

CITY COUNCIL
WORK SESSION AGENDA
Tuesday, February 22, 2011
6:00 PM – 6:45 PM

A. Cronin Building Redevelopment

B. Future Work Sessions

Septage Receiving Station (3/7)

Consolidated solid waste pickup (3/21)

Possible Topics:

Historic District Ordinance

C. Other Items

LaFollette Custom Homes, Ltd.
Rediscovering Our Architectural Heritage
www.lafollettecustomhomes.com

145 W. Grand River Avenue, Williamston, MI 48895
517-655-3616 Fax 517-655-2470

Ms. Diane Larkin
Marshall's DDA Mainstreet
Marshall, Michigan

November 22nd, 2010

Dear Ms. Larkin,

Thanks for arranging the work session with your City Council. Please let Council know that I felt very welcome and hope that we can work together to revitalize the Cronin Building in your Historic Downtown.

My company, LaFollette Custom Homes, Ltd., is currently redeveloping a 10,000 square foot historic building in Downtown, Williamston. Michigan Brewing Company has signed a five year lease with me to occupy the first floor. I have two condo's already sold and I am waiting on final funding notification from MSHDA on low income rental housing Grants. As you may recall I entered into a development agreement with the City of Williamston before the City purchased the building with a Signature Building Grant from MEDC.

Please review the following proposal and feel free to contact me if you would like to meet again to work out any additional details.

PROPOSAL:

Step 1: City of Marshall would agree to work exclusively with LaFollette Custom Homes for a period of five month. During this period LaFollette Custom Homes, would design the renovations to the Cronin Building necessary for a first floor restaurant, retail space and second and third floor apartments. The design would be used to develop a budget for reconstruction and to attract other public funding from MEDC, SHPO and MSHDA. The drawings will remain the property of the City of Marshall.

As MSHDA will not allow funding until a clean site is verified by a Phase I and Phase II environmental, the City of Marshall will proceed at the same time to complete the necessary review. The cost of the review will be paid by the City of Marshall directly or will be reimbursed by other public funding sources.

Assuming the review comes back with no ground contamination from dry cleaning chemicals, petroleum products or other contaminates, LaFollette will use the review and its architectural design to pursue funding guarantees from MSHDA and to attract private investment.

If the review comes back showing contamination in need of remediation the City shall assess the cost of clean-up and determine if it would like to continue the relationship with LaFollette. LaFollette will have the opportunity to review clean-up cost to decide if it would pay for the clean-up if the City decides it is no longer in their financial interest.

Step 2: Once the plans are complete, a clean site is verified and funding guarantees are in place, LaFollette plans to raise 400-500 thousand dollars in investment capital that would be required for the renovations. LaFollette also plans to attract a restaurant to occupy most of the first floor. The restaurant would eventually create the 10 jobs needed to satisfy the job creation requirement of MEDC's Signature Building Grant.

Step 3: If LaFollette is successful in raising the necessary capital and in securing a restaurant then LaFollette and the City will enter into a Development Agreement that would have a minimum of 5 years tax abatement, and a purchase price of one dollar at the completion of the MEDC Grant period.

Time line:

January/February 2011:

Develop Architectural plans for the buildings redevelopment.

1. Cost to the City of Marshall: \$20,000.00 for architectural plans
2. Cost to the City of Marshall: \$8,000.00 for engineering fees

Arrange for phase I and Phase II environmental assessment

1. Cost to the city of Marshall? Brownfield money is available for this process.

Develop relationship with Restaurant that would sign a five year lease. This arrangement is not difficult to achieve if the restaurant will get its rents reduced to 1.00/year after the Grant period (this is the same concept that I am using in Williamston.)

March/April 2011:

Secure Private funding in the amount of 400-500 hundred thousand dollars

May 2011:

Enter into a development Agreement with the City of Marshall.

1. Cost to the City of Marshall 6 thousand dollars for attorney's fees.

OPTION AGREEMENT

This Agreement is made this ____ day of _____, 2011, between the City of Marshall, a Michigan municipal corporation, of 323 W. Michigan Avenue, Marshall, Michigan, 49068, ("the City"), and CRONIN BUILDING REDEVELOPMENT, LLC., a limited liability company to be formed hereinafter "the Developer."

The City owns a commercial building and the real estate where the commercial building is located. This real estate, hereinafter "the Real Property," is located at 101 W. Michigan Avenue, Marshall, Michigan.

1. Option Agreement. In exchange for the payment of One (\$1.00) Dollar from the Developer to the City, the receipt and acceptance of which is acknowledged, the City binds itself to the terms of the attached Agreement for Lease, Development and Purchase of Real Estate, attached hereto as Exhibit A and incorporated herein by reference. Further, the City grants to the Developer the exclusive right to enter in to the attached Agreement, subject to the conditions below.

2. Expiration of Option. This option shall automatically expire on the ____ day of April, 2011, or upon the failure of the Developer to meet any of the deadlines contained herein, or upon the receipt by the City of written notice from the Developer of its intent not to enter in to the Agreement for Lease, Development and Purchase of Real Estate.

3. Developer's Deadlines. In exchange for the continuing exclusive right to develop the property, the Developer agrees to provide the following items to the City within the time set forth:

a. On or before March 25, 2011 the Developer shall provide the City with conceptual architectural drawings for the street-level interior and the complete exterior rehabilitation of Real

Property, in accordance with guidelines established by the Michigan State Historic Preservation Office (MiSHPO) for preserving historic structures. Such drawings shall be in a form acceptable to MiSHPO, shall be in electronic format and shall be the property of the City, whether or not the Developer exercises its Option to proceed with the development of the property. The Developer shall adopt plans acceptable to MiSHPO on or before June 30, 2011, and shall adhere to such plans and specifications for rehabilitation and refurbishment of the Real Property.

City agrees to pay LaFollette Custom Homes, Ltd. for preliminary and final architectural plans bearing the seal of a licensed architect, to be utilized by the Developer pursuant to the City's normal payment procedures, provided that said plans shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by City for the architectural plans shall not exceed Twenty Thousand (\$20,000.00) Dollars.

b. On or before March 25, 2011 Developer shall furnish to the City copies of all engineering reports, plans and specifications related to the Real Property identifying areas of concern related to the structural, mechanical or electrical systems within the Real Property and proposed solutions to such concerns. City agrees to pay the fees of a registered Professional Engineer of Developer's choosing for engineering inspection and plans related to the project pursuant to the City's normal payment procedures, provided that all reports and recommendations shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by the City for engineering services shall not exceed Eight Thousand (\$8,000.00) Dollars.

c. On or before July 29, 2011 the Developer shall provide to the City either:

(i.) a written letter of commitment from an entity or individual reasonably acceptable to the City indicating the willingness and ability to proceed with the formation and operation of a restaurant within the premises upon terms acceptable to the Developer; or

(ii.) written proof in form and substance reasonably acceptable to the City of a commitment from one or more entities or individuals indicating the willingness and ability to provide funding to the project in an amount not less than Three Hundred Fifty Thousand (\$350,000.00) Dollars upon terms acceptable to the Developer.

4. Entire Agreement. This Agreement and all other writings executed by both parties and clearly intended to bind both parties shall be construed as part of a single, over-arching agreement.

5. Jurisdiction and Venue. This Agreement shall be construed according to the laws of the State of Michigan, and by a court of competent jurisdiction in Calhoun County, Michigan.

IN WITNESS WHEREOF, the duly authorized representatives of the parties set their hands and seals on the day and year first above written.

Signed by: CITY OF MARSHALL

CRONIN BUILDING REDEVELOPMENT, LLC

By _____
Sandra Bird, Clerk-Treasurer

By _____
Steve Eyke
Its: Organizer

Drafted by:
Paul K. Beardslee (P42177);
Beardslee Law Office, PLC
Attorney for City
206 S. Kalamazoo Avenue, Marshall, MI 49068
269-781-5193

PROPERTY LEASE & DEVELOPMENT AGREEMENT

The City of Marshall, a Michigan municipality of 323 W. Michigan Avenue, Marshall, Michigan, the "Lessor", and Cronin Building Redevelopment, LLC, a limited liability company to be formed, of 145 W. Grand River Ave., Williamston, MI 48895, the "Lessee", enter into this lease subject to the following conditions:

1. Premises. The Lessor leases to the Lessee the real property and improvements commonly known as The Cronin Building and more particularly described in the attached Exhibit A.
2. Term. The term of this lease shall begin upon the execution hereof and shall continue until the fifth anniversary of the satisfaction of all requirements under the MSHDA Grant referred to in the Agreement for Lease, Improvement and Purchase of Real Estate executed on _____, 2011 between these parties, the terms of which are incorporated into this Lease by reference.
3. Rent. During the term of this lease, the Lessee shall pay a rent to the City on a monthly basis in the amount of Ten Dollars (\$10.00) per month.
4. Acceptance of occupancy. The Lessee shall commence occupancy of the premises on the commencement date and begin paying rent as required by this lease. The Lessee acknowledges that the premises are in a state of repair that is acceptable for the Lessee's intended use of the premises. The Lessee accepts the premises as they are.
5. Vacation of the premises. The Lessee shall not vacate or abandon the premises during the term of this lease or any renewal. If the Lessee does abandon or vacate the premises or is dispossessed by process of law or otherwise, any of the Lessee's personal property that is left on the premises more than seven days shall be deemed abandoned by the Lessee, at the option of the Lessor.
6. Use. The premises are to be used and occupied by the Lessee and its subtenants for residential purposes, retail sales, services and associated uses. No portion of the street level shall be utilized for residential purposes. A portion of the street level of the Real Property shall be utilized for retail or restaurant purposes, including at least the north forty feet (40') of the interior of the street level. No activity shall be conducted on the premises that do not comply with all state and local laws.

7. Maintenance. The Lessee shall be responsible for maintaining the premises in good and safe condition, and compliance with all building codes and requirements. Lessor makes no warranty concerning the status of any of the systems in the premises.
8. Signs. All signs placed on the premises shall be in keeping with the character and decor of the premises and shall comply with local zoning requirements.
9. Entry and inspection. The Lessee shall permit the Lessor or the Lessor's agents to enter the premises at reasonable times and with reasonable notice, to inspect and repair the premises.
10. Assignment and subletting. The Lessee may not assign its interest in this Lease without the prior written approval of the City . The Lessee may sublet all or any portion of the premises without prior approval from the City. No sublease of any portion of the premises will serve to excuse the Lessee's performance under the terms of this agreement.
11. Trade fixtures. All trade fixtures and movable equipment installed by the Lessee in connection with the business it conducts on the premises shall remain the property of the Lessee and shall be removed when this lease expires. The Lessee shall repair any damage caused by the removal of such fixtures, and the premises shall be restored to the original condition.
12. Waiver of Subrogation: By acceptance of this lease, Lessor and Lessee mutually agree to waive their rights of subrogation against the other in the event of a fire or other damage or other loss to the building structure or the personal property therein, or loss of business income. Further, Lessor and Lessee agree to waive the rights of subrogation of their respective insurers in the event of such damage or other loss.
13. The Lessee's Liability. All the Lessee's personal property, including trade fixtures, on the premises shall be kept at the Lessee's sole risk, and the Lessor shall not be responsible for any loss of business or other loss or damage that is occasioned by the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises. Lessee shall be solely responsible for procuring, at Lessee's expense, fire insurance and insurance for other customary perils of loss as Lessee solely shall deem appropriate covering Lessee's business property of every type, but not limited to inventory, furniture, and fixtures, machinery and equipment and improvements and betterments. Lessee further acknowledges and agrees that nothing in this lease shall be construed that Lessor is responsible in any way for damage or other loss to Lessee's business property, or

for loss of business income, or other loss, from any reason except as set forth in paragraph 18, below.

14. Destruction of the premises. If the premises are totally destroyed through no fault of the Lessee or if the premises cannot be repaired and restored within 180 days, either party may terminate this lease effective the date of the destruction by giving the other party written notice of termination within 10 days after the destruction. If such a notice is given within that period, this lease shall terminate and rent shall be adjusted between the parties to the date of the surrender of possession. If the notice is not given within the required period, this lease shall continue, without abatement of rent, and the Lessor shall repair the premises.
15. Mutual releases. The Lessor and the Lessee, and all parties claiming under them, release each other from all claims and liabilities arising from or caused by any hazards covered by insurance on the leased premises or covered by insurance in connection with property or activities on the premises, regardless of the cause of the damage or loss. The Lessor and the Lessee shall each include appropriate clauses waiving subrogation against the other party, consistent with the mutual release in this provision, in their insurance policies on the premises.
16. Condemnation. If any part of the premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Lessor or the Lessee may terminate this lease, effective the date the public authority takes possession. All damages for the condemnation of the premises, or damages awarded because of the taking of the premises, shall be payable to and the sole property of the Lessor. Any damages awarded as a result of harm to Lessee's business shall be the sole property of the Lessee.
17. Indemnity. The Lessor and Lessee agree mutually agree to waive their rights of subrogation against the other for any liability, loss, damage, cost, or expense (including attorney fees) based on any claim, demand, suit, or action by any party with respect to any personal injury (including death) or property damages, from any cause, except for liability resulting from the negligence, intentional acts or gross negligence of the Lessee or Lessor or their employees, agents, invitees, or business visitors.
18. Default and reentry. If the Lessee fails to pay rent when due; if the Lessee fails to perform any other obligations under this agreement within 10 days after receiving written notice of

the default from the Lessor; if the Lessee makes any assignment for the benefit of creditors or a receiver is appointed for the Lessee or its property; or if any proceedings are instituted by or against the Lessee for bankruptcy (including reorganization) or under any insolvency laws, the Lessor may terminate this lease, reenter the premises, and seek to relet the premises on whatever terms the Lessor thinks advisable. Notwithstanding reentry by the Lessor, the Lessee shall continue to be liable to the Lessor for rent owed under this lease and for any rent deficiency that results from reletting the premises during the term of this lease. Notwithstanding any reletting without termination, the Lessor may at any time elect to terminate this lease for any default by the Lessee by giving the Lessee written notice of the termination.

In addition to the Lessor's other rights and remedies as stated in this lease, and without waiving any of those rights, if the Lessor deems necessary any repairs that the Lessee is required to make or if the Lessee defaults in the performance of any of its obligations under this

lease, the Lessor may make repairs or cure defaults and shall not be responsible to the Lessee for any loss or damage that is caused by that action. The Lessee shall immediately pay to the Lessor, on demand, the Lessor's costs for curing any defaults, as additional rent under this lease.

19. Liability: Lessee shall procure at its expense, Liability Insurance for Bodily Injury and Property Damage in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall include additional insured provisions naming Lessor. As evidence of this lease requirement, Lessee shall provide, or cause to be provided, a Certificate of Insurance complying with this provision, and noting that Lessor shall be given 30 days prior written notice of cancellation or material change. Lessee shall be solely responsible for insuring against losses sustained due to business interruption, dramshop liability (if applicable), or destruction of personal property on the premises.
20. Taxes: Lessor shall be solely responsible for the timely payment of all real and personal property taxes and special assessments levied against the property.
21. Notices. Any notices required under this lease shall be in writing and served in person or sent by registered or certified mail, return receipt requested, to the addresses of the parties

stated in this lease or to such other addresses as the parties substitute by written notice. Notices shall be effective on the date of the first attempted delivery.

22. The Lessee's possession and enjoyment. As long as the Lessee pays the rent as specified in this lease and performs all its obligations under this lease, the Lessee may peacefully and quietly hold and enjoy the premises for the term of this lease.
23. Holding over. If the Lessee does not vacate the premises at the end of the term of this lease, the holding over shall constitute a month-to-month tenancy at a monthly rental rate to be set by the Lessor at its sole discretion.
24. Entire agreement. This agreement together with the Agreement for Lease, Improvement and Purchase of Real Estate contain the entire agreement of the parties with respect to their subject matter. These agreements may not be modified except by a written document signed by the parties. In the event of any conflict between this document and the Agreement for Lease, Improvement and Purchase of Real Estate, then the terms of that document shall control.
25. Waiver. The failure of the Lessor to enforce any condition of this lease shall not be a waiver of its right to enforce every condition of this lease. No provision of this lease shall be deemed to have been waived unless the waiver is in writing.
26. Binding effect. This agreement shall bind and benefit the parties and their successors and permitted assigns.
27. Time is of the essence. Time is of the essence in the performance of this lease.
28. Effective date. This lease shall be effective as of the _____ day of _____.

Lessor
City of Marshall Michigan

Lessee

by: Sandra Bird
Its: Clerk Treasurer

Drafted by:
Paul K. Beardslee (P42177)

AGREEMENT FOR LEASE, IMPROVEMENT AND PURCHASE OF REAL ESTATE

This Agreement is made this ____ day of _____, 2011, between the City of Marshall, a Michigan municipal corporation, of 323 W. Michigan Avenue, Marshall, Michigan, 49068, (“the City”), and CRONIN BUILDING REDEVELOPMENT, LLC., a limited liability company to be formed hereinafter “the Developer.”

The City owns a commercial building and the real estate where the commercial building is located, free of encumbrances, except as identified herein, and subject to easements and restrictions of record. This real estate, hereinafter “the Real Property,” is located at 101 W. Michigan Avenue, Marshall, Michigan, and described as follows on the attached “Exhibit A” which is incorporated into this Agreement.

The Real Property is in substantial need of improvement and rehabilitation. The City has acquired the Real Property by utilizing a grant from the Michigan State Housing Development Authority of the State of Michigan (MSHDA). The amount of this grant is Three Hundred Thousand Dollars (\$300,000.00). A copy of the Grant Agreement made between the State of Michigan and the City of Marshall, dated December 1, 2006, is attached to this Agreement as “Exhibit B” and made a part of this Agreement.

The purpose of this Agreement is to secure an investment by the Developer in the Real Property in the amount of not less than Three Hundred Fifty Thousand (\$350,000) Dollars on terms that provide sufficient incentive for the Developer to become a party to this project.

Consequently, the parties agree as follows:

1. Lease to Developer. The City will lease the Real Property to the Developer for a period beginning on the _____ day of _____, 2011 and ending on the fifth anniversary of the completion of the requirements of the Grant Agreement referred to above. During the term of the lease, the Developer shall pay a rent to the City on a monthly basis in the amount of Ten Dollars (\$10.00) per month. On or before the first day of the leasehold term the parties shall execute a Lease Agreement, the form of which is attached to the Agreement as "Exhibit C," and is made a part of this Agreement.

2. Plans and Specifications for Rehabilitation of Property. The Developer shall provide the City with conceptual drawings for the street-level interior and the complete exterior rehabilitation of Real Property, in accordance with guidelines established by the Michigan State Historic Preservation Office (MiSHPO) for preserving historic structures. Such conceptual drawings must be provided to the CITY on or before March 25, 2011 and shall be in a form acceptable to MiSHPO. The Developer must develop plans and specifications acceptable to MiSHPO on or before June 30, 2011 and shall adhere to such plans and specifications for rehabilitation and refurbishment of the Real Property. Failure on the part of the Developer to submit and comply with such architectural plans and specifications may jeopardize grant funds and shall constitute a material breach of this Agreement.

