



CITY COUNCIL MEETING AGENDA

January 3, 2019

Marc D. Tall, Mayor
Ronald J. Beauchamp, Mayor Pro Tem
Ralph B. Blasier, Council Member
Michael R. Sattem, Council Member
Peggy O. Schumann, Council Member

Patrick S. Jordan, City Manager
Tammy A. Weissert, CMC Interim City Clerk
Ralph B. K. Peterson, City Attorney

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the Item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Regular Meeting

Thursday, January 3, 2019, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL/CORRECTION(S) TO MINUTES – Special Meeting – December 19, 2018
Regular Meeting – December 20, 2018

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS

1. Resolution Approval - Obsolete Property Rehabilitation Act (OPRA) – Exemption – District No. 27. – 1204 Ludington Street.

Explanation: Krysta Starz, owner of 1204 Ludington Street, has requested to be enrolled in the Obsolete Properties Rehabilitation Act (OPRA) (PA 146, 2000) which allows for partial exemption of property taxes for a specified period of time so that certain types of property improvements can be made. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities. Administration is recommending an OPRA exemption up to twelve (12) years beginning December 30, 2019, and ending December 30, 2031.

UNFINISHED BUSINESS

NEW BUSINESS

1. Approval – Scheduling of Public Hearings – 2019/20 Fiscal Year Budget Preparation – Citizen Participation.

Explanation: Each year, the City Council holds public hearings to facilitate input from citizens for the upcoming fiscal year budget. Administration is seeking Council approval to schedule the first of three (3) public hearings for January 17, 2019. Additionally, Administration is seeking City Council approval to schedule additional public hearings for February 14, 2019, and March 14, 2019.

2. Approval – Resolution of Support – Bonifas Art Center – 2019 Music Mondays Summer Concerts.

Explanation: The Bonifas Art Center is seeking Council approval of a resolution supporting their grant application to the Michigan Council for Arts and Cultural Affairs seeking funds for the “Music Mondays” Summer Concert Series. If approved, the City of Escanaba will serve as the Administrator for the funds. Administration is recommending approval.

3. Discussion – Solar panel purchasing program.

Explanation: City Council will discuss the draft solar panel purchasing documents. These documents will need to be finalized and approved by City Council before panels are made available to our customers.

4. Approval – Historic District Commission Study Committee Appointment.

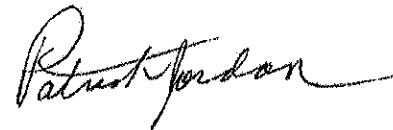
Explanation: Administration is requesting City Council appoint Don Curran and Elizabeth Keller as the study committee for Richter Brewer Historic District boundary modification.

5. Condemnation proceedings for 1608 North 19th Street.

Explanation: Administration is requesting Council to approve the condemnation and if required, demolition of a residential home and shed located at 1608 North 19th Street. If approved Administration requests scheduling a public hearing for February 7, 2019.

APPOINTMENTS
BOARD, COMMISSION, AND COMMITTEE REPORTS
GENERAL PUBLIC COMMENT
ANNOUNCEMENTS
ADJOURNMENT

Respectfully Submitted

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

**Patrick S. Jordan
City Manager**

OFFICIAL PROCEEDINGS
CITY COUNCIL
ELECTRICAL ADVISORY COMMITTEE
CITY OF ESCANABA, MICHIGAN
Special Joint Meeting
Wednesday, December 19, 2018

Pursuit to a meeting notice posted December 17, 2018, Mayor Marc D. Tall called the meeting to order at 4:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Ronald J. Beauchamp, Ralph B. Blasier, Michael R. Sattem, and Peggy O. Schumann (arrived at 4:02p.m.).

Absent: None

Present: Electrical Advisory Committee (EAC) Members: Chairperson Tim Wilson, Glendon Brown, and John Mellinger.

Absent: John Anthony and Ann Bissell.

Also Present: City Manager Patrick S. Jordan, Interim City Clerk Tammy A. Weissert, Electric Superintendent Mike Furmanski, and members of the public and media.

ADJUSTMENTS TO THE AGENDA

Sattem moved, Blaiser seconded, **CARRIED UNANIMOUSLY**, to approve the Joint City Council & Electrical Advisory Committee Agenda as submitted.

CONFLICT OF INTEREST – None

NEW BUSINESS

Discussion – Solar panel purchasing program.

The Escanaba City Council and the Electrical Advisory Committee discussed the draft solar panel purchasing documents. These documents need to be finalized and approved by City Council before we can make panels available to our customers.

Electrical Superintendent Mike Furmanski gave an overview of the Escanaba Solar Project – Panel Purchase Program and reviewed the Revised DRAFT 2018-12-17 City of Escanaba Solar Land License & Management Agreement.

Council recommended administration to put this item on the January 3, 2019, regular scheduled City Council Meeting agenda and would also like to hear City Attorney Ralph B.K. Peterson's opinion.

GENERAL PUBLIC COMMENT

Marilyn Kinsey gave a brief overview on the Escanaba Solar Project. Ms. Kinsey stated this has been a fun project and appreciates Mr. Furmanski's Electric Department as well as the contractor's.

COUNCIL/COMMITTEE, STAFF REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

ADJOURNMENT

Hearing no further public comment, or further reports from the Electrical Advisory Committee or Council, the meeting adjourned at 4:47 p.m.

Respectfully submitted,

Tammy A. Weissert, CMC
Interim City Clerk

Approved:

Marc D. Tall, Mayor

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Regular Council Meeting
Thursday, December 20, 2018**

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:00 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall, Council Members, Ronald J. Beauchamp, Ralph B. Blasier, Michael R. Sattem, and Peggy O'Connell Schumann.

Absent: None

Also Present: City Manager Patrick S. Jordan, City Department Heads, media, and members of the public.

Interim Clerk Weissert led Council in the Pledge of Allegiance.

Sattem moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from December 6, 2018, as submitted.

ADJUSTMENTS TO THE AGENDA

Schumann moved, Blasier seconded, **CARRIED UNANIMOUSLY**, to approve the Agenda as submitted.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS – None

UNFINISHED BUSINESS – None

PROCLAMATION

Mayor Tall proclaimed December 31, 2018, as "Gary LaPlant Day."

NEW BUSINESS

Discussion - Proposal 1 and Next Steps for the City of Escanaba.

The City Council discussed Proposal 1 and what steps to take next for the City of Escanaba.

Blasier moved, Sattem seconded, to not opt out.

Blasier moved, to table his motion, and with no second heard, motion failed.

NB-1 After discussion, Blasier moved, Sattem seconded, to not opt out.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Beauchamp
Nays: Tall
Abstain: Sattem, Schumann

MOTION FAILED.

Setting Obsolete Property Rehabilitation Exemption Public Hearing – January 3, 2019 – 1204 Ludington Street – District No. 27.

Krysta Starz, owner of 1204 Ludington Street, requested to be enrolled in the Obsolete Properties Rehabilitation Act (OPRA) (PA 146, 2000) which allows for partial exemption of property taxes for a specified period of time so that certain types of property improvements can be made. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities. Administration recommended Council set a public hearing date for January 3, 2019, so there is public understanding of the project.

NB-2 Blasier moved, Schumann seconded, to set a public hearing date for January 3, 2019, for the OPRA District No. 27 – 1204 Ludington Street exemption so there is public understanding of the project.

Upon a call of the roll, the vote was as follows:

Ayes: Blasier, Schumann, Sattem, Beauchamp, Tall
Nays: None

MOTION CARRIED.

Approval of a one year lease between the City of Escanaba and the Downtown Development Authority (DDA) for City property located at 1025 Ludington Street, Center Court.

Administration sought approval of a one year lease between the City of Escanaba and the Downtown Development Authority (DDA) for City property located at 1025 Ludington Street, known as Center Court.

NB-3(a)Beauchamp moved, Sattem seconded, to approve of a one year lease between the City of Escanaba and the Downtown Development Authority (DDA) for City property located at 1025 Ludington Street, known as Center Court.

Approval of a one year Parking Lot Lease and Parking Lot Maintenance Agreement between the City of Escanaba and the Downtown Development Authority (DDA).

Administration sought approval of a one year lease between the City of Escanaba and the Downtown Development Authority (DDA) for Parking Lot and Parking Lot Maintenance.

NB-3(b)Schumann moved, Sattem seconded, to approve of a one year lease between the City of Escanaba and the Downtown Development Authority (DDA) for Parking Lot and Parking Lot Maintenance.

Employment Agreement with Phil DeMay.

Agreement was reviewed for new City Clerk, Phil DeMay.

Blasier moved, Schumann seconded, to approve the text in the draft Agreement dated 12/20/2018.

After discussion, Blasier moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to amend the main motion adding that the benefit longevity will be 10 years and time-off benefit will be 12 years.

After discussion, Schumann moved, Sattem seconded, to amend the amended main motion by adding a time period on obtaining a CMC to be December 31, 2022, not that it would cost him his job at that point but if he does not have his CMC by then the \$5,000 incentive will be taken away.

Upon a call of the roll, the vote was as follows:

Ayes: Schumann, Sattem, Beauchamp, Tall
Nays: Blasier

MOTION CARRIED.

NB-4 Blasier moved, Schumann seconded, to approve the new City Clerk, Phil DeMay's, Employment Agreement with the amendments.

Upon a call of the roll, the vote was as follows:

Ayes: Blaiser, Schumann, Sattem, Tall
Nays: Beauchamp

MOTION CARRIED.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES

Appointed City Manager Patrick Jordan to be the City of Escanaba's representative on the CUPPAD Commission beginning March 1, 2019.

