



MARSHALL CITY COUNCIL AGENDA

TUESDAY – 7:00 P.M.

February 16, 2016

- 1) CALL TO ORDER
2) ROLL CALL
3) INVOCATION – Richard Gerten, Family Bible Church
4) PLEDGE OF ALLEGIANCE
5) APPROVAL OF AGENDA – Items can be added or deleted from the Agenda by Council action.
6) PUBLIC COMMENT ON AGENDA ITEMS – Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any agenda item.

7) CONSENT AGENDA

- A. Schedule Public Hearing – Draft Zoning/Sign Ordinance P. 3
City Council will consider the recommendation to schedule a public hearing for Monday, March 21, 2016 to hear public comment on the Draft Zoning/Sign Ordinance.
B. City Council Minutes P. 7
Work Session.....Monday, February 1, 2016
Regular Session.....Monday, February 1, 2016
C. City Bills P. 11
Regular Purchases .....\$ 131,780.67
Weekly Purchases – 1/29/16.....\$ 28,058.37
Weekly Purchases – 2/5/16 .....\$ 57,221.89
Total .....\$ 217,060.93

8) PRESENTATIONS AND RECOGNITIONS

- A. Land Bank Presentation

9) INFORMATIONAL ITEMS

10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

- A. Udell Property Rezoning P. 16
City Council will hear public comment on Zoning Amendments #JPCRZ15.01 and #RZ15.02 for the property commonly known as "Udell" to rezone both parcels from OC (Open Space Conservation) and AG (Agricultural), respectively, to I-1 (Research and Technical District).

11) OLD BUSINESS

Mayor:

Jack Reed

Council Members:

Ward 1 - Kari Schurig

Ward 2 - Nick Metzger

Ward 3 - Brent Williams

Ward 4 - Michael McNeil

Ward 5 - Jon Gerten

At-Large - Kathy Miller



## 12) REPORTS AND RECOMMENDATIONS

**A. Schedule Public Hearing – Brownfield Redevelopment Plan Amendment for Inclusion of Dark Horse Brewing Company Expansion P. 21**

City Council will consider the recommendation to schedule a public hearing for Monday, March 21, 2016 to hear public comment on the Brownfield Redevelopment Plan Amendment for Inclusion of Dark Horse Brewing Company Expansion.

**B. City Hall Renovations P. 60**

City Council will consider the recommendation to approve the bid for City Hall Renovation in the amount of \$30,553 with Gordon Martin Builders for renovation of the former fire offices and quarters within City Hall, as well as creation of a conference room and customer service privacy space in the Finance Department.

**C. CIP Plan and Asset Management for MDEQ P. 61**

City Council will consider the recommendation to approve the Asset Management Program and Capital Improvement Plan to be submitted to the Michigan Department of Environment Quality no later

**D. Financial Policies P. 67**

City Council will consider the recommendation to approve the updated Investment Policy, Fund Balance Reserves Policy, Debt Management Policy, and Capital Improvement Program Policy.

## 13) APPOINTMENTS / ELECTIONS

**A. Marshall Farmer's Market Advisory Board**

City Council will consider the recommendation to approve the appointment of Martin Overhiser to the Marshall Farmer's Market Advisory Board with a term expiring October 20, 2016.

**B. Library Board**

City Council will consider the recommendation to approve the reappointment of Shelley Preston to the Library Board with a term expiring March 31, 2019.

## 14) PUBLIC COMMENT ON NON-AGENDA ITEMS

Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any item not on the agenda.

## 15) COUNCIL AND MANAGER COMMUNICATIONS

## 16) ADJOURNMENT

Respectfully submitted,

Tom Tarkiewicz  
City Manager

February 16, 2016

Page 2



**ADMINISTRATIVE REPORT**  
**FEBRUARY 16, 2016 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council Members

**FROM:** Natalie Dean, Assistant City Manager/Director  
Tom Tarkiewicz, City Manager

**SUBJECT:** Set public hearing for March 21, 2016 to consider approval of the Draft Zoning/Sign Ordinance Update

**BACKGROUND:** The Planning Commission has been working with consultants, Clearzoning, on updating the Zoning and Sign ordinance update for a period of approximately one year. On February 10, 2016, the Planning Commission held a public hearing on the matter. At that public hearing, there was no public present.

After the public hearing, a short discussion was held by Planning Commission and the following comments were made: the format of the draft ordinance is very professional, progressive and easy to use. One of the commissioners referred to the draft ordinance for a sign question and was pleased at how quickly she found an answer in comparison to the current ordinance.

**MOTION** by McNiff, supported by Meservey, to recommend that City Council approve the Draft Zoning & Sign Ordinance Update. On a voice vote; **MOTION CARRIED.**

Staff presented the draft document to Council at a work session on Saturday, January 16, 2016. The update will be a .pdf document and is hyperlinked throughout as a clearzoning formatted document. One of the biggest changes is that the Sign Ordinance is now incorporated within the Zoning Ordinance. The additional standards in this draft of the Zoning and Sign ordinance include:

- Electric vehicle charging stations
- Group adult day care
- Mobile food vending
- Solar energy systems
- Wind energy conversion systems
- Recycling collection and processing centers

**Sections substantially updated and/or amended:**

We have updated many provisions of the ordinance for consistency with state and federal statutes and current best practices for zoning and land use management.

- Wireless communications: We have updated the wireless communications provision to comply with recent changes to state and local law.

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Marshall, MI 49068

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- Landscaping: Standards have been amended and illustrated to provide a clearer picture of what is expected, additional requirements for landscape plan submittal, changes to the size of plantings and areas, and consolidation of planting types into tables.
- Lighting: Lighting standards were previously scattered across multiple sections of the ordinance. They have been consolidated into a single section, and standards have been strengthened to ensure that site lighting does not affect neighboring sites.
- Parking, loading and access management: The whole section has been reviewed. The number of required spaces for each use has been updated to make it more consistent with the pattern of development in the City and common current practice. Stacking space standards for drive-through uses have been expanded to further improve safety and site circulation.
- Performance guarantee: The ordinance requires performance guarantees for several uses and site standards. A section (7.10) on performance guarantees has been added to the ordinance that includes reference to the state statute, acceptable form, and method to release the guarantee.
- Sidewalks: The ordinance requires a combination of public right-of-way sidewalk installation and interior sidewalks creating a more accessible and pedestrian friendly environment. A graphic showing pedestrian access and connectivity has been included.
- Signs: The Sign Ordinance has been incorporated into the Zoning Ordinance. It has also been reorganized into a more logical structure. The most important amendments to the standards for signs include a move toward content neutrality in accordance with several Supreme Court rulings; signs are no longer regulated by use but rather by type and district, and many of the numerous sign types have been consolidated into broader categories. Administrative language regarding maintenance has also been strengthened. In general, the section has been re-worded for greater clarity.
- Uses and definitions: We have done extensive work clarifying the permitted and special land uses in all districts, improving consistency in terminology, eliminating redundancy, defining some uses not previously defined, updating or refining use standards, and providing backstop language for the City to manage requests for unprecedented uses. Some examples:
  - New definitions:
    - Mixed use development
    - Retail store definitions
    - Microbrewery (according to state licensing requirements)
  - The ordinance now includes clarified definitions of gross and usable floor area.
  - Confusing industry terms such as hypermarket have been removed; in this particular case "big box store" has been used as a replacement
  - Industrial uses were full of redundant and over-detailed items; these have been streamlined and clarified.
  - Dwelling types have been cleared up.

- A section called "Other uses substantially similar to the identified uses in the district" has been inserted to give the City flexibility in permitting uses not anticipated in the ordinance.
- Condominiums: The City's condominium standards included some outdated provisions and did not particularly build on Michigan's statutory requirements. We therefore have removed them and referred users of the ordinance to the state law; this should prevent the need to amend the ordinance whenever the state statute changes.
- The River District: The existing River District overlay essentially permitted four additional uses within its boundaries. This has been preserved, but the district has been fleshed out to include some basic design and building massing and placement standards, as well as to prohibit adult uses, which are a special land use in one of the underlying districts.
- Essential services: The listing of essential services in the various zoning districts was confusing and largely inconsistent. Many of these uses are also exempt from the ordinance. Consistent with how this is handled in many ordinances, we have removed these uses (such as lift stations, transformers, and the like) from the by-district use lists and created a single section (3.29) that addresses them all, and incorporates existing standards to govern their development in the City.
- Special land use procedures: These procedures have been updated; one particular provision that exempted special land uses of less than one acre from site plan review has been removed.

**RECOMMENDATION:** The Planning Commission recommends that after setting a public hearing to hear comments on the draft Zoning & Sign Ordinance Update, Council consider approval of the document.

**FISCAL EFFECTS:** None at this time.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,



Natalie Dean  
Assistant City Manager  
Director of Community Services



Tom Tarkiewicz  
City Manager

**CITY OF MARSHALL  
ORDINANCE 16-##**

AN ORDINANCE TO UPDATE, AMEND AND RE-FORMAT CHAPTER 156:  
ZONING AND RELATED ZONING MAP AND CHAPTER 152: SIGN  
ORDINANCE AND ADOPT THE PROPOSED ZONING AND SIGN  
REGULATIONS UPDATE FOR THE CITY OF MARSHALL FOR THE  
PURPOSES OF INCORPORATING CLEARZONING FORMATTING AND  
CLARIFYING CERTAIN PROVISIONS.

THE CITY OF MARSHALL ORDAINS:

**Section 1.** That the Zoning Ordinance, along with the corresponding Zoning Map and Sign Ordinance Updates as presented to the Marshall City Council on March 21, 2016 and recommended for approval by the Marshall City Planning Commission at its regular meeting on February 10, 2016 is hereby adopted as the complete Zoning Ordinance, Zoning Map, and Sign Ordinance to be incorporated into the Marshall City Code.

**Section 2.** This Ordinance [or a summary thereof as permitted by MCL 125.3401] shall be published in full in the *Marshall Chronicle*, a newspaper of general circulation in the City of Marshall qualified under state law to publish legal notices. This Ordinance shall be recorded in the Ordinance Book and such recording shall be authenticated by the signatures of the Mayor and the City Clerk

**Section 3.** This Ordinance is declared to be effective immediately upon publication.

Adopted and signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Jack Reed, MAYOR

\_\_\_\_\_  
Trisha Nelson, CITY CLERK

I, Trisha Nelson, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of an ordinance approved by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on March 21, 2016, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available by said Act.

\_\_\_\_\_  
Trisha Nelson, CITY CLERK

IN A WORK SESSION held Monday, February 1, 2016 at 6:00 P.M. in the Training Room of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order.

Present: Council Members: Gerten, McNeil, Mayor Reed, Schurig, and Williams.

Also Present: City Manager Tarkiewicz, Electric Utilities Director Rice, Director of Public Services Bauer, and Finance Director Swisher.

Absent: Council Member Metzger and Miller.

A. Director of Electric Utilities, Ed Rice, presented on the Federal Energy Regulatory Commission (FERC) hydroelectric license that the City holds.

The meeting was adjourned at 6:55 p.m.

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Jack Reed, Mayor

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Trisha Nelson, Clerk

**CALL TO ORDER**

IN REGULAR SESSION Monday, February 1, 2016 at 7:00 P.M. in the Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Reed.

**ROLL CALL**

Roll was called:

Present: Council Members: Gerten, McNeil, Mayor Reed, Schurig, and Williams.

Also Present: City Manager Tarkiewicz and Clerk Nelson.

Absent: Council Members Metzger and Miller.

**Moved** Williams, supported Schurig, to excuse the absence of Council Members Metzger and Miller. On a voice vote – **MOTION CARRIED.**

**INVOCATION/PLEDGE OF ALLEGIANCE**

Scott Loughrige of Cross Roads Church & Ministries gave the invocation and Mayor Reed led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Schurig, supported McNeil, to approve the agenda as presented. On a voice vote – **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

None.

**CONSENT AGENDA**

**Moved** Gerten, supported Williams, to approve the Consent Agenda:

- A. Minutes of the City Council Work Session held on Saturday, January 16, 2016 and City Council Regular Session held on Tuesday, January 19, 2016;
- B. Approve city bills in the amount of \$ 1,459,656.86.

On a roll call vote – ayes: McNeil, Mayor Reed, Schurig, Williams, and Gerten; nays: none. **MOTION CARRIED.**

**PRESENTATIONS AND RECOGNITION**

**A. Marshall Public Schools Presentation:**

Dr. Randy Davis, Superintendent of Marshall Public Schools, gave a presentation

regarding the annexation process of Albion Public Schools.

### **INFORMATIONAL ITEMS**

City Manager Tarkiewicz provided an event report for the 3<sup>rd</sup> Annual Reuben Race 5k.

### **PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

#### **A. Adoption of the July 1, 2016 – June 30, 2022 Capital Improvement Program:**

Finance Director, Ken Swisher, presented the July 1, 2016 – June 30, 2022 Capital Improvement Plan and explained that the plan is just what we would like to happen in the future.

Mayor Reed opened the public hearing to hear public comment regarding the proposed Capital Improvement Plan.

Hearing no comment, the hearing was closed.

**Moved** McNeil, supported Williams to approve the proposed July 1, 2016 through June 30, 2022 Capital Improvement Program. On a voice vote – **MOTION CARRIED.**

### **OLD BUSINESS**

None.

### **REPORTS AND RECOMMENDATIONS**

#### **A. Sewer Asset Management Services:**

**Moved** Gerten, supported Schurig, to approve the bid and professional services contract with RedZone Robotics of Pittsburgh, PA for sewer asset management services for an amount of \$350,369.25 and an additional contingency amount of \$35,000 for any additional sewer piping and/or manholes that may currently be unaccounted for and/or any outside cleaning services that may be required to complete this work. On a roll call vote – ayes: Williams, Gerten, McNeil, Mayor Reed, and Schurig; nays: none. **MOTION CARRIED.**

#### **B. Public Works Garage Roof Replacement:**

**Moved** Williams, supported Gerten, to approve the bid for roof replacement from DH Roberts Construction of Jonesville, MI in the amount not to exceed \$160,200 for roof replacement and an additional amount of \$9,840 for the upgraded

insulation, for a total of \$170,040. On a roll call vote – ayes: Gerten, McNeil, Mayor Reed, Schurig, and Williams; nays: none. **MOTION CARRIED.**

**C. 2<sup>nd</sup> Quarter Investment Portfolio Report:**

**Moved** McNeil, supported Williams, to accept and place on file the 2<sup>nd</sup> Quarter Investment Portfolio Report as presented. On a voice vote – **MOTION CARRIED.**

**D. 2<sup>nd</sup> Quarter Financial Report:**

**Moved** Schurig, supported Williams, to accept and place on file the 2<sup>nd</sup> Quarter Financial Report as presented. On a voice vote – **MOTION CARRIED.**

**E. 2<sup>nd</sup> Quarter Cash & Investment Position Report:**

**Moved** Williams, supported Gerten, to accept and place on file the 2<sup>nd</sup> Quarter Cash & Investment Position Report as presented. On a voice vote – **MOTION CARRIED.**

**APPOINTMENTS/ELECTIONS**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None.

**COUNCIL AND MANAGER COMMUNICATIONS**

**ADJOURNMENT**

The meeting was adjourned at 8:07 p.m.