City agrees to pay LaFollette Custom Homes, Ltd. for preliminary and final architectural plans bearing the seal of a licensed architect, to be utilized by the Developer pursuant to the City's normal payment procedures, provided that said plans shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans

shall be and remain the property of the City. The total amount paid by City for the architectural plans shall not exceed Twenty Thousand (\$20,000.00) Dollars.

City agrees to pay the fees of a registered Professional Engineer of Developer's choosing for engineering inspection and plans related to the project pursuant to the City's normal payment procedures, provided that all reports and recommendations shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by the City for engineering services shall not exceed Eight Thousand (\$8,000.00) Dollars.

3. Asbestos Abatement. After the Developer exercises its option to proceed with the development of the property, then City shall, directly or indirectly, remove or seal in place all asbestos materials identified in the basement of the building in reports provided to the City dated July 1, 2008.

4. Developer's Subsequent Purchase from City. The Developer shall purchase the Real Property from the City upon the expiration of the leasehold term for the costs of closing the transaction, including, but not limited to, the price of an Owner's Policy of Title Insurance for the Developer, the fee of the closing agent, if any, and the costs or fees for recording the deed at the Calhoun County Register of Deeds Office. The City shall provide an appropriate Warranty Deed to the Developer at closing. All Real Property taxes and costs of Casualty Insurance on the Real Property shall be prorated to the date of closing, provided the same has not been reflected in leasehold payments paid by the Developer.

5. Repayment Upon Default. In the event that the City takes possession of the Real Property following a default by the Developer in the performance of any obligation under the Lease Agreement and the Developer has directly invested not less than Three Hundred Fifty

Thousand (\$350,000.00) Dollars in materials and labor in the Real Property as required by paragraph 13 below, City shall pay to the Developer a portion of the net sale proceeds from the subsequent sale of the Real Property. The amount of such repayment shall be the lesser of (1) the amount actually invested by Developer in physical improvements to the Real Property, including labor and material as supported by documentation satisfactory to the City, or (2) the sum received by the City for the subsequent sale of the Real Property less all funds invested in the Real Property by the City and the Downtown Development Authority regardless of the source of such funds.

6. No Warranty. When the City conveys the Real Property to the Developer, the City shall warrant marketable title to the Real Property, subject to easements of record. The City shall be in receipt of a Phase I environmental assessment satisfactory to the Developer before the Developer is obligated to proceed hereunder. In all other respects, however, the Developer shall take the real property "as is." The City shall, and hereby does, disclaim any warranty, expressed or implied, of whatever nature, with respect to the Real Property with the sole exception of a Warranty of Title. The City has made no representations to the Developer, and the Developer has relied upon no representations by the City concerning the Real Property except for those representations contained in this Agreement.

7. Liquor License Availability. The City is informed and believes that a liquor license will be available at the Development from the State of Michigan, Liquor Control Commission, under Public Act 501 of 2006 related to liquor licenses in Development Districts, provided that the Liquor Control Commission's requirements are met. If such a liquor license is not available at this location then the City will cooperate with Developer in obtaining another liquor license.

8. Binding Effect of Grant Agreement. The Developer and/or Developer's authorized representatives have reviewed the Grant Agreement attached to this Agreement as "Exhibit B". The Developer agrees to be bound by the terms of the Grant Agreement and to do no act or thing in connection with its involvement with the Real Property which contravenes the terms of the Grant Agreement, except that the City shall deem the job creation requirement to have been satisfied by the Developer upon the creation of ten (10) qualifying jobs, rather than the fifteen (15) required in the Grant Agreement. The Developer shall assist, and cooperate with the City in order that all requirements of the Grant Agreement between and among the parties are fulfilled.

9. Job Creation. The Developer shall, on or before July 30, 2012, or such other date as may be acceptable to MSHDA in writing, but not later than December 31, 2012, create at least ten (10) full-time equivalent jobs at the Real Property. These jobs may include jobs of employees who are employed by the Developer or jobs of employees who are employed by the tenants and occupants of the Real Property. The jobs to be created will be an hourly rate at or exceeding minimum wage and at least fifty-one percent (51%) of the created jobs shall be made available to, or held by, low and moderate-income persons. If the rehabilitation project on the Real Property results in the creation of more than ten (10) jobs, then the requirement that fifty-one percent (51%) of the created jobs shall be made available to, or held by, low and moderate-income persons shall apply to fifty one percent (51%) of all of the jobs created on the Real Property on or before the satisfaction of all requirements of the MSHDA Grant referred to above. The Developer and its tenants shall cooperate with the City to use the Income Certification Form attached to "Exhibit D" when documenting actual job creation. The Income Certification form shall be used until the project is formally closed out by the Michigan State Housing Development Authority.

10. Real Property Tax. The City shall be solely responsible for the payment of real property taxes, if any, on the building during the term of the lease. The City will consider requests for real property tax abatements under Michigan's Neighborhood Enterprise Zone program or other applicable programs at the end of the leasehold term.

11. Insurance. During the term of the lease the City shall obtain and maintain insurance on the structure in an amount adequate to pay for its repair or replacement. The Developer or its sub-lessees shall be responsible for fire, casualty and liability insurance covering the building and its contents, and for business interruption insurance, workers compensation insurance and all other appropriate insurance.

12. Reporting Requirements. The Developer shall assist and cooperate with the City in preparation of Program Progress Reports for filing with the State of Michigan beginning June 1, 2011, and every six (6) months thereafter, as required by the Grant Agreement.

13. Repayment Obligation. The City and the Developer acknowledge that the Grant Agreement requires the repayment of a prorated portion of the proceeds of the grant in the amount of Three Hundred Thousand Dollars (\$300,000.00) to the State of Michigan if the Real Property is sold by the City prior to five (5) years following the day of closing on the grant. If such repayment is required, it shall be funded first from the sale of the Real Property, with the Developer being solely responsible for the payment of any remaining balance.

14. Further Investment Required. On or before July 30, 2012, the Developer shall invest at least Three Hundred Fifty Thousand Dollars (\$350,000) in the rehabilitation and improvement of the Real Property in cash or in-kind. Grant funding from the State of Michigan shall not be applied toward this investment requirement. The Developer shall provide a detailed report and summary of its investment in the Real Property to the City on or before July 30, 2012. In

addition, the Developer shall furnish to the City true copies of so much of the original documents, such as invoices, work orders, records of activity, and all other documentation in the Developer's possession or control which served the Developer in the preparation of the summary and report to the City of the Developer's investment in the Real Property. Any improvements to the Real Property shall be considered fixtures and shall remain the property of the City upon expiration of the lease, subject to Developer's right to purchase the Real Property as contemplated herein.

15. Work Standards. The Real Property is located in the National Historic Landmark District in the City of Marshall. In the course of rehabilitation work to the Real Property, the Developer shall follow, and comply with, work standards for historic preservation as outlined in the Secretary of Interior's Standards and as approved by MiSHPO. Developer shall also maintain the interior and exterior of the Real Property in a good and responsible manner, including but not limited to; complying with the applicable construction code, property maintenance code, and applicable ordinances relating to the maintenance of the sidewalks outside the building.

16. Performance Bond. Developer shall procure at the City's expense not to exceed Eight Thousand (\$8,000.00) Dollars a performance bond, ensuring the proper performance under the terms of this Agreement from an insurance carrier or other entity reasonably acceptable to the City.

17. Choice of Law and Jurisdiction and Venue. This Agreement shall be interpreted under the laws of the State of Michigan, except for that body of law pertaining to choice of law. Any dispute hereunder shall be adjudicated in courts of the State of Michigan in Calhoun County, Michigan, or the United States District Court for the Western District of Michigan.

18. Entire Agreement. This Agreement contains the entire agreement reached between the parties. It may only be modified in a written document that expressly refers to this Agreement and is signed by representatives of all of the parties.

19. Captions. The paragraph captions contained in this Agreement are for convenience only and shall not be construed to change the meaning of the captioned paragraphs.

IN WITNESS WHEREOF, the duly authorized representatives of the parties set their hands and seals on the day and year first above written.

Signed by: CITY OF MARSHALL

By _____
Sandra Bird, Clerk-Treasurer

Cronin Building Redevelopment, LLC

By: Steve Eyke
Its: Organizer

Drafted by:

Paul K. Beardslee (P42177);
Beardslee Law Office, PLC
Attorney for City
206 S. Kalamazoo Avenue, Marshall, MI 49068
269-781-5193

Exhibit A

The following land situated in the City of Marshall, Calhoun County, Michigan, legally described as:

LOTS 5 AND 6 AND THE NORTH 42 FEET OF LOT 227 OF THE UPPER VILLAGE (NOW CITY) OF MARSHALL, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 3

OF PLATS, ON PAGES 12 AND 13, IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PREMISES AS RECORDED IN LIBER 207, PAGE 371, AND LIBER 247, ON PAGE 543:

COMMENCING ON THE SOUTH LINE OF WEST MICHIGAN AVENUE, FORMERLY STATE STREET, SAID POINT BEGIN FIXED BY NORTHWEST CORNER OF S.E. CRONIN PRESENT BUILDING; THENCE SOUTH 8 RODS TO NORTH LINE OF LOT 227 OF THE UPPER VILLAGE, NOW CITY; THENCE WEST ON THE NORTH LINE OF SAID LOT 227, 52 FEET TO THE EAST LINE OF LOT 6, BLOCK 24, OF THE LOWER VILLAGE, NOW CITY, THENCE NORTH ON THE EAST LINE OF SAID LOT 6, BLOCK 24, TO SOUTH LINE OF WEST MICHIGAN AVENUE, FORMERLY STATE STREET; THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID LOT 227 TO THE PLACE OF BEGINNING, ALL BEING PARTS OF LOTS 5 AND 6 OF THE UPPER VILLAGE, NOW CITY, OF MARSHALL, CALHOUN COUNTY, MICHIGAN.

ALSO EXCEPTING THE FOLLOWING DESCRIBED PREMISES AS RECORDED IN LIBER 656, PAGE 95:

COMMENCING AT THE NORTHWEST CORNER OF LOT 227, UPPER VILLAGE PLAT, CITY OF MARSHALL, AS OCCUPIED AND RUNNING THENCE EAST ON THE NORTH LINE OF SAID LOT 227 A DISTANCE OF 52.2 FEET TO THE SOUTHEAST CORNER OF WILLIAM G. THICK PARCEL; THENCE NORTH 6.00 FEET ON TO LOT 6, UPPER VILLAGE PLAT; THENCE DUE EAST PARALLEL WITH THE SOUTH LINE OF SAID LOT 6 A DISTANCE OF 51.0 FEET TO THE WEST LINE OF JEFFERSON STREET, AT A POINT DISTANT 126.2 FEET SOUTH OF THE SOUTH LINE OF MICHIGAN AVENUE; THENCE SOUTH ON THE WEST LINE OF JEFFERSON STREET 20.00 FEET TO A POINT DISTANT 14.0 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 227, THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID LOT 55.62 FEET TO THE POINT OF CURVATURE OF A 1155.92 FEET RADIUS CURVE TO THE RIGHT; THENCE WESTERLY 47.59 FEET ON SAID 1155.92 FEET RADIUS CURVE TO THE RIGHT, THE CHORD OF WHICH BEARS NORTH 88 DEGREES 50' WEST 47.59 FEET, TO THE WEST LINE OF SAID LOT 227 AT A POINT DISTANT 13.03 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 13.03 FEET TO THE PLACE OF BEGINNING.

ALSO EXCEPTING PREMISES DESCRIBED IN LIBER 1307, PAGE 598:

ALL THAT PORTION OF THE FOLLOWING DESCRIBED PREMISES LYING SOUTH OF THE ALLEYWAY DESCRIBED IN THE DEED TO THE CITY OF MARSHALL, RECORDED IN LIBER 656 AT PAGE 95, AS DESCRIBED ABOVE; LOTS 5 AND 6 AND THE NORTH 42 FEET OF LOT 227 OF THE UPPER VILLAGE (NOW CITY) OF MARSHALL, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 3 OF PLATS, ON PAGES 12 AND 13, IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

EXCEPTING SO MUCH AS WAS PREVIOUSLY CONVEYED TO WILLIAM H. ARTHUR BY DEEDS RECORDED IN LIBER 207, PAGE 371, AND LIBER 247, PAGE 543, CALHOUN COUNTY RECORDS, AS DESCRIBED ABOVE.

TAX ROLL NUMBER: 13-53-001-005-00

Liquor Licenses for Redevelopment

PA 501 of 2006 (SB 162)

- The Liquor Control Commission (LCC) may issue new public on-premises liquor licenses to local units of government.
- Businesses must meet one of the following conditions:
 1. Development Districts
 2. City Redevelopment Project Areas
- These licenses are not transferable to another location, and if the business with a license goes out of business, the license is surrendered to the LCC.
- If a license is surrendered back to the LCC from a business, the local unit of government may approve another applicant in that same development district or city redevelopment project area to replace the licensee as long as the new business meets the same requirements.
- Licensed businesses must:
 1. Be engaged in dining, entertainment or recreation
 2. Be open to the general public
 3. Have a seating capacity of at least 50 people
 4. Demonstrate they attempted to purchase a readily available license within the municipality that they want to operate, and that one was not available
 5. Pay a \$20,000 fee for the license

* Development Districts

- Licenses may be issued to businesses in one of the following development districts:
 1. Tax Increment Finance Authority (TIFA)
 2. Corridor Improvement Authority
 3. Downtown Development Authority (DDA)
 4. Principal Shopping District (PSD)

- These business must do one of the following to receive a license:
 1. Expend at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years
 2. Commit capital investment of at least \$75,000 that will be expended for the building before the license is issued.
- The total amount of private and public investment in real and personal property in the development district must be at least \$200,000 for the preceding 5 years.
- Licenses will be issued for each of the above (\$200,000) monetary thresholds reached, and for each major fraction thereof after the initial threshold is reached.

City Redevelopment Project Areas

- A City Redevelopment Project Area is created by resolution of the city governing body.
- Licenses may be issued to businesses located in a City Redevelopment Project Area which:
 1. Are engaged in dining, entertainment, or recreation activities at least 5 days per week
 2. Are open to the public at least 10 hours per day, 5 days per week

Cities must:

1. Pass a resolution of the governing body of the city establishing a Redevelopment Project Area
 2. Have commercial investment in the Redevelopment Project Area within the city be 25% or more of the total investment in real and personal property in the redevelopment property area.
- City Redevelopment Project Area licenses will only be issued to cities that have total investment over the last 3 years (or last 5 years for the first licenses issued) in real and personal property in the
 - redevelopment area of:
 1. At least \$50 million in cities having a population of 50,000 or more, or
 2. At least \$1 million per 1,000 people in cities of less than 50,000
 - City Redevelopment Project Areas may receive one license for each of the above monetary threshold reached, and for each major fraction thereof after the initial threshold is reached.
 - These investment requirements are for the three years preceding the application for the license (or five years for the first licenses issued).

PA 502 of 2006 (SB 163)

- Prohibits any further new DDA-specific liquor licenses from being issued if SB 162 is approved (these are the 50 licenses that were previously allowed for under law – most of which have already been issued – and will be replaced by the new redevelopment licenses in SB 162).
- Allows the current DDA licenses to continue and be renewed.

NEIGHBORHOOD ENTERPRISE ZONE (NEZ)

The Neighborhood Enterprise Zone (NEZ) Program was established by **Public Act 147 of 1992**, as amended. The program provides a tax incentive for the development and rehabilitation of residential housing. A qualified local unit of government may designate one or more areas as a NEZ within that local unit of government. The program was established to spur the development and rehabilitation of residential housing in communities where it may not otherwise occur. The program also encourages owner-occupied housing and new investment in communities.

WHO IS ELIGIBLE TO APPLY?

A qualified local unit of government, as defined under Section 2 of the **Obsolete Property Rehabilitation Act 2000 PA 146**, or a county seat.

HOW DOES IT WORK?

A community will reduce the taxes on property for up to 15 years in designated areas to promote the revitalization of those neighborhoods. Developers and owners must first seek approval for the NEZ benefits before starting a project. There are two different types of projects that can be undertaken in an NEZ:

- A rehabilitated facility is defined as an existing structure or a portion of an existing structure with a current true cash value of \$80,000 or less per unit that has or will have as its primary purpose residential housing consisting of 1–8 units.
- A new facility is defined as a new structure or portion of a new structure that has as its primary purpose residential housing consisting of one or two units, one of which will be owner occupied as a principal residence. This definition includes a new individual condominium unit, in a structure with one or more condominium units, that has as its primary purpose residential housing which will be owner-occupied as a principal residence. Except when project meet *all* of the following items, a new facility does not include apartments:
 - Rented or leased or is available for rent or lease.

- A mixed use building or located in a mixed use building that contains retail business space on street level floor.
- Located in a qualified downtown district (Downtown Development Authority, Principal Shopping District, or boundaries identified by the local government in an area zoned and primarily used for business).

WHAT IS THE PROCESS?

Note: The following steps are offered as general guidelines only and the legislation should be reviewed by local officials prior to starting the designation process.

Local Government Process to Designate a NEZ

1. The governing body of a qualified local unit of government by resolution may designate one or more NEZs within that local governmental unit. The NEZ must contain, at a minimum, platted parcels of land and the land must be compact and contiguous. Minimum number of parcels and maximum percent of acreage vary depending on type of designation.
2. Written notice is provided to the assessor and to the governing body of each taxing unit not less than 60 days before passing the resolution designating a NEZ.
3. The governing body makes a finding that the proposed NEZ is consistent with the master plan, neighborhood preservation and economic development goals of the local governmental unit.
4. The governing body adopts a statement of the local unit of government's goals, objectives and policies relative to the maintenance, preservation, improvement and development of housing for all persons regardless of income level living within the proposed NEZ.
5. The governing body passes a housing inspection ordinance that, at a minimum, requires that before the sale of a unit in a new or rehabilitated facility for which a NEZ certificate is in effect, an inspection is made of the unit to determine compliance with any local construction or safety codes and that a sale may not be finalized until there is compliance with those local codes.

6. The governing body holds a public hearing not later than 45 days after the date the notice is sent but before acting upon resolution.
 7. Assessor determines and furnishes the governing body the amount of true cash value of the property located within the proposed NEZ and any other information considered necessary by the governing body.
 8. The clerk of the governing body notifies the state tax commission of resolution passage, including a copy of the resolution and a listing of each parcel located in the NEZ, showing parcel code numbers and addresses.
5. The State Tax Commission will issue a certificate to the applicant if it is determined that the facility complies with the NEZ program requirements within 60 days of receipt of the complete application from local government. Copies of the certificate will be sent to the applicant, assessor's office and each affected taxing unit.

Owner/Developer Process for Obtaining a NEZ Certificate

1. An owner or developer (or prospective owner or developer) of a proposed new facility or proposing to rehab property in a NEZ files an application for an NEZ certificate with the clerk of the local government. The application must be filed *before* a building permit is issued for the new construction or rehabilitation of the facility, unless they qualify for the exceptions provided for in Section 4 (2) of the NEZ Act.
2. An owner/developer obtains a building permit and submits a copy to the local unit of government.
3. Upon project completion, the property owner must submit to the local unit of government the following:
New Facility/Homestead Facility—certificate of occupancy and/or an affidavit executed by the owner affirming that the facility is occupied by the owner as a principal residence.
Rehabilitated Facility—an affidavit executed by the owner affirming that the facility is occupied by the owner as a principal residence, a certificate that the improvements have met the minimum cost requirements and the local building code standards issued by the local building inspector, and a certificate of occupancy if required by the local building permits or codes.
4. The local government will forward an application approved by resolution and the appropriate documentation (building permit, resolution contractor estimates, legal description and parcel number) to the state tax commission within 60 days of receiving it.