BOARD, COMMISSION, AND COMMITTEE REPORTS

Council Members reviewed City Board and Commission meetings each attended since the last City Council Meeting.

PROCLAMATION

Mayor Tall proclaimed December 21, 2018, as "Tom Casperson Day."

GENERAL PUBLIC COMMENT – None

ANNOUNCEMENTS

- Council Members wished everyone a Merry Christmas and Happy New Year;

Hearing no further public comment, the Council adjourned at 7:49 p.m.

Respectfully submitted

Tammy A. Weissert, CMC
Interim City Clerk

Approved: _____
Marc D. Tall, Mayor

P.H. - 1
C.C. 1/3/19

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

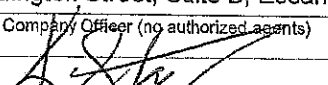
Applicant (Company) Name (applicant must be the OWNER of the facility) Krysta Starz		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 1615 Ludington Street, Suite B, Escanaba, MI 49829		
Location of obsolete facility (No. and street, City, State, ZIP Code) 1204 Ludington Street, Escanaba, MI 49829		
City, Township, Village (indicate which) City of Escanaba		County Delta
Date of Commencement of Rehabilitation (mm/dd/yyyy)	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/1/2019	School District where facility is located (include school code) Escanaba 21010
Estimated Cost of Rehabilitation \$2,000,000.00	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input checked="" type="checkbox"/> Increase Commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input checked="" type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment _____		
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input checked="" type="checkbox"/>		

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Krysta Starz	Telephone Number (906) 553-6063	Fax Number
Mailing Address 1615 Ludington Street, Suite B, Escanaba, MI 49829		Email Address Krysta@ClickCabinets.com
Signature of Company Officer (no authorized agents) 		Title CEO

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received OCT 25 2018
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FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established	LUCI Code	School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Building(s)		
Name of Governmental Unit	Date of Action on application	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date
Clerk's Mailing Address	City	State
	Telephone Number	Fax Number
		Email Address

Mail completed application and attachments to: Michigan Department of Treasury
 State Tax Commission
 P.O. Box 30471
 Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

**RESOLUTION TO APPROVE AN APPLICATION FOR
OBSOLETE PROPERTY REHABILITATION EXEMPTION FOR
KRYSTA STARZ NO. 27**

- Whereas,** Pursuant to P.A. 146 of 2000, the City of Escanaba is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and
- Whereas,** The City of Escanaba Legally established Obsolete Properties Rehabilitation District No. 27 on December 6, 2018, pursuant to a public hearing held on that date; and
- Whereas,** The taxable value of this exemption plus the aggregate taxable value of property already exempt under PA 146 of 2000 and under PA 198 of 1974 does not exceed 5% of the total taxable value of the City of Escanaba; and
- Whereas,** The applicant is not delinquent in any taxes related to the facility; and
- Whereas,** The applicant has provided all required items to the City of Escanaba; and
- Whereas,** The application is for obsolete property as defined in Sec. 2(h) of Public Act 146 of 2000; and
- Whereas,** Rehabilitation of this facility as covered by this exemption had not begun prior to December 6, 2018, the date the district was established; and
- Whereas,** The application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility within the meaning of PA 146 of 2000, situated within an Obsolete Property Rehabilitation District; and
- Whereas,** Completion of the rehabilitated facility is calculated to, and will, at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, to create employment, to retain employment, and to revitalize an urban area; and
- Whereas,** The rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by Sec. 2(l) of PA 146 of 2000; and
- Whereas,** The application was approved at a public hearing on January 3, 2018, provided by Sec. 4(2) of PA 146 of 2000, allowing a period of thirty-seven (37) months for completion of the rehabilitation;

Now, Therefore, Be It Resolved by the City Council of the City of Escanaba that Krysta Starz
1204 Ludington Street

Be and is hereby granted an Obsolete Property Rehabilitation Exemption for the real property
located in Obsolete Property Rehabilitation District No. 27 at 1204 Ludington Street, described
as E ½ OF LOT 2 OF BLK 80 OF THE PROPRIETORS 1ST ADDITION, City of Escanaba,
Delta County, Michigan,

For a period of twelve years beginning December 30, 2019, and ending December 30, 2031.

Upon a call of the roll, the vote was as follows:

Ayes:

Nays:

RESOLUTION DECLARED ADOPTED

STATE OF MICHIGAN)

ss

COUNTY OF DELTA)

I the undersigned, being duly qualified and acting City Clerk of the City of Escanaba, do hereby
certify that the foregoing constitutes a true and complete copy of a resolution adopted by the
Escanaba City Council of the City of Escanaba, County of Delta, Michigan, at a regular City
Council Meeting held on Thursday, January 3, 2019, and that said meeting was conducted and
public notice was given pursuant to and in full compliance with the Open Meetings Act, Act
267, Public Acts of Michigan, and that the minutes of said meeting were kept and will be or
have been made available as required by said Act.

Tammy A. Weissert, CMC
Interim City Clerk

Escanaba

NOTICE OF PUBLIC HEARING

IN ACCORDANCE WITH ACT 146 OF 2000, THE CITY OF ESCANABA HEREBY NOTIFIES YOU THAT THE CITY COUNCIL WILL HOLD A PUBLIC HEARING AT 7:00 P.M. ON THURSDAY, JANUARY 3, 2019 IN THE COUNCIL CHAMBERS OF CITY HALL, 410 LUDINGTON STREET, TO CONSIDER APPROVAL OF OBSOLETE PROPERTY REHABILITATION EXEMPTION APPLICATION FOR DISTRICT NO. 27, 1204 LUDINGTON STREET.

• DISTRICT 27 – 1204 Ludington Street
Obsolete Property Rehabilitation District Number 27

• Parcel #051-320-2930-404-017; E 1/2 OF LOT 2 OF
BLK 80 OF THE PROPRIETORS 1ST ADDITION

ALL PERSONS INTERESTED WILL BE GIVEN AN
OPPORTUNITY TO BE HEARD

TAMMY A. WEISSERT, CMC
INTERIM CITY CLERK

www.escanaba.org

Published 12/21/18



Dear Ms. Starz, I inspected your property at 1204 Ludington Street, Escanaba, MI 49829 on August 17, 2018. The property is at least 90% functionally obsolete and inhabitable in its present condition. There is no plumbing, HVAC, or electrical systems in most of the building and all have to be replaced. Water damage from a leaky roof and windows is apparent, as well as pigeon droppings on both upper floors. There is evidence of mold and mildew and most of the building retains its original partitions and finish. The buildings foundation appears to be sound and this site is salvageable. Because of possible mold, mildew and asbestos and the many other problems you should be eligible for an OPRA exemption. I have enclosed a copy of the property record card and photo of the front of the building from the mid 1930's for your convenience.

Ms. Krysta Starz

August 21st, 2018

1615 Ludington St Suite B

Escanaba, MI 49829

RE: 1204 Ludington Street

Parcel No. 051-320-2930-404-017

Dear Ms. Starz,

On August 17th, 2018 I inspected your property at 1204 Ludington Street. Built in 1912 with 3,500 sq. feet of office/retail space on the ground floor and 3,000 sq. feet apartment space on the second and third floors, as well as the basement. The last business to occupy this building was nearly twenty years ago, they only used the ground floor and the building has been unoccupied since then.

This property is at least 90% functionally obsolete and inhabitable in its present condition. There is no plumbing, HVAC, or electrical systems in most of the building and all have to be replaced. Water damage from a leaky roof and windows is apparent, as well as pigeon droppings on both upper floors. There is evidence of mold and mildew and most of the building retains its original partitions and finish.

The buildings foundation appears to be sound and this site is salvageable. Because of possible mold, mildew and asbestos and the many other problems you should be eligible for an OPRA exemption.

I have enclosed a copy of the property record card and photo of the front of the building from the mid 1930's for your convenience.

Yours Truly,

Kevin Dubord

Asst. Assessor

Mission Statement:



Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.
The City of Escanaba is an equal opportunity employer and provider.

1204 Ludington Street, Escanaba

Constructed between 1906 and 1911, the three-story, flat-roofed, brick building was originally The Main Hotel & Saloon. The second and third floors remained an operating hotel into the 1960's, and possibly beyond. Many of the original hotel rooms and shared restrooms remain minimally intact. The first floor has been an array of shops and, most recently, office space. The building has unique half bay windows along the east and west walls of the second and third stories to allow light access into the original hotel rooms, regardless of the adjacent buildings height.

The property sits on a 25' x 140' parcel. The original building is 25'x120' which equates to 3,000 square feet per floor or 9,000 square feet above ground and 3,000 below ground for a total of 12,000 square feet.

Once rehabilitated, the building would house five mid-upscale apartments, one office/retail/event rental space, and storage, with a central outdoor courtyard.

Renovation

This will be an extensive renovation, as the building is currently functionally obsolete. The second the third floors have been occupied only by pigeons since the hotel closed. There is also no operating heating system or plumbing and very little operating electrical (none of which is to code).

Complete demo of interior of building.

Lead and asbestos abatement throughout.

Complete demo of single story addition to the back 20' of the building.

Demo of center portion of building to form central outdoor courtyard.

Repair foundation issues, particularly in the central portion of the building on the west side.

Replace missing and repair deteriorating brick facade and brick throughout the building.

Replace missing cornice on facade. To be rebuilt as near historically accurate as possible.

Repair or replace concrete pad at back 20' of building for exterior parking.

Replace all windows to be historically accurate.

Replace all doors to be historically accurate on the exterior and throughout on the interior.

Roof repair to include 80% replacement.

Replace pyramid style skylight.

Reframe entire building. To include new outdoor courtyard area in the center of the building.