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Jack Reed, Mayor

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Trisha Nelson, City Clerk

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EXP CHECK RUN DATES 02/05/2016 - 03/31/2016

DB: Marshall

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BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
32918	ABLE HEATING & COOLIN	SERVICE CALL AT MH		344.00
SLS 10042429	ALEXANDER CHEMICAL CO	CHLORINE, CAIROX	2016.020	3,418.94
345674A	ALL PRO SOUND SALES	ATLAS 81-8R		80.00
7301	ALL RAILROAD SERVICES	2016 LINE CLEARANCE- TREE TRIMMING CONT	2016.226	4,301.10
7274	ALL RAILROAD SERVICES	2015/2016 ELECTRIC LINE CLEARANCE - TRE	2016.127	4,155.30
7273	ALL RAILROAD SERVICES	2015/2016 ELECTRIC LINE CLEARANCE - TRE	2016.127	4,374.00
7322	ALL RAILROAD SERVICES	2016 LINE CLEARANCE- TREE TRIMMING CONT	2016.226	4,059.66
86064	ALL-TRONICS INC	MARSHALL HOUSE - SERVICE CALL		282.00
14-531421	ARROW UNIFORM	CUST #010198-06		31.23
14-531422	ARROW UNIFORM	CUST #010198-05		20.00
14-531418	ARROW UNIFORM	CUST #010198-04		51.42
14-531412	ARROW UNIFORM	CUST #010198-01		27.47
14-531419	ARROW UNIFORM	CUST #010198-03		153.72
14-531417	ARROW UNIFORM	CUST #010198-02		54.25
14-539092	ARROW UNIFORM	CUST #010198-06		31.23
14-539093	ARROW UNIFORM	CUST #010198-05		20.00
14-539089	ARROW UNIFORM	CUST #010198-04		51.42
14-539083	ARROW UNIFORM	CUST #010198-01		27.47
14-539090	ARROW UNIFORM	CUST #010198-03		153.72
14-539088	ARROW UNIFORM	CUST #010198-02		54.25
388-191310	AUSTIN-BATTERIES PLUS	BATTERIES		6.24
388-106181-01	AUSTIN-BATTERIES PLUS	BATTERIES		204.11
I024437	AUTO GLASS SOLUTIONS,	INSTALLATION KIT & LABOR		250.00
225-386906	AUTO VALUE MARSHALL	WASH, MAG/ALUM POLISH, WAX PASTE, DEGRE		51.85
225-386907	AUTO VALUE MARSHALL	WIZARDS WASH		46.59
225-387456	AUTO VALUE MARSHALL	OIL FILTER		20.26
225-387149	AUTO VALUE MARSHALL	DEXRON MERCON		38.28
225-387233	AUTO VALUE MARSHALL	OIL FILTER, DE-ICER, BK CLN		70.74
225-387385	AUTO VALUE MARSHALL	ROLOC DISC		13.14
225-387007	AUTO VALUE MARSHALL	OIL & FILTER		62.10
225-386921	AUTO VALUE MARSHALL	PAINT & SUPPLIES		73.82
225-387076	AUTO VALUE MARSHALL	OIL DRI		25.47
34718745	BLUETARP FINANCIAL IN	WISE		136.71
178057	BOSKER BRICK COMPANY	LAMINATED SAFETY GLASS		366.84
97618822	BSN SPORTS	VOIT PLAYGROUND BALLS		32.49
96841	CARON CHEVROLET	FITTING, HOSE ASM		423.26
11020-1	CASPER CORPORATION	LOCKER-ROOM BENCH		944.30
3168	CB HALL ELECTRIC COMP	MRLEC		618.92
16-0173172	CITY OF ALBION	INTERNET		127.49
291079	COLTEC INDUSTRIES	GASKETS		510.91
9306655549	CONSUMERS ENERGY CO	RPR OF GAS FACILITIES DAMAGED ON 11/20/		1,156.07
9955	COURTNEY & ASSOCIATES	MONTHLY RETAINER		250.00
89893	CRT, INC	CLOUD STORAGE		629.65
90131	CRT, INC	CLOUD STORAGE		633.08
89990	CRT, INC	DART MGR NOTEBOOK	2016.197	2,735.00
89991	CRT, INC	DART HIGH END COMPUTER	2016.198	2,006.00
89992	CRT, INC	CABLE CAT5, SWITCH		62.00
90046	CRT, INC	ROUTER WIRELESS		67.00
132814	D & D MAINTENANCE SUP	JANITORIAL SUPPLIES		352.35
133022	D & D MAINTENANCE SUP	MATS		964.08
3078950	DAIKIN APPLIED	JAN2016--MAR2016 MAINT AGREEMENT FOR AI	2016.203	1,480.00
479667	DARLING ACE HARDWARE	SANDING BLOCK, SANDSCREEN, SANDPAPER		16.64
C85347-CR	DARLING ACE HARDWARE	CREDIT		(7.98)
479878	DARLING ACE HARDWARE	PAINT		30.99
479990	DARLING ACE HARDWARE	BIT INSERT		3.99
479621	DARLING ACE HARDWARE	SPRAYPAINT		5.99
479910	DARLING ACE HARDWARE	WEDGES, REDUCING RING		47.45
479745	DARLING ACE HARDWARE	PAINT & SUPPLIES		141.36
.16114	DELTA MOBILE TESTING	DIELECTRIC TESTING OF TRUCKS #300,301,3	2016.232	3,842.00
135419	DLZ	ENGINEERING SERVICES FOR S MARSHALL ST	2016.180	3,318.68
135420	DLZ	ENGINEERING SERVICES FOR MONROE STREET	2016.171	2,213.20
INV24872	DORNBOS SIGN INC	BREAKAWAY NUTS, 5X3 SIGNS, TRUSS HEAD B		379.00
INV24899	DORNBOS SIGN INC	WRIGHT LIMIT SIGNS		317.70
334	DR LAB SERVICES	PM SERVICES FOR LAB EQUIPMENT	2016.213	1,095.00
89545	ERIC DALE HEATING & A	SERVICE CALL AT WWTP		137.00
MIMA164330	FASTENAL COMPANY	BRUSHES		21.14
MIMA164309	FASTENAL COMPANY	SUPPLIES		22.12
MIMA164459	FASTENAL COMPANY	CONCRETE SCREWS		11.69
MIMA164233	FASTENAL COMPANY	GRINDER WHEELS		24.75
MIMA164236	FASTENAL COMPANY	SUPPLIES		18.39
16-006	FIRST DUE	FF SHIELD, LETTERS, CAIRNS 1044		343.54
13468	FLOWER HAUS	CAROLYN POTTER		55.00
S104429368.003	GALLOUP COMPANY	RETURN CREDIT		(66.93)
S104429368.002	GALLOUP COMPANY	PLUMBING FITTINGS		72.37
S104429368.001	GALLOUP COMPANY	PLUMBING FITTINGS		163.40
11-27109	GARAGE DOORS UNLIMITE	SERVICE CALL		95.00
11-26081	GARAGE DOORS UNLIMITE	SERVICE CALL - DPW		95.00
3032	GOODWIN'S PLUMBING, L	SLIP TRAP, FLANGE TAILPIECE, SERVICE CA		92.18
17482159	GUARDIAN ALARM	MH ALARM MONITORING - FEBRUARY 2016		36.31

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EXP CHECK RUN DATES 02/05/2016 - 03/31/2016

DB: Marshall

UNJOURNALIZED OPEN

BANK CODE: MAIN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
5631	GUTTERS R US LLC	01/16/16 THRU 01/30/16	2016.217	1,460.00
5449	GUTTERS R US LLC	12/19/15 THRU 12/28/15	2016.217	1,224.00
9762679	HACH COMPANY	AMMONIA		293.14
76889	HERMANS MARSHALL HARD	HOSE, PAINT		27.97
76712	HERMANS MARSHALL HARD	BRUSHES, BLUE, GRAY		11.66
76708	HERMANS MARSHALL HARD	PAINT SUPPLIES		17.44
76680	HERMANS MARSHALL HARD	PAINT, COVER, URETHANE PAINT, COLORANT		59.77
76699	HERMANS MARSHALL HARD	PILOT BIT, 2 1/8 HOLE SAW		21.28
76887	HERMANS MARSHALL HARD	DOOR BUMPER, TAPE MEASURE		14.28
76876	HERMANS MARSHALL HARD	SAND PAPER, #1 PHILLIPS BIT		6.23
76867	HERMANS MARSHALL HARD	KEYS, DUSTPAN		21.47
76845	HERMANS MARSHALL HARD	SPREADER, DUST PANS, STEPLADDER, BROOMS		515.39
MN0000004012	INTERACT PUBLIC SAFET	RMS MAINTENANCE JAN 2016		1,000.00
MN0000004033	INTERACT PUBLIC SAFET	RMS MAINTENANCE FEB 2016		1,000.00
MN0000004054	INTERACT PUBLIC SAFET	RMS MAINTENANCE MAR 2016		1,000.00
100419	J & K PLUMBING SUPPLY	RPLCMENT VALVE		51.49
100352	J & K PLUMBING SUPPLY	CLOSET FLANGE PVC		5.49
100362	J & K PLUMBING SUPPLY	SUPPLIES		17.76
100359	J & K PLUMBING SUPPLY	CONNECTORS		10.75
100312	J & K PLUMBING SUPPLY	PIPECONX, PVC		34.45
PC001276335:01	JACKSON TRUCK SERVICE	STROBE		121.17
14348	JETT PUMP & VALVE LLC	REPAIR PARTS FOR BREWER ST LIFT STATION		441.80
118	JOHN D BRUNDAGE & JOH	1101/15 THRU 12/31/15 SERVICES		4,972.00
154206-00-CR	JOYCE/DAYTON CORP	REMOVE FROM A/P - CHECK RECEIVED FROM J		591.50
012816	K-MART	JANUARY PURCHASE		4.48
600476	KAR LABORATORIES INC	NPDES TESTING		1,005.00
600300	KAR LABORATORIES INC	MERCURY ANALYSIS		260.00
600301	KAR LABORATORIES INC	CYANIDE ANALYSIS		100.00
600689	KAR LABORATORIES INC	CYANIDE ANALYSIS		100.00
S104449674.001	KENDALL ELECTRIC INCO	HUB SOCKET END		22.00
369	KISM, LLC	ANNUAL SCADA MONITORING FEE	2016.228	2,076.00
29233	LAKELAND ASPHALT CORP	COLD PATCH		563.58
1037945	LEGG LUMBER	GRAVEL MIX, PORTLAND CEMENT		26.61
215046	LEID PRODUCTS	BALANCE DUE OF PO 2015.246	2016.236	4,750.00
5	M.C. SMITH ASSOCIATES	FIRE ALARM SYSTEM UPGRADE	2016.199	350.00
4-ELEV	M.C. SMITH ASSOCIATES	ELEVATOR MODERNIZATION	2016.200	1,980.00
S3899774.001	MEDLER ELECTRIC COMPA	PLUG-IN FUSE		42.38
PD5994111	MICHIGAN CAT	GLASS		547.31
126679	MICHIGAN CHAPTER IAAI	3 YR MEMBERSHIP		50.00
96452	MICHIGAN METER TECHNO	5/8" X 3/4" ECODER- INSIDE METER	2016.227	5,800.00
307	MICHIGAN MUNICIPAL LE	MEMBERSHIP RENEWAL 04/01/16 THRU 03/31/	2016.237	4,468.00
012116	MICHIGAN-SHIGA SISTER	MICHIGAN-SHIGA SISTER STATE YEARLY DUES		25.00
36354506	MSC INDUSTRIAL SUPPLY	SAFETY GLASSES		73.68
432531	NAPA OF MARSHALL	BODYFIL, SPREADER		17.68
77701	NICE RINK	NICE RINK PATCH TAPE 4" X 100'	2016.185	36.25
367645	NORTH CENTRAL LABORAT	LABORATORY SUPPLIES	2016.006	521.20
24584 M	NORTHROP GRUMMAN	VERSAPROBE EXTENDED WARRANTY 04/01/16 T		722.00
542250	NYE UNIFORM COMPANY	BLACKHAWK SERPA HOLSTER-TASER X26		72.17
537230	NYE UNIFORM COMPANY	BADGE, POCKET ID CLIP NAMEBAR		120.01
540994	NYE UNIFORM COMPANY	SHIRTS, CAPS		172.23
540987	NYE UNIFORM COMPANY	EARPIECE		42.50
537240	NYE UNIFORM COMPANY	RADIO HOLDER, BELT, CAPS, JACKET, PANTS		652.29
540975	NYE UNIFORM COMPANY	EXTERNAL VEST CARRIER		95.18
540991	NYE UNIFORM COMPANY	BLAZERS		146.64
71694	O'LEARY WATER CONDITI	JAN & FEB COOLER RENTAL, WATER DELIVERE		29.00
71700	O'LEARY WATER CONDITI	WATER DELIVERED		54.00
605622	OFFICE 360	DRIVE, 8GB USB 2.0		23.37
607765	OFFICE 360	INKCART		159.99
603216	OFFICE 360	INKCARTS, MARKERS, PAPER, MOUSE PAD,		261.48
600965	OFFICE 360	INKCARTS, FILES, PAPER		285.85
603809	OFFICE 360	INKCARTS, CALENDARS		198.91
595320	OFFICE 360	RPT COVERS		16.99
56002503	POWER LINE SUPPLY	METER FOCUS		110.86
56004345	POWER LINE SUPPLY	STAPLES		138.00
56004362	POWER LINE SUPPLY	TRANSFORMER TESTER		464.00
56002489	POWER LINE SUPPLY	USI LOAD BREAK AND PICK UP TOOL	2016.223	1,739.00
15751	PSYBUS	PSYCHOLOGICAL EVAL - BRIAN PHILLIPS		585.00
16-6732	QUALITY EXCAVATORS, I	RPR DAMAGED MANHOLE AT MANSION & HIGH		1,260.00
8196	REDSTONE ARCHITECTS I	MRLEC ADMINISTRATION COSTS	2016.238	2,357.30
8208	REDSTONE ARCHITECTS I	MRLEC ADMINISTRATION COSTS	2016.238	795.00
341978	ROE-COMM., INC	PUBLIC SAFETY BDA SYSTEM FOR MRLEC CENT	2016.193	10,530.00
341977	ROE-COMM., INC	PUBLIC SAFETY BDA SYSTEM FOR MRLEC CENT	2016.193	9,993.00
32994	ROGERS GLASS WINDOW &	FACADE IMPROVEMENT - HERITAGE @ 155 W M		5,914.61
BB293-IN	SECURITY CORPORATION	ACCESS CARDS		340.14
274289	SOLOMON CORPORATION	POLEMOUNT TRANSFORMERS AS QUOTED / 36 M	2016.184	2,120.00
21063-0216	SPARTAN STORES	JANUARY CHARGE		20.97
16282-A	STANDARD PRINTING & O	BALANCE DUE - OPEN HOUSE SIGNS FOR MRLE		1,072.92
17888	STANDARD PRINTING & O	TOWN CRIER		378.20
17812	STANDARD PRINTING & O	PARKING PERMIT STICKERS		230.39

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UNJOURNALIZED OPEN  
BANK CODE: MAIN

Page: 3/3

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
17780	STANDARD PRINTING & O	BUSINESS CARDS - JOE SMITH		51.36
8037646025	STAPLES ADVANTAGE	COFFEE, HANDSOAP, WIPES		144.68
991	TOM'S BODY SHOP	2007 FORD PICKUP F150		2,563.98
73803955	ULINE	BOOT SCRAPER		110.86
74069476	ULINE	OILY WASTE CAN		84.92
12888-16-170	UNION ELECTRIC INC	HOOK UP WATER FILTRATION AND CONNECT ET	2016.234	2,250.00
12930-16-187	UNION ELECTRIC INC	HOOK UP WATER FILTRATION AND CONNECT ET	2016.234	995.00
851373	USA BLUEBOOK	4" DUCTILE IRON BEND		85.88
855928	USA BLUEBOOK	GLOVES		78.08
153049	WESCO	CREDIT FOR SPOOL INSULATOR		(75.80)
13934621-0116	WOW! BUSINESS	ACCT #013934621N DEC & JAN INVCS		76.59
				131,780.67