Rehabilitation Cost Requirements

- Improvements, if done by a licensed contractor, are estimated at more than \$5,000 per owner-occupied unit or 50% of the true cash value (whichever is less), or \$7,500 per non-owner-occupied unit or 50% of the true cash value (whichever is less).
- If the owner proposes improvements that would be done by the owner, the cost of the materials must be in excess of \$3,000 per owner-occupied unit or \$4,500 per non-owner-occupied unit. Improvements estimated by the owner should not include the cost of labor.
- These improvements must bring the structure into conformance with minimum building code standards. A rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss.

NEZ Certificate

- The NEZ certificate becomes effective December 31 of the year the new facility or rehabilitated facility is substantially completed and for a new facility occupied by an owner as a principal residence.
OR If a new facility is substantially completed in a year but is not occupied by an owner as a principal residence until the following year, upon the request of the owner, the effective date of the NEZ shall be December 31 in the year immediately preceding the date of occupancy by the owner as a principal resident.
OR Upon the request of the owner, the effective date of the NEZ for a rehabilitated facility shall be December 31 in the year immediately preceding the date on which the rehabilitated facility is substantially completed.

- Certificates are effective for up to 17 years, depending on the local government unit and the type of project.
- A certificate can be transferred to succeeding property owners within the 12 years provided that the new owner meets the NEZ requirements for the program.
- A certificate expires if an owner fails to complete the filing within two years after the certificate is issued.
- A certificate is automatically revoked if any one of the following exists:
 - The new facility is no longer a homestead or residential facility.
 - The NEZ tax is not paid or property tax is not paid.
 - The structure is not in compliance with local construction, building or safety codes.
- Requests for certificate revocation must be made to the State Tax Commission.

NEZ Tax

- The NEZ tax is levied on NEZ certificate holders in place of ad valorem real property taxes on the new or rehabilitated facility (not on the land on which the facility is located). The property taxes levied on the land will continue to be collected as they would without the NEZ designation.
- The NEZ tax is an annual tax payable at the same time, and in the same way, taxes under the general property tax act are collected.
- Until paid, the NEZ tax is a lien on the real property upon which the new facility or rehabilitated facility subject to the certificate is located.
- School taxes are reimbursed by the state.

New Facility Property Tax Calculation

- *Financial Residence Property*—Apply one-half of the previous year's state average principal residence millage rate to the value of the facility.
- *Non-Principal Residence Property*—Apply one-half of the previous year's state average non-principal residence millage rate to the taxable value of the facility
 - The NEZ tax on new construction attached to an existing facility will only apply to the addition. The rest of the facility will continue to be assessed regular property taxes.

Rehabilitated Facility Tax Calculation

- Apply the current total millage rate to the previous year's taxable value of the rehabilitated portion of the facility (not including the land).

WHY WOULD A COMMUNITY WANT TO ESTABLISH A NEZ?

A Neighborhood Enterprise Zone provides a tax incentive for the development and rehabilitation of residential housing and to spur the development and rehabilitation of residential housing in communities where it may not otherwise occur. A NEZ also promotes neighborhood revitalization, encourages owner occupied housing and new investment by lowering property taxes.

CONTACT INFORMATION

For more information contact the MEDC Customer Assistance Center at 517.373.9808.

COMMERCIAL REDEVELOPMENT ACT

Public Act 255 of 1978 encourages the replacement, restoration and new construction of commercial property by abating the property taxes generated from new investment for a period up to 12 years. As defined, commercial property means land improvements whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise, including office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Land and personal property are not eligible for abatement under this act.

WHO IS ELIGIBLE?

“Local governmental unit” means a city or village.

WHAT IS A REPLACEMENT, NEW AND RESTORED FACILITY?

Replacement Facility means commercial property to be acquired, constructed, altered, or installed for the purpose of being substituted for obsolete commercial property. Property impaired due to changes in design, construction, technology, or improved production processes, or damage due to fire, natural disaster, or general neglect shall be considered obsolete. All other *new* commercial property is considered a New Facility. For purposes of granting the tax abatement, the Replacement or New Facility must meet all following conditions:

1. Is located on property that is zoned to allow for mixed use, including high-density residential.
2. Is located in a qualified downtown revitalization district as defined in section 2 of the *Neighborhood Enterprise Zone act (PA 147 of 1992)*. This requires either being located in a *Downtown Development Authority (PA 197 of 1975)*, *Principal Shopping District* or a *Business Improvement District (PA 120 of 1961)* or an area that is zoned and primarily used for business as determined by the local government unit.
3. The city or village establishes and implements an expedited local permitting and inspection process in the Commercial Redevelopment District. In addition,

by resolution provides for the walkable non-motorized interconnections, including sidewalks and streetscapes throughout the Commercial Redevelopment District.

A “Restored Facility” means changes to obsolete commercial property as may be required to restore the property to an economically efficient condition. Restoration must result in improvements aggregating to *more than* 10% of the true cash value of the property at commencement of the restoration. Restoration includes major renovation including, but not limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to one or two stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes.

WHAT IS THE PROCESS?

Before the Commercial Redevelopment Exemption Certificate (i.e. property tax abatement) can be granted for the Facility, the city or village, by resolution of its legislative body, must establish a Commercial Redevelopment District. The establishment of the District may be initiated by the local government unit or by owners of property comprising 75% of state equalized value of the property in the proposed district. At the time of the resolution’s adoption, property within the District must meet one of the following:

1. Obsolete commercial property or cleared or vacant and which part of an existing developed commercial or industrial zone. The property must have been zoned commercial or industrial before June 21, 1975, and characterized by obsolete commercial property and a decline in commercial activity.
2. Land cleared as a result of fire damage, or cleared as blighted area under *Blighted Area Rehabilitation Act (PA 344 of 1945)*.

Cleared or vacant land included in a redevelopment plan adopted by the *Downtown Development Authority (PA 197 of 1975)* or *Principal Shopping District* or a *Business Improvement District (PA 120 of 1961)*.

To establish the Commercial Redevelopment District, the city or village must first hold a hearing to establish a Commercial Rehabilitation District and determine in the resolution the district meets the requirements of the Act.

Once the district is established, the property owners may file an application with the local clerk for a Commercial Facilities Exemption Certificate. Applications are available from the Michigan Department of Treasury. The local clerk shall provide written notification to the assessor of the local unit of government and each taxing jurisdiction that levies ad valorem property taxes of the application hearing. Before acting on the application, the city or village shall hold a public hearing on the application and not more than 60 days after receipt of the application either approve or disapprove the application by resolution. If approved, the application and resolution must be sent to the State Tax Commission for filing purposes.

COMMERCIAL FACILITIES EXEMPTION CERTIFICATE

The property owner must pay a Commercial Facilities Tax rather than the normal property tax. The certificate must be issued for a period of at least one year, but cannot exceed 12 years. Certificates initially issued for less than 12 years may be extended based upon factors placed in writing at the time the certificate is approved, but shall not exceed 12 years.

DETERMINING COMMERCIAL FACILITIES TAX RATE

For a Restored Facility: The Commercial Facilities Tax freezes the taxable value of the building at its value prior to restoration, therefore exempting the new investment from local taxes for a period not to exceed 12 years. The school operating tax and the State Education Tax (SET) are also frozen. Land and personal property cannot be abated under this act.

For a New or Replacement Facility: The Commercial Facilities Tax provides a 50% reduction in the number mills levied as ad valorem taxes, excluding only the State Education Tax (SET). Land and personal property cannot be abated under this act.

Within 60 days after the granting of a new Commercial Facilities Exemption Certificate, the State Treasurer may exempt 50% of the set mills for a period not to exceed six years. The State Treasurer will not grant more than 25 of these set exclusions each year.

SUPPORTING STATUTES

PA 255 of 1978-Commercial Redevelopment Act

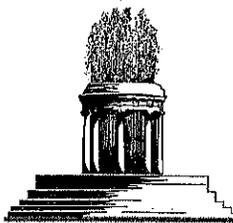
CONTACT INFORMATION

For more information contact the MEDC Customer Assistance Center at 517.373.9808, or visit our Web site at MichiganAdvantage.org.

MARSHALL CITY COUNCIL AGENDA

TUESDAY – 7:00 p.m.

FEBRUARY 22, 2011



HISTORIC MARSHALL

MAYOR: James Dyer

COUNCIL MEMBERS:
Ward 1 – Wayne Booton
Ward 2 – Nick Metzger
Ward 3 – Brent Williams
Ward 4 – Ryan Traver
Ward 5 – Jody Manckerian
At-Large – Kathy Miller

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) INVOCATION – Kris Tarkiewicz, 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. Marshall Area Senior Health Fair Endorsement Proclamation

City Council will consider a proclamation in support of the 2nd Annual Marshall Area Senior Health Fair on April 7, 2011.

B. Compost Center Agreement

City Council will consider the recommendation to enter into the Community Compost Center Agreement with the Calhoun County Road Commission and the Board of Public Works of Calhoun County and approve the proposed fees.

C. City Council Minutes

Work Session Monday, February 7, 2011

Regular Session Monday, February 7, 2011

D. City Bills

Regular Purchases \$ 92,606.86

Purchased Power \$ 624,773.71

Weekly Purchases – 2/4/11 \$ 58,914.68

Weekly Purchases – 2/11/11 \$30,658.28

Total \$ 806,953.53

8) PRESENTATIONS AND RECOGNITIONS

9) INFORMATIONAL ITEMS

10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

A. Public Hearing – Industrial Facilities Tax Exemption Certificate for Laserdyne Manufacturing, LLC

City Council will hear public comment regarding the proposed application for an Industrial Facilities Tax Exemption Certificate for LaserDyne Manufacturing, LLC.

B. Public Hearing – High Street Rezoning

City Council will hear public comment regarding the rezoning request for High Street, parcel #003-582-00, to change from PSP (Public/Semi-Public) to R-3 (Traditional Residential).

MAYOR: James Dyer

COUNCIL MEMBERS:
Ward 1 -- Wayne Booton
Ward 2 -- Nick Metzger
Ward 3 -- Brent Williams
Ward 4 -- Ryan Trayer
Ward 5 -- Jody Mankerian
At-Large -- Kathy Miller

C. Public Hearing – Motor Carrier Enforcement

City Council will hear public comment on the proposed changes to Chapter 71 of the Marshall City Code for Motor Carrier Enforcement.

11) OLD BUSINESS

12) REPORTS AND RECOMMENDATIONS

A. Cronin Building Development Agreement

City Council will consider the recommendation to authorize the Clerk-Treasurer to sign the Option Agreement, Property Lease & Development Agreement, and the Amendment for Lease Improvement and Purchase of Real Estate with Cronin Building Redevelopment, LLC for the redevelopment of the Cronin Building.

B. Byways Grant – Heritage Marketing and Promotion Contract

City Council will consider the recommendation to retain Morris Arvoy as the Heritage Marketing and Promotion consultant for \$20,000 and authorize the City Clerk to execute an agreement for services.

C. High Street Lot Sale

City Council will consider the recommendation to accept the bid from Oaklawn Hospital for \$63,000 for the High Street vacant lot and direct the City Attorney to prepare all pertinent sales documents.

D. Revisions to City Council Rules of Procedure

City Council will consider the revisions to the Rules of Procedure.

E. Police Vehicle Purchase

City Council will consider the recommendation to authorize the purchase of a 2011 Ford Crown Victoria from Boshears Ford in the amount of \$20,728.00.

13) APPOINTMENTS / ELECTIONS

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.

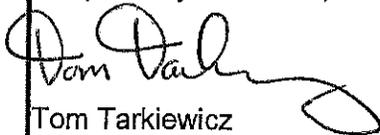
15) COUNCIL AND MANAGER COMMUNICATIONS

16) CLOSED SESSION

City Council will be requested to convene into Closed Session to discuss Attorney-Client Privilege Communication and Collective Bargaining.

17) ADJOURNMENT

Respectfully submitted,



Tom Tarkiewicz
City Manager

Marshall Area Senior Health Fair - 2011
A Proclamation of Endorsement

Whereas, Calhoun County is a community that includes **25,791 citizens aged 60 and older** with more than **5,500 individuals aged 80 years and older**; and

Whereas, the older adults in the Marshall Area and surrounding communities are among our most “treasured resources,” united by historical experiences, strengthened by diversity, and interpreting events through varied perspectives and backgrounds to bring wisdom and insight to our community; and

Whereas, increasing numbers of adults are reaching retirement age and remaining strong and active for longer than ever before; and

Whereas, our community can provide that recognition and respect by improving the quality of life for older adults by:

Increasing their opportunities to remain active and engaged in community life;
Bringing forth community resources to assist our older adults, family members and caregivers with the challenges of aging and the supports to thrive,
Joining together with the City of Marshall and Oaklawn Hospital to sponsor events that contribute to healthy senior living and independence,

Now Therefore, We, the Commissioners of Calhoun County, Michigan, in partnership with the City Council of Marshall, and the Board of Oaklawn Hospital do recognize this local initiative and hereby proclaim our support for the 2nd Annual Marshall Area Senior Health Fair on April 7th, 2011.

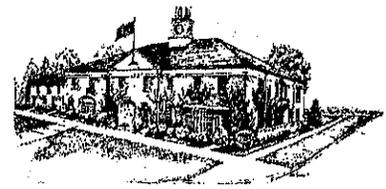
We urge every citizen to take time now and every day to honor our older adults and the professionals, family members, and volunteers who care for many of them. Our recognition and involvement of older adults can enrich our entire community’s quality of life.

Dated this 22nd day of February, 2011

Council of the City of Marshall
Calhoun County Board of Commissioners
Oaklawn Hospital Board of Directors

By _____

City of Marshall



Marshall Town Hall ca: 1857

323 West Michigan Avenue - Marshall, MI 49068-1578 - Phone (269) 781-5183 - FAX (269) 781-3835

Administrative Report February 22, 2011 City Council Meeting

REPORT TO: Honorable Mayor and City Council

FROM: Tim Eggleston, Deputy Director of Community Services
Tom Tarkiewicz, City Manager

SUBJECT: Compost Center Agreement

BACKGROUND: Since the late 1990's, the City of Marshall has operated a Community Compost Center in cooperation with Calhoun County to provide all county residents with a centralized location to take their yard waste material. In addition to the county wide composting benefit, the shared agreement has allowed the City of Marshall to run its compost operation at a reduced cost by sharing the necessary operational expenses with Calhoun County. Terms of the agreement are similar to the previous compost center agreement and include a proposed fee schedule to help offset the Compost Center operation costs.

The Calhoun County Solid Waste Management Planning Committee has met, reviewed and agreed to support the continuation of the cooperative agreement. Upon approval of City Council, the agreement will be sent to the County and its respective agencies for full adoption.

For 2011, the Center will be opened from March 28, 2011 - November 19, 2011 and the hours will be as follows:

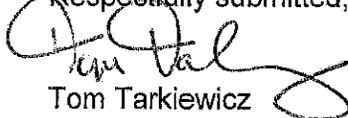
Monday – 9:00 am to 12:00 pm & 2:00 pm to 5:00 pm
Wednesday - 9:00 am to 12:00 pm
Tuesday and Thursday - 1:00 pm to 5:00 pm
Friday and Sundays – Closed
Saturday - 8:00 am to 3:00 pm

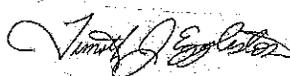
RECOMMENDATION: Staff recommends that Council authorize the City Clerk to enter into and execute on behalf of the City of Marshall the attached Community Compost Center Agreement including proposed fees with the County of Calhoun, the Calhoun County Road Commission and the Board of Public Works of Calhoun County.

FISCAL EFFECT: To include \$14,200 in the FY 2012 budget for the Compost Fund - Contributions from Local Units 225-000-588.00 revenue budget line item for the proposed Community Compost Center Agreement.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,


Tom Tarkiewicz
City Manager



Tim Eggleston
Deputy Director of Community Services



HISTORIC
LANDMARK
DISTRICT

COMMUNITY COMPOST CENTER AGREEMENT

Between
Calhoun County Board of Public Works
and the
City of Marshall

THIS AGREEMENT, made this ____ day of _____, 2011, between the Calhoun County Board of Public Works (CCBPW), whose address is 13300 15 Mile Road, Marshall, MI 49068, a Michigan municipal corporation, and the City of Marshall (the City), whose address is 323 W. Michigan Avenue, Marshall, MI 49068, a Michigan municipal corporation, for a period of one year from the date of execution of the agreement.

WHEREAS, the CCBPW, and the City of Marshall are authorized to enter into intergovernmental agreements pursuant to MCL 124.2; MSA 5.4082;

WHEREAS, this agreement constitutes a working cooperative between the CCBPW and local units of government and interested parties;

WHEREAS, the City and the CCBPW (through the Solid Waste Management Fund) have agreed to provide financial support to create and implement a Compost Center (the Center) open to all Calhoun County citizens;

THE PARTIES AGREE AS FOLLOWS:

1. **Address.** The Center shall be located at the following location: 19646 Division Drive, Marshall, MI 49068. This property is currently owned by the Calhoun County Road Commission.
2. **Method of Financing.** CCBPW (through the Solid Waste Management Fund) agrees to contribute a maximum amount of Fourteen Thousand Two Hundred Dollars (\$14,200) for the operation of the composting center, which shall be retained in a separate account (the account) by the City. All interest earned will be deposited into the account for the operation of the Center.
3. **Conditions of Payment.** Payment is made by the City and the CCBPW (through the Solid Waste Management Fund) upon the condition that the money be expended for the sole purpose of operating the Center. If any portion of the money remains at the end of this agreement, it shall be returned to each party in an amount equal to the percentage of their contribution.
4. **Term.** The agreement shall start on March 28, 2011 and end upon sixty (60) days notice by either party at any time.

5. **Operation.** The Center shall be staffed by one seasonal employee from the City. That employee shall be supervised and paid from the account by the City and shall be subject to only those conditions and benefits afforded a City seasonal employee. The Center shall open in the spring when weather permits and closed the day after the 3rd Saturday in November. The Center shall be closed on established City holidays. For the purposes of this agreement, the following days and times are suggested and may be modified to accommodate the public, staffing, and budget constraints:

The center shall be open Mondays from 9:00 a.m. to 12:00 p.m. and 2:00 p.m. to 5:00 p.m.; Tuesdays and Thursdays from 1:00 p.m. to 5:00 p.m.; Wednesday from 9:00 a.m. to Noon, closed on Fridays and Sundays and open Saturdays 8:00 a.m. to 3:00 p.m.

At a minimum, the employee will track residency, type of material, commercial and/or residential use of the Center. City shall relay such information to CCBPW not less than quarterly.

In addition, the City of Marshall shall be responsible for tracking and reporting information to the Department of Environmental Quality, as required by law.

The center is to be used for dumping compostable yard waste only. No plastic bags allowed. The Center shall only be used during established hours. No keys shall be given out during off hours, unless authorized by the parties. The City of Marshall shall be responsible for all utilities.