Rebuild and relocate staircases.

New HVAC systems throughout.

New electrical throughout.

New plumbing and plumbing fixtures (sinks, faucets, toilets, showers, bathtubs) throughout.

New fire suppression system installed throughout to code.

Repair and reuse first floor original tile flooring.

Repair and reuse second floor original wood flooring.

Replace third floor flooring.

Repair and reuse first floor metal ceiling.
New drywall throughout.
New paint throughout - inside and out.
New light fixtures throughout - inside and out.
Appliances in apartments.
Cabinetry in apartments.
Countertops in apartments.
Window treatments in apartments.

Reuse & Salvage of Fixed Equipment

Unfortunately, none of the existing fixed equipment can be reused or salvaged for use in the rehabilitated facility.

Time Schedule for Rehab

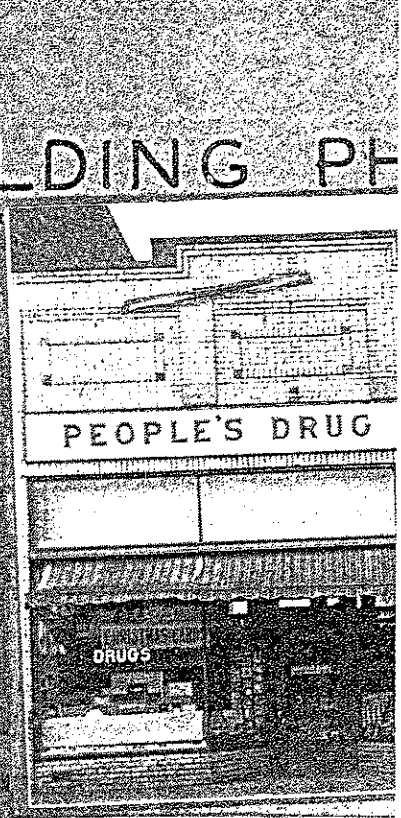
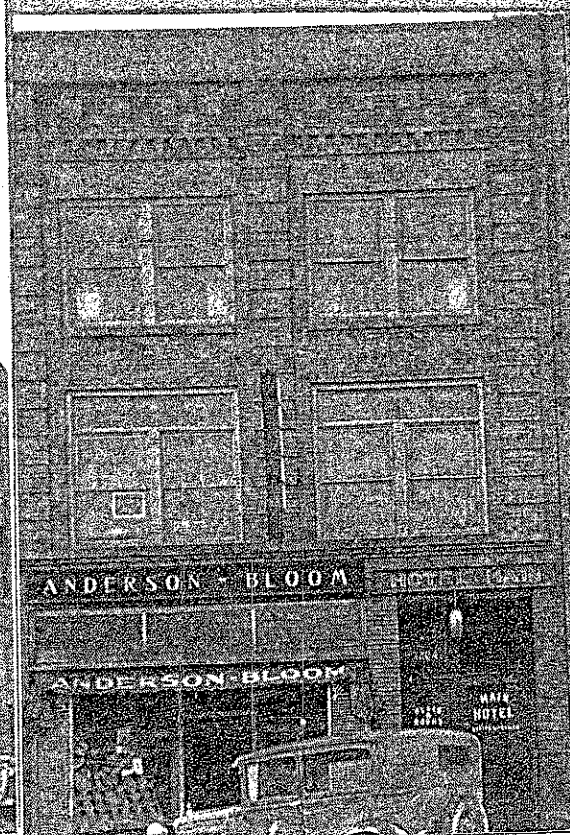
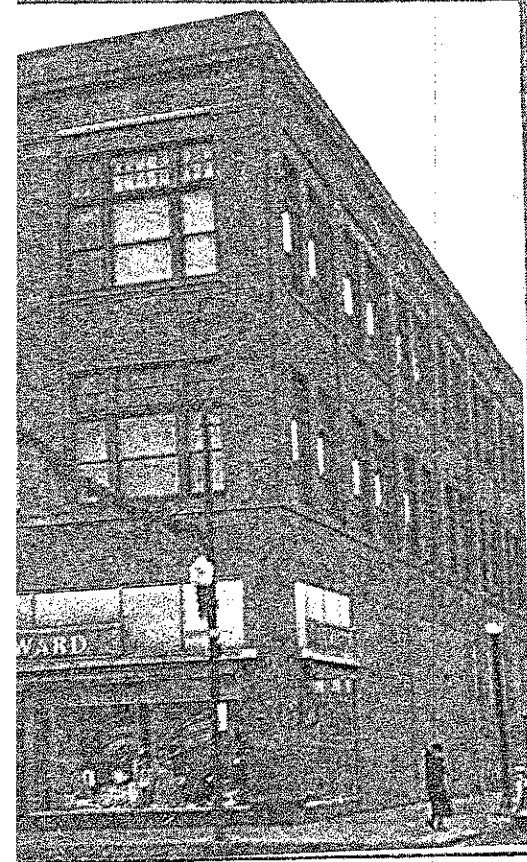
This project has been in the planning stages for about two years to-date.
MEDC grant funding will be utilized for the rehabilitation of this project, which can take an undetermined amount of time.
Once construction begins, the project is expected to take 9-12 months.

Expected Economic Advantages from Exemption

The economic advantages from exemption are almost endless in this case. As the building sits it currently brings no value to Escanaba's downtown and, in fact, brings the value of the entire neighborhood down.

Not only will the exemption assist in the feasibility from a financial perspective to allow this project to be financially viable, once the building is complete it will have a major impact on Escanaba's historic district and downtown. This building is currently one of the most obscene eye sores on Ludington Street. It sits on one of the busiest blocks and is centrally located within the nationally registered historic district of Escanaba's Ludington Street. The visual impact alone that the rehabilitation of this building will accomplish for local residents and visitors to the area and their appreciation community redevelopment cannot be quantified.

Beyond the visual, is the fact that the rehabilitation of this building will include five apartments which will bring more patrons to the area to support the local business. It will also allow a business to occupy the currently unused glass storefront, bringing jobs to the area. Both of which will boost the entire downtown community and surrounding businesses.



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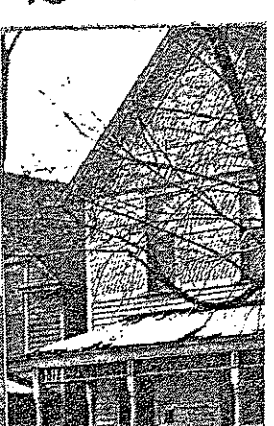
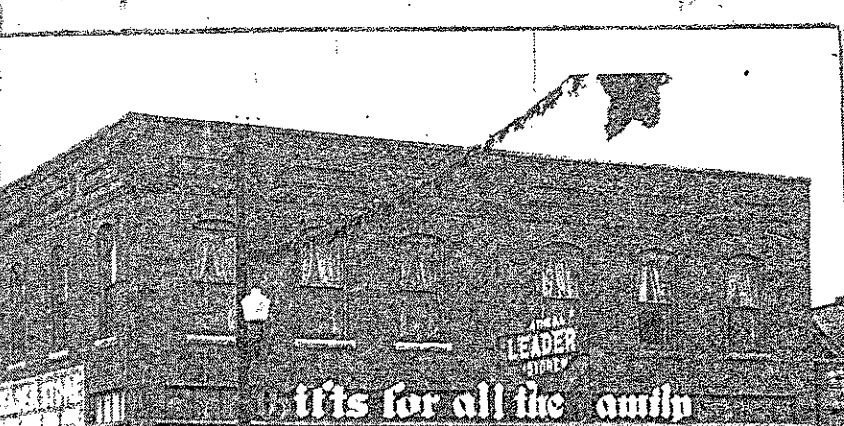
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2 2 5 2



Legal Description of 1204 Ludington St., Escanaba, MI 49837

The East ½ of Lot 2 of Block 80 of Proprietor's First Addition to the City of Escanaba, according to the plat thereof, as recorded in Liber A of Plats, Page 3, Delta County Records

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prcnt. Trans.
SUMMERS DOUGLAS D & ROXAN	STARZ KRYSTA NESS	30,000	12/20/2016	WD	ARMS-LENGTH	1177/695	KEVIN DUBORD	100.0
4 D RENTALS LLC	SUMMERS DOUGLAS DUANE	40,000	11/10/2004	LC	LAND CONTRACT	497/490		0.0
4D RENTALS	4D RENTALS LLC	0	01/01/1997	QCD	AFFILIATED GROUPS	497/490	DAINA NORDEN	0.0
DAGENAIS REAL ESTATE INC	4D RENTALS	1	03/15/1994	QCD	QCD	470/924	DAINA NORDEN	0.0

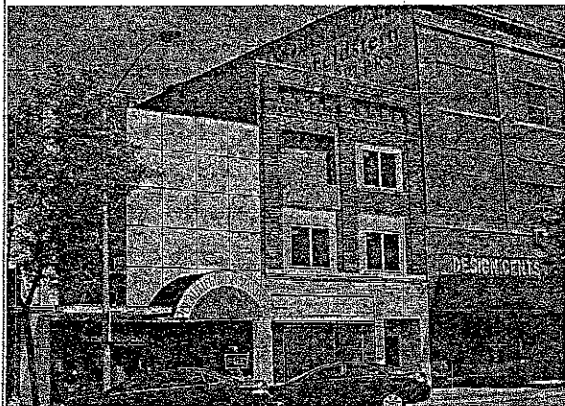
Property Address	Class: COMMERCIAL, 201	Zoning:	Building Permit(s)	Date	Number	Status
1204 LUDINGTON ST						
	School: Escanaba Schools 21010					
	P.R.E. 0%					
Owner's Name/Address	Map #:					
	2019 Est TCV Tentative					

X	Improved	Vacant	Land Value Estimates for Land Table 20.COM 1							
			* Factors * 25 X 140							
	Public Improvements		Description	Frontage	Depth	Front	Depth	Rate %Adj.	Reason	Value

Tax Description	Dirt Road	E LUDINGTON	25.00	140.00	1.0000	1.0000	600	100		15,000	
E 1/2 OF LOT 2 OF BLK 80 OF THE PROPRIETORS 1ST ADDITION	X Paved Road	25 Actual Front Feet, 0.08 Total Acres								Total Est. Land Value =	15,000

Comments/Influences	X	Item
	X	Storm Sewer
	X	Sidewalk
	X	Water
	X	Sewer
	X	Electric
	X	Gas
	X	Curb
	X	Street Lights
		Standard Utilities
		Underground Utils.

