater quality. Sampling completed in June 2012 with minimal groundwater impacts. Next sampling in June 2013.

National Pollution Discharge Elimination System (NPDES) permit implementation
Five year plan to implement the current NPDES stormwater permit.

-Received NPDES general permit on August 15, 2001. Renewal Application submission was made to MDEQ on March 7, 2003. New permit received in 2004 mandates involvement in several county watershed groups. City staff completed the submission of a Storm Water Pollution Prevention Initiative (SWIPPI) as required by NPDES permit. New certificate of coverage permit was issued by MDEQ on September 30, 2009. New permit covers a 5 year timeframe with first work item (updating the Public Participation Plan) completed December 11, 2009. SWIPPI was submitted for MDEQ approval on June 25, 2010. Received a notice from MDEQ rescinding the 2008 permit due to a recent court case ruling. MDEQ reinstated the 2003 permit for implementation. Information on new permit requirement was received in February 2011. MDEQ expected to issue new permit in 2014. The 2010-11 annual report was submitted on January 20, 2012. Storm water informational talk was given to Pfizer, Inc., employees on April 28, 2012. MDEQ scheduled an audit of the program on July 12, 2012. Audit completed with satisfactory results. Several follow-up items with MDEQ were addressed by staff in December 2012. City website updated in February to provide education of Illicit Storm Water Discharge. *Currently, staff is working on proposals with other local governments to use a billboard*

advertising campaign for pollution awareness. Program implementation is ongoing.

National Pollution Discharge Elimination System (NPDES) permit implementation

Kalamazoo River Mainstem Watershed Management Plan

-First meeting was held September 17, 2004. Proposals for completing the watershed plan were received by Kalamazoo County on September 15, 2005 and a contract awarded to Kieser & Associates in November 2005. Draft watershed plan submitted to MDEQ on December 30, 2005. Review comments received from MDEQ and revised watershed plan due in December 2006. A letter not to revise the Watershed Plan was submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. Kalamazoo River Watershed council completed a watershed update in November, 2011. No new developments.

Portage River Watershed Management Plan

-Public participation plan submitted June 28, 2004. Proposals for a Watershed Management Plan were received by the Kalamazoo County Road Commission and a contract awarded to the Kalamazoo County Conservation Service in November 2005. Draft watershed plan submitted to MDEQ on December 30, 2005. A letter not to revise the Watershed Plan was submitted to the MDEQ on March 17, 2008. Public participation plan update submitted to MDEQ on November 24, 2009. Based upon MDEQ comments, the plan was revised and resubmitted on December 21, 2009. Interest has been raised by local conservation groups to update the current Watershed Plan using grant funds. Meeting held on May 9, 2011 among stakeholders to determine interest in updating the current Watershed Plan. Second meeting held on June 20, 2011, and grant application submitted by Kalamazoo and Calhoun County Conservation District to update the Watershed Plan. Grant for watershed update was awarded to Calhoun County Conversation District. First kick-off meeting held December 13, 2012 to introduce working partners and information gathering. A meeting was held on March 12, 2013 to discuss the designated uses of the Portage River/Little Portage Creek watershed, the total maximum daily load of E-coli from samples taken and a review of community ordinances and policies that help protect the Watershed.

Plan to implement and maintain an Illicit Discharge Elimination Program (IDEP).

-On October 21, 2001, City Council awarded a contract to Fishbeck, Thompson, Carr and Huber for the Portage Creek element of the IDEP, which was completed in July 2002. On February 19, 2002, City Council approved a new ordinance as required by the NPDES permit titled "Storm Water Illicit Discharges and Connections." On April 28, 2004, City Council accepted a grant from the State of Michigan in the amount of \$152,264 and awarded a contract to Fishbeck, Thompson, Carr and Huber in the amount of \$184,264 for the remainder of the IDEP for the entire city. Program implementation is ongoing as

funding allows. Continued outfall sampling is required by permit and will be budgeted accordingly. IDEP program was updated for submittal to MDEQ on June 25, 2010, and part of the SWIPPI. Two potential illicit discharges were investigated with MDEQ in February 2012. *Completed an area-wide brochure to educate the public on Illicit Storm Water Discharges in conjunction with the Kalamazoo County Drain Commissioner.* The 2013 program starts in June. Implementation is ongoing.