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
1-002-16	2 STEPP CONSTRUCTION	PUMP HOUSE WALLS AND CEILING	7,950.00
2-001-16	2 STEPP CONSTRUCTION	50% OF RENOVATIONS TO ATHLETIC FIELD C	4,600.00
012116	BEARDSLEE LAW OFFICES	JANUARY SERVICES	616.25
2551000884-0116	CHEMICAL BANK SOUTH	HSA ACCT #2551000884 SIEGEL, ROBERT	1,755.00
2551002427-0116	CHEMICAL BANK SOUTH	HSA ACCT #2551002427 GOODWIN, RON	585.00
012716	CITY OF MARSHALL	PETTY CASH FOR FARMERS MARKET	100.00
103009157670-0116	CONSUMERS ENERGY	1030 0915 7670	52.57
100067101772-0116	CONSUMERS ENERGY	1000 6710 1772	73.47
100007594680-0116	CONSUMERS ENERGY	1000 0759 4680	401.39
100072243312-0116	CONSUMERS ENERGY	1000 7224 3312	290.19
103013521119-0116	CONSUMERS ENERGY	1030 1352 1119	15.33
103018520884-0116	CONSUMERS ENERGY	1030 1852 0884	918.50
103018521130-0116	CONSUMERS ENERGY	1030 1852 1130	15.42
100009163971-0116	CONSUMERS ENERGY	1000 0916 3971	2,222.95
100009163708-0116	CONSUMERS ENERGY	1000 0916 3708	262.49
100009163203-0116	CONSUMERS ENERGY	1000 0916 3203	204.91
100009163435-0116	CONSUMERS ENERGY	1000 0916 3435	436.84
10100599115484967	DE ST. AUBIN, JOSH	FACEBOOK AD FOR D.A.R.T.	25.04
10100599115484967A	DE ST. AUBIN, JOSH	FACEBOOK AD FOR D.A.R.T.	50.04
012516	EGNATUK, ALEC	TRAVEL EXPENSE REIMBURSEMENT	43.55
012116	FAULKNER, SANDRA	REIMBURSEMENT FOR CDL RENEWAL	47.00
012516	GROSS, JOHN	INSPECTION COMMISSIONS	1,132.00
01/15/2016	GROSS, KATHLEEN & ADA	UB refund for account: 300950026	115.09
61	MAGIC MAIDS	FULL CLEAN OF APTS #216 & #220	200.00
60	MAGIC MAIDS	JANUARY SERVICES	1,400.00
4868-0116	MARSHALL COMMUNITY CU	4868 - RICE	301.98
9421-0116	MARSHALL COMMUNITY CU	9421 - SEARS	347.01
47775058	MCMASTER-CARR	TERMINAL BLOCKS #6 ENGINE	66.18
012516	MEYER, STEVE	BOOT ALLOWANCE	180.19
012516	NICHOLS, JEFFREY S	INSPECTION COMMISSIONS	482.00
45799	OVERHEAD DOOR OF BATT	BROKEN CABLE AT CITY HALL LESS PARTIAL	137.00
15-003334	RIVERSIDE APT GROUP L	2015 SUMMER & WINTER TAX MTT REFUND	3,016.75
011916	SUNDBERG, KIP	SCHOOL LUNCH	14.23
			28,058.37

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	PO NUMBER	AMOUNT
145970911-0116	A T & T	ACCT #145970911		65.00
02/04/2016	A-SON'S CONSTRUCTION	UB refund for account: 3102320007		41.34
02/04/2016	BENSON, BARRY G	UB refund for account: 2501580002		16.96
013016	BRADLEY HAWLEY	TRAVEL EXPENSE REIMBURSEMENT		141.48
02/04/2016	BRUBAKER & CO., LLC	UB refund for account: 1301120002		92.21
013116	CALHOUN COUNTY TREASU	JAN 2016 TRAILER FEES		80.00
2550994541-0216	CHEMICAL BANK SOUTH	HSA ACCT #2550994541 HOLMES, DALE		585.00
02/04/2016	COLLMENTER, MELISSA	UB refund for account: 3003420036		37.87
201626903957	CONSUMERS ENERGY	1000 0033 5602		3,676.68
02/04/2016	DAMON, DUSTIN	UB refund for account: 1901550022		1.16
02/04/2016	DEBRUINE, NICOLE	UB refund for account: 3200550041		87.06
02/04/2016	DRUMM, AMANDA	UB refund for account: 1801320005		34.76
020316	EGNATUK, ALEC	TRAVEL EXPENSE REIMBURSEMENT		66.54
020216	FISHER, CHARLIE	SCHOOL LUNCH		18.76
020216	FREDS, MATT	SCHOOL LUNCH		14.23
1318509	GRIFFIN PEST SOLUTION	2015 PEST CONTROL AT CITY HALL; 323 W M 2015.238		33.00
02/04/2016	HOLIBAUGH, JAMES & DI	UB refund for account: 3202760031		3.47
17796700	JADE SCIENTIFIC	MARSHALL REGIONAL LAW ENFORCEMENT CENTE 2015.203		49,661.07
1773-0116	MARSHALL COMMUNITY CU	1773 - MCCOMB		613.31
02/04/2016	MINTEER, MARTIN	UB refund for account: 3204960032		21.57
01/29/2016	OAKLAWN HOSPITAL	UB refund for account: 301800019		150.00
02/04/2016	PENNOCK, MICHAEL	UB refund for account: 2700180021		53.05
02/04/2016	POST, ZANE NEITZKA &	UB refund for account: 1200580014		16.38
249-004944386	REPUBLIC SERVICES #24	ACCT #3-0249-1022021		961.36
19247	STATE OF MICHIGAN	MARK STRAND--WASTEWATER EXAM APPLICATIO		70.00
19236	STATE OF MICHIGAN	MIKE FULLER--WASTEWATER EXAM APPLICATIO		70.00
020316	SUNDBERG, KIP	SCHOOL LUNCH		14.23
296767619	U.S. BANK EQUIPMENT F	COPIER CONTRACT		63.67
02/04/2016	VINCENT, DAVID	UB refund for account: 1601340002		120.00
020215	WHEATON, BRANDON	SCHOOL LUNCH		18.76
10040269-0116	WOW! BUSINESS	ACCT #010040269		306.00
02/04/2016	ZAWODNI, JAMES	UB refund for account: 3102800004		68.21
020216	ZEBOLSKY, JOEL	SCHOOL LUNCH		18.76
				57,221.89



**ADMINISTRATIVE REPORT**  
**FEBRUARY 16, 2016 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council Members

**FROM:** Natalie Dean, Assistant City Manager/Director  
Tom Tarkiewicz, City Manager

**SUBJECT:** Public Hearing for February 16, 2016 to consider Zoning Amendments #JPCRZ15.01 and #RZ15.02 for the property known as "Udell", to rezone from Marshall Township zoning of OC (Open Space Conservation) and from Fredonia Township Zoning of AG (Agricultural) to City zoning of Research & Technical District (I-1).

**BACKGROUND:** In 2011, the City (LDFA) purchased the Udell Sisters property which is located just south of the airport, behind existing industrial properties. The property was previously existing in two townships—Fredonia and Marshall. The southern portion of the property was annexed from Fredonia Township in 2014 and the northern portion of the property was acquired from Marshall Township through P.A. 425 agreement on November 2, 2015.

Both portions of the Udell property needed to be rezoned for City purposes. In the I-1 District, §156.151, the allowed uses can be generalized to light manufacturing, packaging, laboratories, public utilities, indoor storage and warehousing, printing services, tool & die shops, and accessory businesses supplying the industrial area. Due to the City's 425 Agreement with Marshall Township, jurisdiction for the zoning amendment process was divided: Planning Commission heard the rezoning of the Fredonia Township parcel and the Joint Planning Commission heard the rezoning of the Marshall Township parcel.

The former Fredonia Township parcel (#13-11-101-006-00) was the subject of a Planning Commission public hearing on January 13, 2016 to rezone from AG (agricultural) to I-1 (Research and Technical district). At the Planning Commission public hearing, no comments were heard.

The former Marshall Township parcel (#13-16-360-003-00) was the subject of a Joint Planning Commission public hearing on December 15, 2015 to rezone from OC (open space conservation) to I-1 (Research and Technical district). At the Joint Planning Commission public hearing, no comments were heard.

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Afterward the public hearings, both the Joint Planning Commission and City Planning Commission worked through a Zoning Amendment worksheet and found the requirements to be in favor of the rezoning. The worksheet addressed the following criteria:

- (1) The proposed zoning district is more appropriate than any other zoning district, or more appropriate than adding the desired use as a special land use in the existing zoning district.
- (2) The property cannot be reasonably used as zoned.
- (3) The proposed zone change is supported by and consistent with the goals, policies and future land use map of the adopted city master plan. If conditions have changed since the plan was adopted, as determined by the Planning Commission, the consistency with recent development trends in the area shall be considered.
- (4) The proposed zone change is compatible with the established land use pattern, surrounding uses, and surrounding zoning in terms of land suitability, impacts on the environment, density, nature of use, traffic impacts, aesthetics, infrastructure and potential influence on property values, and is consistent with the needs of the community.
- (5) All the potential uses allowed in the proposed zoning district are compatible with the site's physical, geological, hydrological and other environmental features.
- (6) The change would not severely impact traffic, public facilities, utilities, and the natural characteristics of the area, or significantly change population density, and would not compromise the health, safety, and welfare of the city.
- (7) The rezoning would constitute and create an isolated and unplanned district contrary to the city master plan which may grant a special privilege to one landowner not available to others.
- (8) The change of present district boundaries is consistent in relation to existing uses, and construction on the site will be able to meet the dimensional regulations for the proposed zoning district listed in the schedule of regulations.
- (9) There was a mistake in the original zoning classification, or a change of conditions in the area supporting the proposed rezoning.
- (10) Adequate sites are neither properly zoned nor available elsewhere to accommodate the proposed uses permitted in the requested zoning district.

**(JPC) MOTION** by Gresly, supported by Kiessling, to recommend case #JPCRZ15.01 Zoning Amendment for the "Udell Property" from the Township Zoning of OC-Open Space Conservation to the City Zoning of I-1 Research & Technical District be approved. On a voice vote; **MOTION CARRIED.**

**(PC) MOTION** by Dyer, supported by Collins, to recommend case #RZ15.02 Zoning Amendment for the "Udell Property" from the Fredonia Township Zoning of AG-Agricultural to the City Zoning of I-1 Research & Technical District be approved. On a voice vote; **MOTION CARRIED.**

**RECOMMENDATION:** The Joint Planning Commission and City Planning Commission recommend that after holding a public hearing, City Council approve Zoning Amendments #JPCRZ15.01 and #RZ15.02 for the property commonly known as "Udell" to rezone both parcels from OC (Open Space Conservation) and AG (Agricultural), respectively, to I-1 (Research and Technical District).

**FISCAL EFFECTS:** None at this time.

**CITY GOAL CLASSIFICATION: GOAL AREA I. ECONOMIC DEVELOPMENT**

**Goal Statement:** Sustain and intensify the economic vitality of the Marshall area.

*Creative redevelopment of vacant commercial and industrial property.*

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

  
Natalie Dean  
Assistant City Manager  
Director of Community Services

  
Tom Tarkiewicz  
City Manager



Property Descriptions

**#13-16-360-003-00 Former Marshall Township property**

The Southwest ¼ of the Southeast ¼ of Section Number 36, in Town Number 2 South, Range 6 West, Marshall Township, Calhoun County, Michigan. Except beginning in the Northwest corner thereof, East 1320 feet then South 280 feet Northwesterly to a point 80 feet South of the place of beginning, North 80 feet to place of beginning.

**#13-11-101-006-00 Former Fredonia Township property**

The West 78 acres of the West ½ of Northeast ¼ of Section 1, Township 3 South of Range 6 West, Fredonia Township, Calhoun County, Michigan.

Common Addresses

UDELL PARCEL #13-16-360-003-00

UDELL PARCEL #13-11-101-006-00

Section 2. This Ordinance or a summary thereof shall be published in the *Marshall Chronicle*, a newspaper of general circulation in the City of Marshall qualified under state law to publish legal notices, within ten (10) days after its adoption. This Ordinance shall be recorded in the Ordinance Book and such recording shall be authenticated by the signature of the Mayor and the City Clerk.

Section 3. This Ordinance is declared to be effective immediately upon publication.

**Section 3.** This Ordinance is declared to be effective immediately upon publication.

Adopted and signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Jack Reed, MAYOR

\_\_\_\_\_  
Trisha Nelson, CITY CLERK

I, Trisha Nelson, being duly sworn as the City Clerk for the City of Marshall, hereby certify that the foregoing is a true and complete copy of an ordinance approved by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on February 16, 2016, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available by said Act.

\_\_\_\_\_  
Trisha Nelson, CITY CLERK



**ADMINISTRATIVE REPORT**  
**FEBRUARY 16, 2016 - CITY COUNCIL MEETING**

**REPORT TO:** Honorable Mayor and City Council Members  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** Establishment of Public Hearing for a Brownfield Redevelopment Plan Amendment for Inclusion of Dark Horse Brewing Company Expansion

**BACKGROUND:** In 1997, the City created a Brownfield Redevelopment Authority (BRA). The BRA Board is the same members as the LDFA. The BRA Board met on February 11, 2016 and approved the Brownfield Plan for Dark Horse Brewing Company Expansion. Some of the comments from the BRA included:

- An overview of the future estimated tax structure
- The requirement of a development agreement between Dark Horse and the City of Marshall
- The ability of the Brownfield Plan to be assignable to a future owner

MOTION by Dodge, supported by Pardoe, to recommend approval of the Brownfield Redevelopment Plan Amendment for inclusion of the Dark Horse Brewing Company expansion. On a voice vote; MOTION CARRIED.

The Dark Horse Company plan is attached. Tables 3, 3A & 3B show the estimated annual effect on taxing jurisdictions. Also, attached is the proposed resolution, notice to taxing jurisdictions and the public hearing notice.

State law requires that all taxing jurisdiction be notified and a public hearing be held. It is suggested that a public hearing be held on March 21<sup>st</sup>. A representative from Dark Horse Brewing Company and their environmental engineers will present at the public hearing.

**RECOMMENDATION:** The Brownfield Redevelopment Authority recommends that a public hearing be scheduled for March 21, 2016 to hear comments on the Brownfield Redevelopment Plan Amendment for Inclusion of Dark Horse Brewing Company Expansion.

**FISCAL EFFECTS:**

**CITY GOAL CLASSIFICATION: GOAL AREA I. ECONOMIC DEVELOPMENT**

**Goal Statement:** Sustain and intensify the economic vitality of the Marshall area.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Tom Tarkiewicz  
City Manager

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**CITY OF MARSHALL BROWNFIELD REDEVELOPMENT AUTHORITY  
BROWNFIELD PLAN  
FOR  
DARK HORSE BREWING COMPANY EXPANSION**

**Prepared with the assistance of:  
ENVIROLOGIC TECHNOLOGIES, INC.  
2960 Interstate Parkway  
Kalamazoo, Michigan 49048  
(269) 342-1100**

**Approved by the Brownfield Redevelopment Authority on:**

**Adopted by the Marshall City Council on: \_\_\_\_\_**

## TABLE OF CONTENTS

GENERAL DEFINITIONS AS USED IN THIS PLAN.....	1
1. INTRODUCTION AND PURPOSE .....	1
2. ELIGIBLE PROPERTY INFORMATION.....	2
3. PROPOSED REDEVELOPMENT.....	3
4. BROWNFIELD CONDITIONS.....	3
5. BROWNFIELD PLAN ELEMENTS (as specified in Section 13(1) of Act 381).....	4
A. Description of Costs to Be Paid for With Tax Increment Revenues .....	4
B. Summary of Eligible Activities.....	5
C. Estimate of Captured Taxable Value and Tax Increment Revenues.....	7
D. Method of Financing and Description of Advances by the Municipality .....	8
E. Maximum Amount of Note or Bonded Indebtedness .....	8
G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions .....	9
H. Legal Description, Property Map, Statement of Qualifying Characteristics and Personal .....	9
I. Estimates of Residents and Displacement of Families .....	10
J. Plan for Relocation of Displaced Persons .....	10
K. Provisions for Relocation Costs.....	10
M. Description of Proposed Use of Local Site Remediation Revolving Fund .....	11
N. Other Material That the Authority or Governing Body Considers Pertinent.....	11



## EXHIBITS

FIGURE 1: *Location Map*

FIGURE 2: *Site Plan*

## SCHEDULES/TABLES

TABLE 1: *Summary of Eligible Activities Costs*

TABLE 2: *Estimated Captured Taxable Values*

TABLE 3: *Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Parking Lot Parcels)*

TABLE 3A: *Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Dark Horse Commons Parcel)*

TABLE 3B: *Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Three Dark Horse Brewery Co. parcels)*

TABLE 4: *Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for each Taxing Jurisdiction*

TABLE 5: *Reimbursement Schedule*

## ATTACHMENTS

*Notice of Public Hearing*

*Notice to Taxing Jurisdictions*

*Resolutions Approving a Brownfield Plan*

*Affidavit of Functional Obsolescence*



## **BROWNFIELD PLAN**

### **DARK HORSE BREWING COMPANY EXPANSION CITY OF MARSHALL, MICHIGAN**

#### **GENERAL DEFINITIONS AS USED IN THIS PLAN**

The General Definitions referenced in this Brownfield Plan have been obtained directly from the statute, 1996 PA 381 Sec. 2, as amended.