Topography of Site	X	Item
	X	Level
		Rolling
		Low
	X	High
		Landscaped
		Swamp
		Wooded
		Pond
		Waterfront
		Ravine
		Wetland
		Flood Plain



Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/Other	Taxable Value
2019	Tentative	Tentative	Tentative			Tentative
2018	6,400	19,300	25,700			25,667C
2017	6,438	18,702	25,140			25,140S
2016	6,438	19,127	25,565			24,926C

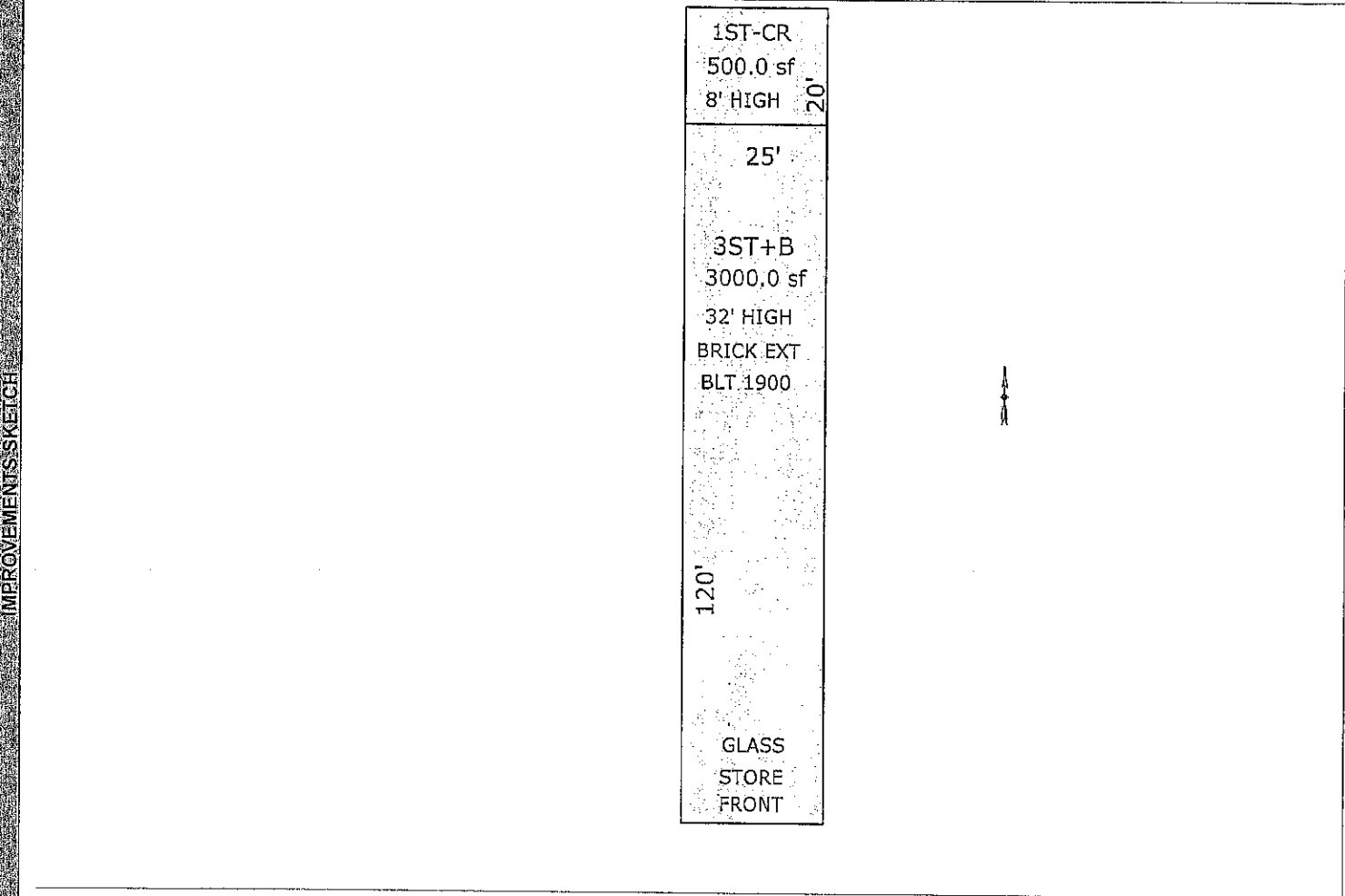
The Equalizer. Copyright (c) 1999 - 2009. Licensed To: City of Escanaba, County of Delta, Michigan

*** Information herein deemed reliable but not guaranteed***

SKETCH/AREA TABLE ADDENDUM

Parcel No 051-320-2930-404-017

SUBJECT	Property Address 1204 LUDINGTON STREET			
	City ESCANABA	County Delta	State MI	Zip 49829
	Owner SUMMERS DOUGLAS D			
	Client		Client Address 1204LUDS	
	Appraiser Name KEVIN DUBORD		Inspection Date DRAWN 8-15-11	



1204 LUDINGTON STREET

Scale: 1" = 12'

AREA CALCULATIONS SUMMARY						Comment Table 1		
Code	Description	Factor	Net Size	Perimeter	Net Totals			
GLA1	3ST+B	1.00	3000.00	290.0	3500.00			
	1ST-CR	1.00	500.00	90.0				
Net LIVABLE Area (rounded w/ factors)						3500	Comment Table 2	Comment Table 3

NB-1
C.C. 1/3/19

CITY OF ESCANABA
2019-20 Budget Calendar

- December 27th (Thur)-** Budget papers to department heads; operating budgets due 1/21/19.
- January 4th (Fri)-** Publish notice of first Public Hearing for the 2019-20 City budgets at the 1/17/19 regular Council meeting.
- January 9th (Wed)-** City Council Budget Work Session 10:00 a.m.
- January 17th (Thur)-** (Regular Council Meeting) First Public Hearing for citizen input into the 2019-20 City budgets.
- January 21st (Mon)-** Departmental operating budgets due.
- February 8th (Fri)-** Publish notice of second Public Hearing for the 2019-20 City budgets at the 2/14/19 regular Council meeting.
- February 11th (Mon)-** First draft of budget requests to City Manager.
- February 14th (Thur)-** (Regular Council Meeting) Second Public Hearing for citizen input into the 2019-20 City budgets.
- March 8th (Fri)-** Publish notice of third Public Hearing for the 2019-20 City budgets at the 3/14/19 regular Council meeting.
- March 14th (Thur)-** (Regular Council Meeting) Third Public Hearing for citizen input into the 2019-20 City budgets.
- March 22nd (Fri)-** Council receives tentative copy of the City budgets.
- April 8th (Mon)-** Budget work session open to the public.
- April 9th (Tues)-** Budget work session open to the public.
- April 10th (Wed)-** Budget work session, if required, open to the public.
- April 18th (Thur)-** (Regular Council Meeting) Council passes resolution to set May 2nd as the fourth Public Hearing on the 2019-20 City budgets.
- April 19th (Fri)-** Budgets are revised, based on the work sessions, and are made available to the public.
- April 22nd (Mon)-** Publish notice of Public Hearings on budgets.
- May 2nd (Thur)-** (Regular Council Meeting) Public Hearing on 2019-20 City budgets.

May 6th (Mon)-

Publish notice of final hearing and adoption of 2019-20 City budgets. This notice must be at least 6 days prior to the budget adoption and must contain language to the effect that the tax rate will be a subject at this meeting, assuming that the City does **not** intend to roll back the millage by the base tax reduction fraction.

May 16th (Thur)-

Public Hearing and adoption of City budgets. First reading of the Appropriations Ordinance, including the millage rate, and first reading of the Tax Levy Ordinance, with second reading and adoption set for the May 23rd special meeting. First reading of Utility Ordinances, with second reading and adoption set for the Monday, June 3rd special meeting.

May 23rd (Thur)-

(Special Council Meeting) Second reading and adoption of the Tax Levy Ordinance and the Appropriations Ordinance.

June 3rd (Mon)-

(Special Council Meeting) Second reading and adoption of the Utility Ordinances.

NB-2
C.C. 1/3/19

December 21, 2018

Escanaba City Council and City Manager, Patrick Jordan
c/o: Tammy Weissert, City Clerk

thebonifas
arts center



Dear City Council and City Manager, Patrick Jordan:

The Bonifas Arts Center requests that the Council adopt the attached Resolution in support of a grant application to the Michigan Council for the Arts and Cultural Affairs seeking matching funds for the Music Mondays Summer Concert Series. Our grant request in August was not awarded funds, but asked to submit on January 15, 2019, for a second round of funding. This is the first time in over 5 years that funds have been held back for a second round of funding and we have every reason to believe that this grant will be funded now.