6. **Fee Schedule.** Fees shall be charged in accordance with Schedule A of this document. Fees may be modified to accommodate the public, staffing and budget constraints as deemed necessary for the financial stability of the Center. However, under no circumstances will a resident of the City be charged a fee for dropping off compostable yard waste of 5 yards or less. This provision is in recognition of the City's financial support in the creation of the Center.

However, in recognition of the parties' desire to successfully initiate and continue the Center for the benefit of all county citizens, all parties to this agreement will conscientiously pursue alternative methods of financing in an effort to reduce the financial burden currently assumed by the City and the CCBPW (through the Solid Waste Management Fund). All revenue received from the sale of materials from the compost center, or any fees that may be implemented, shall be deposited into the account.

7. **Equipment.** The parties agree that neither party shall purchase equipment with funds from the Account unless previously agreed in writing. The City may enter into a yearly agreement to lease equipment necessary to carry out the operation of the Center.

8. **Applicable Laws.** The parties agree to abide by all applicable federal, state, and local laws, rules, and regulations in the implementation and operation of the center.
9. **Hold Harmless and Indemnification.** The City and the CCBPW agrees to indemnify, hold harmless, and exempt CCBPW, from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, and expenses, and attorney fees incident to the implementation and operations of the center.
10. **Waiver.** A waiver of any breach to this agreement does not operate as a waiver of any subsequent breach.
11. **Severability.** If any provisions of this agreement are determined to be illegal or unenforceable, the remaining provisions shall nevertheless be binding with the same force and effect as if the illegal or unenforceable parts were deleted.
12. **Modification.** This Agreement may only be modified upon written agreement properly executed by both parties.
13. **Effective Date.** This Agreement shall only become effective upon execution.
14. **Authority.** By signing this Agreement, the parties represent that they have obtained the lawful authority of their respective Boards to enter into this Agreement.

Dated this _____ day of _____ 2011.

Calhoun County Board of Public Works

City of Marshall

Schedule A

FOR ALL RESIDENTS (including the City of Marshall)

Drop Off: Greater than Five Yards \$25.00 per load (No exemptions)

Price Listing for Purchase of Material

Compost (unscreened)

- \$1.00 per container such as a 20 gallon trash can or smaller container
- \$5.00 Approximately one loader scoop
- (½ Cubic Yard, includes loading)
- \$10.00 per cubic yard

Compost (Screened)

- \$2.00 per container such as a 20 gallon trash can or smaller container
- \$7.00 Approximately one loader scoop
- (½ Cubic Yard, includes loading)
- \$14.00 per cubic yard

Wood Chips

Less than a yard \$2.00 per load (City of Marshall residents exempt)
(Including trash cans self-loaded)

One to Five Yards \$10.00 (City of Marshall residents exempt)
(Including Pick up load – 1-Ton Dump)

Greater than Five Yards \$50.00 per load (no exemptions)

Not accepting any concrete or tree stumps.

IN A WORK SESSION Monday, February 7, 2011 at 6:00 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 Dyer.

Present: Council Members: Booton, Mayor Dyer, Mankerian, Metzger, Traver, and Williams

Also Present: Clerk-Treasurer Bird and Director of Community Services Huestis

Absent: Council Member Miller.

A. Director of Community Services Huestis was present to discuss the creation of a Carriage Ordinance for the City of Marshall.

The meeting was adjourned at 6:50 p.m.

James L. Dyer, Mayor

Sandra Bird, Clerk-Treasurer

CALL TO ORDER

IN REGULAR SESSION Monday, February 7, 2011 at 7:00 P.M. in Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Dyer.

ROLL CALL

Roll was called:

Present: Council Members: Booton, Mayor Dyer, Mankerian, Metzger, Traver, and Williams.

Also Present: Clerk-Treasurer Bird.

Absent: Council Member Miller.

Moved Williams, supported Metzger, to excuse the absence of Council Member Miller. On a voice vote: **MOTION CARRIED.**

INVOCATION/PLEDGE OF ALLEGIANCE

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

APPROVAL OF THE AGENDA

Moved Metzger, supported Williams, to approve the agenda as presented. On a voice vote: **MOTION CARRIED.**

PUBLIC COMMENT ON AGENDA ITEMS

John LaPietra of 386 Boyer Court asked questions regarding the Local Advisory Council and the Emergency Services Building.

Bruce Smith of 315 Westbrook Court spoke in support of the need for an Emergency Services Building.

CONSENT AGENDA

Moved Metzger, supported Williams, to approve the consent agenda:

- A. Schedule a public hearing for Tuesday, February 22, 2011 to hear public comment on the proposed changes to Chapter 71 of the Marshall City Code for Motor Carrier Enforcement;
- B. Schedule a public hearing for Tuesday, February 22, 2011 to hear public comment on the proposed application for an Industrial Facilities Tax Exemption Certificate for LaserDyne Manufacturing, LLC;

- C. Schedule a public hearing for Tuesday, February 22, 2011 to hear public comment regarding the rezoning request for High Street, parcel #003-582-00, to change from PSP (Public/Semi-Public) to R-3 (Traditional Residential);
- D. First reading of the resolution for the High Street Lot Sale;
- E. Approve minutes of the City Council Work Session and Regular Session held on Tuesday, January 18, 2011;
- F. Approve city bills in the amount of \$1,375,384.10.

On a roll call vote – ayes: Booton, Mayor Dyer, Mankerian, Metzger, Traver, and Williams; nays: none. **MOTION CARRIED.**

PRESENTATIONS AND RECOGNITIONS

Mayor Dyer announced the “2010 Above and Beyond Award” the City of Marshall received from the Chamber of Commerce.

INFORMATIONAL ITEMS

None.

PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

A. Public Hearing – Chapter 152: Sign Ordinance:

Mayor Dyer opened the public hearing to hear comment of the proposed text changes to Chapter 152: Sign Ordinance of the Marshall City Code.

John LaPietra of 386 Boyer Court asked questions regarding the district descriptions and political signs.

Dave Stevenson of 313 S. Grand Street spoke regarding the regulation of signs and the work the planning commission put into the ordinance.

Hearing no further comment the hearing was closed.

Moved Mankerian, supported Traver, to approve the changes to Chapter 152: Sign Ordinance. On a roll call vote – ayes: Mayor Dyer, Metzger, Traver; nays: Mankerian, Williams, and Booton. **MOTION DEFEATED.**

MOTION Booton, supported Williams, to refer Chapter 152: Sign Ordinance back to the Planning Commission for consideration of variables in brightness/illumination, rate of display change, and the allowable districts. On a roll call vote – ayes: Mankerian, Metzger, Traver, Williams, Booton, and Mayor Dyer; nays: none. **MOTION CARRIED.**

B. Public Hearing – Chapter 154: Flood Prevention and Protection:

Mayor Dyer opened the public hearing to hear comment of the proposed text changes to Chapter 154: Flood Prevention and Protection.

John LaPietra of 386 Boyer Court asked a questions regarding the flood plain map.

Hearing no further comment the hearing was closed.

Moved Williams, supported Mankerian, to approve the changes to Chapter 154: Flood Prevention and Protection of the Marshall City Code. On a roll call vote – ayes: Metzger, Traver, Williams, Booton, Mayor Dyer, and Booton; nays: none.
MOTION CARRIED.

**CITY OF MARSHALL
ORDINANCE #2011-04**

**AN ORDINANCE TO AMEND CITY OF MARSHALL CODE, CHAPTER 154:
FLOOD PREVENTION AND PROTECTION.**

THE CITY OF MARSHALL ORDAINS:

Section 1. That **Chapter 154: Flood Prevention and Protection** of the Marshall City Code, is hereby amended and will read as follows:

Chapter 154: Flood Prevention and Protection

General Provisions

- 154.01 Definitions
- 154.02 Agency designation
- 154.03 Code appendix enforced

Permit Requirements

- 154.15 Required
- 154.16 Application; fee
- 154.17 Review of application
- 154.18 Approvals

Standards

- 154.30 Flood-safe building sites

- 154.31 Subdivision proposals
- 154.32 Water supply systems
- 154.33 Sewer systems
- 154.34 Flood elevation data
- 154.35 Level of structures
- 154.36 Flood insurance rates
- 154.37 Alteration of watercourse
- 154.38 Flood carrying capacity
- 154.39 Mobile homes
- 154.40 Designation of regulated flood prone hazard areas

GENERAL PROVISIONS

§ 154.01 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

BASE FLOOD. The flood leaving a 1% chance of being equaled or exceeded in any given year.

DEVELOPMENT. Any man-made change to improved or unimproved real estate, including, but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations.

FLOOD. A general and temporary condition of partial or complete inundation of normally dry land areas from:

- (1) The overflow of inland or tidal waters; and
- (2) The unusual and rapid accumulation or runoff of surface waters from any source.

FLOOD PLAIN or FLOOD-PRONE AREA. Any land area susceptible to being inundated by water from any source.

FLOODPROOFING. Any combination of structural and nonstructural additions, changes or adjustments to structures which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

HABITABLE FLOOR. Any floor usable for living purposes, which includes working, sleeping, eating, cooking or recreation or a combination thereof. A floor used only for storage purposes is not a **HABITABLE FLOOR**.

MOBILE HOME. A structure, transportable in one or more sections, which is built on a permanent chassis and designed to be used with or without a permanent foundation when connected to the required utilities. It does not include recreational vehicles or travel trailers. The term includes, but it is not limited to the definition of **MOBILE HOME**, as set forth in regulations governing the Mobile Home Safety and Construction Standards Program (24 C.F.R. § 3282.7(a)).

RIVERINE. Relating to, formed by or resembling a river (including tributaries), stream, brook and the like.

STRUCTURE. For flood plain management purposes, a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a mobile home.

SUBSTANTIAL IMPROVEMENT. Any repair, reconstruction or improvement of a structure, the cost of which equals or exceeds 50% of the market value of the structure either, before the improvement or repair is started or if the structure has been damaged and is being restored, before the damage occurred. For the purposes of this definition, **SUBSTANTIAL IMPROVEMENT** is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure. The term does not, however, include either any project for improvement of a structure to comply with existing state or local health, sanitary or safety code specifications which are solely necessary to assure safe living conditions or any alteration of a structure listed on the National Register of Historic Places or a State Inventory of Historic Places.

VARIANCE. A grant of relief by a community from the terms of a flood plain management regulation.

(Prior Code, § 11-1)

§ 154.01 AGENCY DESIGNATION.

Pursuant to the provisions of the state construction code, in accordance with section 8b (6) of Act 230, of the public Acts of 1972, as amended, the office of the Building Inspector of the City of Marshall is hereby designated as the enforcing agency to discharge the responsibility of the City of Marshall under Act 230, of the Public Acts of 1972, as amended, State of Michigan. The City of Marshall assumes the responsibility for the administration and enforcement of said Act through out the corporate limits of the community adopting this ordinance§ 154.02 CODE APPENDIX ENFORCED.

Pursuant to the provisions of the state construction code, in accordance with Section 8b(6) of Act 230, of Public Acts of 1972, as amended, Michigan Building code, and appendix G of the Michigan Building Code shall be enforced by the enforcing agency within the City of Marshall.

PERMIT REQUIREMENTS

§ 154.15 REQUIRED.

(A) No person shall erect, construct, enlarge, alter, repair, improve, move or, demolish any building or structure without first obtaining a separate permit for each building or structure from the building inspector.

(B) No man-made change to improved or unimproved real estate, including, but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, shall be commenced until a separate permit has been obtained from the building inspector for each change.

(C) No mobile home shall be placed on improved or unimproved real estate without first obtaining a separate permit for each mobile home from the Building Inspector.

(Prior Code, § 11-16)

§ 154.16 APPLICATION; FEE.

To obtain a permit under this chapter, the applicant shall first file a permit application on a form furnished for that purpose. The form must be completed and submitted to the Building Inspector with a fee as presently established or as hereafter adopted by resolution before the issuance of a permit will be considered.

(Prior Code, § 11-17)

§ 154.17 REVIEW OF APPLICATION.

The Building Inspector is appointed as the person responsible for receiving applications and examining the plans and specifications for the proposed construction or development. After reviewing the application, the Building Inspector shall require any additional measures which are necessary to meet the minimum requirements of this chapter.

(Prior Code, § 11-18)

§ 154.18 APPROVALS.

The Building Inspector shall review proposed development to assure that all necessary permits have been received from those governmental agencies from

which approval is required by federal or state law, including § 464 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. § 1334.

(Prior Code, § 11-19)

STANDARDS

§ 154.30 FLOOD-SAFE BUILDING SITES.

(A) The Applicant shall provide a survey from a licensed professional showing the flood plain limits with the location of the all proposed structure(s) (i.e house, sheds, garages etc.) for review by the Building Inspector shall review all permit applications to determine whether proposed building sites will be reasonably safe from flooding.

(B) If a proposed building site is in a flood-prone area, all new construction and substantial improvements (including the placement of prefabricated buildings and mobile homes) shall:

- (1) Be designed (or modified) and adequately anchored to prevent flotation, collapse or lateral movement of the structure;
- (2) Be constructed with materials and utility equipment resistant to flood damage; and
- (3) Be constructed by methods and practices that minimize flood damage.

(Prior Code, § 11-31)

§ 154.31 SUBDIVISION PROPOSALS.

(A) The Building Inspector shall review subdivision proposals and other proposed new development to determine whether the proposals will be reasonably safe from flooding.

(B) If a subdivision proposal or other proposed new development is in a flood-prone area, any such proposals shall be reviewed to assure that:

- (1) All such proposals are consistent with the need to minimize flood damage within the flood-prone area;
- (2) All public utilities and facilities, such as sewer, gas, electrical and water systems are located and constructed to minimize or eliminate flood damage; and
- (3) Adequate drainage is provided to reduce exposure to flood hazards.

(Prior Code, § 11-32)

§ 154.32 WATER SUPPLY SYSTEMS.

The Building Inspector shall require within flood-prone areas new and replacement water supply systems to be designed to minimize or eliminate infiltration of flood waters into the systems.

(Prior Code, § 11-33)

§ 154.33 SEWER SYSTEMS.

The Building Inspector shall require within flood-prone areas:

(A) New and replacement sanitary sewage systems to be designed to minimize or eliminate infiltration of flood waters into the systems and discharges from the systems into flood waters; and

(B) On-site waste disposal systems to be located to avoid impairment to them or contamination from them during flooding.

(Prior Code, § 11-34)

§ 154.34 FLOOD ELEVATION DATA.

The Building Inspector shall require that all subdivision proposals and other proposed new developments greater than 50 lots or five acres, whichever is the lesser, include within the proposals base flood elevation data.

(Prior Code, § 11-35)

§ 154.35 LEVEL OF STRUCTURES.

The Building Inspector shall obtain, review and reasonably utilize any base flood elevation data available from a federal, state or other source, until the other data has been provided by the Administrator, as criteria for requiring that:

(A) All new construction and substantial improvements of residential structures have the lowest floor (including basement) elevated to or above the base flood level; and

(B) All new construction and substantial improvements of nonresidential structures have the lowest floor (including basement) elevated or floodproofed to or above the base flood level.

(Prior Code, § 11-36)

§ 154.36 FLOOD INSURANCE RATES.

For the purpose of the determination of applicable flood insurance risk premium rates within zone A on a community's FHBM, the Building Inspector shall:

(A) Obtain, or require the applicant to furnish, the elevation (in relation to mean sea level) of the lowest habitable floor (including basement) of all new or substantially improved structures, and whether or not such structures contain a basement;

(B) Obtain, or require the applicant to furnish, if the structure has been floodproofed, the elevation (in relation to mean sea level) to which the structure was floodproofed; and

(C) Maintain a record of all such information.

(Prior Code, § 11-37)

§ 154.37 ALTERATION OF WATERCOURSE.

The Building Inspector shall notify, in riverine situations, adjacent communities and the state coordinating office prior to any alteration or relocation of a watercourse, and submit copies of the notifications to the federal insurance administration.

(Prior Code, § 11-38)

§ 154.38 FLOOD CARRYING CAPACITY.

The Building Inspector shall assure that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.

(Prior Code, § 11-39)

§ 154.39 MOBILE HOMES.

(A) The Building Inspector shall require that all mobile homes to be placed within zone A on the community's flood hazard boundary map shall be anchored to resist flotation, collapse or lateral movement by providing over-the-top and frame ties to ground anchors.

(B) Specific requirements shall be that:

(1) Over-the-top ties be provided at each of the four corners of the mobile home, with two additional ties per side at intermediate locations and mobile homes less than 50 feet long requiring one additional tie per side;

(2) Frame ties be provided at each corner of the home with five additional ties per side at intermediate points and mobile homes less than 50 feet long requiring four additional ties per side;

(3) All components of the anchoring system be capable of carrying a force of 4,800 pounds; and

(4) Any additions to the mobile home be similarly anchored.

(Prior Code, § 11-40)

§ 154.40 DESIGNATION OF REGULATED FLOOD PRONE HAZARD AREAS.

The Federal Emergency Management Agency (FEMA) Flood Insurance Study (FIS) Entitled Calhoun County, Michigan and dated 4/4/2011 and the Flood Insurance Rate Maps (FIRM) panel numbers 26025C; 0236C; 0238C; 0239C; 0241C; 0243C; 0380C and 0385C dated 4/4/2011 are adopted by reference for the purposes of administration of the Michigan Building Code, and declared to be part of Section 1612.3 of the Michigan Building Code, and to provide the content of the "Flood Hazards" section of Table R301.2(1) of the Michigan Residential Code.

(Prior Code, § 11-41)

Section 2. This Ordinance [or a summary thereof as permitted by MCL 125.3401 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. 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 _____, 2011.

James L. Dyer, MAYOR

Sandra Bird, CLERK-TREASURER

I, Sandra Bird, being duly sworn as the Clerk-Treasurer 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 7, 2011, 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.

Sandra Bird, CLERK-TREASURER

OLD BUSINESS

None.

REPORTS AND RECOMMENDATIONS

A. Proposed Emergency Services Building:

No Council Action was taken.

B. Byways Grant Construction Bids:

Moved Williams, supported Metzger, to approve staff's recommendation to accept the following three low bids and authorize the City Clerk to execute three contracts for work at the Honolulu House, GAR Hall and Capitol Hill School:

1. Grand River Builders, Inc. for \$102,850 for General Construction
2. D. C. Byers Co./Grand Rapids, Inc. for \$98,614 for Masonry Restoration
3. Exactitude, LLC. for \$54,731.68 for Ornate Fence, subject to a height variance being granted by the Zoning Board of Appeals

On a roll call vote – ayes: Traver, Williams, Booton, Mayor Dyer, Mankerian, and Metzger; nays: none. **MOTION CARRIED.**

C. Second Quarter Investment Portfolio:

Moved Booton, supported Metzger, to accept and place on file the Second Quarter Investment Portfolio for the City of Marshall. On a voice vote – **MOTION CARRIED.**

D. Second Quarter Financial Reports:

Moved Williams, supported Mankerian, to accept and place on file the Second Quarter Financial Reports for the City of Marshall. On a voice vote – **MOTION CARRIED.**

APPOINTMENTS / ELECTIONS

A. Local Advisory Council Appointment:

Moved Williams, supported Metzger, to approve the appointment of Carl Gibson to the Local Advisory Council for Marshall Dial-A-Ride. On a voice vote – **MOTION CARRIED.**

PUBLIC COMMENT ON AGENDA ITEMS

John LaPietra of 386 Boyer Court spoke encouraged Council to find ways to support local businesses.