#### **1. INTRODUCTION AND PURPOSE**

Envirologic has prepared this Brownfield Plan on behalf of the City of Marshall Brownfield Redevelopment Authority for seven parcels of land being developed by Dark Horse Brewery (Exhibits, Figure 1). This Brownfield Plan has been prepared to support redevelopment efforts on the subject property. The redevelopment is being driven by the expansion of Dark Horse Brewing Co. at their existing compound which consists of several parcels of land and segregated buildings. Dark Horse Brewing intends to construct a new building (the “L”) to connect two existing buildings (a production building and a warehouse). The new building will house new production line(s) and increase capacity for additional production in the future. The new construction provides room for a new and larger refrigeration system that will support future growth and production. In addition to the building expansion, significant upgrades to the “Dark Horse Commons” building will enhance offerings to customers, improve the streetscape and the façade of the building.

Dark Horse Brewing Co. has also acquired three parcels of property to the west of their main compound and intends to create a larger customer parking lot. This will provide for safer parking, alleviate congestion on streets, and provide safer pedestrian walkways. In addition, the construction of the parking lot removes a blighted building adjacent to a residential neighborhood and improves environmentally contaminated land.

The titleholder of six of the seven parcels of land is Mor-Dall Enterprises, Inc. Mor-Dall Enterprises and/or Dark Horse Brewing Co. have conducted Baseline Environmental Assessment (BEA) Activities (Phase I and II Environmental Site Assessments [ESAs], BEA) and Due Care activities (preparation of Documentation of Due Care Compliance). To support construction on the environmentally impacted parcels, Additional Response Activities are



necessary, specifically related to the management of contaminated soil during construction. These “environmental” costs are eligible for reimbursement through the Brownfield Plan.

The project includes “non-environmental costs” for construction of public infrastructure such as sidewalks, bike paths, landscaping, and seating that benefit the public and enhance the project. These public infrastructure costs are also eligible for reimbursement through the Brownfield Plan. Eligible costs also include an asbestos survey, asbestos abatement costs, site and building demolition, and preparation of the site for new construction. Professional “soft costs” related to the management of these activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible costs.

This Brownfield Plan identifies eligible environmental and non-environmental activities that are intended to be funded by the developer and reimbursed through the capture of local and school tax increment revenues. To capture the school tax increment for Additional Response Activities and non-environmental costs approval from either the MDEQ and/or the Michigan Economic Development Corporation/Michigan Strategic Fund (MEDC/MSF) is needed. To secure approval from either Department to capture the school tax increment, submission and approval of an Act 381 Work Plan detailing the eligible activities and overall project is necessary. The development of the Act 381 Work Plan and this Brownfield Plan are also eligible activities.

The purpose of this plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act 381 of the Public Acts of the State of Michigan of 1996, as amended, MCL 125.2651 et. seq., which is known as the "Brownfield Redevelopment Financing Act." Terms used in this document are as defined in Act 381.

## **2. ELIGIBLE PROPERTY INFORMATION**

The property subject to this plan currently consists of seven legal parcels of land. Three parcels to the west across Kalamazoo Avenue on which a parking lot will be constructed are eligible properties based on the presence of environmental contaminants remaining on site above residential cleanup criteria. These three parcels (53-002-560-00; 53-002-552-01; 53-008-301-00) meet the definition of a “facility” as defined by Part 201 of NREPA based upon the presence of contaminants in soil and groundwater at concentrations in excess of MDEQ Residential cleanup criteria.



The “Dark Horse Commons” parcel within the existing Dark Horse Brewing compound has been designated “functionally obsolete” by the local assessor and is thus eligible property. An Affidavit of the Assessor identifying the property as functionally obsolete is attached in Appendix D. Three adjacent parcels of land within the Dark Horse Brewing compound are eligible properties as they are contiguous and adjacent to this eligible property.

### **3. PROPOSED REDEVELOPMENT**

This Brownfield Plan has been prepared to support redevelopment efforts on the subject property. Dark Horse Brewing Co. is expanding operations. A new 15,000-square-foot building will be constructed to house a new production line and an expanded refrigeration system. The expansion connects a production building with a large 26,000-square-foot warehouse building. This expansion also provides capacity for future growth, improves productivity and process flow. The additional production line is expected to create 25 new jobs.

The “Dark Horse Commons” at 515 S. Kalamazoo Ave. is a functionally obsolete building that will be extensively remodeled to provide additional retail and food services. The interior will be extensively remodeled and the façade and streetscape improved.

A new parking lot will be constructed on the three parcels to the west of the compound. A blighted building will be demolished and the parking lot constructed. Landscaping berms, sidewalks, bike paths, and seating will be constructed to create safe parking and pedestrian spaces. These developments are intended to take place in 2016.

### **4. BROWNFIELD CONDITIONS**

The three western parcels are a former industrial property known as the “Rowan and Kunzl property.” The three parcels were part of a larger industrial property that had been used for a variety of manufacturing uses since the late 1800s. Page Brothers Buggy Company operated on site from circa 1893 to at least 1918. Lambert Machine Company, manufacturer of coffee grinders, operated on the site in the early part of century (~1920s—1950s). Rowan and Kunzl, a manufacturer of electric water heaters then occupied the site until their operation ceased and the property fell under control of the City of Marshall in the early 1990s. These industrial operations had many industrial processes and hazardous material storage areas that



contributed to environmental contamination on the site. Lead, trichloroethylene, and tetrachloroethylene are present in groundwater above Residential cleanup criteria. Arsenic, selenium, and trichloroethylene are present in soil above Residential cleanup criteria.

The Emporium building located at 515 S. Kalamazoo Ave. was inspected by the local assessor (a certified Michigan Advanced Assessing Officer) and determined to be functionally obsolete. Specifically, the property has no heating and cooling system, no bathrooms, no fire suppression system, no emergency lights or signs, and does not comply with the Americans with Disabilities Act. Based on these observations the site has been deemed functionally obsolete as it cannot adequately perform the function for which it was intended. Parcels contiguous and adjacent to this parcel are also eligible.

## **5. BROWNFIELD PLAN ELEMENTS (as specified in Section 13(1) of Act 381)**

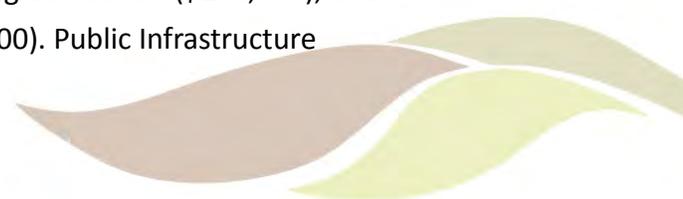
### **A. Description of Costs to Be Paid for With Tax Increment Revenues**

This Brownfield Plan was developed to reimburse existing and anticipated costs to be incurred by Dark Horse Brewing Co., Mor-Dall Enterprises, and the City of Marshall Brownfield Redevelopment Authority. Specific costs to be paid for with tax increment revenues are detailed in Table 1 and described below.

Eligible costs for reimbursement include BEA Activities (i.e., Phase I ESA, Phase II ESA, BEA). These costs are estimated at \$40,250.

Due Care includes preparation of a Documentation of Due Care Compliance, and Additional Response Activities include management of excess contaminated soil generated from the parking lot construction. These costs could include disposal and or covering berms of impacted soil with clean soil. Documentation of Due Care Compliance is estimated to be \$5,000. Soil management costs are based on an estimated volume of 2,700 cubic yards of soil that would be managed either through disposal or creation of berms which are covered with clean fill. At an estimated unit rate of approximately \$50 per cubic yard, the cost of soil management is estimated at \$135,000.

Eligible non-environmental costs include site and building demolition (\$148,000), and asbestos survey and asbestos and lead abatement (\$6,500). Public Infrastructure



improvements inclusive of, but not limited to, sidewalks (\$3,300), bike paths (\$32,000), seating (\$5,000), and landscaping (\$75,000) are estimated to cost \$115,300.

Total Site preparation costs are estimated to be approximately \$53,000. These include, but are not limited to staking (\$2,000), geotechnical engineering (\$4,500), temporary facilities (\$2,000), traffic control (\$2,500), erosion control (\$2,000), site control (\$3,000), excavation of unstable material and backfill (\$9,000), grading (\$3,000), relocation of existing utilities (\$8,000), compaction and sub-base preparation of soils (\$3,000), temporary sheeting and shoring (\$4,000) and other eligible site preparation activities as described in MEDC guidance. Professional “soft costs” related to the management of environmental and non-environmental activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible costs. These are estimated at \$10,000 and for the purposes of this Brownfield Plan are included in the line item for Site Preparation as the majority of professional soft costs are related to that activity.

This Plan includes a 15% contingency in association with eligible activities. Total contingencies are estimated at about \$78,000.

The eligibility activities include administrative costs of the City of Marshall Brownfield Redevelopment Authority estimated at \$2,500 annually for the first two years of the Plan.

This Plan includes the capture of both school and non-school tax increment. BEA and Brownfield Plan preparation activities completed prior to approval of this Plan or the Act 381 Work Plan will be reimbursed with both school and non-school tax increment. Remaining costs will require approval of an Act 381 Work Plan in order to be eligible for reimbursement with school tax increment revenues. The estimated cost for developing the Brownfield Plan and Work Plan is \$18,000.

## **B. Summary of Eligible Activities**

Eligible activities include BEA activities, including Phase I and II ESAs and BEAs for acquisition of western parcels of land needed for construction of the parking lot.

Because the western parking lots have been identified as environmentally impacted property, the due care obligations of Section 20107a of NREPA are applicable to actions on these



parcels. Specifically, the management of contaminated soil will require that the soil is either disposed off site or encapsulated on site in berms. Over 2,700 cubic yards of soil are estimated to be disturbed by construction and will require appropriate management. Development of written Documentation of Due Care Compliance will be needed to document the management of contaminated soil and other applicable due care obligations.

Construction of certain Public Infrastructure features may be included in the project. It is envisioned that a sidewalk connecting the parking lot to the Tap Room and Dark Horse Commons property will be constructed to provide a safe path for pedestrian traffic. A bike path may be constructed connecting the parking lot to the main Brewery properties. Improvements within the streetscape such as seating, landscaping, and other amenities may also be included.

To construct the parking lot, a blighted building must first be demolished. An asbestos survey was completed of the building and a small amount of asbestos needs to be managed during demolition. The asbestos survey and management of asbestos-containing materials are eligible costs. The demolition of the building including removal of foundations, backfill, compaction, and rough grading of the resulting demolition area are also eligible costs. To construct the new addition, an existing parking lot needs to be removed. The removal of this parking lot is an eligible Site Demolition cost.

As part of the construction of the new building and the parking lot, eligible site preparation activities will be conducted. These include staking, geotechnical engineering, temporary facilities and site/traffic control, erosion control, excavation of unstable soils or sub-surface material, fill related to the removal of unstable materials, compaction and subbase preparation in those areas where unstable materials were removed, grading, relocation of existing utilities, sheeting, shoring, and other eligible site preparation activities.

The development of this Brownfield Plan and an Act 381 Work Plan are also eligible activities.

Professional “soft costs” related to the management of environmental and non-environmental activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible activities.



### **C. Estimate of Captured Taxable Value and Tax Increment Revenues**

The project is expected to take place during 2016. This Plan anticipates that the increment will first be available for capture in 2017. For the purposes of this plan, the initial taxable value is the value of each eligible property in 2016. This plan has been developed and adopted before the 2016 taxable values are published. After consultation with the City of Marshall, the 2016 taxable values (Initial Taxable Value) for each parcel was computed by increasing the 2015 taxable value by 0.3%. In the case of parcel 53-002-560-00 (100 Page Ave.), a building was demolished in 2015 and the building value was subtracted from the taxable value. That is, the 2016 taxable value for this parcel is the 2015 taxable value of the land only with a 0.3% increase.

Refer to Table 2 for estimates of the future taxable value, captured taxable value (the incremental value) and estimated of the captured tax increment revenues.

The development of the parking lot will increase the taxable value of the three parcels of land. This plan conservatively estimates that the investment will result in a captured taxable value of \$53,000 (aggregate) associated with these three parcels. Annual tax increment revenues for these three parcels are estimated in Table 3.

Improvement to the Dark Horse Commons building is expected to result in an increase in taxable value resulting in a captured taxable value of \$125,000. Annual tax increment revenues for this parcel are estimated in Table 3A.

New construction of the addition will result in increases in taxable value on at least two parcels of land (53-001-346-00 and 53-001-347-00) and possibly a third parcel (53-001-345-00) which are included in this plan. In aggregate, the captured taxable value estimated from the new construction affecting these parcels is \$150,000. Annual tax increment revenues for these three parcels are estimated in Table 3B.

In addition to the tax increment created by the new investment, over the lifetime of this Brownfield Plan there may also be incremental increases in the taxable values of the real property related to market conditions and inflationary measures that affect the capturable taxable value and tax increment revenues. The plan does not attempt to estimate the



potential revenues from general economic conditions and instead shows a flat value during the term of this plan.

A summary of the estimated annual tax increment revenues for each taxing jurisdiction by year and in aggregate is presented as Table 4.

A summary of the estimated reimbursement schedule and amount of capture into the Local Site Remediation Revolving Fund (LSRRF) by year and in aggregate is presented as Table 5. The Plan is anticipated to require 30 years (the maximum term allowed by statute) to fully pay back eligible expenses. Once eligible expenses are reimbursed, the Authority may capture up to five full years of the tax increment and deposit them into a Local Site Remediation Revolving Fund.

#### **D. Method of Financing and Description of Advances by the Municipality**

Costs for eligible activities are financed by Dark Horse Brewing Co. and/or Mor-Dall Enterprises LLC.

No advances by the municipality have been made or are anticipated.

This Plan does not include interest payment.

A Development and Reimbursement agreement will be executed between the Authority and Developer as part of the requirement for approval of school tax capture.

#### **E. Maximum Amount of Note or Bonded Indebtedness**

There are no plans by the Authority to incur indebtedness to support development of this site.

#### **F. Duration of Brownfield Plan**

The Authority intends to begin capture of tax increment in 2017. This Plan will then remain in place until the eligible activities have been fully reimbursed and up to five full years of capture into the Local Site Remediation Revolving Fund (LSRRF) is complete or 30 years, whichever occurs sooner.



### **G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions**

The estimated amount of tax increment revenues to be captured for this redevelopment from each taxing jurisdiction by year and in aggregate is presented as Table 4.