The grant proposes a collaborative effort between the City and the Bonifas Arts Center to enrich the cultural lives of area residents and visitors through free concerts featuring area musicians. The Bonifas is requesting that the City serve as lead applicant for this grant application since we have already received grant monies in this funding cycle and cannot receive a Mini Grant in 2018. The Resolution is a required component of the grant to confirm the City's approval to seek the grant and to comply with administering the grant (if awarded).

The grant proposes seven "Music Mondays" in the evenings throughout June, July and August in the Karas Memorial band shell in Ludington Park. The 2019 schedule will begin on the last Monday in June and continue until the first Monday in August. The Bonifas has already begun coordinating the musicians and will promote the events across the region.

The grant recipient's obligation under the grant is to serve as administrator of the funds which would entail; tracking and reporting on the grant funds received/expended from MCACA, documenting the City's in-kind contribution of facility use and staff time, compensating artists for their services and the Bonifas for organizing and promoting the events. The Bonifas would be happy to perform these tasks on behalf of the city.

For the Council's reference, included are supporting materials from the 2018 Music Mondays season. This link, https://www.youtube.com/watch?v=EibIil_rg1I, will give you a feel for the family and community event that is Music Mondays (thanks to Bud Lemire).

If there are any questions regarding this request please contact me.

Sincerely,

Sue Roll
Executive Director
906-786-3833
sue@bonifasarts.org

700 First Avenue South * Escanaba, MI 49829 * (906)786-3833 * www.bonifasarts.org

**Resolution in Support of a Grant Application to the
Michigan Council for Arts and Cultural Affairs**

AT A MEETING OF THE CITY COUNCIL OF THE CITY OF ESCANABA, MICHIGAN,
HELD ON JANUARY 3, 2019

RESOLUTION - SUPPORTING THE GRANT APPLICATION TO THE MICHIGAN
COUNCIL FOR ARTS AND CULTURAL AFFAIRS SEEKING MATCHING FUNDS FOR
THE "MUSIC MONDAYS" SUMMER CONCERT SERIES.

WHEREAS, the City Council of the City of Escanaba, Michigan, does
hereby find as follows:

WHEREAS, the City desires to support the cultural lives of area residents
through opportunities to be exposed to new art and music;

WHEREAS, the City has an excellent partner in the Bonifas Arts Center to
successfully organize and promote community events, and promote cultural
tourism and sponsor area musicians through public concerts;

WHEREAS, the grant funds will be administered, if awarded, as set forth in
the application;

WHEREAS, the City has a policy detailing equal opportunity provisions for
job applicants and public accommodations and agrees to conform to the
Assurances and Guidelines set forth in the application;

NOW, THEREFORE, BE IT HEREBY PROCLAIMED by the City Council of the City
of Escanaba, Michigan, that the grant application should be made to the Michigan
Council for Arts and Cultural Affairs for the January 15, 2019 deadline.

City Council, Escanaba, MI

Dated: _____

Attest

Clerk, City Council
City of Escanaba, Delta County, State of Michigan

Dated: _____

NB-3
C.C. 1/3/19

Revised DRAFT 2018-12-20
City of Escanaba

SOLAR LAND LICENSE & MANAGMENT AGREEMENT

Please fill out the information below.

Customer Name ("**Customer**"):

Utility Account Number:

Utility Account **Service Address** ("**Beneficiary Property**"):

Mailing Address:

Telephone:

Email Address:

Number of Requested Solar Energy Panels:

SOLAR LAND LICENSE & MANAGEMENT AGREEMENT

This license and management agreement ("Agreement") is entered into between the City of Escanaba, a Michigan municipal corporation, with offices at 410 Ludington Street, Escanaba, MI 49829; and **Customer**.

The parties agree to the following:

1. Overview. The **City of Escanaba** wishes to grant an irrevocable license to Customer for use of a portion of certain real property located at **3610 Airport Road**, Escanaba, MI, 49829, and described in **Exhibit A ("ESCANABA SOLAR PROJECT Site")** for the location of a solar panel or panels, owned by Customer on the site of a utility scale solar photovoltaic **ESCANABA SOLAR PROJECT**, to generate electricity for the benefit of Customer's Beneficiary Property. Customer wishes to contract with the City of Escanaba to manage maintenance, repair, and other related services described herein. City of Escanaba Electric Department customers will separately purchase solar panels ("**Customer Solar Property**") from the City of Escanaba on terms and at the price set by the City of Escanaba, and the City of Escanaba and/or its agents and subcontractors will install the panels and related facilities at the site, including a photovoltaic solar power system and all related equipment, apparatus, accessories, works and appurtenances (collectively referred to as the **ESCANABA SOLAR PROJECT or ESP**). The electrical production from Customer's solar panel(s) will be fed into the City of Escanaba electric grid and the City of Escanaba will issue credits for the electrical production from the **ESCANABA SOLAR PROJECT** in accordance with a formula under which credits will be allocated on a pro-rata basis among the customers to offset their electrical use.

2. Qualifying Customer. The purpose of the **ESCANABA SOLAR PROJECT** is to allow residents, businesses and other organizations in the City of Escanaba electrical service area, the benefits of owning a solar panel or panels for generating clean renewable solar energy to offset some of the Customer's electric usage by their home or business which may be generated from non-solar sources. Any financial benefit to the Customer from the **ESCANABA SOLAR PROJECT** is limited to the Solar Generation Credit which will be applied to the Customer's electric bill. No other financial benefit will be received by the Customer.

In order to qualify for the program, a Customer must:

- A. Own or lease real property in the City of Escanaba Electric service area with an Electric account in good standing, which property is identified as the Beneficiary Property;
- B. Agree to be subject to the terms of this Agreement; and
- C. Wish to purchase one or more panels in the **ESCANABA SOLAR PROJECT** to generate electricity, equivalent to or a portion of electricity consumed at that Customer's property address.

3. License. City of Escanaba grants a license to Customer for non-exclusive use of a portion of the **ESCANABA SOLAR PROJECT** Site for the purposes described in this Agreement, in the area designated by **ESCANABA SOLAR PROJECT** and as shown on Exhibit A.

4. Term. The license is irrevocable except as provided in this Agreement. The Agreement is effective on the date signed by both parties in 2019, and **shall terminate 25 years later, in 2044**, unless otherwise terminated at an earlier date in accordance with the terms of this Agreement.

For Agreements signed beyond 2019, the Agreement will terminate in 2044, less than 25 years. For example, for Agreements signed in 2020, the Agreement will terminate in 24 years no later than 12/31/2044.

5. Use: Customer Access. A designated portion of the **ESCANABA SOLAR PROJECT (ESP)** Site will be licensed to Customer for the purposes of the project, including installation of solar panel(s) purchased by Customer from the **ESP** and other Customer Solar Property. **ESP** shall not allow other use of the **ESP** Site that would interfere with Customer's license. Customer shall not have the right to enter the **ESP** Site except as authorized by the City of Escanaba Electric Department. The Customer agrees that the Customer shall not remove Customer Solar Property from the **ESP** Site for the duration of the Term without prior written approval of the **ESP**. The Customer may sell or transfer ownership of the Customer Solar Property subject to the terms of this Agreement.

6. Personal Property. Each customer's panel will be deemed as Personal Property and assigned an individual number designating its location within the **ESP** Site.

7. Project Management. The City of Escanaba agrees to act as manager and supervisor of the **ESP**, including managing and overseeing, constructing, installing, removing, replacing, reconstructing, maintaining, repairing, and operating a solar array project and the **ESP** Facility. These duties include without limitation the following:

7.1 City of Escanaba, directly or through other contractors, repairmen, or installers, will cause the construction of and all modifications to the **ESP Facility** necessary to operate the **ESP**.

7.2 City of Escanaba (and/or their designated service contractors) shall keep and maintain and operate the **ESP Facility** now or hereafter located on the Site in good condition and repair, sufficient to keep the **ESP Facility** and solar panels in good repair and operating condition. Any other provision of this agreement notwithstanding, "good repair and operating condition" shall not require the **ESP** to remove any snow from the solar panels and/or site.

7.3. City of Escanaba will ensure the construction and operation of the **ESP Facility** are sufficient to allow solar panels to generate electricity and are in material compliance with all applicable laws, rules, regulations, ordinances, permits, approvals and variances. **ESP** makes no warranty or guarantee about the amount of electricity that will be generated from the solar panels.

8. Solar Agreement Credit. Customer will receive a credit for the energy allocated to Customer from the **ESP** on Customer's City of Escanaba - Utility Account - Electric billing statement determined in accordance with this section.

8.1 Allocation of energy produced. The energy allocated to the Customer from the **ESP** shall be determined as a fractional share of the total energy produced by the **ESP**. The fraction shall consist of a numerator equal to the number of panels owned by the Customer and the denominator shall be the total number of panels in the **ESP**. This allocation shall be made monthly.

8.2 Value of energy produced. The energy allocated to the Customer from the **ESP** shall be credited against the Customer's bill for the Beneficiary Property by multiplying the energy allocation by the Billing Credit as defined below:

Billing Credit per kWh of Solar Generation:

Dates	\$/kWh
1/1/2019 – 6/30/2019	.062
7/1/2019 – 6/30/2020	.074
7/1/2020 – 6/30/2021	.072
7/1/2021 – 6/30/2022	.064
7/1/2022 – 6/20/2023	.068
7/1/2023 – 6/30/2024	.070

7/1/2024 and beyond ~ 0.070 expected. Exact Billing Credit will primarily depend on future purchase contracts for energy and capacity.

Customer acknowledges the City of Escanaba will update and extend the Billing Credit as new future contracts are obtained, and the extended performance history of the ESP is established. The Billing Credit is based on Avoided Costs after subtracting Operating and Maintenance Costs for the ESP.