Storm Sewer Outfall Testing

On March 23, 2011, City Council awarded a four year contract to Wightman Environmental to perform testing of selected storm sewers which discharge to surface water. This work is required as part of the NPDES permit. The 2011 annual report received with minor surface water impacts from the Woodland Avenue discharge. The 2012 report received with continuing minor impacts from the Woodland Avenue outfall. Testing results are reported to MDEQ as part of the NPDES annual report.

Garden Lane Arsenic Removal Facility

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

Facility is in operation with ribbon cutting held August 2, 2010. The facility is producing approximately one million gallons of water per day. Facility is in regular operation. Plant tour for Stryker Engineering group was held on June 19, 2012. City Staff in conjunction with the Environmental Board is working on a sustainable native planting landscape design with Native Connections, Inc., for the facility. Regrading and installation of native landscaping seeding completed on November 16, 2012. Germination results in spring 2013 will determine if additional seeding is required.

Environmental Incident/Spill Clean Up Notification

Environmental Protection Program to assist Portage Police/Fire Departments with spill containment and spill cleanup.

-The number of environmental incident/spill investigations performed in April 2013 – 0. Number of environmental cleanups in April – 0. Emergency spill response contract for 2013-14 with Terra Contracting has been renewed.

Hampton Wetland Area Water Level

Assistance with the Inverness Condominium Association to Review Surface Water Levels

-Ongoing assistance with the Condominium Association to develop appropriate measures to regulate the rising water level in Hampton Wetlands Area located on the north side of West Centre Avenue and east of Angling Road. Met with MDEQ staff to determine feasible method to lower water levels. Association currently working with MDEQ permit staff on February 26, 2010 to clarify permit requirements. Lower groundwater table elevation has reduced the concerns from the Condominium Association. Conference call with MDEQ held on December 8, 2010 to discuss permit submission updates. Condo Association discussing project with other property owners for support. Association submitted a letter to City Administration asking that the city consider the

Wetland Water Level Regulation a municipal project. On March 22, 2011, city staff response recommending the Association consider Governmental Lake Board. The Association is considering next steps. No new developments. Seasonal low water levels have reduced the urgency to control water levels.

Southwest Michigan Regional Sustainability Covenant

Collaborative effort with local government, academic, and other stakeholders to lead toward environmental, economic and social sustainability.

-On May 12, 2009, City Council approved the Southwest Michigan Regional Sustainability Covenant. A sustainability work session was held April 14, 2010, to review elements of the covenant in cooperation with the City of Kalamazoo and the City of Battle Creek. A grant application was made to MDEQ for a greenhouse gas inventory study of the area. Notice received July 15, 2010 that the grant application was not successful. City staff attended a September 10, 2010 meeting in Grand Rapids to discuss sustainable economic, environment, and society programs. No new developments.

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager



SUBJECT: 6301 Newport Road Easement Request – Consumers Energy

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

ACTION RECOMMENDED: That City Council take final action on a Resolution to grant an access easement to Consumers Energy over a portion of city-owned property addressed as 6301 Newport Road and authorize the City Manager to execute the access easement on behalf of the city.

BACKGROUND INFORMATION:

During the April 23, 2013 regular City Council meeting, Council reviewed the access easement located at 6301 Newport Road for Consumers Energy. Following Council's initial review, the proposed resolution was accordingly placed on with the Office of the City Clerk for the required 28-day period. The proposed resolution was also published for public notification on April 26, 2013.

As the city did not receive any feedback on the matter from the public during this time, final action in adopting the resolution by City Council to grant an access easement to Consumers Energy over a portion of city-owned property addressed as 6301 Newport Road is recommended. Authorization of the City Manager to execute the access easement on behalf of the city is also requested.