### **H. Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property**

The property subject to this Brownfield Plan is located within the City of Marshall, Calhoun County, Michigan. A map showing the eligible property is provided in the attached Exhibits (Appendix A). The following seven individual parcels are included in this Brownfield Plan:

#### 53-002-560-00 (100 Page Avenue)

MARSHALL CITY SEC 26 T2S-R6W BEG AT NE COR OF LOT 8 MARTIN & HATCH- S 230FT- ELY 256.75 FT PARL W/ INDUSTRIAL ROAD THENCE N 38 DEG 56' E 155.72 FT- NWLY ALG PAGE ST ROW 376.87 FT TO POB.

#### 53-002-552-01 (No address)

MARSHALL CITY SEC 26 T2S-R6 A PARCEL OF LAND LOCATED IN THE SE 1/4 OF SEC 26, T2S, R6W, BEING A PROPERTY DESC AS: COM ON W LI KALAMAZOO AVE 132 FT N OF N LI INDUSTRIAL ROAD- WLY PAR INDUSTRIAL RD 297 FT TO PLACE OF BEG TH S 132 FT TO INDUSTRIAL RD TH WLY ALG INDUSTRIAL RD TO E LI LOT 1 MARTIN & HATCH N TO PT 17.8 FT N OF SE COR LOT 5 MARTIN & HATCH- ELY PAR TO INDUSTRIAL RD 256.75 FT TO A PT BEING A PT S38 DEG 49' 08"W, 154.16 FT OF THE S LINE OF CONRAIL RR TH S 84 DEG 46' 50" E, 60.10 FT TH S00 12' 31"W, 129.78 FT TO PL OF BEG. ALSO LOT 2 OF MARTIN & HATCH ADDITION 2007LD-008 COMBINATION OF 002-552-00 AND 002-538-00 2007LD-009 SEE PARCEL 002-538-01 & 002-552-01

#### 53-008-301-00 (No address)

MARSHALL CITY HATCH'S ADD THAT PART OF LOT 1 LYING NLY OF INDUSTRIAL RD ALSO BEG NE COR LOT 1- S 46 FT-SELY ALG INDUSTRIAL RD 30 FT-. NELY ALG OLD RR SIDING 185 FT- SWLY 184.88 FT TO POB

#### 53-001-340-00 (515 S. Kalamazoo Ave.)

MARSHALL CITY UPPER VILLIAGE BEG NW COR LOT 346, E 188 FT, N 97.5 FT, W 188 FT, S 94.7 FT .41 AC

#### 53-001-345-00 (No address)

MARSHALL CITY, UPPER VILLAGE BEG 188 FT E OF NW COR LOT 346 E ALG N LI SD LOT EXTED 7'- N 45.5 - E 66 - N 52 - W 73 - SLY 97.5.

#### 53-001-346-00 (519 S. Kalamazoo Ave.)

MARSHALL CITY, UPPER VILLAGE LOTS 346 & 348.



53-001-347-00 (320 Pearl)

MARSHALL CITY, UPPER VILLAGE LOTS 347 & 349 & LOTS 354 THRU 359 INCL & THAT PART OF LOTS 343,345,352,353 & 391 & ABANDONED GRAND & EAGLE STS DESC AS: BEG SELY COR LOT 391-NELY 210 FT TO NELY LOT COR- NWLY 233 FT TO PT 190 FT N OF S LI LOT 359- NW 223 FT PAR & 10 FT SLY OF TRACK-SW 22 FT-NW 32 FT-NE 17.9 FT TO PT 8.5 FT S OF SD TRACK-SWLY 198 FT PAR TRK-S 63.9 FT-W 66 FT-S 45 FT TO N LI LOT 347-W 45.5 FT TO NW COR SD LOT-S 132 FT TO SW COR LOT 349-E 620 FT TO BEG.EXC RR EASEMENTS.

Three parcels (53-002-560-00; 53-002-552-01; 53-008-301-00) meet the definition of a “facility” as defined by Part 201 of NREPA based upon the presence of contaminants in soil and groundwater at concentrations in excess of MDEQ Residential cleanup criteria.

The “Dark Horse Commons” parcel (53-001-340-00) within the existing Dark Horse Brewing compound has been designated “functionally obsolete” by the local assessor and is thus eligible property. An Affidavit of the Assessor identifying the property as functionally obsolete is attached in Appendix D. Three adjacent parcels of land within the Dark Horse Brewing compound (53-001-345-00; 519 S. Kalamazoo Ave. and 320 Pearl St.) are eligible property as they are contiguous and adjacent to this eligible property.

This Brownfield Plan does not intend to capture tax increment revenues associated with personal property as the personal property tax is being phased out and is not relevant to this project.

**I. Estimates of Residents and Displacement of Families**

No residences exist on the property.

**J. Plan for Relocation of Displaced Persons**

Not Applicable.

**K. Provisions for Relocation Costs**

Not Applicable.

**L. Strategy for Compliance with Michigan's Relocation Assistance Law**

Not Applicable.



**M. Description of Proposed Use of Local Site Remediation Revolving Fund**

No use of the Local Site Remediation Revolving Fund (LSRRF) is anticipated at this time though such plans could be made in the future if it were to benefit the project. The City of Marshall Brownfield Redevelopment Authority intends to capture tax increment revenues for up to five full years after reimbursement of eligible activities. The Authority intends to use the LSRRF funds for the completion of eligible activities to support redevelopment at other brownfield sites in the future. Capture for the LSRRF is critical to the maintenance of a sustainable brownfield program for the Authority.

**N. Other Material That the Authority or Governing Body Considers Pertinent**



## EXHIBITS/FIGURES

**Figure 1: Location Map**

**Figure 2: Site Plan**



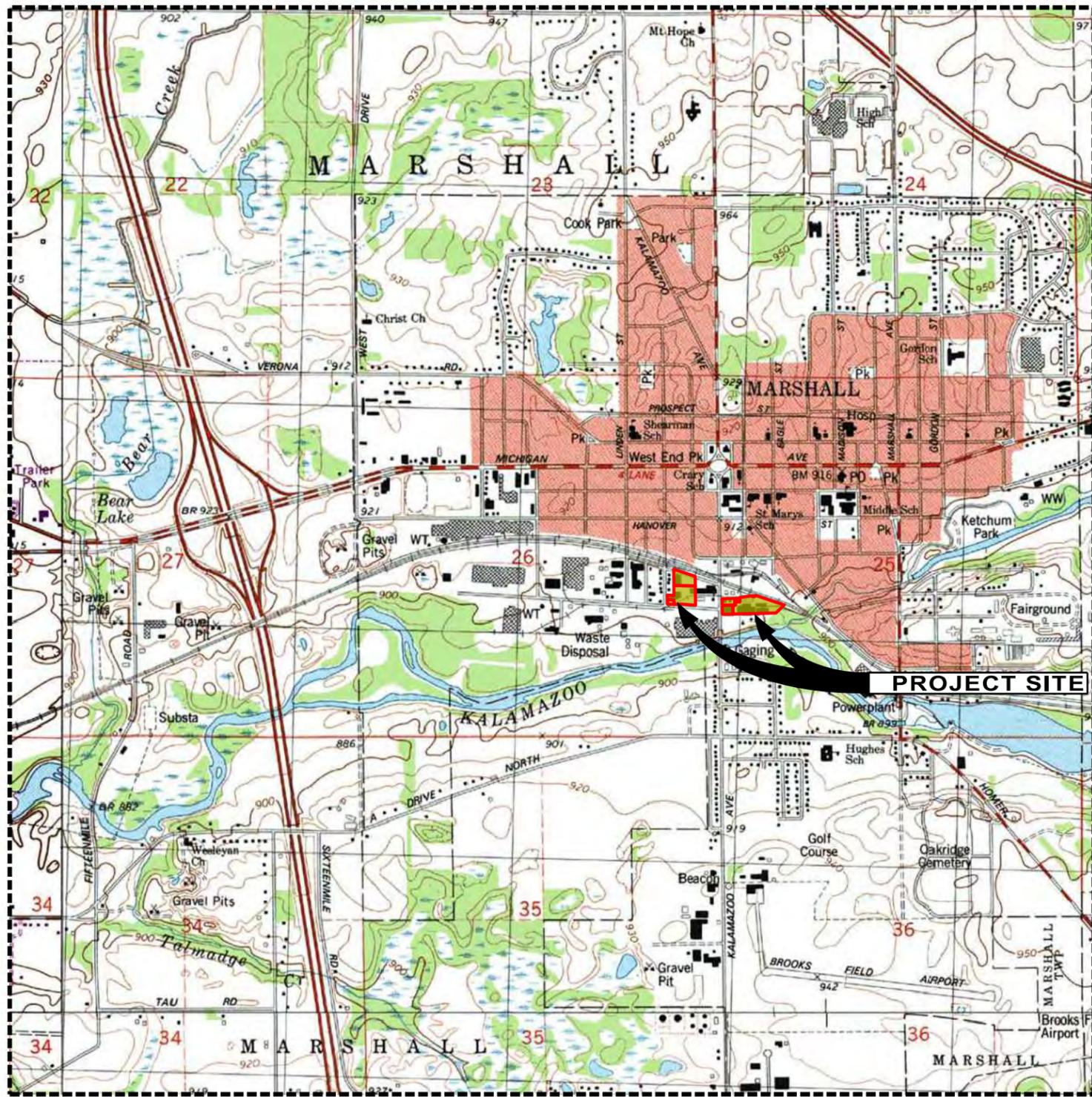
## SCHEDULES/TABLES

- Table 1: Summary of Eligible Activities Costs**
- Table 2: Estimated Captured Taxable Values**
- Table 3: Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Parking Lot Parcels)**
- Table 3A: Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Dark Horse Commons Parcel)**
- Table 3B: Estimate of Annual Captured Incremental Taxes for Each Affected Taxing Jurisdiction (Three Dark Horse Brewery Co. parcels)**
- Table 4: Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for each Taxing Jurisdiction**
- Table 5: Reimbursement Schedule**

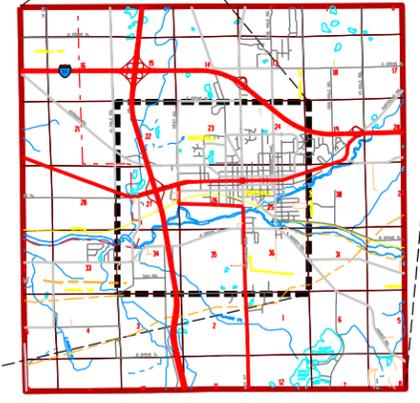


**FIGURE 1: LOCATION MAP**



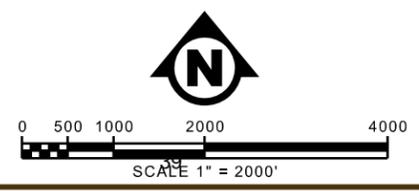


SOURCE: MARSHALL, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS  
 MAPTECH® U.S. TERRAIN SERIES™ ©MAPTECH®, INC. 606-433-8500



T 2 S. R. 6 W.  
 CALHOUN COUNTY  
 MARSHALL, MICHIGAN

000000 AAAAAA File: AA.dgn Model: Location Map



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 2960 INTERSTATE PARKWAY  
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**DARK HORSE BREWING CO.**  
 MARSHALL, MI  
**LOCATION MAP**

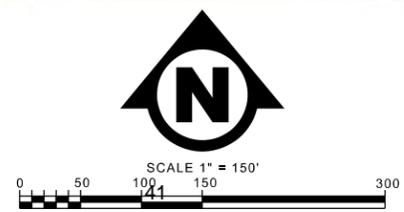
PROJECT NO.	150086
FIGURE NO.	<b>1</b>

**FIGURE 2: SITE PLAN**





NOTE:  
THIS IS NOT A PROPERTY BOUNDARY SURVEY, PROPERTY BOUNDARIES SHOWN ON THIS MAP  
ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND  
SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.



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**DARK HORSE  
BREWING CO.**  
MARSHALL, MI  
**SITE PLAN**

PROJECT NO.  
150086  
FIGURE No.  
**2**

000000 AAAAAA File: Model

**TABLE 1: SUMMARY OF ELIGIBLE ACTIVITIES COSTS**



Table 1

## Summary of Eligible Costs

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

<b>Eligible Activities</b>	<b>Estimated Cost</b>
<b><u>BEA Activities</u></b>	\$ -
BEA Activities school and local	\$ 40,250.00
<b><u>Due Care Activities</u></b>	\$ -
DDCC school and local	\$ 5,000.00
<b><u>Additional Response Activities</u></b>	
Soil Management school w/ Work Plan Approval from MDEQ	\$ 135,000.00
<b><u>MSF Non Environmental Activities</u></b>	
Public Infrastructure Sidewalk, bike path, landscaping, seating	\$ 115,300.00
Lead and Asbestos Abatement	\$ 6,500.00
Building and Site Demolition	\$ 148,000.00
Site Preparation	\$ 53,000.00
<b>TOTAL COSTS OF ELIGIBLE ACTIVITIES</b>	<b>\$ 503,050.00</b>
Financing Costs	\$ -
Contingencies (15%)	\$ 75,457.50
Brownfield Plan and Act 381 Work Plan	\$ 18,000.00
Administrative Costs of the Authority (estimated)	\$ 5,000.00
<b>TOTAL REIMBURSEMENTS</b>	<b>\$ 583,507.50</b>
Captured and Disbursed to State Brownfield Redevelopment Fund	\$ 25,117.35
Additional Capture for LSRRF	\$ 18,785.45
<b>Total</b>	<b>\$ 627,410.30</b>

**TABLE 2: ESTIMATE OF ANNUAL CAPTURED INCREMENTAL TAXES  
FOR PERSONAL AND REAL PROPERTY**



Table 2

Estimate of Total Captured Incremental Taxes

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

All parcels combined

Year	Annual Total Millage†	Initial Taxable Value	Tax Revenues from Initial Taxable Value	Estimated Future Taxable Value	Estimated Future Tax Revenues	Incremental Tax Revenues	Available for Capture
2017	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2018	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2019	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2020	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2021	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2022	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2023	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2024	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2025	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2026	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2027	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2028	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2029	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2030	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2031	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2032	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2033	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2034	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2035	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2036	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2037	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2038	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2039	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2040	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2041	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2042	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2043	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2044	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2045	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
2046	62.4479	\$ 299,392.00	\$ 18,696.40	\$ 634,290.00	\$ 39,610.08	\$ 20,913.68	\$ 20,913.68
<b>TOTAL</b>							<b>\$ 627,410.30</b>

† - Does not include debt millages

\* - Total includes five year future capture to Local Site Remediation Revolving Fund and up to 25 years to State Brownfield Fund

**TABLE 3: ESTIMATE OF ANNUAL CAPTURED INCREMENTAL TAXES FOR EACH AFFECTED TAXING JURISDICTION (PARKING LOT PARCELS)**



Table 3

Estimate of Annual Effect on Taxing Jurisdictions

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

Parking Lot Parcels Combined      53-002-560-00      53-002-552-01      53-008-301-00

<b>SUMMER TAXES<sup>1</sup></b>														
Taxing Jurisdiction		City General	City Leaf/Brush	City Rec	Dial-a-ride	Library Oper	SET	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	County General	Total
Millage		17.1629	0.4	0.9393	0.484	1.6711	6	3.13	1.8068	9	3.525	0.5	5.3779	49.997
Initial Taxable Value	\$ 44,002.00	\$ 755.20	\$ 17.60	\$ 41.33	\$ 21.30	\$ 73.53	\$ 264.01	\$ 137.73	\$ 79.50	\$ 396.02	\$ 155.11	\$ 22.00	\$ 236.64	\$ 2,199.97
Future Taxable Value	\$ 103,900.00	\$ 1,783.23	\$ 41.56	\$ 97.59	\$ 50.29	\$ 173.63	\$ 623.40	\$ 325.21	\$ 187.73	\$ 935.10	\$ 366.25	\$ 51.95	\$ 558.76	\$ 5,194.69
Captured Taxable Value	\$ 59,898.00	\$ 1,028.02	\$ 23.96	\$ 56.26	\$ 28.99	\$ 100.10	\$ 359.39	\$ 187.48	\$ 108.22	\$ 539.08		\$ 29.95	\$ 322.13	\$ 2,783.58