8.3 Application of Solar Agreement Credit. The Solar Agreement Credit shall be applied against Customer's electric bill at the Beneficiary Property as a separate credit on Customer's regular monthly electric bill. Charges for billing items other than energy charges shall be paid

by Customers as billed by the City of Escanaba on a monthly basis and shall not be eligible for offset by Solar Agreement Credits.

8.4 Excess Solar Agreement Credits. If, in any regular billing month, the Customer's Solar Agreement Credit is greater than the electric charges on Customer's bill for the Beneficiary Property, such excess Solar Agreement Credit may be carried forward over a 12-month settlement period which shall be measured based on billing cycles for bills produced from July 1st to June 30th. During such settlement period, any excess Solar Agreement Credit in a monthly billing cycle shall carry forward to the next monthly billing cycle. At the end of the settlement 12 month period, any remaining Solar Agreement Credit of the Customer shall be zeroed out. Solar Agreement Credits shall have no cash redeemable value

9. Insurance; Taxes; Fees. The City of Escanaba shall be responsible for carrying insurance at its expense during the Term sufficient to cover the replacement cost of the solar panel(s) and ESP Facility, and a Commercial General Liability policy insuring against liability for injury or death of a person or persons or damage to property occasioned by or arising out of or in connection with the ESP and use of the Site/Facility or activities thereon.

The City of Escanaba shall be responsible for payment of all permitting fees and real estate taxes, fees, and assessments associated with the ESP. Individual Customers shall be responsible for all personal property taxes associated with their Customer Solar Property.

10. Payment; RECs; Investment Tax Credit

10.1. Agreement Payments. Customer payments to The City of Escanaba for the use of a portion of the ESP Site and Facility on the terms and condition set forth herein shall be a one-time payment of \$407 per solar panel, to be paid for the Initial Term when Customer purchases the solar panel(s). This payment includes the cost of all ongoing maintenance, repairs, and related costs for the Term.

10.2. Renewable Energy Credits. By using renewable resources to produce electricity, the ESP becomes eligible for renewable energy certificates (RECs). A REC is created by every megawatt-hour of electricity generated from the ESP. The RECs generated from this project belong to the City of Escanaba. The economic value of the REC is included in the participant's Billing Credit.

10.3. Investment Tax Credit It is the sole responsibility of the Customer to take any steps necessary to determine Customer's eligibility and claim any tax credit to which Customer may be eligible for costs related to Customers solar panel(s). Customer has sole responsibility to determine Customer's eligibility for, or claim to, any tax credit or other benefit (other than the Solar Agreement Credit described in this Agreement) which may be available to Customer as a result of ownership of the Customer Solar Property.

10.4. No advice or warranty by the City of Escanaba regarding tax credits or other benefits. Customer acknowledges and agrees the City of Escanaba has not provided Customer

with any advice regarding any tax credit or other benefit of Customer's ownership of the Customer Solar Property. Further, Customer acknowledges and agrees the City of Escanaba has no responsibility for demonstrating Customer's eligibility for any tax credit or other benefit of Customer's ownership of the Customer Solar Property.

11. Assignment; Transfer

11.1. Transfer of Beneficiary Property and Customer Solar Property. If the Customer no longer owns or leases the Beneficiary Property, and the Customer sells the Customer Solar Property to the subsequent Beneficiary Property owner or lessee, the Customer may transfer and assign its rights and duties under this Agreement, subject to the terms of this Agreement. The assignee/ transferee must meet all qualifications to become a "Customer" in this Agreement and must sign a new agreement with the City of Escanaba assuming all obligations of the Customer and agreeing to comply with the terms of this Agreement, including application of this section to any future owners or lessees of the Beneficiary Property. The transfer or assignment is not effective until approved by the City of Escanaba in writing, which approval shall not be unreasonably withheld if the Transferee/Assignee meets the requirements in this Agreement. After an effective transfer by the Customer to an approved transferee/assignee, the Customer will thereafter be relieved of all liabilities and obligations pursuant to this Agreement that arise after the transfer date except to the extent that they arise out of the actions of the Customer.

11.2. The City of Escanaba Purchase of Customer Solar Property. Other than when the Customer is transferring ownership of the Customer Solar Property along with ownership or leasing rights to the Beneficiary Property as provided in Section 11.1, the City of Escanaba shall have the first right of refusal to purchase the Customer Solar Property according to the price listed in the depreciation schedule attached as Exhibit B, which the City of Escanaba may exercise at the following times: (i) at any time during the Term when Customer wishes to sell Customer Solar Property; (ii) at any time during the Term when the Customer notifies the City of Escanaba or the City of Escanaba becomes aware that the Customer no longer owns or leases the Beneficiary Property; OR (iii) effective on the date of the termination of the Term, provided that the City of Escanaba notifies Customer at least 30 and no more than 90 days prior to the termination of the Term that it intends to purchase the Customer Solar Property. Customer shall receive payment for Customer Solar Property within 30 days of the City of Escanaba exercising its right to purchase the Customer Solar Property. The Customer shall have no further right to payments under this Agreement for any solar panel purchased by the City of Escanaba.

11.3. Other Customer Transfer. If a Customer no longer owns or leases the Beneficiary Property, or no longer owns Customer Solar Property, and the Customer's rights under this Agreement have not been transferred according to Section 11.1 or 11.2, then neither Customer nor the Customer's transferees or assignees will be entitled to any payments under this Agreement and the Customer shall return to the City of Escanaba any funds paid to the Customer from the date the Customer transferred ownership of Customer Solar Property or was no longer an owner or lessee of the Beneficiary Property.

11.4. City of Escanaba Assignment. The City of Escanaba may transfer or sell the **ESP** Site property and may assign rights and obligations under this Agreement to successors in interest without the prior consent of Customer, provided that the transferee/assignee assumes all responsibilities of **ESP** under this Agreement and the transfer/assignment is subject to the terms of this Agreement.

12. Agreement Termination/Suspension. The parties will have the right to terminate or suspend this Agreement only as provided in this section.

12.1. ESP Suspension. **ESP** may suspend the Customer's rights under this Agreement to receive solar agreement credits at any time if the Customer no longer owns or leases the Beneficiary Property and/or Customer Solar Property and the Customer has not received approval for a transfer of its rights as provided in Section 11, The Customer shall have no right to receive payments for electricity generated by the solar panel, as credits or otherwise, until or unless the Customer again owns or leases the Beneficiary Property or otherwise receives approval for a transfer pursuant to this Agreement.

12.2. Termination by Either Party. Any party may terminate the Agreement if the other party is in default under the Agreement and fails to take significant steps to substantially cure the default within 30 days of written notice by the other party.

13. Customer Acknowledgments. Customer agrees and acknowledges the following:

13.1. Subject to Customer Agreement. The Customer's use of the **ESP** Site is subject to the terms of this agreement and any other agreement made between Customer and **ESP**.

13.2. No Profit Expectation. Customer acknowledges and agrees that this license is not an investment and the Customer has not been promised or led to expect any profit from the **ESP**. Customer warrants and represents that Customer is entering into this Agreement and purchasing the Customer Solar Property for the Customer's personal benefit and use. Customer's purpose for entering into this Agreement is to generate "clean" electricity for the Customer's consumption and to support and participate in generating greener energy in the City of Escanaba service area.

14. Notices. Notices required by this Agreement shall be deemed effective when delivered at the written address provided for each party above; or other contact information provided in writing to the other party.

15. Effective Date. This Agreement shall be effective the date last signed by the parties.

16. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to this subject matter and may only be amended in writing signed by the Customer and all parties affected by the amended term. If any provisions of this Agreement are determined to be illegal or unenforceable, then the remaining provisions shall nevertheless be binding with the same force and effect as if the illegal or unenforceable parts were deleted. The parties agree that this Agreement is governed by the laws of the State of Michigan and venue for any dispute arising out of or related to this Agreement shall be proper in Delta County, Michigan. This

Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

The parties agree to the foregoing:

Date: Customer(s) _____

By _____

Witness: _____

Date: City of Escanaba

By: _____

Witness: _____

EXHIBIT A
ESCANABA SOLAR PROJECT Site Map and Property Description

The ESCANABA SOLAR PROJECT address is 3610 Airport Road, Escanaba, MI 49829.

Part of SW ¼ of the NW ¼ of Section 1 T.38N., R.23W. And Part of SE1/4 of NE1/4 of Section 2 T.38N., R.23W City of Escanaba, Delta County, Michigan.