COUNCIL AND MANAGER COMMUNICATIONS

None.

ADJOURNMENT

The meeting was adjourned at 8:45 p.m.

James L. Dyer, Mayor

Sandra Bird, Clerk-Treasurer

VENDOR APPROVAL SUMMARY REPORT

Date: 02/17/2011
 Time: 3:08pm
 Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
A & D LIGHTING SUPPLY	7002	LAMP BALLASTS, 9W FLUORESCENT	74.93	0.00
ABLE HEATING & COOLING	3722	SERVICE CALL	221.00	0.00
AIRGAS GREAT LAKES	4982	CYLINDER RENTAL	75.05	0.00
ALEXANDER CHEMICAL CORPORATION	7024	CYL RETURNS	2,188.00	0.00
ALL-TRONICS INC	9157	BATTERY TROUBLE	237.00	0.00
ARGUS-HAZCO	21440	LEL SENSOR EAGLE	207.41	0.00
ARISTA TRUCK SYSTEMS, INC	300081	THROTTLE ARM-HONDA	44.77	0.00
ARISTO CHEM, INC	7059	CITRA CLEAN	86.75	0.00
ARROW UNIFORM	6839	CUST #010198-05	572.66	0.00
ASSOCIATION OF PUBLIC	21066	MEMBERSHIP-M.MASTEJ	135.00	0.00
AUTO VALUE MARSHALL	21340	FUEL FILTER #302	949.18	0.00
BATTERIES PLUS	6532	single cell tech	25.94	0.00
BLU FISH CONSULTING, LLC	4473	MICHBIO, M-LIVE, MITECHNEWS	4,835.00	0.00
BROWN WOOD PRESERVING CO INC	8764	POLES	10,399.00	0.00
BRUTSCHE CONCRETE PRODUCTS	7142	CONCRETE	226.42	0.00
BUD'S TOWING & AUTOMOTIVE	7149	DART #13	191.00	0.00
CARLETON EQUIPMENT COMPANY	7189	CANCEL #1-16658 {POWERPLAN}	0.00	0.00
CENTRAL MICHIGAN KENWORTH FORD	217836	#322 2007 FORD F750	593.39	0.00
CLASSIC DRY CLEANING&TAILORING	5975	CLEANING & LAUNDRY	227.80	0.00
COLE CHRYSLER DODGE JEEP	2996	#130 SEAT BELT - FRONT	137.00	0.00
CONTRACT WELDING	300474	TRASH COMPACTOR	10,900.00	0.00
CORNERSTONE OFFICE SYSTEMS	8563	WASTE TONER BOTTLE	6.00	0.00
CORPORATE CLEAN INC	217897	GENERAL CLEANING OF BUILDING	900.00	0.00
COURTNEY & ASSOCIATES	7259	UTILITY OPERATIONS REVIEW	6,300.00	0.00
CRT, INC	6541	TONER - LEXMARK	477.00	0.00
CRYSTAL FLASH ENERGY	6176	DIESEL FUEL	1,322.88	0.00
CURRENT ELECTRIC INC	8903	LIFT STATION REPAIR	130.00	0.00
D & D MAINTENANCE SUPPLY	7271	ICEMELT, BLEACH	203.75	0.00
DADOW POWER EQUIPMENT	7277	#325A COIL ASSY, IGNITION	28.00	0.00
DARLING ACE HARDWARE	7281	CUTOFF WHEEL	67.77	0.00
DORNBOS SIGN & SAFETY	6378	NO PARKING SIGNS	889.80	0.00
ED'S DECORATING	9873	PAINTING 2ND FLOOR	3,750.00	0.00
EDWARDS INDUSTRIAL SALES	7332	#322 HOSE, HOSE ENDS	174.34	0.00
EESCO	7982	#3 ENGINE GAUGE PANEL	322.28	0.00
EJUSTICE SOLUTIONS LLC	300114	RECORDS MANAGEMENT-MARCH	1,000.00	0.00
ERIC DALE HEATING & AIR COND	21467	FAN SEQUENCER, PILOT ASSY	128.00	0.00
FISHBECK THOMPSON CARR & HUBER	7365	Drainage Study	3,182.15	0.00
GARAGE DOORS UNLIMITED	300432	SERVICE CALL - HOMER RD	884.00	0.00
HERMANS MARSHALL HARDWARE	7446	HEATER	171.89	0.00
INTERNATIONAL CODE COUNCIL	3648	CODE BOOKS	556.40	0.00
INTOXIMETERS	7483	MOUTHPIECE RESTRICTED	35.50	0.00
J & K PLUMBING SUPPLY	3351	COUPLING GALV	44.90	0.00
JACKSON TRUCK SERVICE	7495	TAIL LIGHT ASSEMBLIES	83.42	0.00
K & H CONCRETE CUTTING INC	5202	6" ELECTRIC SLAB SAWING	313.20	0.00
KAR LABORATORIES INC	8817	CYANIDE ANALYSIS	100.00	0.00
KIMBALL ELECTRIC	7518	WIRING OF PARKING STRUCTURE	2,700.00	0.00
KONE-CRANE PRO SERVICES	7521	ANNUAL OSHA INSPCTNS & Pms	590.00	0.00
BEN LARK	21122	IMPERIAL CLOVER	227.95	0.00
LAWSON-FISHER ASSOCIATES PC	2291	LICENSING ACTIVITIES	312.95	0.00
LEWEY'S SHOE REPAIR	7538	REPAIRS	15.00	0.00
MARSHALL AREA	4674	ANNUAL CHAMBER DINNER	35.00	0.00
MARSHALL LUMBERTOWN	7569	SPF	302.98	0.00
MARSHALL ROTARY CLUB	7575	ADVERTISING	25.00	0.00
MARSHALL TIRE	3771	#104 HANKOOK DYNAPRO	1,322.22	0.00
MARSHALL WELDING & FABRICATION	7590	RPLC WEAR SKID ON CAT LOADER	650.92	0.00
MEDLER ELECTRIC COMPANY	7604	WATTSTOPPER	306.82	0.00
MICHIGAN METER TECHNOLOGY GRP	400140	RPR METER GUN	270.02	0.00
MICHIGAN MUNICIPAL LEAGUE	4494	MML DUES, LEGAL DEFENSE FUND	4,115.00	0.00
MICHIGAN SOUTH CENTRAL	7614	JANUARY CHARGES	5,848.96	0.00
MICHIGAN TASER DISTRIBUTING	6583	EXTENDED DIGITAL POWER MAG	235.20	0.00
MSC INDUSTRIAL SUPPLY CO	6831	EQUIPMENT FOR SCADA DATA	311.93	0.00
MUNICIPAL SUPPLY CO.	7701	6 X 16 CLAMP	824.84	0.00
MUNIMETRIX SYSTEMS CORPORATION	7704	IMAGEFLOW LITE-SOFTWARE SPRT	499.00	0.00
NAPA OF MARSHALL	2939	#402 TUBING, CABLE,BATTERY CBL	13.59	0.00
POWER LINE SUPPLY	7821	PKR DIE	1,604.21	0.00
PUBLIC SAFETY CENTER	2759	BATTERIES	115.74	0.00
RADIO SHACK	7811	NIKON L22 RED, 8GB CARD	174.96	0.00

VENDOR APPROVAL SUMMARY REPORT

Date: 02/17/2011

Time: 3:08pm

Page: 2

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
ROOT SPRING SCRAPER CO	217840	STEEL DEFLECTOR 11'	150.00	0.00
SHERWIN-WILLIAMS	2073	CARPETING	6,265.73	0.00
SIRENNET.COM	6429	M-5 HEADLIGHT FLASHER	90.97	0.00
SPARTAN STORES	9656	JANUARY CHARGES	155.58	0.00
SPECTRUM ENGINEERING CORP	6197	Pilot Wire Relay Replacement P	2,187.90	0.00
SSOE GROUP	5886	2400 Volt Switchgear Replaceme	3,996.17	0.00
ST REGIS CULVERT INC	7902	SNOW FLOW PARTS	2,775.00	0.00
STANDARD PRINTING & OFFICE	7903	TOWN CRIER	517.53	0.00
STANLEY LAWN & GARDEN	7905	#325A RPR SALT SPREADER	173.10	0.00
STATE OF MICHIGAN	300116	STORM WATER PERMIT	260.00	0.00
TRI-COUNTY INTERNATIONAL TRUCK	8034	#308 MIRROR	1,873.01	0.00
VICTOR STANLEY INC.	8210	RPLC VANDALIZED TRASH CAN	261.00	0.00
Grand Total:			92,606.86	0.00

CHECK NUMBER SERIES AS OF FRIDAY, 02/18/11

Beginning # Ending # Dated

PAYROLL-ACH	71160	71162	02/05/11--02/18/11
A/P & P/R-OTHER	86591	86723	02/05/11--02/18/11



MICHIGAN SOUTH CENTRAL POWER AGENCY

720 HERRING ROAD • LITCHFIELD, MICHIGAN 49252
 PHONE (517) 542-2346 • FAX (517) 542-3049
 www.mscca.net

ORIGINAL INVOICE

MARSHALL CITY ELECTRIC DEPARTMENT
 323 WEST MICHIGAN AVENUE
 MARSHALL, MICHIGAN 49068
 Attn: Mr. Tom Tarkiewicz

Invoice Date: 15-Feb-11
 Due Date: 28-Feb-11
 Service From: 01-Jan-11
 To: 31-Jan-11

Peak Demand 17,579 kw
 Total Energy Received 9,931,135 kWh

Area	Entitlement %	Operating and Maintenance Costs	Debt Service	Total
PROJECT 1-ENDICOTT	24.0%	363,623.39	133,825.94	497,449.33
PROJECT 2	18.0%	2,656.32	20,221.73	22,878.05
PROJECT 3	20.2%	2,363.29	-	2,363.29
PURCHASED POWER	15.9%	216,067.77		216,067.77
TRANSMISSION	18.0%	7,734.11	12,398.54	20,132.65
MISO	20.0%	4,472.64		4,472.64
SUBSTATION	34.4%	58.56	34,581.83	34,640.39
ADMINISTRATION	20.0%	44,426.95		44,426.95
MEMBER	12.9%	1,279.41		1,279.41
CAPACITY	12.9%	-		-
RATE STABILIZATION		-		-
TOTAL COST	\$	642,682.43	201,028.04	843,710.46
	\$/kWh	0.06471	0.02024	0.08496
CREDITS	\$	(17,908.71)	(201,028.04)	(218,936.75)
	\$/kWh	(0.00180)	(0.02024)	(0.02205)
NET COST	\$	624,773.71	(0.00)	624,773.71
	\$/kWh	0.06291	(0.00000)	0.06291

Pay this amount \$ 624,773.71

Any amounts due and not paid by the due date shall bear interest at the rate of 1% per month until paid.

VENDOR APPROVAL SUMMARY REPORT

Date: 02/04/2011
 Time: 10:22am
 Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
BROADSTRIPE	3293	ACCT #198-040788	1,951.71	0.00
CALHOUN COUNTY TREASURER	7177	TRAILER FEES - JANUARY	80.00	0.00
CARLETON EQUIPMENT COMPANY	7189	CANCEL #1-16658 (POWERPLAN)	0.00	0.00
COMMERCIAL OFFICE PRODUCTS	9769	CHAIR	325.71	0.00
CONSUMERS ENERGY	8560	1000 0033 5602	5,266.40	0.00
DEAN TRAILWAYS OF MICHIGAN	2343	DEPOSIT FOR MACKINAC TRIP	256.00	0.00
SCOTT DUNSFORD	400134	REFUND UTILITY DEPOSIT	58.31	0.00
GRIFFIN PEST SOLUTIONS	6272	200 E SPRUCE ST	42.00	0.00
GROUNDWATER FOUNDATION	7424	GROUNDWATER ADMIN FEE	37.50	0.00
JOHN HACKER	2529	MEALS	10.00	0.00
TIM ISMERT	400131	REFUND UTILITY DEPOSIT	36.47	0.00
DIANE LARKIN	9373	FOOD FOR PARKING STUDY VOLNTRS	14.84	0.00
ELLEN LINDSLEY	400130	MARSHALL HOUSE REFUND	263.00	0.00
MARSHALL'S CRUISE TO FOUNTAIN	400135	FIREWORKS FOR JULY 4TH	5,000.00	0.00
MEDLER ELECTRIC COMPANY	7604	400W HPS LAMPS	1,528.80	0.00
MICHIGAN CHAPTER IAAI	9275	ADAM OTTJEPKA-MEMBERSHIP	50.00	0.00
MICHIGAN SOUTH CENTRAL	7614	DECEMBER PURCHASES	7,356.98	0.00
NAPA OF MARSHALL	2939	A/TRANS SEAL, REAR	8.81	0.00
JAMES NOWLIN	300501	BOOT REIMBURSEMENT	63.59	0.00
QLT	8069	ACCT #269-781-3559	33.58	0.00
JACOB RALEIGH	400132	REFUND UTILITY DEPOSIT	59.35	0.00
REPUBLIC SERVICES #249	2096	ACCT #3-0249-1022021	465.49	0.00
STATE OF MICHIGAN	4872	38-6004708, JAN 2011, FORM 160	34,281.84	0.00
WALKER PARKING CONSULTANTS	8003	PARKING NEEDS - 50%	1,405.27	0.00
JOSEPH WARSOP	400133	REFUND UTILITY OVERPAYMENT	13.77	0.00
SHERI ZIENERT	5152	COFFEE	214.26	0.00

Grand Total: 58,823.68 0.00

PRESCRIPTION REIMBURSEMENTS 91.00

TOTAL CASH DISBURSEMENTS \$58,914.68

VENDOR APPROVAL SUMMARY REPORT

Date: 02/11/2011
 Time: 9:44am
 Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
AD-VISOR & CHRONICLE	7557	JANUARY CHARGES	1,318.20	0.00
BATTLE CREEK UNLIMITED, INC.	4558	FEBRUARY	13,750.00	0.00
CARLETON EQUIPMENT COMPANY	7189	CANCEL #1-16658 (POWERPLAN)	0.00	0.00
CITGO	21007	FLEET #132271610	10,527.58	0.00
CULLIGAN	736	ACCT #1155180	28.00	0.00
CODY DRUMM	25123	LUNCH	15.00	0.00
ROLLAND FACE	21073	TAX CERT REIMBURSEMENT	39.29	0.00
MARSHALL PUBLIC SCHOOLS	7574	I.T. SERVICES	1,000.00	0.00
NICOLE MARTIN	400139	UTILITY DEPOSIT REFUND	88.80	0.00
ZACK MASON	21396	PARKING @ TRAINING	5.00	0.00
SCOTT MCDONALD	6080	OPTICAL REIMBURSEMENT	159.00	0.00
MGFOA	300128	SANDRA BIRD	99.00	0.00
MWEA	2006	NOWLIN, JIM-MEMBERSHIP DUES	58.00	0.00
NAPA OF MARSHALL	2939	HEAVY DUTY SHOE	179.81	0.00
LORI OLSON	4036	REFUND OVERPAYMENT	58.40	0.00
PITNEY BOWES	6899	RESERVE ACCT #17848649	3,000.00	0.00
JESSICA RYBA	400137	REFUND UTILITY DEPOSIT	63.30	0.00
STILLOTT PROPERTY MANAGEMENT	400136	TAX CERT PAYMENT FROM TENANT	97.56	0.00
LUCAS TICE	300431	SCHOOL LUNCH	14.34	0.00
U S POSTMASTER	7883	POSTAGE STAMPS	44.00	0.00
Grand Total:			30,545.28	0.00

PRESCRIPTION REIMBURSEMENTS 113.00
 TOTAL CASH DISBURSEMENTS \$30,658.28

City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



Marshall Town Hall ca: 1857

ADMINISTRATIVE REPORT **February 22, 2011 - CITY COUNCIL MEETING**

TO: Honorable Mayor and City Council

FROM: Tom Tarkiewicz, City Manager
Mike Hindenach, Manager, Marshall Economic Development

SUBJECT: LaserDyne Manufacturing, LLC
1308 South Kalamazoo, Marshall, MI IDD# 32
Industrial Facility Exemption Certificate Application

BACKGROUND: The City of Marshall has received a request from LaserDyne Manufacturing, LLC for an Industrial Facilities Tax Exemption Certificate. The requested abatement is to consider \$1,555,653.00 in personal property.

RECOMMENDATION: After receiving public comments, it is recommended that council approves the application for the Industrial Facilities Tax Exemption Certificate for LaserDyne Manufacturing, LLC.

FISCAL EFFECTS: The anticipated tax revenue savings over the life of the certificate is approximately \$105,000 for LaserDyne, while the City of Marshall will forego approximately \$40,000.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz". The signature is fluid and cursive.

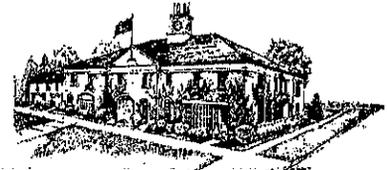
Tom Tarkiewicz
City Manager

A handwritten signature in black ink, appearing to read "Michael D. Hindenach". The signature is very stylized and cursive.

Michael D. Hindenach
Manager, Marshall Economic Development



City of Marshall



Marshall Town Hall ca: 1857

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ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

REPORT TO: Honorable Mayor and City Council Members
FROM: Natalie Huestis, Director of Community Services
SUBJECT: Public Hearing to receive comments on rezoning request #RZ10.01 for High Street lot, Parcel # 003-528-00

BACKGROUND: The City requested that its lot on High Street, Parcel #003-528-00, be rezoned from PSP (Public/Semi-Public) to a residential zone. At their June 9, 2010 meeting, Planning Commissioners examined the property in respect to the neighborhood and felt that an R-3 zoning designation (Traditional Residential) would be appropriate for this parcel. Their reasons for this decision included:

- The R-3 district is an appropriate transitional zone between the neighboring properties which are zoned B-3 (Neighborhood Commercial), POSD (Professional Office Service), and R-2 (Suburban Residential).
- This property is adjacent to other R-3 properties.
- R-3 contains development requirements that R-2 does not contain including established building lines, larger garage setbacks, regulating roof pitches, etc. These added development requirements will help guide a new structure coming into a developed neighborhood.
- R-2 allows for cluster homes in permitted uses and R-3 does not. If a cluster-like development is desired, a Planned Unit Development process is preferred.

At the July 14, 2010 Planning Commission public hearing on the rezoning of the City-owned High Street lot, parcel #003-528-00, there were no comments and the following motion was made: **MOTION** by Davis, supported by Fleming, to recommend that parcel #003-528-00 be rezoned from PSP (Public/Semi-Public) to R-3 (Traditional Residential). On a voice vote; **MOTION CARRIED.**

Commissioner Collins added that losing the green space on High Street would affect the overall picture of the landmark district.

RECOMMENDATION: After hearing public comments, the Planning Commission recommends approval of the rezoning request for the High Street Lot, parcel # 003-582-00, to change from PSP (Public/Semi-Public) to R-3 (Traditional Residential).