<b>WINTER TAXES<sup>2</sup></b>												
Taxing Jurisdiction		County Veterans	Medical Care	Senior Millage	Library Debt	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	MSL Ambulance	Total
Millage		0.1	0.2482	0.7452	0.32	3.0757	1.8068	9	3.525	0.5	0.5	19.8209
Initial Taxable Value	\$ 44,002.00	\$ 4.40	\$ 10.92	\$ 32.79	\$ 14.08	\$ 135.34	\$ 79.50	\$ 396.02	\$ 155.11	\$ 22.00	\$ 22.00	\$ 872.16
Future Taxable Value	\$ 103,900.00	\$ 10.39	\$ 25.79	\$ 77.43	\$ 33.25	\$ 319.57	\$ 187.73	\$ 935.10	\$ 366.25	\$ 51.95	\$ 51.95	\$ 2,059.39
Captured Taxable Value	\$ 59,898.00	\$ 5.99	\$ 14.87	\$ 44.64		\$ 184.23	\$ 108.22	\$ 539.08		\$ 29.95	\$ 29.95	\$ 956.92

1. Based on millages from 2015 taxes
2. Based on millages from 2015 taxes
3. Half of captured SET conveyed to State Brownfield Redevelopment Fund

Total Millage	69.8179
Total Annual Future Tax Liability	\$ 7,254.08
Total Capturable Local Millages	38.4479
Total Annual Capturable Local Tax Increment	\$ 2,302.95
Total Capturable School Millages	24.00000
Total Annual Capturable School Tax Increment	\$ 1,437.55
Total School and Local Tax Increment Revenue/Yr	\$ 3,740.50

**TABLE 3A: ESTIMATE OF ANNUAL CAPTURED INCREMENTAL TAXES FOR EACH AFFECTED TAXING JURISDICTION (DARK HORSE COMMONS PARCEL)**



Table 3A

Estimate of Annual Effect on Taxing Jurisdictions

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

Dark Horse Commons

53-001-340-00

SUMMER TAXES <sup>1</sup>														
Taxing Jurisdiction		City General	City Leaf/Brush	City Rec	Dial-a-ride	Library Oper	SET	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	County General	Total
Millage		17.1629	0.4	0.9393	0.484	1.6711	6	3.13	1.8068	9	3.525	0.5	5.3779	49.997
Initial Taxable Value	\$ 92,834.00	\$ 1,593.30	\$ 37.13	\$ 87.20	\$ 44.93	\$ 155.13	\$ 557.00	\$ 290.57	\$ 167.73	\$ 835.51	\$ 327.24	\$ 46.42	\$ 499.25	\$ 4,641.42
Future Taxable Value	\$ 217,834.00	\$ 3,738.66	\$ 87.13	\$ 204.61	\$ 105.43	\$ 364.02	\$ 1,307.00	\$ 681.82	\$ 393.58	\$ 1,960.51	\$ 767.86	\$ 108.92	\$ 1,171.49	\$ 10,891.05
Captured Taxable Value	\$ 125,000.00	\$ 2,145.36	\$ 50.00	\$ 117.41	\$ 60.50	\$ 208.89	\$ 750.00	\$ 391.25	\$ 225.85	\$ 1,125.00		\$ 62.50	\$ 672.24	\$ 5,809.00

WINTER TAXES <sup>2</sup>												
Taxing Jurisdiction		County Veterans	Medical Care	Senior Millage	Library Debt	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	MSL Ambulance	Total
Millage		0.1	0.2482	0.7452	0.32	3.0757	1.8068	9	3.525	0.5	0.5	19.8209
Initial Taxable Value	\$ 92,834.00	\$ 9.28	\$ 23.04	\$ 69.18	\$ 29.71	\$ 285.53	\$ 167.73	\$ 835.51	\$ 327.24	\$ 46.42	\$ 46.42	\$ 1,840.05
Future Taxable Value	\$ 217,834.00	\$ 21.78	\$ 54.07	\$ 162.33	\$ 69.71	\$ 669.99	\$ 393.58	\$ 1,960.51	\$ 767.86	\$ 108.92	\$ 108.92	\$ 4,317.67
Captured Taxable Value	\$ 125,000.00	\$ 12.50	\$ 31.03	\$ 93.15		\$ 384.46	\$ 225.85	\$ 1,125.00		\$ 62.50	\$ 62.50	\$ 1,996.99

1. Based on millages from 2015 taxes
2. Based on millages from 2015 taxes
3. Half of captured SET conveyed to State Brownfield Redevelopment Fund

Total Millage	69.8179
Total Annual Future Tax Liability	\$ 15,208.71
Total Capturable Local Millages	38.4479
Total Annual Capturable Local Tax Increment	\$ 4,805.99
Total Capturable School Millages	24.00000
Total Annual Capturable School Tax Increment	\$ 3,000.00
Total School and Local Tax Increment Revenue/Yr	\$ 7,805.99

**TABLE 3B: ESTIMATE OF ANNUAL CAPTURED INCREMENTAL TAXES FOR EACH AFFECTED TAXING JURISDICTION (THREE DARK HORSE BREWERY CO. PARCELS)**



Table 3B

Estimate of Annual Effect on Taxing Jurisdictions

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

Three parcels combined

53-001-347-00

53-001-345-00

53-001-346-00

SUMMER TAXES <sup>1</sup>														
Taxing Jurisdiction		City General	City Leaf/Brush	City Rec	Dial-a-ride	Library Oper	SET	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	County General	Total
Millage		17.1629	0.4	0.9393	0.484	1.6711	6	3.13	1.8068	9	3.525	0.5	5.3779	49.997
Initial Taxable Value	\$ 162,556.00	\$ 2,789.93	\$ 65.02	\$ 152.69	\$ 78.68	\$ 271.65	\$ 975.34	\$ 508.80	\$ 293.71	\$ 1,463.00	\$ 573.01	\$ 81.28	\$ 874.21	\$ 8,127.31
Future Taxable Value	\$ 312,556.00	\$ 5,364.37	\$ 125.02	\$ 293.58	\$ 151.28	\$ 522.31	\$ 1,875.34	\$ 978.30	\$ 564.73	\$ 2,813.00	\$ 1,101.76	\$ 156.28	\$ 1,680.89	\$ 15,626.86
Captured Taxable Value	\$ 150,000.00	\$ 2,574.44	\$ 60.00	\$ 140.90	\$ 72.60	\$ 250.67	\$ 900.00	\$ 469.50	\$ 271.02	\$ 1,350.00		\$ 75.00	\$ 806.69	\$ 6,970.80

WINTER TAXES <sup>2</sup>												
Taxing Jurisdiction		County Veterans	Medical Care	Senior Millage	Library Debt	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	MSL Ambulance	Total
Millage		0.1	0.2482	0.7452	0.32	3.0757	1.8068	9	3.525	0.5	0.5	19.8209
Initial Taxable Value	\$ 162,556.00	\$ 16.26	\$ 40.35	\$ 121.14	\$ 52.02	\$ 499.97	\$ 293.71	\$ 1,463.00	\$ 573.01	\$ 81.28	\$ 81.28	\$ 3,222.01
Future Taxable Value	\$ 312,556.00	\$ 31.26	\$ 77.58	\$ 232.92	\$ 100.02	\$ 961.33	\$ 564.73	\$ 2,813.00	\$ 1,101.76	\$ 156.28	\$ 156.28	\$ 6,195.14
Captured Taxable Value	\$ 150,000.00	\$ 15.00	\$ 37.23	\$ 111.78		\$ 461.36	\$ 271.02	\$ 1,350.00		\$ 75.00	\$ 75.00	\$ 2,396.39

1. Based on millages from 2015 taxes
2. Based on millages from 2015 taxes
3. Half of captured SET conveyed to State Brownfield Redevelopment Fund

Total Millage	69.8179
Total Annual Future Tax Liability	\$ 21,822.00
Total Capturable Local Millages	38.4479
Total Annual Capturable Local Tax Increment	\$ 5,767.19
Total Capturable School Millages	24.00000
Total Annual Capturable School Tax Increment	\$ 3,600.00
Total School and Local Tax Increment Revenue/Yr	\$ 9,367.19

**TABLE 4: CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUE BY YEAR AND AGGREGATE FOR EACH TAXING JURISDICTION**



Table 4

Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction

Dark Horse Brewery Expansion  
Industrial Street  
Marshall, MI

Year	Captured Taxable Value	City General	City Leaf/Brush	City Rec	Dial-a-ride	Library Oper	SET <sup>1</sup>	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	County General	County Veterans	Medical Care	Senior Millage	Library Debt	Calhoun ISD	KCC	School Oper	School Debt	School Sinking Fund	MSL Ambulance	Total
		17,162.9	0.4	0.9393	0.484	1.6711	6	3.13	1.8068	9	3.525	0.5	5.3779	0.1	0.2482	0.7452	0.32	3.0757	1.8068	9	3.525	0.5	0.5	69.8179
2017	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2018	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2019	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2020	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2021	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2022	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2023	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2024	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2025	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2026	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2027	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2028	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2029	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2030	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2031	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2032	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2033	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2034	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2035	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2036	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2037	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2038	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2039	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2040	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2041	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2042	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2043	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2044	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2045	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
2046	\$ 334,898.00	5,747.82	133.96	314.57	162.09	559.65	2,009.39	1,048.23	605.09	3,014.08	-	167.45	1,801.05	33.49	83.12	249.57	-	1,030.05	605.09	3,014.08	-	167.45	167.45	20,913.68
<b>TOTAL CAPTURED TAXES</b>		\$ 172,434.63	\$ 4,018.78	\$ 9,437.09	\$ 4,862.72	\$ 16,789.44	\$ 60,281.64	\$ 31,446.92	\$ 18,152.81	\$ 90,422.46	\$ -	\$ 5,023.47	\$ 54,031.44	\$ 1,004.69	\$ 2,493.65	\$ 7,486.98	\$ -	\$ 30,901.37	\$ 18,152.81	\$ 90,422.46	\$ -	\$ 5,023.47	\$ 5,023.47	\$ 627,410.30

1. Half of SET conveyed to State Brownfield Redevelopment Fund

**TABLE 5: REIMBURSEMENT SCHEDULE**



Table 5

Reimbursement Schedule

Dark Horse Brewery Expansion  
 Industrial Street  
 Marshall, Michigan

Year	Incremental Taxes Captured	Funds Disbursed						
		Developer (School)	Developer (Local)	Developer (Aggregate)	Administrative Costs (Local)	LSRRF (School)	LSRRF (Local)	Brownfield Redevelopment Fund
2017	20,913.68	7,032.86	10,376.12	17,408.98	2,500.00			1,004.69
2018	20,913.68	7,032.86	10,376.12	34,817.97	2,500.00			1,004.69
2019	20,913.68	7,032.86	12,876.12	54,726.95				1,004.69
2020	20,913.68	7,032.86	12,876.12	74,635.93				1,004.69
2021	20,913.68	7,032.86	12,876.12	94,544.91				1,004.69
2022	20,913.68	7,032.86	12,876.12	114,453.90				1,004.69
2023	20,913.68	7,032.86	12,876.12	134,362.88				1,004.69
2024	20,913.68	7,032.86	12,876.12	154,271.86				1,004.69
2025	20,913.68	7,032.86	12,876.12	174,180.85				1,004.69
2026	20,913.68	7,032.86	12,876.12	194,089.83				1,004.69
2027	20,913.68	7,032.86	12,876.12	213,998.81				1,004.69
2028	20,913.68	7,032.86	12,876.12	233,907.79				1,004.69
2029	20,913.68	7,032.86	12,876.12	253,816.78				1,004.69
2030	20,913.68	7,032.86	12,876.12	273,725.76				1,004.69
2031	20,913.68	7,032.86	12,876.12	293,634.74				1,004.69
2032	20,913.68	7,032.86	12,876.12	313,543.73				1,004.69
2033	20,913.68	7,032.86	12,876.12	333,452.71				1,004.69
2034	20,913.68	7,032.86	12,876.12	353,361.69				1,004.69
2035	20,913.68	7,032.86	12,876.12	373,270.67				1,004.69
2036	20,913.68	7,032.86	12,876.12	393,179.66				1,004.69
2037	20,913.68	7,032.86	12,876.12	413,088.64				1,004.69
2038	20,913.68	7,032.86	12,876.12	432,997.62				1,004.69
2039	20,913.68	7,032.86	12,876.12	452,906.60				1,004.69
2040	20,913.68	7,032.86	12,876.12	472,815.59				1,004.69
2041	20,913.68	7,032.86	12,876.12	492,724.57				1,004.69
2042	20,913.68	8,037.55	12,876.12	513,638.25				
2043	20,913.68	8,037.55	12,876.12	534,551.92				
2044	20,913.68	8,037.55	12,876.12	555,465.60				
2045	20,913.68	8,037.55	12,876.12	576,379.28				
2046	20,913.68	1,064.11	1,064.11	578,507.50		6,973.44	11,812.01	
Totals	627,410.30	209,035.77	369,471.73	578,507.50	5,000.00	6,973.44	11,812.01	25,117.35

**NOTICE OF PUBLIC HEARING**



## NOTICE TO TAXING JURISDICTIONS



**RESOLUTION APPROVING A BROWNFIELD PLAN**



**AFFIDAVIT OF FUNCTIONAL OBSOLESCENCE**





**ADMINISTRATIVE REPORT**  
**February 16, 2016 - CITY COUNCIL MEETING**

**TO:** Honorable Mayor and City Council

**FROM:** Ken Swisher, Finance Director  
Tom Tarkiewicz, City Manager

**SUBJECT:** City Hall Renovations

**BACKGROUND:** Significant renovations to City Hall have been undertaken, in part, due to the demolition of the fire station previously located at City Hall. Final renovations will include converting the former fire offices to office space for the City Assessor, and converting the former fire quarters into a break room for City Hall staff. In addition, a conference room that can be used by the Board of Review and Auditors, and a customer service privacy area will be created within the Finance Department. Quotes were solicited and the following bids were received.

Gordon Martin Builders Albion, MI	\$30,553.00
Stetler Builders Battle Creek, MI	\$35,497.84
Associated Construction Battle Creek, MI	\$35,930.00

**RECOMMENDATION:** It is recommended City Council approve the bid for City Hall Renovation in the amount of \$30,553.00 with Gordon Martin Builders for renovation of the former fire offices and quarters within City Hall, as well as creation of a conference room and customer service privacy space in Finance.

**FISCAL EFFECTS:** As a one-time expenditure, funds to complete this renovation process will be taken from the Fund Balance within the City's General Fund.

**CITY GOAL CLASSIFICATION:**

**GOAL AREA 4. INFRASTRUCTURE**

**Goal Statement:** Preserve, rehabilitate, maintain and expand city infrastructure and assets.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

Ken Swisher  
Finance Director

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.  
Marshall, MI 49068  
p 269.781.5183  
f 269.781.3835  
cityofmarshall.com



**ADMINISTRATIVE REPORT**  
**February 16, 2016 City Council Meeting**

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Aaron Ambler, Water Superintendent  
Kristin Bauer, Director of Public Services  
Tom Tarkiewicz, City Manager

**SUBJECT:** CIP Plan and Asset management for DEQ

**BACKGROUND:** In November of 2015, the City was informed by the Michigan Department of Environmental Quality of a rule change to the Michigan Safe Drinking Water Act, 1976 PA 399, adding Asset Management Programs (AMP) and Capital Improvement Plans (CIP) to the general plans for water supplies. The deadline for submitting this plan was January 1, 2016 but the DEQ has given an extension of the deadline until February 29, 2016 to have this plan approved by the City Council.