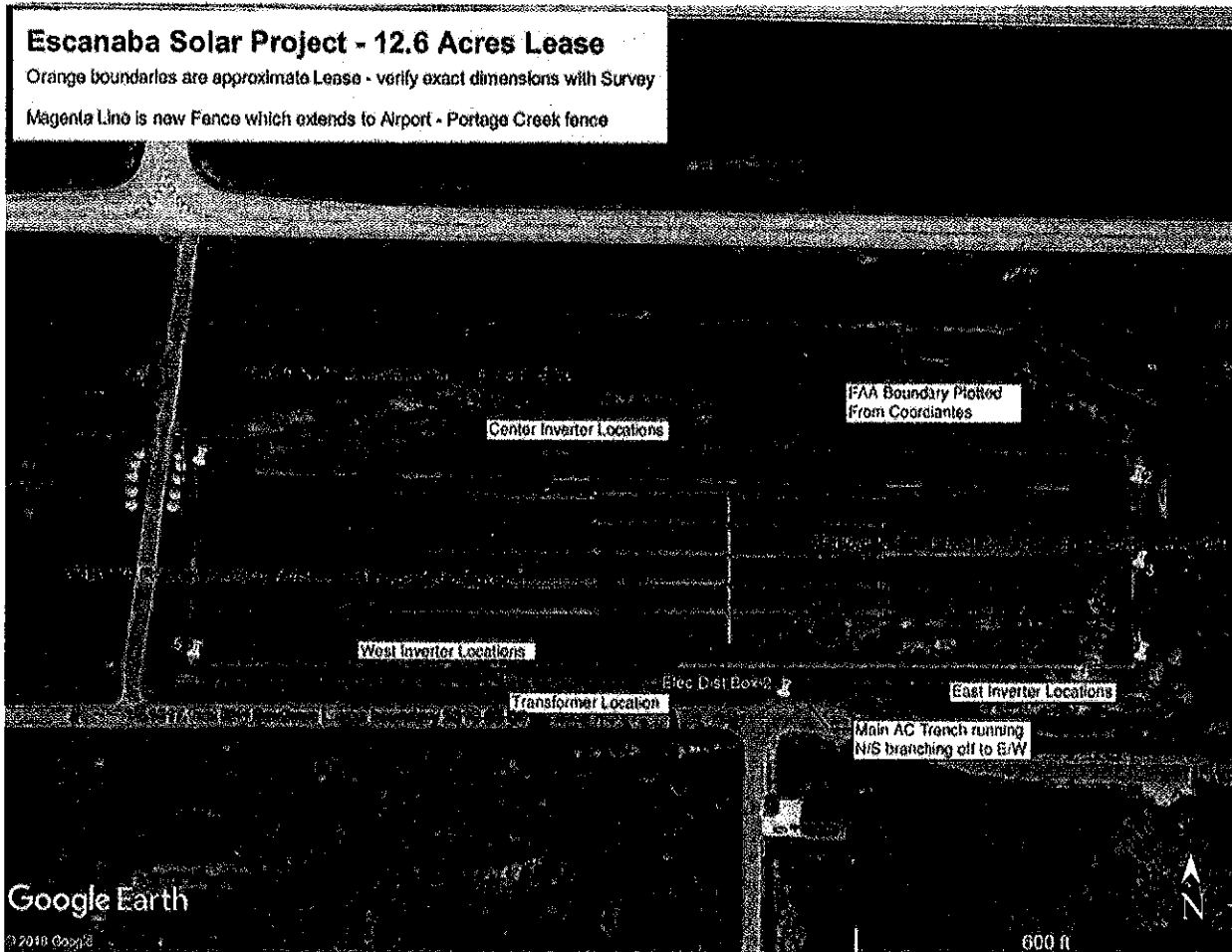


EXHIBIT B**Solar Panel Depreciation Schedule****Method: Straight Line Depreciation**

Year #	Year	Beginning Value	Depreciation Expense	Accumulated Depreciation	Ending Value
1	2019	407.00	16.28	16.28	390.72
2	2020	390.72	16.28	32.56	374.44
3	2021	374.44	16.28	48.84	358.16
4	2022	358.16	16.28	65.12	341.88
5	2023	341.88	16.28	81.4	325.60
6	2024	325.60	16.28	97.68	309.32
7	2025	309.32	16.28	113.96	293.04
8	2026	293.04	16.28	130.24	276.76
9	2027	276.76	16.28	146.52	260.48
10	2028	260.48	16.28	162.8	244.20
11	2029	244.20	16.28	179.08	227.92
12	2030	227.92	16.28	195.36	211.64
13	2031	211.64	16.28	211.64	195.36
14	2032	195.36	16.28	227.92	179.08
15	2033	179.08	16.28	244.2	162.80
16	2034	162.80	16.28	260.48	146.52
17	2035	146.52	16.28	276.76	130.24
18	2036	130.24	16.28	293.04	113.96
19	2037	113.96	16.28	309.32	97.68
20	2038	97.68	16.28	325.6	81.40
21	2039	81.40	16.28	341.88	65.12
22	2040	65.12	16.28	358.16	48.84
23	2041	48.84	16.28	374.44	32.56
24	2042	32.56	16.28	390.72	16.28
25	2043	16.28	16.28	407	0.00

2018-12-20 Overview of Escanaba Solar Project – Panel Purchase Program

The Escanaba Solar Project is:

- A 1.16 MW solar generation facility owned by the **City of Escanaba**
- Located at the Delta County Airport
- Designed to allow City of Escanaba electric customers to purchase solar panels and associated equipment, and receive a credit on their electric bill for a proportional amount of electricity that the entire Escanaba Solar Project produces.

The brief Fact Sheet, Directions for Purchase, and FAQ section below, should help answer some of the basic questions associated with the Escanaba Solar Project-Panel Purchase Program.

Escanaba Solar Project FACT SHEET

Size of array: 3510 panels

Panel Wattage: 330 watts per panel

kWh per panel per year: 435 kWh per year in the first year of operation. This is **estimated production** and could be higher or lower depending on level of sun received over the course of on year. Panel production is expected to decrease slightly over time, less than 0.7 % each year. Solar generation is highest in the months of May through August, and lowest in the months of November and December.

Panel Cost: one-time payment of \$407 per panel.

All City of Escanaba electric Residential, Commercial, Municipal and Large Power customers, including Ford River customers, will be eligible to purchase panels. For the first 6 months of the Panel Purchase Program, January 1st through June 30th, 2019, the available solar panels for purchase will be allocated as follows:

Electric Customer Category	Number of Solar Panels Available for Purchase
Delta County – Lease Agreement Option	500
Residential	783
Commercial	813
Large Power	1294
Municipal	120
Total Number of Panels Available	3510

This initial sales allocation is based on the relative electricity consumption in the customer categories during the last fiscal year.

After June 30th, 2019, any unsold solar panels will be available to any category of customer on a first come first served basis.

Panel limit: The number of panels available to any one customer will be limited by their annual electric usage. **Customers should not buy more panels than required to meet their electric needs in 2019 and into the future.** For example, increased efficiency of electric lighting and appliances may reduce your electric loads, or you may significantly reduce your electric load by becoming a “Snow

Bird". The Solar electric energy credit will be zeroed out at the end of each fiscal year for each customer. A customer cannot receive more Solar electric energy credit than their actual usage during a fiscal year.

Panel quantities may require a brief customer usage history review.

The Escanaba Utility Office at City Hall can provide customer usage data.

Billing Credit per kWh of Solar Generation:

Dates	\$/kWh
1/1/2019 – 6/30/2019	.062
7/1/2019 – 6/30/2020	.074
7/1/2020 – 6/30/2021	.072
7/1/2021 – 6/30/2022	.064
7/1/2022 – 6/20/2023	.068
7/1/2023 – 6/30/2024	.070
7/1/2024 and beyond	~ 0.070 expected.

The exact Billing Credit will primarily depend on future Electric Department purchase contracts for energy and capacity. The Escanaba Electric Department will update and extend the Billing Credit as new future contracts are obtained, and the extended performance history of the Escanaba Solar Project is established. **The Billing Credit is based on the Avoided Costs after subtracting Operating & Maintenance Costs for the Escanaba Solar Project. This Avoided Cost basis results in a fair bill for customers who purchase panels, and those who do not purchase panels.**

Solar Generation Credit Carry Over: Solar Generation Credits will carry over from month to month for a 12 month period from July 1st to June 30th, the fiscal year. **If any carry over exists on the last day of the 12 month period it will be zeroed out.**

The Billing Credit is based on Avoided Costs of the electric cost components listed below with the Escanaba Solar Project:

- Energy
- Capacity
- Transmission
- Renewable Energy

The Billing Credit is less than the Residential or Commercial rates because the Escanaba Solar Project does not avoid:

- Escanaba Distribution costs (e.g., Linemen, poles, wires, sub-stations, transformers, etc.)
- MISO fees
- Administrative and other overhead costs

Location of Panels: All panels will be located on the Escanaba Solar Project site adjacent to the Airport Road. Each panel will be allocated to each customer by a number once their purchase has been approved.

Length of Agreement: 25 years, or December 31, 2044; whichever comes first.

Solar Land License and Management Agreement: This agreement sets the legal guidelines required for participation in the Escanaba Solar Project program. This will be signed by the customer and a City of Escanaba representative.

Ownership: Each customer who signs the Solar Land License and Management Agreement form and pays the required \$407 per panel will own the panel and associated equipment that is on the property.

Directions for panel purchase:

Please contact the City of Escanaba Utility Office at City Hall (1st floor) for printed information on the **Escanaba Solar Panel Purchase Program**, and a copy of the **Solar Panel License and Management Agreement**. After reading the printed material, any additional questions should be directed to:

City of Escanaba, Electric Department
1711 Sheridan Road
Escanaba, MI 49829
Phone: (906) 786-0061
Fax: (906) 786-0791
E-Mail: cityelectric@escanaba.org
Website: <http://www.escanaba.org/electric>

To proceed with the Escanaba Solar Panel Purchase Program,

1. Read and sign the **Solar Panel License and Management Agreement**
2. Submit your signed **Solar Panel License and Management Agreement** and payment of **\$407 per solar panel** by mail or in person to:
City of Escanaba Utility Office <http://www.escanaba.org/billing>
410 Ludington Street
P.O. Box 948
Escanaba MI 49829
906-786-0552
Office Hours: Monday thru Friday 7:30 a.m. to 4:00 p.m.
3. **Please make checks payable to:** City of Escanaba
4. If the necessary information in your Agreement is not verified by the **City of Escanaba**, you will receive a **FULL REFUND**. You will be notified if your application has been accepted or deferred within a month of submittal.
5. As the **City of Escanaba** receives signed agreements and payments, the following data will be tracked via a spreadsheet to include:
 - a. Customer Name
 - b. Customer Address and contact Telephone and/or e-mail address
 - c. Customer Account number
 - d. Number of Panels requested
 - e. Payment Received by the **City of Escanaba**

Frequently Asked Questions

What is the Escanaba Solar Project?