FUNDING: N/A

Attachments: April 23, 2013 Communication from the City Manager

TO: Honorable Mayor and City Council

FROM: Maurice S. Evans, City Manager 

SUBJECT: 6301 Newport Road Easement Request - Consumers Energy

SUPPORTING PERSONNEL: W. Christopher Barnes, Director of Transportation & Utilities

ACTION RECOMMENDED: That City Council adopt a Resolution to grant an access easement to Consumers Energy over a portion of city-owned property addressed as 6301 Newport Road, place the Resolution on file with the City Clerk for 28 days, take final action on May 28, 2013 and authorize the City Manager to execute the access easement on behalf of the city.

EXECUTIVE SUMMARY:

Consumers Energy is requesting an easement over city-owned land at 6301 Newport Road in order to access transmission poles. An easement agreement to address this request has been prepared for Council's review and approval.

BACKGROUND INFORMATION:

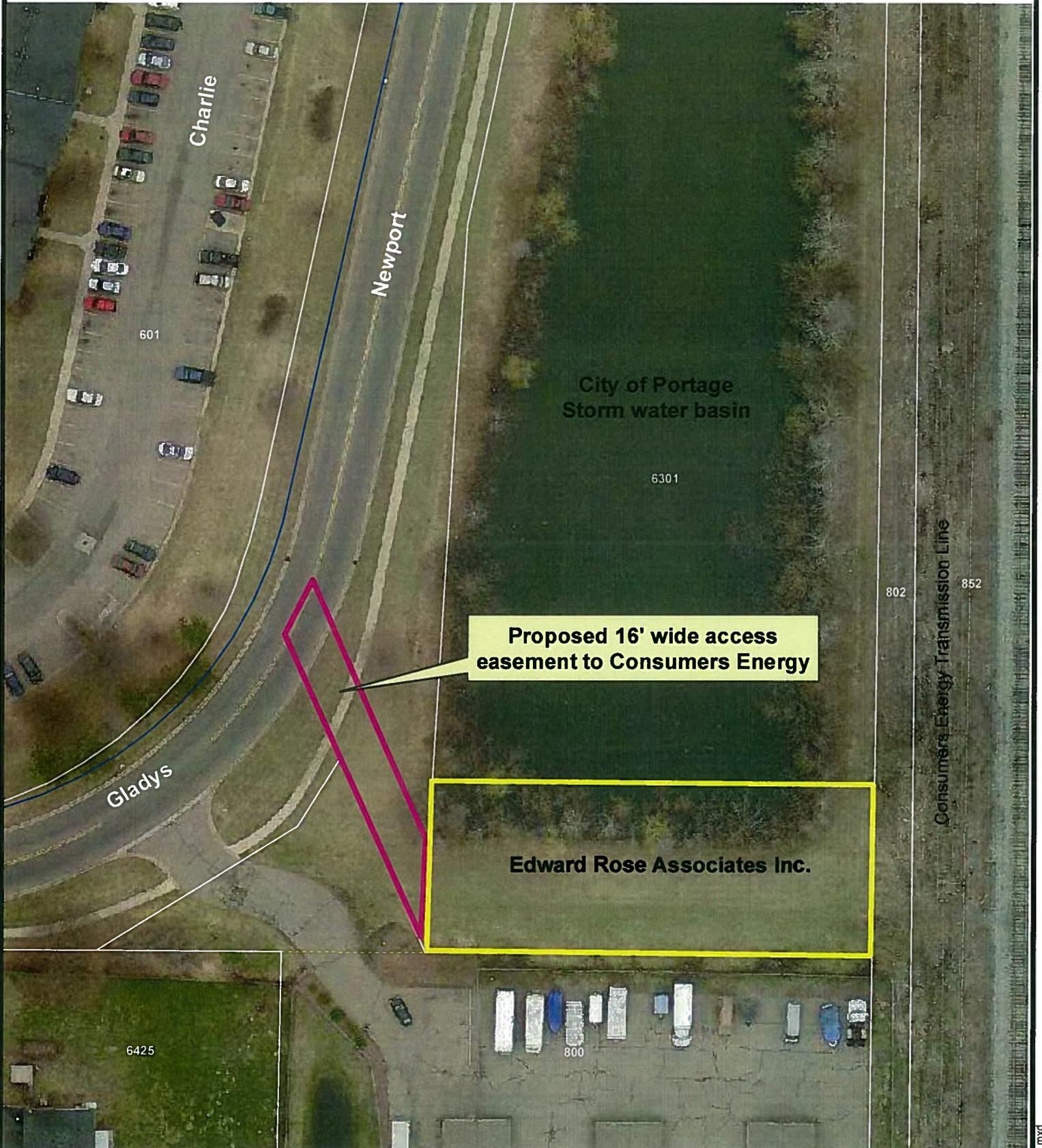
Consumers Energy owns and operates an electrical transmission line adjacent to the west side of the Grand Elk (formerly Penn Central) railroad line. To access the transmission poles at a location between East Milham Avenue and Romence Road Parkway, Consumers Energy has requested an easement across City of Portage property. The property is currently used as a storm water retention basin. Consumers Energy has indicated that they do not have adequate room to access the existing electrical line from East Milham Avenue, due to conflicts with the railroad crossing systems, curbing and sidewalk. It is also safer to allow Consumers Energy vehicles to access the electrical line from Newport Road instead of East Milham Avenue. The easement area request is approximately a 135 feet by 16 feet rectangular piece of land, as shown on the enclosed map. The proposed access easement will not impact city operations or functions.