Staff has assessed the necessary additions to these plans using the 2014 Water Reliability Study as well as experience with our system. This is a working document that will be updated on an annual basis.

**RECOMMENDATION:** It is recommended City Council approve this Asset Management Program and Capital Improvement Plan to be submitted to the Michigan Department of Environmental Quality no later than February 29, 2016.

**FISCAL EFFECT:** None

**CITY GOAL CLASSIFICATION:**

**GOAL AREA 4. INFRASTRUCTURE**

**Goal Statement:** Preserve, rehabilitate, maintain and expand city infrastructure and assets.

**ALTERNATIVES:** As suggested by Council.

Respectfully Submitted,

Aaron Ambler  
Water Superintendent

Kristin Bauer  
Director of Public Services

Tom Tarkiewicz,  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

f 269.781.3835

cityofmarshall.com

## Utility Information

Utility Name: City of Marshall  
Street Address: 323 W. Michigan Ave  
City: Marshall  
Zip Code: 46068  
Phone Number: 269-781-2210  
Email: [aambler@cityofmarshall.com](mailto:aambler@cityofmarshall.com)  
WSSN: 4150

Number of Connections: 3300  
Number of Customers:

## Personnel

Contact Person: Aaron Ambler  
Title: Water Superintendent  
Role: Operator in Charge  
Email: [aambler@cityofmarshall.com](mailto:aambler@cityofmarshall.com)

Team Member: Kristin Bauer  
Title: Director of Public Services  
Role:  
Email: [kbauer@cityofmarshall.com](mailto:kbauer@cityofmarshall.com)

Team Member: Dave Johnson  
Title: Plant Operator  
Role: Backup Operator in Charge  
Email:

Team Member: Joe Delapas  
Title: Distribution Utility  
Role: Backup Operator in Charge  
Email:

Team Member: John Huepenbecker  
Title: Distribution Utility  
Role: Backup Operator in Charge  
Email:

**Asset Inventory Table 1**

- Directions**  
 A. List assets  
 B. Enter asset information  
 C. To add more assets use insert function and add rows then copy first asset row to new rows to transfer formulas  
 D. Enter information in highlighted cells  
 E. Remaining cells will calculate automatically.

A	B	C	D	E	F	G	H	I	J	K	L	M
Source Assets	Material	Location	Latitude	Longitude	Manufacturer	Original Cost	Replacement Cost	Remaining Useful Life in Years	Condition	Probability of Failure	Consequence of Failure	Criticality Factor
well #1 pump and VFD		Green St.			PE Inverter Duty	\$ 34,000	\$ 34,000	25	1	3	3	9
well #2 pump and VFD		Green St.			PE Inverter Duty	\$ 34,000	\$ 34,000	25	1	3	3	9
Well #3 pump and VFD		Green St.			PE Inverter Duty	\$ 34,000	\$ 34,000	25	1	3	3	9
well #4 pump and VFD		Green St.			GE	\$ -	\$ 21,000	25	1	3	3	9

If Criticality Factor is greater than 16 cell will turn RED  
 If Criticality Factor is greater than 16 cell will turn RED

A	B	C	D	E	F	G	H	I	J	K	L	M
Treatment Assets	Material	Location	Latitude	Longitude	Manufacturer	Original Cost	Replacement Cost	Remaining Useful Life in Years	Condition	Probability of Failure	Consequence of Failure	Criticality Factor
Chlorinators		Green St.			W&T V10K		\$ 8,000	2	4	4	4	16
Potassium Permanganate Pump		Green St.			US Filter		\$ 3,000	10	2	3	1	3
Fluoride pump		Green St.			LMI	\$ 1,500	\$ 1,500	5	2	2	1	2
Phosphate pump		Green St.			LMI	\$ 1,500	\$ 1,500	5	2	2	1	2
Chlorine Booster pump		Green St.			Burks	\$ 2,243	\$ 2,243	10	1	3	4	12

If Criticality Factor is greater than 16 cell will turn RED  
 If Criticality Factor is greater than 16 cell will turn RED

A	B	C	D	E	F	G	H	I	J	K	L	M
Storage/Distribution Assets	Material	Location	Latitude	Longitude	Manufacturer	Original Cost	Replacement Cost	Remaining Useful Life in Years	Condition	Probability of Failure	Consequence of Failure	Criticality Factor
valves (981 valves at \$500 each)							\$ 490,500	20	3	5	3	15
elevated storage tank 200,000							\$ 1,200,000	30	2	2	5	10
hydrants (500 at \$2,000 each)							\$ 1,000,000	30	2	3	2	6
8" water main (74954 ft)	Cast/DI						\$ 6,745,860	10	3	4	3	12
8" water main (124,009 ft)	Cast/DI						\$ 11,160,810	20	2	3	2	6
10" water main (4082 ft)	Cast/DI						\$ 408,200	20	3	3	2	6
12" water main (97,413 ft)	Cast/DI						\$ 11,689,560	20	3	3	3	9
16" water main (1554 ft)	Cast/DI						\$ 233,100	20	2	3	4	12

If Criticality Factor is greater than 16 cell will turn RED  
 If Criticality Factor is greater than 16 cell will turn RED

## Asset Rating Table 2

<b>Column J</b>	
<b>Condition</b>	<b>Assessment</b>
<b>Condition Rating</b>	<b>Description</b>
5	Asset Unserviceable - Over 50% of asset requires replacement
4	Significant deterioration - significant renewal/upgrade required (20 -40%)
3	Moderate deterioration - Significant maintenance required (10 -20%)
2	Minor Deterioration - Minor maintenance required (5%)
1	New of Excellent Condition - Only normal maintenance required

<b>Column K</b>	
<b>Probability of</b>	<b>Failure</b>
<b>Performance Rating</b>	<b>Description</b>
5	Imminent - Likely to occur in the life of the item
4	Probable - Will occur several times in the life of an item
3	Occasional - Likely to occur some- time in the life of an item
2	Remote - Unlikely but possible to occur in the life of an item
1	Improbable - So unlikely, it can be assumed occurrence may not be experienced

<b>Column L</b>	
<b>Consequence of</b>	<b>Failure *</b>
<b>Performance Rating</b>	<b>Description</b>
5	Catastrophic disruption
4	Major disruption
3	Moderate disruption
2	Minor disruption
1	Insignificant disruption

\* consider safety/social, economic/financial, environmental

## Replacement Expenses Table 5

### Directions

- A. List assets to be replaced or rehabilitated
- B. Determine how long before action must take place
- C. Enter cost to replace or rehabilitate
- D. To add more replacement items use insert function and add rows then copy first line item row to new rows to transfer formulas
- E. Enter information in highlighted cells
- F. Remaining cells will calculate automatically.

A	B	C	
Projects	Remaining Useful Life in Years	Replacement Cost	Reserve Required Each Year
Replace valves (10 valves at \$500 each)	5	\$ 5,000	\$ 1,000
Overhaul well #1 pump and motor	2	\$ 18,000	\$ 9,000
Overhaul well #2 pump and motor	3	\$ 18,000	\$ 6,000
Overhaul well #3 pump and motor	5	\$ 18,000	\$ 3,600
Overhaul well #4 pump and motor	4	\$ 18,000	\$ 4,500
Replace chlorinators	1	\$ 12,000	\$ 12,000
Replace Hydrants (20 @ \$2000 each)	5	\$ 40,000	\$ 8,000
Paint 200K Water Tower	15	\$ 150,000	\$ 10,000
Paint 500K Water Tower	20	\$ 200,000	\$ 10,000
Inspect Water Towers	1	\$ 3,000	\$ 3,000
Replace Services (10 @ \$750 each)	5	\$ 7,500	\$ 1,500
Test Filter Media	5	\$ 500	\$ 100
Replace piping in Filter Plant	5	\$ 20,000	\$ 4,000
Replace Water Meters	1	\$ 20,000	\$ 20,000
Enter asset to be replaced	0	\$ -	\$ -
Enter asset to be replaced	0	\$ -	\$ -
<b>Total Replacement reserves required in the current year</b>			<b>\$ 92,700</b>

Click Total to add to Budget

## Capital Improvement Project Plan

### Directions

- A. List projects to be completed
- B. Determine how long before the project must begin
- C. Enter the total projected cost of the project
- D. To add more CIP's use insert function and add rows then copy first CIP row to new rows to transfer formulas
- E. Enter information in highlighted cells
- F. Remaining cells will calculate automatically.

A	B	C	
Projects	Years Until Project Must Begin	Cost	Reserve Required Each Year
Install Well #5, South side of city	10	\$ 1,000,000	\$ 100,000
Replace Cl2 gas w/ Sodium Hypochlorite	10	\$ 100,000	\$ 10,000
Build Storage Garage at WTP	2	\$ 190,000	\$ 95,000
Install 16" Valve outside WTP	1	\$ 34,000	\$ 34,000
Replace Water Main on S. Marshall	1	\$ 112,000	\$ 112,000
Replace 4" Water Main on Eagle and Jefferson	4	\$ 300,000	\$ 75,000
Automated Meter	10	\$ 525,000	\$ 52,500
S. Marshall Water Main Replacement	4	\$ 456,400	\$ 114,100
Replace 6" Water Main on Leggett	2	\$ 122,500	\$ 61,250
Replace 6" Water Main on Prospect	4	\$ 120,100	\$ 30,025
Replace Water Main on S. Marshall and Hughes St.	6	\$ 525,000	\$ 87,500
Install 16" Water Main on West Dr. to I69	7	\$ 540,000	\$ 77,143
Install 12" Water Main on Brewer to I94	10	\$ 334,000	\$ 33,400
Install 12" Water Main on Michigan Ave to Growth #5	5	\$ 2,000,000	\$ 400,000
Install 12" Water Main on Division Dr. to West Dr.	8	\$ 800,000	\$ 100,000
Install .6MG Storage Tank	5	\$ 1,500,000	\$ 300,000
Install Booster Station for Growth Area #5	5	\$ 600,000	\$ 120,000
Install 1.0MG Storage Tank	8	\$ 2,500,000	\$ 312,500
Install 12" Water Main F Dr. to West Dr.	10	\$ 1,500,000	\$ 150,000
Install 12" Water Main Homer Rd. to Division #6f	9	\$ 900,000	\$ 100,000
<b>Total Capital Improvement reserve required in the current year</b>			\$ 2,364,418
			<b>Click Total to add to Budget</b>



**ADMINISTRATIVE REPORT**  
**February 16, 2016 – CITY COUNCIL MEETING**

**TO:** Honorable Mayor and City Council

**FROM:** Ken Swisher, Finance Director  
Tom Tarkiewicz, City Manager

**SUBJECT:** City of Marshall Financial Policies:

- Investment Policy
- Fund Balance Reserves Policy
- Debt Management Policy
- Capital Improvement Program Policy

**BACKGROUND:** It has been suggested that Council adopt financial policies to demonstrate to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. By having adopted financial policies in place, the City could potentially enhance its bond rating status so borrowing costs are minimized and access to credit is preserved. The Debt Management, Investment and CIP Policies were last reviewed and approved by Council in Fiscal year 2014. The Fund Balance/Net Position Policy was updated in FY 2015.

The City's updated Investment, Fund Balance, Debt Management and CIP policies are attached for your review. It is recommended that, from time to time, the City should review all financial policies and update them, as needed.

**RECOMMENDATION:** To adopt the City of Marshall updated Financial Policies in the form presented.

**FISCAL EFFECTS:** None at this time.

Respectfully Submitted,

Ken Swisher  
Finance Director

Tom Tarkiewicz  
City Manager

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# INVESTMENT POLICY

Adopted: February 16, 2016

**I.** It is the policy of the City of Marshall (hereafter known as the CITY) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the CITY and conforming to all State statutes and local ordinances governing the investment of public funds.

## **II. Scope**

This investment policy applies to all financial assets held by the CITY. These assets are accounted for in the CITY's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Internal Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds
- Any new fund created by the City, unless specifically exempted by the legislative body.

The CITY does not invest employee pension funds as these funds are managed by the Municipal Employees' Retirement System (MERS).

## **III. Investment Objectives**

The following investment objectives, in priority order, will be applied in the management of the CITY's funds:

### **Safety**

The primary objective of the CITY's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal. The Finance Director will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

### **Liquidity**

The investment portfolio will remain sufficiently liquid to enable the CITY to meet operating requirements which may be reasonably anticipated.

### **Return on Investment**

Subject to the foregoing constraints, the CITY will strive to maximize the rate of return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

## **IV. Prudence**

In managing its investment portfolio, the Finance Director shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence

exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. The Finance Department staff of the CITY, as designated by the Finance Director, acting in accordance with State statute, this Investment Policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

**V. Delegation of Authority**

Authority to manage the CITY's investment program is derived from State statutes.

Daily management responsibility for the investment program is the responsibility of the Finance Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of the procedures established by the Finance Director. Such procedures should also include reference to safekeeping, repurchase agreements, wire transfer agreements, collateral or depository agreements and banking service contracts. The Finance Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of designated staff.

**VI. Ethics and Conflicts of Interest**

Designated staff involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program or which could impair--or create the appearance of an impairment-- in their ability to make impartial investment decisions. Any employee involved with investments shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the CITY, and they shall further disclose any large personal financial investment positions that could be related to the performance of the CITY's portfolio.

**VII. Authorized Financial Dealers and Institutions**

The Finance Director will maintain a list of financial institutions, which are authorized to provide investment and depository services. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Director with the following: audited financial statements for the recent fiscal year; certification of having read the CITY's investment policy and the pertinent State statutes; proof of National Association of Security Dealers certification; and proof of State registration, where applicable.

**VIII. Authorized and Suitable Investments**

The CITY is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:

- a. Treasury Bills, Treasury Bonds, Treasury Notes, Treasury STRIPS, and other securities or obligations of the United States, or an agency or instrumentality of the United States;
- b. Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan, or credit union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No.105 of the Public Acts of 1855, as amended;
- c. In United States government or federal agency obligation repurchase agreements;
- d. In Banker's Acceptances (BA's) of United States banks;
- e. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase;
- f. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan;
- g. Investments purchased through an inter-local agreement under the urban co-operations act of 1967, (Ex Sess) PA 7, MCL 124.501 to 124.512;
- h. Investment pools organized under the surplus funds investment pool act, 1982 Public Act 367, MCL 129.111 to 129.118; and
- i. The investment pools organized under the local investment pool act, 1985 Public Act 121, MCL 129.141 to 129.150.

The Finance Director is restricted to investments which meet the statutory restrictions above and limitations on security issues and issuers as detailed below:

- a. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Finance Director's Office has negotiated a Master Repurchase Agreement or with the CITY's primary bank. Repurchase agreements must be signed with the bank or dealer and must contain provisions similar to those outlined in the Public Security Association's model Master Repurchase Agreement.
- b. Investments in Commercial Paper are restricted to those which have, at the time of purchase, the top investment rating provided by any two nationally recognized rating agencies. Commercial paper held in the portfolio which subsequently

receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.

c. Certificates of deposits shall be purchased only from financial institutions which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).

d. In money market mutual funds or qualified bank trust funds composed of investment vehicles which are legal for direct investment by local governments in Michigan.

**IX. Diversification**

The CITY will diversify its instruments and investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in a single security type OR with a single financial institution.

**X. Pooling of Cash**

The Finance Director or Designee may, where appropriate, pool cash of various funds to maximize earnings. Investment income shall be allocated to the various funds based upon their respective participation.

**XI. Maximum Maturities**

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the CITY will not directly invest in securities maturing more than three (3) years from the date of purchase. Reserve funds may be invested in securities exceeding three (3) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

**XII. Collateralization, Safekeeping and Custody**

The State of Michigan does not require collateralization of Public Funds. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a Safekeeping Receipt from the issuing bank.