FISCAL EFFECTS: None at this time.

ALTERNATIVES: As suggested by Council

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager

A handwritten signature in black ink that reads "Natalie Huestis".

Natalie Huestis
Director of Community Services

City of Marshall

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ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: James M. Schwartz, Police Chief
Tom Tarkiewicz, City Manager

SUBJECT: Public hearing and adoption for Proposed Ordinance Section 71 amendments for Motor Carrier Safety Act.

BACKGROUND: In May 2010, discussions occurred on the ability to protect our infrastructures and roadways. During these discussions, it was determined that a Motor Carrier Enforcement Program may be viable way of protecting the roadways within the City of Marshall from overweight, non compliant commercial vehicles.

An opportunity became available for a member of the Marshall Police Department to receive training in Motor Carrier laws and certifications. This individual has attended and completed certification in the North American Standard practices for both Section A and Section B. This person had to complete 32 vehicle inspections with a certified Motor Carrier Enforcement officer and this has been completed. The City of Marshall is required to sign an agreement of cooperation with the Michigan State Police and both parties have completed this cooperative agreement.

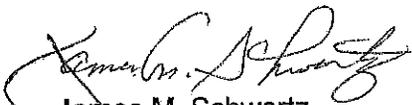
The attached proposed ordinance will need to be afforded public comment and then considered for adoption to allow the City of Marshall Police Department to enforce the motor carrier laws as an ordinance. This ordinance is intended to protect the lives and property of citizens and visitors, to enhance our abilities to enforce commercial vehicle laws, and to gain compliance to protect the City of Marshall's infrastructure.

RECOMMENDATION: After hearing comments at the public hearing, it is recommended that the City Council approve the addition and amendments to Chapter 71: Section 71.090, Section 71.080, and Section 71.999.

FISCAL EFFECTS: None at this time. The fines collected will be delivered to the General Fund as prescribed by law.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,


James M. Schwartz
Police Chief


Tom Tarkiewicz
City Manager



**CITY OF MARSHALL
ORDINANCE 2011- ##**

**AN ORDINANCE TO AMEND CHAPTER 71, OF THE MARSHALL CODE,
ENTITLED "MOTOR CARRIER SAFETY ACT"**

Chapter 71 of the Marshall Code is hereby amended to read as follows:

I. Section 71.090 would be added to Chapter 71.

§71.090 MOTOR CARRIER SAFETY ACT

A. Adoption of Code: The Motor Carrier Safety Act of 1963 (Act no. 181 of the Public Acts of 1963, as amended; MCL 480.11 et seq.), as amended from time to time, and the rules promulgated thereunder, is adopted by reference as herein modified for the purposes of protecting the public. The Motor Carrier Safety Act of 1963, together with the provisions of this ordinance, shall be known and may be cited as the Motor Carrier Safety Act of the City of Marshall. Complete copies of the Act are available at the office of the city clerk for inspection by and distribution to the public.

B. References in Code: References in the Motor Carrier Safety Act of 1963 to "local authorities" shall mean the City of Marshall.

C. Penalty: The penalties provided by the Motor Carrier Safety Act of 1963 are adopted by reference; provided, however, the City may not enforce any provision of the Motor Carrier Safety Act of 1963 for which the maximum period of imprisonment is greater than 93 days, or the maximum fine is greater than \$500, or both.

II. Section 71.080 would be amended as follows, with the current language in this section being eliminated.

§71.080 VEHICLE SIZE, WEIGHT AND LOAD

A. Maximum Loads: It shall be unlawful for any person to operate any vehicle, trailer or semi-trailer, or any combination thereof, or to permit the operation of any such vehicle, trailer or semi-trailer, or combination thereof, when the wheel and axle load of any such vehicle or unit of a combination of vehicles, with or without a load, exceeds the schedule of weights allowed by the laws of the state, as set forth in the Michigan Vehicle Code (MCL 257.722, MSA 9.2422).

B. Width, Height and Length: It shall be unlawful for any person to operate any vehicle, trailer or semi-trailer, or any combination thereof, or to permit the operation of any such vehicle, trailer or semi-trailer, or combination thereof, when the maximum width, height or length of such vehicle or combination thereof, or unit of a combination of vehicles, and of the load thereon or therein shall exceed the limits fixed by provisions of the Michigan Vehicle Code (MCL 257.717, 257.719, MSA 9.2417, 9.2419), unless a

special permit is issued as provided in MCL 257.725, MSA 9.2425.

C. **Applicability:** This article shall be operative upon all public streets and highways within the city.

D. **Stopping Vehicles:** The chief of police or his agents, when engaged in the enforcement of this article, or any police officer of the city, may at any time require a vehicle to stop and submit to a weighing of the same by means of either portable or stationary scales either at the location of such stopping or at regularly designated weigh stations of the city for purposes of permitting the officer to ascertain whether the vehicle or part thereof is loaded in conformity with the provisions of the laws of the state and the provisions of this article.

E. **Weigh Stations:** The chief of police shall be authorized to establish weigh stations, which stations may be located at such places as may, from time to time, be designated by the chief of police and which, when and where so designated, are declared to be public weigh stations for the city.

F. **Unloading Access:** If it shall be determined upon such weighing that any vehicle or unit of a combination of vehicles is loaded in violation of the terms of this article, it shall be the duty of the driver thereof to forthwith remove so much of such load as will be necessary to reduce the gross weight of such vehicle to limits permitted under this article. Any material so unloaded shall be cared for by the owner or operator of such vehicle at the risk of such owner or operator. If it shall be necessary to store such materials within any portion of a public street or highway, the same shall be stored for not to exceed eight hours, and shall within such period be completely removed from such location by such owner or operator. If such materials are not so removed, the same shall be removed at the expense of the city. Any charges of such removal shall be paid by the owner or operator of such vehicle or the owner of such materials; and the city shall have a lien upon such materials in its possession until such charges are fully paid.

G. **Temporary Permits:** The city is authorized to temporarily permit the maximum limits set forth in this article to be exceeded. Such exceeding limits of weight shall be authorized only in cases of emergency or upon showing of good cause, and only when the condition of the streets or highways over which such loads are to be carried is such that the same will not be damaged thereby.

H. **Exempt Vehicles:** The provisions of this article shall not apply to fire apparatus or to a vehicle operated under the terms of a special permit issued as provided in this article.

III. The following would be added to the current penalty provisions in Section 71.999.

§71.999 PENALTY

C. Any driver or owner of a vehicle who shall knowingly fail to stop at any weigh station, or who shall knowingly fail to submit to a weighing of his vehicle, upon conviction thereof, shall be guilty of a misdemeanor punishable by up to 93 days in jail and/or a fine of up to \$500.00.

D. Unless specifically declared to be a civil infraction, it is a misdemeanor for a person to drive or move, or for the owner to cause or permit to be driven or moved, on a street or highway a vehicle or vehicles of a size or weight exceeding the limitations stated in, or otherwise in violation of, the following provisions of the Michigan Motor Vehicle Code, Act 300 of 1949, as amended: MCL 257.716 through MCL 257.726b, which provisions are hereby adopted by reference, including, but not limited to, all provisions relating to fines and costs imposed thereunder for weight and all other violations; provided, however, that the penalty for a violation of the criminal provisions of this article shall not exceed a fine of \$500.00, or imprisonment for 93 days, or both.

This Ordinance [or a summary thereof as permitted by MCL 125.3401 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. 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.

This Ordinance is declared to be effective immediately upon publication.

Adopted and signed this _____ day of _____, 2011.

James L Dyer, MAYOR

Sandra Bird, CLERK-TREASURER

I, Sandra Bird, being duly sworn as the Clerk-Treasurer 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 22, 2011, 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.

Sandra Bird, CLERK-TREASURER

City of Marshall

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Marshall Town Hall ca. 1857

ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

REPORT TO: Honorable Mayor and City Council
FROM: Tom Tarkiewicz, City Manager
SUBJECT: Cronin Building Development Agreement

BACKGROUND: The City received a \$300,000 State of Michigan Signature Building Grant to purchase the Cronin Building in 2007. The City purchased the building on the basis of working with a California developer. This developer walked away from the project several years ago. The City is obligated to pay back the \$300,000 grant, if the property is not developed.

In November, Steve Eyke of LaFollette Custom Homes, Ltd of Williamston submitted a proposal to the City to develop the building. He has been working with staff since last year to develop a plan for the project. Mr. Eyke is doing a similar redevelopment project in Williamston. The City Attorney has prepared the following documents for Council approval:

- Option Agreement
- Property Lease & Development
- Amendment for Lease Improvement and Purchase of Real Estate

The highlights of the agreement are as follows:

- April 2011 Option agreement expiration
- Deadlines for submittal of architectural plans are included.
- The City will pay \$20,000 for the architectural plans
- The developer will provide the City with all engineering studies.
- The City will pay \$8,000 for the engineering studies.
- The architectural and engineering plans will be owned by the City.
- Deadlines for submittal of proof of funding.
- \$10.00 per month rent.
- The City will be responsible for basement asbestos abatement.
- The City will sell the building to the Developer at the end of five years.
- The City will cooperate in the Developer's acquisition of a liquor license.
- The developer will create at least 10 jobs.
- The City will consider a Neighborhood Enterprise Zone tax exemption.
- The Developer will invest at least \$350,000 into the property.
- City will pay for the Developer's Performance Bond estimated at \$8,000.



In the future, the Council will need to consider other items to make this project successful for Mr. Eyke. These may include a liquor license, a Neighborhood Enterprise Zone, a PA 255 Commercial Redevelopment Tax Credit, a Brownfield Redevelopment District, and others.

Mr. Eyke is unable to attend the meeting due to a previous commitment but City Attorney Paul Beardslee will be present at the meeting to discuss the agreements.

RECOMMENDATION: It is recommended that the Council authorize the Clerk-Treasurer to sign the Option Agreement, the Property Lease & Development Agreement, and the Amendment for Lease Improvement and Purchase of Real Estate with Cronin Building Redevelopment, LLC for the redevelopment of the Cronin Building.

FISCAL EFFECTS: The development agreement costs for the City are estimated at \$36,000. This redevelopment will allow the City to not have to reimburse the \$300,000 grant to the State.

ALTERNATIVES: As suggested by the Council.

Respectfully submitted,



Tom Tarkiewicz
City Manager

OPTION AGREEMENT

This Agreement is made this ____ day of _____, 2011, between the City of Marshall, a Michigan municipal corporation, of 323 W. Michigan Avenue, Marshall, Michigan, 49068, ("the City"), and CRONIN BUILDING REDEVELOPMENT, LLC., a limited liability company to be formed hereinafter "the Developer."

The City owns a commercial building and the real estate where the commercial building is located. This real estate, hereinafter "the Real Property," is located at 101 W. Michigan Avenue, Marshall, Michigan.

1. Option Agreement. In exchange for the payment of One (\$1.00) Dollar from the Developer to the City, the receipt and acceptance of which is acknowledged, the City binds itself to the terms of the attached Agreement for Lease, Development and Purchase of Real Estate, attached hereto as Exhibit A and incorporated herein by reference. Further, the City grants to the Developer the exclusive right to enter in to the attached Agreement, subject to the conditions below.

2. Expiration of Option. This option shall automatically expire on the ____ day of April, 2011, or upon the failure of the Developer to meet any of the deadlines contained herein, or upon the receipt by the City of written notice from the Developer of its intent not to enter in to the Agreement for Lease, Development and Purchase of Real Estate.

3. Developer's Deadlines. In exchange for the continuing exclusive right to develop the property, the Developer agrees to provide the following items to the City within the time set forth:

a. On or before March 25, 2011 the Developer shall provide the City with conceptual architectural drawings for the street-level interior and the complete exterior rehabilitation of Real

Property, in accordance with guidelines established by the Michigan State Historic Preservation Office (MiSHPO) for preserving historic structures. Such drawings shall be in a form acceptable to MiSHPO, shall be in electronic format and shall be the property of the City, whether or not the Developer exercises its Option to proceed with the development of the property. The Developer shall adopt plans acceptable to MiSHPO on or before June 30, 2011, and shall adhere to such plans and specifications for rehabilitation and refurbishment of the Real Property.

City agrees to pay LaFollette Custom Homes, Ltd. for preliminary and final architectural plans bearing the seal of a licensed architect, to be utilized by the Developer pursuant to the City's normal payment procedures, provided that said plans shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by City for the architectural plans shall not exceed Twenty Thousand (\$20,000.00) Dollars.

b. On or before March 25, 2011 Developer shall furnish to the City copies of all engineering reports, plans and specifications related to the Real Property identifying areas of concern related to the structural, mechanical or electrical systems within the Real Property and proposed solutions to such concerns. City agrees to pay the fees of a registered Professional Engineer of Developer's choosing for engineering inspection and plans related to the project pursuant to the City's normal payment procedures, provided that all reports and recommendations shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by the City for engineering services shall not exceed Eight Thousand (\$8,000.00) Dollars.

c. On or before July 29, 2011 the Developer shall provide to the City either:

- (i.) a written letter of commitment from an entity or individual reasonably acceptable to the City indicating the willingness and ability to proceed with the formation and operation of a restaurant within the premises upon terms acceptable to the Developer; or
- (ii.) written proof in form and substance reasonably acceptable to the City of a commitment from one or more entities or individuals indicating the willingness and ability to provide funding to the project in an amount not less than Three Hundred Fifty Thousand (\$350,000.00) Dollars upon terms acceptable to the Developer.

4. Entire Agreement. This Agreement and all other writings executed by both parties and clearly intended to bind both parties shall be construed as part of a single, over-arching agreement.

5. Jurisdiction and Venue. This Agreement shall be construed according to the laws of the State of Michigan, and by a court of competent jurisdiction in Calhoun County, Michigan.

IN WITNESS WHEREOF, the duly authorized representatives of the parties set their hands and seals on the day and year first above written.

Signed by: CITY OF MARSHALL

CRONIN BUILDING REDEVELOPMENT, LLC

By _____
Sandra Bird, Clerk-Treasurer

By _____
Steve Eyke
Its: Organizer

Drafted by:
Paul K. Beardslee (P42177);
Beardslee Law Office, PLC
Attorney for City
206 S. Kalamazoo Avenue, Marshall, MI 49068
269-781-5193

PROPERTY LEASE & DEVELOPMENT AGREEMENT

The City of Marshall, a Michigan municipality of 323 W. Michigan Avenue, Marshall, Michigan, the "Lessor", and Cronin Building Redevelopment, LLC, a limited liability company to be formed, of 145 W. Grand River Ave., Williamston, MI 48895, the "Lessee", enter into this lease subject to the following conditions:

1. Premises. The Lessor leases to the Lessee the real property and improvements commonly known as The Cronin Building and more particularly described in the attached Exhibit A.
2. Term. The term of this lease shall begin upon the execution hereof and shall continue until the fifth anniversary of the satisfaction of all requirements under the MSHDA Grant referred to in the Agreement for Lease, Improvement and Purchase of Real Estate executed on _____, 2011 between these parties, the terms of which are incorporated into this Lease by reference.
3. Rent. During the term of this lease, the Lessee shall pay a rent to the City on a monthly basis in the amount of Ten Dollars (\$10.00) per month.
4. Acceptance of occupancy. The Lessee shall commence occupancy of the premises on the commencement date and begin paying rent as required by this lease. The Lessee acknowledges that the premises are in a state of repair that is acceptable for the Lessee's intended use of the premises. The Lessee accepts the premises as they are.
5. Vacation of the premises. The Lessee shall not vacate or abandon the premises during the term of this lease or any renewal. If the Lessee does abandon or vacate the premises or is dispossessed by process of law or otherwise, any of the Lessee's personal property that is left on the premises more than seven days shall be deemed abandoned by the Lessee, at the option of the Lessor.
6. Use. The premises are to be used and occupied by the Lessee and its subtenants for residential purposes, retail sales, services and associated uses. No portion of the street level shall be utilized for residential purposes. A portion of the street level of the Real Property shall be utilized for retail or restaurant purposes, including at least the north forty feet (40') of the interior of the street level. No activity shall be conducted on the premises that do not comply with all state and local laws.

7. Maintenance. The Lessee shall be responsible for maintaining the premises in good and safe condition, and compliance with all building codes and requirements. Lessor makes no warranty concerning the status of any of the systems in the premises.
8. Signs. All signs placed on the premises shall be in keeping with the character and decor of the premises and shall comply with local zoning requirements.
9. Entry and inspection. The Lessee shall permit the Lessor or the Lessor's agents to enter the premises at reasonable times and with reasonable notice, to inspect and repair the premises.
10. Assignment and subletting. The Lessee may not assign its interest in this Lease without the prior written approval of the City . The Lessee may sublet all or any portion of the premises without prior approval from the City. No sublease of any portion of the premises will serve to excuse the Lessee's performance under the terms of this agreement.
11. Trade fixtures. All trade fixtures and movable equipment installed by the Lessee in connection with the business it conducts on the premises shall remain the property of the Lessee and shall be removed when this lease expires. The Lessee shall repair any damage caused by the removal of such fixtures, and the premises shall be restored to the original condition.
12. Waiver of Subrogation: By acceptance of this lease, Lessor and Lessee mutually agree to waive their rights of subrogation against the other in the event of a fire or other damage or other loss to the building structure or the personal property therein, or loss of business income. Further, Lessor and Lessee agree to waive the rights of subrogation of their respective insurers in the event of such damage or other loss.
13. The Lessee's Liability. All the Lessee's personal property, including trade fixtures, on the premises shall be kept at the Lessee's sole risk, and the Lessor shall not be responsible for any loss of business or other loss or damage that is occasioned by the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises. Lessee shall be solely responsible for procuring, at Lessee's expense, fire insurance and insurance for other customary perils of loss as Lessee solely shall deem appropriate covering Lessee's business property of every type, but not limited to inventory, furniture, and fixtures, machinery and equipment and improvements and betterments. Lessee further acknowledges and agrees that nothing in this lease shall be construed that Lessor is responsible in any way for damage or other loss to Lessee's business property, or

for loss of business income, or other loss, from any reason except as set forth in paragraph 18, below.