The Escanaba Solar Project will give Escanaba electric department customers the opportunity to benefit from renewable energy without having to install and maintain solar panels on their property. Instead, the solar panels will be located on site at the Delta County Airport. Participants in this voluntary program will be able to license property and purchase solar panels for a term of 25 years. The renewable energy generated by these panels will be reflected as a Billing Credit on their electric utility bill from the Escanaba Utility Department.

What are renewable energy certificates?

By using renewable resources to produce electricity, the Escanaba Solar Project becomes eligible for renewable energy certificates (RECs). A REC is created by every megawatt-hour of electricity generated from the Escanaba Solar Project. The RECs generated from this project belong to the City of Escanaba. The economic value of the REC is included in the participant's Billing Credit.

Who is eligible to participate?

Any City of Escanaba electric customer in good standing is eligible to take advantage of this program. This includes residential, commercial, and Large Power customers. (Note, the Land Lease Agreement allows Delta County to buy up to 500 panels)

Why participate in the Escanaba Solar Project?

It's simple. You can easily purchase solar panels for your home or business and start receiving on-bill utility credits to offset your energy consumption costs over 25 years. It's affordable. You can purchase one or more panels to fit within your budget.

It's local homegrown renewable energy.

Many people are interested in getting rooftop solar on their home or business, which is a good thing. However, not all buildings are good candidates for solar because they have poor orientation to the sun, trees will shade the roof panels, the roofs are not structurally sound enough, the buildings are rented and not owned by the occupant, or the occupant does not want to invest the upfront cost to install solar.

The Escanaba Solar Project is "get it and forget it." Participants in this program do not need to install or maintain the solar array. And the Escanaba Solar Project is located in a place that has unobstructed exposure to the sun, maximizing the amount of energy the array will produce.

Will my purchase of solar panels qualify for the federal Investment Tax Credit?

It is the sole responsibility of the customer to take any steps necessary to determine your eligibility to claim the federal Investment Tax Credit. Please consult your tax professional for more information. As of November 2018:

- In **2019**, the tax credit remains at **30%** of the cost of the system.

- In **2020**, the Investment Tax Credit declines to **26%** for Residential and Commercial customers.
- In **2021**, the Investment Tax Credit drops to **22%** for Residential and Commercial customers.
- In **2022 and beyond**,
 - The Investment Tax Credit drops to **0% for Residential** customers
 - The Investment Tax Credit drops to **10% for Commercial** customers

Costs & Requirements

How do I determine the number of panels I should lease?

Check out **the Estimated Solar Power Produced** Table below, to get started. This Table shows estimated annual solar production associated with different quantities of panels for the 1st year of operation.

The number of panels available to any one customer will be **limited by their annual average usage**.

Customers should not buy more panels than required to meet their electric needs in 2019 and into the future. For example, as increased efficiency of electric lighting, air conditioning and appliances may reduce your electric loads, or you may significantly reduce your electric load by becoming a "Snow Bird", the Solar electric energy Billing Credit will be zeroed out at the end of each fiscal year for each customer.

A customer cannot receive more Solar electric energy Billing Credit than their actual electric usage during a fiscal year.

Requested number of Panel may require a brief customer usage history review. The Escanaba Utility Office at City Hall can provide customer usage data.

How much will it cost to participate in the program?

The upfront cost for each 330-watt solar panel for 25 years is only \$407, or \$1.23 per watt. This great price is thanks to the "utility scale" Escanaba Solar Project built by the City of Escanaba.

The City of Escanaba, at its discretion, will make the final determination of the number of panels a customer may license.

Estimated Solar Power Produced			
Estimated Solar Power produced is not a guarantee.			
Actual annual generation may typically vary + or - 5% due to local weather conditions.			
The Estimate is based on the NREL PVWatts Solar Calculator using the Delta County Airport weather station historical data, and the design of the Delta County Airport site.			
Number of Solar Panels	Price, \$	Total Watts, DC	Estimated Solar Power Produced in 1st Year of Operation, kWh/Year
1	407	330	435
2	814	660	870
3	1221	990	1305
4	1628	1320	1740
5	2035	1650	2175
6	2442	1980	2610
7	2849	2310	3045
8	3256	2640	3480
9	3663	2970	3915
10	4070	3300	4350
11	4477	3630	4785
12	4884	3960	5220
13	5291	4290	5655
14	5698	4620	6090
15	6105	4950	6525
16	6512	5280	6960
17	6919	5610	7395
18	7326	5940	7830
19	7733	6270	8265
20	8140	6600	8700

What do I get in return for my purchase and license?

The amount of your utility Bill Credit will depend upon how many solar panels you purchase and how much energy they generate each month. We estimate that a 330-watt solar panel will generate a credit to your utility bill of approximately \$27 in the first year. The Bill Credit will vary each month with the actual production of Solar Energy.

Your "**payback**" is estimated to be in Year 14 out of your 25-year lease. With the 30% Investment Tax Credit, the Payback is reduced to 10 to 11 years.

Significant unanticipated future expenses (e.g., inverter failures beyond the 20 year Warranty) will be recovered by reducing the future Billing Credits for solar generation. The unanticipated future expenses will be distributed across all 3,510 panels.

You also will have the satisfaction of participating in the increase of renewable energy for the Escanaba Electric Department system in the future. Clean solar energy will reduce pollution and make our region more energy independent.

What happens if I move to a different address?

If a participant moves to another property within the City of Escanaba electric service territory, that customer can remain in the program at the new address.

People who leave the City of Escanaba electric system have several license transfer opportunities.

- If a customer owns and is selling a building, that customer could include the pro-rated value of his/her solar license in the building sale price.
- Customers could also choose to transfer the remainder of their license to another City of Escanaba electric customer, including an individual, business, church, school, or a favorite charitable organization, so long as they meet criteria set forth in the Solar Land License & Management Agreement.

If I participate, what is my legal agreement with this program?

Participants will be required to read and accept the terms and conditions of the Solar Land License & Management Agreement as part of their application package to the program.

How does the solar power get to my home or business?

Solar power generated from the community solar garden will go directly onto the City of Escanaba electric distribution system and participants will be credited against their electric consumption for the electricity production from their portion of the array.

If my solar credit exceeds my monthly energy bill, will the credit be carried over?

Yes, excess solar credits will be carried forward monthly with a 12-month settlement period based on billing cycles for bills produced from July 1 to June 30, the City's Fiscal Year. **The Solar electric energy credit carryover will be zeroed out at the end of each fiscal year for each customer.**


Can customers of utility companies other than the Escanaba Electric Department participate?

No, this program is only available to City of Escanaba electric customers (including Ford River).

If you are uncertain if you are a City of Escanaba electric customer, contact us and we can determine that for you.

NB-4
CC. 1/3/19

MEMO

TO: Patrick Jordan, City Manager 

FROM: Blaine DeGrave, Planning & Zoning Administrator

DATE: December 21, 2018

RE: Historic District Commission Study Committee Appointment

In the course of preparing an evaluation report for Certified Local Government status, it was discovered that the Richter Brewery Historic District boundaries and ordinance initially only included Lots 3-6 of Block 7 of the S.H. Selden Addition. Later, when more parking was needed for the Lofts on Ludington project, lots 7-8 were purchased and all of it was combined into one parcel.

We consulted with MSHDA and were informed that according the Local Historic Districts Act, any time there is a boundary modification to a designated local historic district, the study committee process must be followed, the first step of which is for the City Council to appoint a study committee.


This matter was discussed at the December 17, 2018 meeting of the Historic District Commission. Chair Don Curran and Elizabeth Keller indicated they would be willing to serve on the committee.

Therefore, it is requested that City Council appoint Don Curran and Elizabeth Keller as the study committee for Richter Brewery Historic District boundary modification.

It is requested that this matter be added to January 3, 2019 City Council agenda.

NB-5
C.C. 1/3/19

MEMO

TO: Patrick Jordan, City Manager 

FROM: Blaine DeGrave, Planning & Zoning Administrator

DATE: December 21, 2018

RE: Condemnation Proceedings – 1608 North 19th Street

Request for the City Council to approve the condemnation, and if required, demolition of the residential home and shed of 1608 North 19th Street. The structures on the property are in extremely poor condition. The neighbors have been complaining about the extreme smell due to mold issues. Electric service has been disconnected since August 2017. There are no records of water service for the building. The property owner was Ben Levinsky, who is now deceased.

As required by Property Maintenance Code 108.3 Notice, a Correction Notice was posted on the property on November 26, 2018 asking for repairs to be made to bring the building up to the City of Escanaba's Property Maintenance Code or to demolish the structure. No responses have been received.

All visible signs show that the property is blight and a Public Nuisance by definition under section 302.1 DEFINITION "PUBLIC NUISANCE". The building condition reflects all parts of paragraphs 1, 2, 3, 4, 5, 6, 7, and 8.

The property is also in violation of the City of Escanaba's Property Maintenance Code PM-108.1.1 Unsafe Structure. The building's condition reflects most, if not all parts, of paragraphs: A, B, C, E, F, G, H, I, and J.

In conclusion, it is my opinion that the building located at 1608 North 19th Street should be completely demolished for health and safety reasons stemming from the physical condition of the structure.

It is requested that this matter be put on the January 3, 2019 City Council agenda, so that a Public Hearing date may be set for February 7, 2019.