**XIII. Accounting**

The CITY maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the CITY in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Accounting treatment will include:

- Investments will be carried at cost or amortized cost which approximates market.
- Premium or discount will be amortized over the life of the investment.
- Gains or losses of investments in all funds will be recognized at the time of disposition of the security.
- Market price shall be disclosed annually in the financial statements and periodically in the performance reports.

**XIV. Investment Performance and Reporting**

The Finance Director shall submit a quarterly investment report that provides:

- Principal and type of investment by fund
- Annualized yield
- Ratio of cash to investments
- Earnings for the current quarter and year-to-date
- Market price and a summary report of cash and investments maintained in each financial institution.

Performance of the portfolio shall be reported to the City Manager and Marshall City Council quarterly. Reports shall include details of the characteristics of the portfolio as well as its performance for that period. Material deviations from projected investment strategies shall be reported immediately to the City Manager.

**XV. Internal Controls**

The Finance Director shall establish a system of internal controls which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by designated employees of the Finance Office. Required elements of the system of internal controls shall include: 1) The timely reconciliation of all bank accounts (i.e. monthly reconciliation's within 30 days of the end of the monthly cycle), 2) details of delivery versus payment procedures and trust receipt documentation, and 3) a third party audit to be conducted annually. Internal controls will also encompass at a minimum the additional issues of:

- transfers of all funds (purchases, sales, etc.);
- separation of functions including transaction authority and accounting and record-keeping;
- custodial safekeeping;
- avoidance of delivery of bearer from or non-wireable securities to the CITY;
- delegation of authority to staff members;
- written confirmation of telephone transactions;
- supervisory control of employee actions;
- specific guidelines regarding securities losses and remedial action;
- identification and minimization of the number of authorized investment officials

**XVI. Investment Policy Adoption**

The CITY's investment policy shall be adopted by resolution of the Marshall City Council. The policy shall be reviewed as necessary by the Marshall City Council.

**GLOSSARY**

**Bankers' Acceptance (BA):** A draft or bill or exchange accepted by bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission.

**Commercial Paper:** Short-term unsecured debt obligation issued by a bank holding company, finance company, utility or industrial company to raise short term cash.

**Certificate of Deposit (CD):** A receipt of funds deposited in a financial institution for a specified period at a specified rate of interest. A negotiable receipt may be in bearer or registered form and can be traded in the secondary market. A non-negotiable receipt is always registered and has no secondary market. Denominations can be any agreed amount, and interest is normally calculated using actual number of days on a 360 day year. However, each financial institution's calculations vary, and the investor should ask to avoid misunderstanding.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**Federal Savings and Loan Insurance Corporation (FSLIC):** A federal institution that insures deposits of federally chartered savings and loan associations.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the Money Market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Price:** The price at which a security is trading and could presumably be purchased or sold.

**National Credit Union Administration:** A federal institution that insures deposits of federal and state chartered credit unions.

**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**Portfolio:** Collection of securities held by an investor.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. (see Yield)

**Repurchase Agreement:** A contractual arrangement, not a security, between a financial institution or dealer and an investor. The agreement normally can run for one to thirty days, but some can go longer. The investor puts up his funds for a certain number of days at a stated yield. In return he takes title to a given block of securities as collateral. At maturity the securities are returned and the funds repaid plus interest.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SIPC:** Securities Investor Protection Corporation created as a non-profit member corporation by Congress in 1970 for the purpose of protection of cash and securities held by member SEC-registered broker/dealers that protects customer accounts in the event of the financial failure of a member.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury security issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government bearing interest payable at six month intervals and having initial maturities from one to 10 years.

**Treasury STRIPS:** Separate Trading of Registered Interest and Principal of Securities issued by the U.S. Government

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash

**Yield:** The rate of annual income return on an investment, expressed as a percentage.

The City desires to maintain a prudent level of financial resources to guard its citizens against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures. The Fund Balance, or in the case of Enterprise Funds-Net Position, has been accumulated to meet this purpose, to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The City's goals are to maintain annual expenditure increases at a conservative growth rate, and to limit expenditures to anticipated revenues.

The following fund balance and net position reserve policy should be used to provide the general framework for setting unrestricted fund balance and net position reserve levels and for proposals with intended use of those reserves. City Council recognizes there are no absolute rules or easy formulas that provide fund balance or net position reserve levels. Generally, reserve levels are determined based on a percent of operating expenditures or a debt service ratio. The City recognizes the need to provide a policy which provides the guidelines for the periodic review and discussion of fund balance and net position reserves during the budget development process. Planned use of fund balance and net position reserve decisions should be the result of deliberative consideration of all factors involved. Fund Balance and Net Position as described in this Policy will be understood to exclude Pension and Other Post-Employment Benefits (OPEB) liability.

**GENERAL FUND 15-20% Operating Expenditures OR 1.2 Debt Service Ratio**

To account for resources traditionally associated with general government operations, which are not required to be accounted for in another fund. Expenditures from the General Fund go to services such as public safety (police, fire, and emergency management); parks and recreation programs; development and planning; community development services; roads; the City's legal and general government administration; and a variety of other services and programs.

The City Council considers it a good practice to keep 15-20% of annual operating expenditures in unrestricted governmental fund balance, OR 1.2 debt service ratio, whichever is greater, to cover unexpected expenses.

The decision to retain a fund balance of 15-20% of operating expenditures stems from the following considerations:

- This amount, in combination with the Working Capital Reserve, provides adequate funding to cover approximately two and one half months (or 20%) of operating expenses.
- It provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- It provides the liquidity to respond to unplanned expenditures.

Fund balance may be accessed under the following conditions.

- The Fund balance target, will be maintained at 15-20% of Operating Expenditures. Surplus Funds may be transferred to a Capital Reserve Fund, Debt Service Fund, or may be used in establishing a balanced budget.
- Except in the event of a declaration of an emergency or in short-term funding situation, as deemed appropriate by the City Council, a minimum Fund Balance equal to 15-20% of operating expenditures will be maintained. A majority of the Council is required to approve use of the Fund Balance such that it falls below the 15% target. The City will identify a plan to restore the General Fund Balance to its target amount as part of the budget process.

**ENTERPRISE FUNDS      20% Operating Expenditures OR 1.2 Debt Service Ratio**

Includes all expenses necessary to operate the funds including, but not limited to, administration, operations, maintenance, financing, billing and collection. The intent is to maintain an unrestricted net position balance that is equal to or greater than 20% of projected operating expenditures unless specified otherwise, OR 1.2 times debt service requirements, whichever is greater.

For Utility net position balance reserves (electric, wastewater and water), the decision to increase or decrease target net position balance reserves will be approved by City Council and supported by a cost of service study or review provided by the City's consultant.

Electric Fund - to account for the generation and distribution to the City and to account for all revenue and expenditures related to the City's Electric System.

Waste Water Fund - to account for the collection, treatment and disposal of all sewage within the City and to account for all revenues and expenditures related to the City's Wastewater Treatment System.

Water Fund - to account for the distribution of treated water to the City and account for the revenues and expenditures related to the City's Water Supply System.

Marshall House Fund - to account for the revenues and expenditures related to the rental activities of a lower-income senior citizen housing facility.

Dial-A-Ride Fund (DART) – Currently not governed by this Policy.

**SPECIAL REVENUE FUNDS      1.2 Debt Service Ratio**

To account for specific revenue sources (other than those from expendable trusts or for major capital projects), which are restricted legally to expenditures for specified purposes. The intent is to maintain an unrestricted fund balance of 1.2 times annual debt service requirements.

MVH Major and Local Roads - to account for the State-Shared gasoline and weight tax collections to provide for certain maintenance, repair costs and capital improvements of the City's Roads.

Leaf, Brush and Trash Removal - to account for the dedicated millage levy which provides for the necessary revenue to fund the City's Fall Leaf removal and Spring brush/trash removal.

**INTERNAL SERVICE FUNDS 1.2 Debt Service Ratio**

To account for the costs of the various services listed below, which are billed to the various other funds on the basis of services used. The costs include, but are not limited to, administrative, operation, maintenance and financing costs. The intent is to maintain an unrestricted net position of 1.2 times the annual debt requirements.

Data Processing - to account for the operation and maintenance of the City's information technology equipment and software.

Motor Pool - to account for the operation and maintenance of the City's motor vehicle fleet and other equipment.

Safety - to account for the operation of the City's safety training program.

Health Reimbursement Arrangement - to account for the City's funding for health insurance HRA and HSA deductibles.

**COMPONENT UNITS 1.2 Debt Service Ratio**

Legally separate organizations for which the elected officials of the primary government are financially accountable.

Downtown Development Authority (DDA) - to account for the tax increment revenue that is derived from various tax levies in the Downtown Development District, which is used to finance various improvements in the DDA area.

Local Development Finance Authority (LDFA) - to account for the tax increment revenue that is derived from various tax levies in the Local Development Finance Authority District, which is used to finance various improvements in the LDFA area.

The following debt management policy should be used to provide the general framework for planning and reviewing debt proposals. City Council recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City's debt position. Debt decisions should be the result of deliberative consideration of all factors involved.

### 1. General Debt Policy

- 1.1 The City shall seek to maintain and, if possible, to enhance its current bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the City demonstrates to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. The City will follow a policy of full disclosure by communicating with bond rating agencies informing them of the City's financial condition.
- 1.2 The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a manner consistent with the best interests of the City and taxpayers. Elected and appointed City officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the City Clerk.
- 1.3 Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

### 2. Taxpayer Equity

- 2.1 Marshall's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

### 3. Uses

- 3.1 Bond proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, vehicles such as fire engines, or other costs as permitted by law. Utility revenue bond proceeds may be used to establish a debt service reserve as allowed by State law. Acceptable uses of bond proceeds can be viewed as items, which can be capitalized. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bonds proceeds.

### 4. Decision Analysis

- 4.1 Whenever the City is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies assessing the City's creditworthiness. The subcategories are representative of the types of items to be considered. The Finance Director will present this information to the City Manager:

#### 4.1.a Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden
- Debt history and trends
- Adequacy of debt and capital planning
- Obsolescence of capital plant

#### 4.1.b Financial Analysis

- Stability, diversity, and growth rates of tax or other revenue sources
- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure trends
- History and long-term trends of revenues and expenditures
- Evidences of financial planning
- Adherence to generally accepted accounting principles
- Audit results
- Fund balance status and trends in operating and debt funds
- Financial monitoring systems and capabilities
- Cash flow projections

- 4.1.c Governmental and Administrative Analysis
    - Government organization structure
    - Location of financial responsibilities and degree of control
    - Adequacy of basic service provision
    - Intergovernmental cooperation/conflict and extent of duplication
    - Overall city planning efforts
  - 4.1.d Economic Analysis
    - Geographic and location advantages
    - Population and demographic characteristics
    - Wealth indicators
    - Housing characteristics
    - Level of new construction
    - Types of employment, industry, and occupation
    - Evidences of industrial decline
    - Trend of the economy
  - 4.2 The City may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the City's creditworthiness and marketability of the City's bonds, this policy is intended to ensure that potential debt complies with all laws and regulations, as well as sound financial principles.
5. **Debt Planning**
- 5.1 Unlimited-tax general obligation bond borrowing should be planned and the details of the plan should be included in the City's Capital Improvement Plan.
  - 5.2 Unlimited-tax general obligation bond issues should be included in at least two Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.
6. **Communication and Disclosure**
- 6.1 Significant financial reports affecting or commenting on the City will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U.S. & Canada.

- 6.2 The City should attempt to develop coordinated communication processes concerning collective plans for future debt issues with all other jurisdictions with which it shares a common property tax base. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

## **7. General Obligation Bonds**

- 7.1 Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating, maintenance and depreciation costs associated with the project.
- 7.2 Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The City will attempt to keep the average maturity of general obligation bonds at or below 25 years. The City will limit the total of its general obligation debt to 10% of the City's assessed value.
- 7.3 Whenever possible, the City will finance capital projects by using self-supporting revenue bonds. Revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.

## **8. Limited Tax General Obligation Debt**

- 8.1 Limited tax general obligation bonds should be considered only when constraints preclude the practice of voter approved general obligation bonds. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been investigated. Consideration should always be given to provide a pledge of facility revenue to accompany the basic pledge of limited tax revenues.
- 8.2 Limited tax general obligation bonds should only be issued under certain conditions:
- 8.2.a A project to be financed will generate positive net revenues, i.e., additional revenues generated by the project will be greater than the debt service requirements. The net revenues should be positive over the life of the bonds, and be positive each year if possible. The City recognizes that net revenues may not be positive in the early years of certain projects, but should be positive within a reasonable time period of five to seven years. These calculations will be made on a conservative basis so that the potential for a long-term net decrease in general fund revenues is minimized.

8.2.b Matching fund monies are available which may be lost if not applied for in a timely manner.

8.2.c Catastrophic conditions.

**9. Debt Coverage**

9.1 It is City policy that each utility or enterprise should provide adequate debt service coverage. This coverage is outlined in detail within the City's Fund Balance/Net Position Policy. An example of the debt coverage calculation is below.

*EXAMPLE*

<u>Debt Coverage Example:</u>	
Operating Revenues	\$14,000,000
Operating Investment Income	<u>800,000</u>
Total Operating Revenue	\$14,800,000
Operating Expenses	\$11,500,000
Less: Depreciation and Amortization	<u>1,000,000</u>
Net Expenses	\$10,500,000
Net Revenue Available for Debt Service	\$ 4,300,000 (1*)
Principal	\$ 1,500,000
Interest	<u>2,000,000</u>
Total Debt Service	\$ 3,500,000 (2*)
Debt Coverage Ratio (1* divided by 2*)	1.23

*EXAMPLE*

**10. Short Term Financing/Capital Lease Debt**

10.1 Short-term financing or capital lease debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds \$100,000. Adequate funds for the repayment of principal and interest must be included in the requesting service area's approved budget.

10.2 The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.

City Council recognizes the importance of a CIP policy to guide capital programming because: 1) it provides a better understanding of the basis for a CIP, 2) it raises issues that should be discussed, and 3) it provides more specific guidance to the City Manager as well as to the departments that propose capital improvements. This policy is intended to be the basis for deliberation and debate. Both policies and priorities change over time as new components of the master plan are adopted.

- 1) The Capital Improvements Program plays an increasingly significant role in the implementation of the master plan, providing the link between planning and budgeting for capital projects. Nearly all of the capital improvement project requests will evolve, over time, from a component of the master plan. All City departments will be asked to take a more active role in the planning process so that master plan components are consistently reviewed when planning for capital improvements.
- 2) The Capital Improvements Program will continue to evolve by adding features each year to gradually improve its quality and sophistication. Greater attention will be devoted to more detailed information about individual project requests, program planning, fiscal analysis, fiscal policies, and developing debt strategy.
- 3) Projects first will be evaluated in relation to each other before consideration is given to available financing. Projects will be prioritized as a matter of implementing the goals and objectives of adopted plans and policies, not as a matter of available funds.
- 4) Capital projects that encourage private economic investment in the City will be considered relative to components of the master plan.
- 5) Projects that maintain the existing infrastructure normally will take precedence over projects that create or expand facilities.
- 6) The City must develop sources of revenue to pay for capital expenditures that do not use, or compete for, resources from the General Fund.
- 7) A successful capital improvements program cannot be achieved without the understanding and support of the taxpayers and voters. A more comprehensive effort to involve the public in the process will ensure that their concerns, preferences, and priorities are considered.
- 8) The Capital Improvements Program must strive to provide for services equally among all residents of the City and to focus on those projects that provide the most benefit to the entire community.
- 9) Projects that are necessary to protect against a clear and immediate risk to public health or public safety should be regarded as highest priority.