The City Attorney has prepared the accompanying Resolution with the legal description of the proposed access easement area. Approval of the Resolution and authorization of the City Manager to execute the access easement on behalf of the city is recommended subsequent to final action by City Council on May 28, 2013. If approved, the Resolution will be placed on file in the Office of the City Clerk for 28 days as required by the City Charter.

FUNDING: N/A

Attachment: Aerial Location Map
Resolution

Vicinity Map 6301 Newport Road Access Easement



**Proposed 16' wide access
easement to Consumers Energy**

Edward Rose Associates Inc.



**RESOLUTION NO. 1
CITY OF PORTAGE, MICHIGAN**

**RESOLUTION OF INTENT TO GRANT ACCESS EASEMENT TO
CONSUMERS ENERGY COMPANY**

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, held at the City Hall in said City on the 23rd day of April, 2013 at 7:30 p.m., local time.

PRESENT: Councilmembers Campbell, Pearson, Randall, Reid, Sackley,
Strazdas, Urban

ABSENT: Councilmembers None.

The following resolution was offered by Councilmember Urban and seconded by Councilmember Reid.

WHEREAS, Consumers Energy Company, a Michigan corporation, of One Energy Plaza, Jackson, Michigan 49201 ("Grantee") owns an electric transmission line adjacent to the Grand Elk (formerly New York Central) Railroad and provides electrical service per a city franchise;

WHEREAS, Grantee is requesting an easement on city property to provide access to distribution and transmission of electrical services lines at 6301 Newport Road, City of Portage;

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of Portage intends to grant an access easement to Grantee being 16 feet in width over land in the City of Portage, County of Kalamazoo, State of Michigan, described as follows:

A parcel of land situated in the Northwest quarter of Section 10, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan and more particularly described as follows:

Commencing at the North 1/4 corner of Section 10 and running thence S 01° 02' 17" W 2330.72 feet to a point 14 feet, more or less, South of an existing power pole (#1149) owned by Grantee; thence N 89° 40' 26" W 240.37 feet, along a line that is 44 feet South of and parallel with the South line of a parcel of land described in a Quit-Claim Deed recorded as Instrument No. 2008-00411, Kalamazoo County Records, to a point 8 feet Northeasterly of (measured perpendicular to) the Easterly line of a parcel of land described in a Warranty

Deed recorded as Instrument No. 2009-031221, Kalamazoo County Records, as monumented, and the point of beginning of this centerline description; thence N 23° 00' 03" W. parallel with and 8 feet Northeasterly of said Easterly line, 140.70 feet to the centerline of Newport Road, being a point S 08° 43'42" W 225.21 feet from the North 1/4 corner of Section 10, and the point of ending of this centerline description.