14. Destruction of the premises. If the premises are totally destroyed through no fault of the Lessee or if the premises cannot be repaired and restored within 180 days, either party may terminate this lease effective the date of the destruction by giving the other party written notice of termination within 10 days after the destruction. If such a notice is given within that period, this lease shall terminate and rent shall be adjusted between the parties to the date of the surrender of possession. If the notice is not given within the required period, this lease shall continue, without abatement of rent, and the Lessor shall repair the premises.
15. Mutual releases. The Lessor and the Lessee, and all parties claiming under them, release each other from all claims and liabilities arising from or caused by any hazards covered by insurance on the leased premises or covered by insurance in connection with property or activities on the premises, regardless of the cause of the damage or loss. The Lessor and the Lessee shall each include appropriate clauses waiving subrogation against the other party, consistent with the mutual release in this provision, in their insurance policies on the premises.
16. Condemnation. If any part of the premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Lessor or the Lessee may terminate this lease, effective the date the public authority takes possession. All damages for the condemnation of the premises, or damages awarded because of the taking of the premises, shall be payable to and the sole property of the Lessor. Any damages awarded as a result of harm to Lessee's business shall be the sole property of the Lessee.
17. Indemnity. The Lessor and Lessee agree mutually agree to waive their rights of subrogation against the other for any liability, loss, damage, cost, or expense (including attorney fees) based on any claim, demand, suit, or action by any party with respect to any personal injury (including death) or property damages, from any cause, except for liability resulting from the negligence, intentional acts or gross negligence of the Lessee or Lessor or their employees, agents, invitees, or business visitors.
18. Default and reentry. If the Lessee fails to pay rent when due; if the Lessee fails to perform any other obligations under this agreement within 10 days after receiving written notice of

the default from the Lessor; if the Lessee makes any assignment for the benefit of creditors or a receiver is appointed for the Lessee or its property; or if any proceedings are instituted by or against the Lessee for bankruptcy (including reorganization) or under any insolvency laws, the Lessor may terminate this lease, reenter the premises, and seek to relet the premises on whatever terms the Lessor thinks advisable. Notwithstanding reentry by the Lessor, the Lessee shall continue to be liable to the Lessor for rent owed under this lease and for any rent deficiency that results from reletting the premises during the term of this lease. Notwithstanding any reletting without termination, the Lessor may at any time elect to terminate this lease for any default by the Lessee by giving the Lessee written notice of the termination.

In addition to the Lessor's other rights and remedies as stated in this lease, and without waiving any of those rights, if the Lessor deems necessary any repairs that the Lessee is required to make or if the Lessee defaults in the performance of any of its obligations under this

lease, the Lessor may make repairs or cure defaults and shall not be responsible to the Lessee for any loss or damage that is caused by that action. The Lessee shall immediately pay to the Lessor, on demand, the Lessor's costs for curing any defaults, as additional rent under this lease.

19. Liability: Lessee shall procure at its expense, Liability Insurance for Bodily Injury and Property Damage in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall include additional insured provisions naming Lessor. As evidence of this lease requirement, Lessee shall provide, or cause to be provided, a Certificate of Insurance complying with this provision, and noting that Lessor shall be given 30 days prior written notice of cancellation or material change. Lessee shall be solely responsible for insuring against losses sustained due to business interruption, dramshop liability (if applicable), or destruction of personal property on the premises.
20. Taxes: Lessor shall be solely responsible for the timely payment of all real and personal property taxes and special assessments levied against the property.
21. Notices. Any notices required under this lease shall be in writing and served in person or sent by registered or certified mail, return receipt requested, to the addresses of the parties

stated in this lease or to such other addresses as the parties substitute by written notice. Notices shall be effective on the date of the first attempted delivery.

22. The Lessee's possession and enjoyment. As long as the Lessee pays the rent as specified in this lease and performs all its obligations under this lease, the Lessee may peacefully and quietly hold and enjoy the premises for the term of this lease.
23. Holding over. If the Lessee does not vacate the premises at the end of the term of this lease, the holding over shall constitute a month-to-month tenancy at a monthly rental rate to be set by the Lessor at its sole discretion.
24. Entire agreement. This agreement together with the Agreement for Lease, Improvement and Purchase of Real Estate contain the entire agreement of the parties with respect to their subject matter. These agreements may not be modified except by a written document signed by the parties. In the event of any conflict between this document and the Agreement for Lease, Improvement and Purchase of Real Estate, then the terms of that document shall control.
25. Waiver. The failure of the Lessor to enforce any condition of this lease shall not be a waiver of its right to enforce every condition of this lease. No provision of this lease shall be deemed to have been waived unless the waiver is in writing.
26. Binding effect. This agreement shall bind and benefit the parties and their successors and permitted assigns.
27. Time is of the essence. Time is of the essence in the performance of this lease.
28. Effective date. This lease shall be effective as of the _____ day of _____,

Lessor
City of Marshall Michigan

Lessee

by: Sandra Bird
Its: Clerk Treasurer

Drafted by:
Paul K. Beardslee (P42177)

AGREEMENT FOR LEASE, IMPROVEMENT AND PURCHASE OF REAL ESTATE

This Agreement is made this ____ day of _____, 2011, between the City of Marshall, a Michigan municipal corporation, of 323 W. Michigan Avenue, Marshall, Michigan, 49068, (“the City”), and CRONIN BUILDING REDEVELOPMENT, LLC., a limited liability company to be formed hereinafter “the Developer.”

The City owns a commercial building and the real estate where the commercial building is located, free of encumbrances, except as identified herein, and subject to easements and restrictions of record. This real estate, hereinafter “the Real Property,” is located at 101 W. Michigan Avenue, Marshall, Michigan, and described as follows on the attached “Exhibit A” which is incorporated into this Agreement.

The Real Property is in substantial need of improvement and rehabilitation. The City has acquired the Real Property by utilizing a grant from the Michigan State Housing Development Authority of the State of Michigan (MSHDA). The amount of this grant is Three Hundred Thousand Dollars (\$300,000.00). A copy of the Grant Agreement made between the State of Michigan and the City of Marshall, dated December 1, 2006, is attached to this Agreement as “Exhibit B” and made a part of this Agreement.

The purpose of this Agreement is to secure an investment by the Developer in the Real Property in the amount of not less than Three Hundred Fifty Thousand (\$350,000) Dollars on terms that provide sufficient incentive for the Developer to become a party to this project.

Consequently, the parties agree as follows:

1. Lease to Developer. The City will lease the Real Property to the Developer for a period beginning on the _____ day of _____, 2011 and ending on the fifth anniversary of the completion of the requirements of the Grant Agreement referred to above. During the term of the lease, the Developer shall pay a rent to the City on a monthly basis in the amount of Ten Dollars (\$10.00) per month. On or before the first day of the leasehold term the parties shall execute a Lease Agreement, the form of which is attached to the Agreement as "Exhibit C," and is made a part of this Agreement.

2. Plans and Specifications for Rehabilitation of Property. The Developer shall provide the City with conceptual drawings for the street-level interior and the complete exterior rehabilitation of Real Property, in accordance with guidelines established by the Michigan State Historic Preservation Office (MiSHPO) for preserving historic structures. Such conceptual drawings must be provided to the CITY on or before March 25, 2011 and shall be in a form acceptable to MiSHPO. The Developer must develop plans and specifications acceptable to MiSHPO on or before June 30, 2011 and shall adhere to such plans and specifications for rehabilitation and refurbishment of the Real Property. Failure on the part of the Developer to submit and comply with such architectural plans and specifications may jeopardize grant funds and shall constitute a material breach of this Agreement.

City agrees to pay LaFollette Custom Homes, Ltd. for preliminary and final architectural plans bearing the seal of a licensed architect, to be utilized by the Developer pursuant to the City's normal payment procedures, provided that said plans shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans

shall be and remain the property of the City. The total amount paid by City for the architectural plans shall not exceed Twenty Thousand (\$20,000.00) Dollars.

City agrees to pay the fees of a registered Professional Engineer of Developer's choosing for engineering inspection and plans related to the project pursuant to the City's normal payment procedures, provided that all reports and recommendations shall be provided to the City in electronic format at or before the time payment is sought; and further provided that such plans shall be and remain the property of the City. The total amount paid by the City for engineering services shall not exceed Eight Thousand (\$8,000.00) Dollars.

3. Asbestos Abatement. After the Developer exercises its option to proceed with the development of the property, then City shall, directly or indirectly, remove or seal in place all asbestos materials identified in the basement of the building in reports provided to the City dated July 1, 2008.

4. Developer's Subsequent Purchase from City. The Developer shall purchase the Real Property from the City upon the expiration of the leasehold term for the costs of closing the transaction, including, but not limited to, the price of an Owner's Policy of Title Insurance for the Developer, the fee of the closing agent, if any, and the costs or fees for recording the deed at the Calhoun County Register of Deeds Office. The City shall provide an appropriate Warranty Deed to the Developer at closing. All Real Property taxes and costs of Casualty Insurance on the Real Property shall be prorated to the date of closing, provided the same has not been reflected in leasehold payments paid by the Developer.

5. Repayment Upon Default. In the event that the City takes possession of the Real Property following a default by the Developer in the performance of any obligation under the Lease Agreement and the Developer has directly invested not less than Three Hundred Fifty

Thousand (\$350,000.00) Dollars in materials and labor in the Real Property as required by paragraph 13 below, City shall pay to the Developer a portion of the net sale proceeds from the subsequent sale of the Real Property. The amount of such repayment shall be the lesser of (1) the amount actually invested by Developer in physical improvements to the Real Property, including labor and material as supported by documentation satisfactory to the City, or (2) the sum received by the City for the subsequent sale of the Real Property less all funds invested in the Real Property by the City and the Downtown Development Authority regardless of the source of such funds.

6. No Warranty. When the City conveys the Real Property to the Developer, the City shall warrant marketable title to the Real Property, subject to easements of record. The City shall be in receipt of a Phase I environmental assessment satisfactory to the Developer before the Developer is obligated to proceed hereunder. In all other respects, however, the Developer shall take the real property "as is." The City shall, and hereby does, disclaim any warranty, expressed or implied, of whatever nature, with respect to the Real Property with the sole exception of a Warranty of Title. The City has made no representations to the Developer, and the Developer has relied upon no representations by the City concerning the Real Property except for those representations contained in this Agreement.

7. Liquor License Availability. The City is informed and believes that a liquor license will be available at the Development from the State of Michigan, Liquor Control Commission, under Public Act 501 of 2006 related to liquor licenses in Development Districts, provided that the Liquor Control Commission's requirements are met. If such a liquor license is not available at this location then the City will cooperate with Developer in obtaining another liquor license.

8. Binding Effect of Grant Agreement. The Developer and/or Developer's authorized representatives have reviewed the Grant Agreement attached to this Agreement as "Exhibit B". The Developer agrees to be bound by the terms of the Grant Agreement and to do no act or thing in connection with its involvement with the Real Property which contravenes the terms of the Grant Agreement, except that the City shall deem the job creation requirement to have been satisfied by the Developer upon the creation of ten (10) qualifying jobs, rather than the fifteen (15) required in the Grant Agreement. The Developer shall assist, and cooperate with the City in order that all requirements of the Grant Agreement between and among the parties are fulfilled.

9. Job Creation. The Developer shall, on or before July 30, 2012, or such other date as may be acceptable to MSHDA in writing, but not later than December 31, 2012, create at least ten (10) full-time equivalent jobs at the Real Property. These jobs may include jobs of employees who are employed by the Developer or jobs of employees who are employed by the tenants and occupants of the Real Property. The jobs to be created will be an hourly rate at or exceeding minimum wage and at least fifty-one percent (51%) of the created jobs shall be made available to, or held by, low and moderate-income persons. If the rehabilitation project on the Real Property results in the creation of more than ten (10) jobs, then the requirement that fifty-one percent (51%) of the created jobs shall be made available to, or held by, low and moderate-income persons shall apply to fifty one percent (51%) of all of the jobs created on the Real Property on or before the satisfaction of all requirements of the MSHDA Grant referred to above. The Developer and its tenants shall cooperate with the City to use the Income Certification Form attached to "Exhibit D" when documenting actual job creation. The Income Certification form shall be used until the project is formally closed out by the Michigan State Housing Development Authority.

10. Real Property Tax. The City shall be solely responsible for the payment of real property taxes, if any, on the building during the term of the lease. The City will consider requests for real property tax abatements under Michigan's Neighborhood Enterprise Zone program or other applicable programs at the end of the leasehold term.

11. Insurance. During the term of the lease the City shall obtain and maintain insurance on the structure in an amount adequate to pay for its repair or replacement. The Developer or its sub-lessees shall be responsible for fire, casualty and liability insurance covering the building and its contents, and for business interruption insurance, workers compensation insurance and all other appropriate insurance.

12. Reporting Requirements. The Developer shall assist and cooperate with the City in preparation of Program Progress Reports for filing with the State of Michigan beginning June 1, 2011, and every six (6) months thereafter, as required by the Grant Agreement.

13. Repayment Obligation. The City and the Developer acknowledge that the Grant Agreement requires the repayment of a prorated portion of the proceeds of the grant in the amount of Three Hundred Thousand Dollars (\$300,000.00) to the State of Michigan if the Real Property is sold by the City prior to five (5) years following the day of closing on the grant. If such repayment is required, it shall be funded first from the sale of the Real Property, with the Developer being solely responsible for the payment of any remaining balance.

14. Further Investment Required. On or before July 30, 2012, the Developer shall invest at least Three Hundred Fifty Thousand Dollars (\$350,000) in the rehabilitation and improvement of the Real Property in cash or in-kind. Grant funding from the State of Michigan shall not be applied toward this investment requirement. The Developer shall provide a detailed report and summary of its investment in the Real Property to the City on or before July 30, 2012. In

addition, the Developer shall furnish to the City true copies of so much of the original documents, such as invoices, work orders, records of activity, and all other documentation in the Developer's possession or control which served the Developer in the preparation of the summary and report to the City of the Developer's investment in the Real Property. Any improvements to the Real Property shall be considered fixtures and shall remain the property of the City upon expiration of the lease, subject to Developer's right to purchase the Real Property as contemplated herein.

15. Work Standards. The Real Property is located in the National Historic Landmark District in the City of Marshall. In the course of rehabilitation work to the Real Property, the Developer shall follow, and comply with, work standards for historic preservation as outlined in the Secretary of Interior's Standards and as approved by MiSHPO. Developer shall also maintain the interior and exterior of the Real Property in a good and responsible manner, including but not limited to; complying with the applicable construction code, property maintenance code, and applicable ordinances relating to the maintenance of the sidewalks outside the building.

16. Performance Bond. Developer shall procure at the City's expense not to exceed Eight Thousand (\$8,000.00) Dollars a performance bond, ensuring the proper performance under the terms of this Agreement from an insurance carrier or other entity reasonably acceptable to the City.

17. Choice of Law and Jurisdiction and Venue. This Agreement shall be interpreted under the laws of the State of Michigan, except for that body of law pertaining to choice of law. Any dispute hereunder shall be adjudicated in courts of the State of Michigan in Calhoun County, Michigan, or the United States District Court for the Western District of Michigan.

18. Entire Agreement. This Agreement contains the entire agreement reached between the parties. It may only be modified in a written document that expressly refers to this Agreement and is signed by representatives of all of the parties.

19. Captions. The paragraph captions contained in this Agreement are for convenience only and shall not be construed to change the meaning of the captioned paragraphs.

IN WITNESS WHEREOF, the duly authorized representatives of the parties set their hands and seals on the day and year first above written.

Signed by: CITY OF MARSHALL

By _____
Sandra Bird, Clerk-Treasurer

Cronin Building Redevelopment, LLC

By: Steve Eyke
Its: Organizer

Drafted by:

Paul K. Beardslee (P42177);
Beardslee Law Office, PLC
Attorney for City
206 S. Kalamazoo Avenue, Marshall, MI 49068
269-781-5193

Exhibit A

The following land situated in the City of Marshall, Calhoun County, Michigan, legally described as:

LOTS 5 AND 6 AND THE NORTH 42 FEET OF LOT 227 OF THE UPPER VILLAGE (NOW CITY) OF MARSHALL, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 3

OF PLATS, ON PAGES 12 AND 13, IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PREMISES AS RECORDED IN LIBER 207, PAGE 371, AND LIBER 247, ON PAGE 543:

COMMENCING ON THE SOUTH LINE OF WEST MICHIGAN AVENUE, FORMERLY STATE STREET, SAID POINT BEGIN FIXED BY NORTHWEST CORNER OF S.E. CRONIN PRESENT BUILDING; THENCE SOUTH 8 RODS TO NORTH LINE OF LOT 227 OF THE UPPER VILLAGE, NOW CITY; THENCE WEST ON THE NORTH LINE OF SAID LOT 227, 52 FEET TO THE EAST LINE OF LOT 6, BLOCK 24, OF THE LOWER VILLAGE, NOW CITY, THENCE NORTH ON THE EAST LINE OF SAID LOT 6, BLOCK 24, TO SOUTH LINE OF WEST MICHIGAN AVENUE, FORMERLY STATE STREET; THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID LOT 227 TO THE PLACE OF BEGINNING, ALL BEING PARTS OF LOTS 5 AND 6 OF THE UPPER VILLAGE, NOW CITY, OF MARSHALL, CALHOUN COUNTY, MICHIGAN.

ALSO EXCEPTING THE FOLLOWING DESCRIBED PREMISES AS RECORDED IN LIBER 656, PAGE 95:

COMMENCING AT THE NORTHWEST CORNER OF LOT 227, UPPER VILLAGE PLAT, CITY OF MARSHALL, AS OCCUPIED AND RUNNING THENCE EAST ON THE NORTH LINE OF SAID LOT 227 A DISTANCE OF 52.2 FEET TO THE SOUTHEAST CORNER OF WILLIAM G. THICK PARCEL; THENCE NORTH 6.00 FEET ON TO LOT 6, UPPER VILLAGE PLAT; THENCE DUE EAST PARALLEL WITH THE SOUTH LINE OF SAID LOT 6 A DISTANCE OF 51.0 FEET TO THE WEST LINE OF JEFFERSON STREET, AT A POINT DISTANT 126.2 FEET SOUTH OF THE SOUTH LINE OF MICHIGAN AVENUE; THENCE SOUTH ON THE WEST LINE OF JEFFERSON STREET 20.00 FEET TO A POINT DISTANT 14.0 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 227, THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID LOT 55.62 FEET TO THE POINT OF CURVATURE OF A 1155.92 FEET RADIUS CURVE TO THE RIGHT; THENCE WESTERLY 47.59 FEET ON SAID 1155.92 FEET RADIUS CURVE TO THE RIGHT, THE BORD OF WHICH BEARS NORTH 88 DEGREES 50' WEST 47.59 FEET, TO THE WEST LINE OF SAID LOT 227 AT A POINT DISTANT 13.03 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 13.03 FEET TO THE PLACE OF BEGINNING.

ALSO EXCEPTING PREMISES DESCRIBED IN LIBER 1307, PAGE 598:

ALL THAT PORTION OF THE FOLLOWING DESCRIBED PREMISES LYING SOUTH OF THE ALLEYWAY DESCRIBED IN THE DEED TO THE CITY OF MARSHALL, RECORDED IN LIBER 656 AT PAGE 95, AS DESCRIBED ABOVE; LOTS 5 AND 6 AND THE NORTH 42 FEET OF LOT 227 OF THE UPPER VILLAGE (NOW CITY) OF MARSHALL, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 3 OF PLATS, ON PAGES 12 AND 13, IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



Marshall Town Hall ca. 1857

ADMINISTRATIVE REPORT February 22, 2011 City Council Meeting

TO: Honorable Mayor and City Council

FROM: Tom Tarkiewicz, City Manager
Martin Overhiser, Project Manager (Byways Grant)

SUBJECT: Heritage Marketing and Promotion Consultant Contract

BACKGROUND: A portion of the National Scenic Byways Grant is to be spent on the marketing and promotion of the State designated Historic Heritage Route in Marshall. Two years ago a marketing strategy report was developed with extensive community input. With the grant money being released last fall the marketing project can now move forward. After the completion of this project we should all be trained cheerleaders and sales people for our town. Then, as we ramp up marketing and promotion of the Marshall experience, we are prepared to deliver.

The first step is to retain a consultant to help guide the community in refining and implementing the 2009 strategy. The strategy report has five recommendation categories each containing objectives and task to be completed: **Readiness** (being prepared to promote and market the community), **Grassroots** (preparing and informing the community about the marketing project), **Broader Outreach** (marketing to the community/state/Midwest), **Collaboration** (coordinating efforts among key organizations to increase cultural heritage tourism) and **Online** (improve our community web identity through a one-stop portal to everything Marshall).

The consultant selection process started with the Steering Committee developing a request for qualifications and a scope of services. A notice was published in the Ad-Visor and some 15 consulting firms were invited to submit qualifications. Five firms did provide us with their qualifications. Then four firms were requested to prepare a description of their approach to our \$20,000 consulting project. A total of some \$133,000 will be for marketing and promotion. All four firms were interviewed on Wednesday February 16. The consultants interviewed were Morris Arvoy, Bluefish Consulting, DesignHub, and Donald Marx. The interview team consisted of Karen Hagerty (Tourism Director), Keith Kehlbeck (Schuler's), Diane Larkin (Main Street/DDA), Casey Nager (Historical Society), Martin Overhiser (Project Manager), Linda Rasher (Historical Society) and Kathy Tarr (Franke Center for the Arts). Two Steering Committee members were unable to attend the interviews (Jeff Taylor and Susan Collins).



From all of the very well qualified candidates, the committee recommends that Morris Arvoy be retained to be the Heritage Marketing a Promotion Consultant. The consultant will work with the Steering Committee in refining and the recommendations contained in the 2009 Marshall Heritage Route Promotion and Marking Strategy report. Mr. Arvoy was the Director of Media Relations at Albion College for ten years and prior to that he worked in Boston with the U. S. Tennis Association in marketing. Most recently he has been doing freelance communications consulting. He has been and continues to be very involved in our community. Mr. Arvoy will have two or three associates assisting on the project.

FISCAL EFFECTS: The City will be reimbursed quarterly by MDOT with Federal Scenic Byways grant money. A project manager is required and some City Clerk/Treasurer staff time will be used to process and account for all expenses. City purchasing policies will be followed. Funds for the project administrator will come from the community development budget of \$5,000 per year. The City expenditures will be used as part of the 20% local match.

RECOMMENDATION: It is recommended that the City Council approve retaining Morris Arvoy as the Heritage Marketing and Promotion consultant for \$20,000 and authorize the City Clerk to execute an agreement for services.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,



Martin Overhiser
Project Manager



Tom Tarkiewicz
City Manager

City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



Marshall Town Hall ca. 1857

ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

REPORT TO: Honorable Mayor and City Council
FROM: Tom Tarkiewicz, City Manager
SUBJECT: Sale of High Street vacant lot to Oaklawn Hospital – Second reading

BACKGROUND: The City had received one bid from Oaklawn Hospital for \$63,000, for the purchase of a City owned vacant lot on High Street between Prospect Street and Forest Street. Parcel No. 003-528-00 is on the west side of High Street and is 132' wide and 297' deep and contains 0.9 acres. The lot originally contained a water department standpipe.

Section 2.20 Sale of Real Property of the City Charter states:

The city council shall sell real property by resolution, subject to the provisions of Section 2.08 (f). However, if the value of the property exceeds \$4.00 per capita according to the last official U.S. census, two public readings must be made at two regularly scheduled meetings of the city council. Final adoption of the resolution may be made at the meetings wherein the second public reading of the resolution has been made.

Section 2.08 (f) would not apply since this lot is not a city park or cemetery.

RECOMMENDATION: It is recommended that the City Council accept the bid from Oaklawn Hospital for \$63,000 for the High Street vacant lot and direct the City Attorney to prepare all pertinent sales documents.

FISCAL EFFECTS: \$63,000 from the sale.

ALTERNATIVES: As suggested by the Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz
City Manager



CITY OF MARSHALL, MICHIGAN
RESOLUTION #2011-____
City of Marshall Resolution

To Sell High Street Real Property

WHEREAS, the City of Marshall's Charter Section 2.20 requires that City Council shall sell real property by resolution following two public readings; and

WHEREAS, the City has published a notice of intent to sell land bearing parcel number 003-528-00, vacant real property east of High Street, between Prospect Street and Forest Street; and

WHEREAS, the City has invited bids and received bids from three parties interested in purchasing said real property; and

WHEREAS, the bid received from Oaklawn Hospital in the amount of \$63,000.00 is the high bid and otherwise meets the qualifications required by the City related to the bidding process;

THEREFORE, BE IT RESOLVED, that the City of Marshall shall convey parcel number 003-528-00 to Oaklawn Hospital by warranty deed, in its "as is" condition, upon receipt of \$63,000.00, consideration, plus the cost of land survey, warranty deed and title search, subject to the terms and conditions contained within the notice of intent to sell real property.

Sandra Bird, Clerk-Treasurer

I, Sandra Bird, being duly sworn as the Clerk-Treasurer for the City of Marshall, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on February 22, 2011 and that said meeting was conducted and that the minutes of said meeting were kept and will be or have been made available.

Sandra Bird, Clerk-Treasurer

City of Marshall

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Marshall Town Hall ca: 1857

ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

REPORT TO: Honorable Mayor and City Council
FROM: Tom Tarkiewicz, City Manager
SUBJECT: Revisions to City Council Rules of Procedure

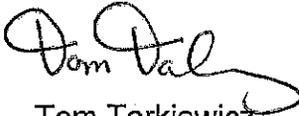
BACKGROUND: The Council agenda order was changed last month to assist in a better flow of the meeting. Due to this change, the City Council Rules of Procedure need to be revised. Several other suggestions from the Council are shown in the attached document.

RECOMMENDATION: It is recommended that the City Council review the proposed revisions to the City Council Rules of Procedure.

FISCAL EFFECTS: None.

ALTERNATIVES: As suggested by the Council.

Respectfully submitted,


Tom Tarkiewicz
City Manager



MARSHALL CITY COUNCIL RULES OF PROCEDURE

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1. AUTHORITY

These rules are adopted by the City Council of the City of Marshall pursuant to the City Charter adopted May 23, 1978. Council amended these rules on September 8, 1982, January 18, 1999, and September 18, 2006, and February 22, 2011.

2. MEETINGS

2.1 Regular Schedule:

The Council shall meet on the first and third Monday of each month in regular session. If any regularly scheduled meeting falls on one of the following legal holidays, New Years Day, President's Day, Memorial Day, Fourth of July, Labor Day or Christmas Day, the regular meeting shall be held on the next business day that is not a holiday.

2.2 Special Meetings

Special meetings may be called by the Clerk-Treasurer upon the written request of the Mayor or four (4) members of the council. Notice of Special Meetings shall be given to each member of the Council at least 18 hours in advance of the Special Meeting. Such notice shall be served personally or left at the members usual place of residence by the Clerk-Treasurer or designee. The notice shall contain the time, place and purpose of the meeting.

2.3 Place of Meeting:

Regular scheduled meetings will be held in the Council Chambers at Town Hall. Whenever the regular meeting place shall appear to be inadequate for members of the public to attend, the Mayor and City Council may change the meeting to a larger facility. A notice of such change shall be prominently posted on the door of the regular meeting place. If time permits, the Clerk-Treasurer or designee shall publish the change of the meeting place in the newspaper.

2.4 Time of Meetings:

Regularly scheduled meetings shall begin at 7:00 p.m. unless the *Council*, by majority vote, sets a different starting time. The Council shall not begin considering any matter on the agenda not yet under consideration by 10:00 p.m., except by a majority vote of the members present. Matters on the agenda and not yet acted upon at the time adjournment will be placed on the agenda for the next regular meeting or special meeting if one is called.

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2.5 Changes in Schedule

Changes in the regular schedule of meetings may be made upon the approval of a majority of members in session.

3. PUBLIC NOTICE OF MEETINGS:

The Clerk-Treasurer shall be responsible for providing the proper notice for all meetings of the Council.

3.1 Regular Meeting:

The Clerk-Treasurer shall post a notice within ten (10) days after the first meeting of the Council in each calendar year indicating the dates, times and places of the regular meeting schedule.

3.2 Schedule Change:

Whenever the Council shall change its regular scheduled meeting, the Clerk-Treasurer shall post a notice of the change within three (3) days following the meeting in which the change was made.

3.3 Emergency Meetings:

If the Council shall reschedule a meeting under the provisions of Rule 2.5 or call a special meeting under Rule 2.2, the Clerk-Treasurer shall post a notice of such a change immediately, and no meeting except an emergency meeting shall be held until the notice shall have been posted 18 hours. An emergency meeting shall be held only upon the consent of 2/3 of the members and only if a delay would threaten severe and imminent danger to the health, safety and welfare of the public.

4. QUORUM

Four (4) members shall constitute a quorum for the transaction of business at all meetings of the Council.

5. MEETING AGENDAS

5.1 The City Manager shall prepare the agenda of business for all regularly scheduled Council meetings. Any other member or representative of Committees, Boards or Commissions desiring to place a matter on the agenda shall notify the City Manager of such items by 12 o'clock noon on the Friday/Wednesday preceding the next regular meeting. The agenda of business and all related materials shall be available for Council in the afternoon of the Friday preceding the next regular meeting.

Items that the City Manager does not receive by the stated deadline shall not be considered by the Council except upon majority consent of the members present.

5.2 Order of Business:

The Agenda shall be arranged in the following order of business:

- Call to Order
- Roll Call
- Invocation
- Pledge of Allegiance
- Approval of Agenda
- Public Comment on Agenda Items
- Consent Agenda
- Presentations and Recognitions
- Informational Items
- ~~Public Comment on Agenda Items~~
- Public Hearings and Subsequent Council Action
- Old Business
- Reports and Recommendations
- Appointments/Elections
- ~~Consent Agenda~~
- Public Comment on Non-Agenda Items
- Council and Manager Communications
- Adjournment

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5.3 Special Meetings Agenda:

Whenever the Council shall be called into a Special Meeting, the matters to be considered shall be stated in the call of the meeting. No other matter shall be considered except when all members are present and a majority of the body concurs.

6. CONDUCT OF MEETINGS:

6.1 Chairperson:

The Mayor shall moderate and chair all meetings of the Council. In the absence of the Mayor, the Mayor Pro-Tem shall assume the duties of the chair. In the event of the absence or disability of the Mayor and the Mayor Pro-Tem the Council shall appoint one of its elected members to act as Mayor during the absence or disability of the Mayor and Mayor Pro-Tem.

6.2 Public Participation

Members of the public, both residents of the City of Marshall and others, are invited to address the Council during two portions of the regular Council agenda. Prior to the Council discussion of regular agenda items, members of the public are invited to provide comment upon those agenda items. Comments related to any other matters will be welcomed during a second "public comment" time noted later on the agenda. The Chair will first recognize any member of the public wishing to address the Council. Individuals will speak from the podium or a hand held microphone, state their name and address and limit their comments to a total of five (5) minutes during each of

these "public comment" times. Members of the public will not routinely be involved in Council discussion or deliberation upon agenda items unless called upon by the Chair.

6.3 Meeting Decorum

Persons attending meetings of the Marshall City Council will at all times exhibit orderly behavior, respectful of others. A person exhibiting disorderly behavior may be asked by the Chair to be seated and refrain from further comment, or may be asked to leave the meeting.

7. RECORD OF MEETINGS:

7.1 Recording Responsibility:

The Clerk-Treasurer shall be responsible for maintaining the official record and minutes of each meeting of the Council. The minutes shall include all of the actions of the Council with respect to motions. The records shall include the names of the mover and supporter and the vote of the Council. The record shall also state if the vote was by roll call, and when by roll call, the record shall show the "Yes," "No," or abstention for each member.

The Clerk-Treasurer shall maintain in the office of the Clerk-Treasurer copies of each Resolution and Ordinance or other matter acted upon by the Council.

7.2 Record of Discussion:

The Clerk-Treasurer shall not be responsible for maintaining a written record or summary written record of the discussion or comments of the members and of comments made by the public. The Clerk-Treasurer shall be responsible for making an electronic tape recording of each entire meeting, and such recording shall be maintained by the Clerk-Treasurer for a period of not less than 60 days following the date of the meeting.

7.3 Request for Remarks to be Included:

Any Council member may request to have his or her comments printed as part of the record. If there are no objections by any Council Member, the comments may be included. If there is an objection to such printing of the comments, the Council shall decide the matter by majority vote. Such comments are to be included as part of the official record and shall be transcribed exactly by the Clerk-Treasurer from the electronic tape recording.

7.4 Public Access to Meeting Records:

The Clerk-Treasurer shall make available to members of the public the records and minutes of an official meeting in accordance with the Freedom of Information Act and the City's Freedom of Information Act policy. Minutes prepared by the Clerk-Treasurer,

but not approved by the Body, shall be available for public inspection not more than eight (8) business days following the meeting. Minutes approved by the Council shall be available within five (5) business days following the meeting at which they were approved.

7.5 Publication of Minutes:

The Clerk-Treasurer shall be responsible for publication of a summary of the minutes in a local newspaper of general circulation in the City within ten (10) days after a meeting.

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8. EXECUTIVE SESSIONS

8.1 Procedure:

The Council may meet in executive session, closed to the public, upon the motion of any member and concurrent of 2/3 of the members present. The vote shall be recorded in the minutes of the meeting at which the decision to hold an executive session was made.

8.2 Purposes:

The Council shall hold executive sessions only for the following purposes:

1. To consider the dismissal, suspension or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, a public officer, employee, staff member, or individual agent if the named person requests a closed hearing. A person requesting a closed hearing may rescind the request at any time, in which case the matter at issue shall be considered after the rescission only in open sessions.
2. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiating party requests a closed hearing.
3. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.
4. To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.
5. To review and consider the contents of an application for employment or appointment to a public office if the candidate requests that the application remain confidential. However, except as provided in this subdivision, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting pursuant to this act.
6. To consider material exempt from discussion or disclosure by state or federal statute.

8.3 Minutes:

At each executive session, the Clerk-Treasurer or designee shall keep a separate record. This record of minutes shall not be disclosed to the public except upon court order. The Clerk-Treasurer or designee may destroy said minutes after one year and one day have passed following the approval of the minutes of the meeting at which the Council approved the closed session.

8.4 Approving Executive Session Minutes:

Minutes of executive sessions will be distributed to the members of the Council immediately prior to the meeting at which they are to be approved. The Clerk-Treasurer shall collect the

copies of the minutes given to the members at the end of the meeting at which they are approved.

9. MOTIONS AND RESOLUTIONS:

9.1 Statement by Chair:

No motion or resolution shall be adopted until the motion or resolution is restated by the person chairing the meeting.

9.2 Order of Motions:

Whenever a question is under debate, no motion shall be received except a motion to:

- Fix the time of the next meeting.
- Adjourn.
- Recess.
- Vote immediately.
- Lay on the table.
- Postpone to a certain time.
- Postpone indefinitely.
- Amend.
- Approve abstention from voting.

These motions shall take precedence in the order in which they are stated above.

9.3 Non-Debatable Motions:

The motions to adjourn, to recess, to lay on the table and to vote immediately shall be ordered and voted upon without debate.

9.4 Chairpersons:

The Chair of the City Council shall not be allowed to be the mover or the supporter of any motion.

10. VOTING:

Whenever a question is put by the Chair, every member present shall vote. No member present shall abstain from voting "yes" or "no" unless excused by a majority of the other members of the Council present. Conflict of interest shall be the sole reason for a request to abstain from voting. Once a member has been excused from voting on a particular item due to a conflict of interest (Policy adopted 4/5/93 December 6, 2010). That member remains excused from further voting on the item unless or until the conflict has been removed and Council so notified.

10.1 Roll Call Vote:

Roll call votes will be taken on any ordinance or any action involving money.

10.2 On demand by any member the vote on any pending question shall be taken by a roll call vote.

10.3 In all roll call votes, the names of the members of the Council shall be called in alphabetical order and the name called first on any roll call shall be called last on the next roll call vote.

11. PARLIAMENTARY PRACTICE RULES

The rules of Parliamentary Practice as contained in Robert's Rules of Order, most recent edition, shall govern the Council in all cases to which they are applicable, provided they are not in conflict with these rules, with the Ordinances or Charter of the City of Marshall, or the laws of the state of Michigan.

12. ORDINANCE ADOPTION:

12.1 Introduction:

Every proposed ordinance shall be introduced in writing. Following introduction of a proposed ordinance, the Council may accept the proposed ordinance for first reading and set a date for the Public Hearing on the proposed ordinance.

12.2 Publication:

Following introduction of a proposed ordinance, the Clerk-Treasurer shall publish a summary of the proposed ordinance in a local newspaper of general circulation in the City. The Public Hearing may not be held sooner than five (5) days after the publication.

12.3 Addition:

After the Public Hearing, the Council may consider enacting the proposed ordinance. The enactment of the ordinance shall require a majority vote of the entire Council.

12.4 Changes:

If there are any substantive changes in an ordinance after the Public Hearing as determined by Council, the Council must set another Public Hearing.

12.5 Publication After Adoption:

Each ordinance shall be published in full in a local newspaper of general circulation in the City at least one time within ten (10) days after its adoption by Council.

13. APPOINTMENTS:

Where no appointment procedure is defined by law, the City Charter or ordinance, such appointments will be made by the Mayor and be subject to the approval of a majority of the Council.

City of Marshall

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ADMINISTRATIVE REPORT February 22, 2011 - CITY COUNCIL MEETING

TO: Honorable Mayor and City Council

FROM: James M. Schwartz, Police Chief
Tom Tarkiewicz, City Manager

SUBJECT: Police Vehicle Purchase – 2011 Ford Crown Victoria Police Interceptor

BACKGROUND: This is the last year that Ford Motor Company will be manufacturing the Crown Victoria Police Interceptor vehicle for law enforcement. The Police Department currently utilizes this make and model of vehicle in their patrol fleet.

The deadline for vehicle orders is March 1, 2011. This will allow the Police Department to utilize current equipment from M2, a 2006 Ford Crown Victoria with 87,192 miles, to be transferred into the new Crown Victoria.

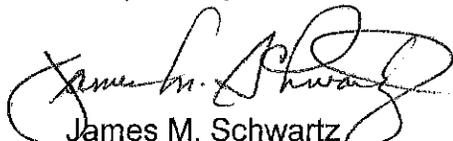
The State of Michigan bid price for the 2011 Ford Crown Victoria is \$20,728.00. Purchase of the current make and model of vehicle will have significant savings on emergency equipment changeovers. Projected savings on the changeovers will be approximately \$2,500.00 - \$3,000.00. This does not include any possible increase in vehicle cost for a 2012 vehicle, estimated to be \$5,000, if the purchase occurred after March 1, 2011.

RECOMMENDATION: It is recommended that the Council purchase a 2011 Ford Crown Victoria from Boshears Ford for \$20,728 to replace M-2 which is slated for replacement. This will allow the emergency equipment changeover to occur without excessive modifications.

FISCAL EFFECTS: To appropriate \$20,728.00 from the Motor Pool Fund Capital Outlay expenditure budget line item 661-898-970.00 for the purchase of the 2011 Ford Crown Victoria.

ALTERNATIVES: As suggested by Council.

Respectfully submitted,


James M. Schwartz
Police Chief


Tom Tarkiewicz
City Manager