BE IT FURTHER RESOLVED that notice, in substantially the form attached as Exhibit A be published in a newspaper of general circulation within the City of Portage, giving notice of the City's intent to grant the above described easement.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

ADOPTED: Seven to Zero (7 - 0)

AYES: Councilmember Campbell, Pearson, Randall, Reid, Sackley, Strazdas, Urban

NAYS: Councilmember None.

ABSENT: Councilmember None.

James R. Hudson, City Clerk

CERTIFICATION

STATE OF MICHIGAN)
)
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 23 day of April, 2013, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 24 day of April, 2013.

JAMES R. HUDSON, City Clerk

Approved as to Form

Date: 3/20/13

[Signature]

City Attorney

EXHIBIT A

**CITY OF PORTAGE, MICHIGAN
NOTICE OF INTENTION TO GRANT ACCESS EASEMENT TO CONSUMERS ENERGY
COMPANY IN THE CITY OF PORTAGE, MICHIGAN**

PLEASE TAKE NOTICE, that on the ____day of _____, 2013, the City Council for the City of Portage adopted a resolution providing notice of intent to grant an access easement being 16 feet in width over the property described below to Consumers Energy Company of One Energy Plaza, Jackson, Michigan 49201:

A parcel of land situated in the Northwest quarter of Section 10, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan and more particularly described as follows:

Commencing at the North 1/4 corner of Section 10 and running thence S 01° 02' 17" W 2330.72 feet to a point 14 feet, more or less, South of an existing power pole (#1149) owned by Grantee; thence N 89° 40' 26" W 240.37 feet, along a line that is 44 feet South of and parallel with the South line of a parcel of land described in a Quit-Claim Deed recorded as Instrument No. 2008-00411, Kalamazoo County Records, to a point 8 feet Northeasterly of (measured perpendicular to) the Easterly line of a parcel of land described in a Warranty Deed recorded as Instrument No. 2009-031221, Kalamazoo County Records, as monumented, and the point of beginning of this centerline description; thence N 23° 00' 03" W. parallel with and 8 feet Northeasterly of said Easterly line, 140.70 feet to the centerline of Newport Road, being a point S 08° 43'42" W 225.21 feet from the North 1/4 corner of Section 10, and the point of ending of this centerline description.

PLEASE TAKE FURTHER NOTICE that the resolution authorizing this action is on file with the City Clerk and open for public inspection. Said document will be so held by the City Clerk for twenty-eight (28) days after publication of this notice and may be inspected at the Clerk's Office at City Hall on any business day except public and legal holidays from and after publication of this Notice from 8:00 a.m. to 5:00 p.m. local time. Any person(s) objecting to this grant of easement should make their objection known to the City Council within twenty-eight (28) days of the publication of this notice. After said twenty-eight (28) day period, the City Council may take final action and convey the easement.

Dated: _____, 2013

James R. Hudson, City Clerk

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MATERIALS TRANSMITTED

Friday, May 10, 2013

1. Communication from the City Manager regarding the Council Dais Microphones – Information Only.

A handwritten signature in black ink that reads "Maurice S. Evans". The signature is written in a cursive style and is positioned above a horizontal line.

Maurice S. Evans, City Manager

cc: Brian J. Bowling, Deputy City Manager



MATERIALS TRANSMITTED

Tuesday, May 14, 2013

1. Communication from the City Manager regarding the April 2013 Citizen Comment Summary – Information Only.

A handwritten signature in black ink that reads "Maurice S. Evans". The signature is written in a cursive style with a horizontal line underneath the name.

Maurice S. Evans, City Manager

cc: Brian J. Bowling, Deputy City Manager