



**CITY COUNCIL
MEETING AGENDA
November 12, 2018**

**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, 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

Monday, November 12, 2018, at 6:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL/CORRECTION(S) TO MINUTES – Special Meeting – October 30, 2018
Regular Meeting – November 1, 2018

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS - None

UNFINISHED BUSINESS - None

NEW BUSINESS

1. Approval - Use of Public Space - Ludington Street - Annual Christmas Parade

Explanation: Administration sought Council approval of a request to use Ludington Street for the Annual Christmas Parade scheduled for December 7, 2018, at 7:00 p.m.

2. Approval – Correction to Delta Plaza Mall Brownfield 381 Plan

Explanation: Administration sought Council approval of a correction made to allowable expenses on the Delta Plaza Brownfield 381 Plan, which was originally approved at the November 1, 2018 City Council meeting.

3. Discussion – City Clerk / I.T. Administrator Replacement Process

Explanation: The City Council will discuss how to proceed with the City Clerk / I.T. Administrator replacement process.

APPOINTMENTS

BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

Respectfully Submitted

A handwritten signature in cursive script that reads 'Patrick S. Jordan'.

**Patrick S. Jordan
City Manager**



**CITY COUNCIL
MEETING AGENDA - ADDENDUM
November 12, 2018**

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

**Patrick S. Jordan, City Manager
Tammy A. Weissert, Interim City Clerk
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**Regular Meeting - Addendum
Monday, November 12, 2018, at 6:00 p.m.**

NEW BUSINESS

- 4. Setting of Public Hearing - Obsolete Property Rehabilitation District (OPRA) No. 27 – 1204 Ludington Street.**
Explanation: The Obsolete Properties Rehabilitation Act (PA 146 of 2000) allows partial exemption of property taxes for a specified period for certain types of property improvements within a specified area. The intent of the legislation is to encourage rehabilitation of underutilized or decaying commercial or commercial/residential properties in certain designated communities such as Escanaba. In accordance with program requirements, the owner of 1204 Ludington Street, has submitted a request that the City establish an OPRA District, which if approved would allow for an Obsolete Property Rehabilitation exemption in the future. Administration is requesting Council schedule a public hearing for December 6, 2018, for the consideration of establishing Obsolete Rehabilitation District No. 27, in accordance with the requirements of PA 146 of 2000.

Respectfully Submitted

A handwritten signature in black ink, appearing to read "Patrick S. Jordan", written over a horizontal line.

**Patrick S. Jordan
City Manager**

**OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Work Session Meeting
Tuesday, October 30, 2018**

Pursuant to a special meeting notice posted October 30, 2018, the meeting was called to order by the Honorable Mayor Pro Tem Ronald J. Beauchamp at 2:02 p.m. in the Council Chambers of City Hall located at 410 Ludington Street.

Present: Mayor Marc D. Tall (arrived 2:05 p.m.), 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 Controller Melissa Becotte, City Water/Wastewater Director Jeff Lampi, City Treasurer/Human Resources Director Robert Valentine, Randy Scott of C2AE, Dave Cain of C2AE, Tom Traciak of Umbah, media, and members of the public.

Sattem moved, Schumann seconded, **CARRIED UNANIMOUSLY**, approved the agenda as presented.

BRIEF PUBLIC COMMENT – None

CONFLICT OF INTEREST DECLARATION – None

NEW BUSINESS

Presentation and Discussion – Asset Management Plan.

A presentation and discussion of the Asset Management Plan for the water and sewer utilities including a summary of the engineer's findings regarding the asset evaluation and capital improvement forecast. A draft financial analysis was presented that addressed the current and projected cash flow of the utility funds.

Randy Scott of C2AE gave a brief overview of Asset Management Plan which was created through funding from the Michigan Department of Environmental Quality's SAW Program.

Tom Traciak of Umbah gave an overview on the City of Escanaba (Michigan) Water Utility Fund and Wastewater Utility Fund financial projections and rate increases based on capital improvement schedules from the Asset Management Plan.

GENERAL PUBLIC COMMENT – None

Hearing no further public comment, the Council adjourned at 4:37 p.m.

City Council Minutes
October 30, 2018 – cont.

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, November 1, 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, Ralph B. Blasier, Michael R. Sattem, and Peggy O'Connell Schumann.

Absent: Council Member Ronald J. Beauchamp.

Sattem moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to excuse Council Member Beauchamp.

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.

Schumann moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve Regular Meeting minutes from October 18, 2018, as submitted.

ADJUSTMENTS TO THE AGENDA

Blaiser moved, Sattem seconded, **CARRIED UNANIMOUSLY**, to approve the Agenda as amended.

CONFLICT OF INTEREST DECLARATION – None

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

Public Hearing - Setting USDA Grant Application Public Hearing – November 1, 2018 – Public Safety.

Administration recommended approval of a USDA Grant for a 65%/35% funding split for a new command vehicle for Public Safety. Total cost is \$50,865 with the City covering \$33,065 and the USDA covering \$17,880.

Public Safety Director Robert LaMarche gave a brief overview on the USDA Grant Application.

This being a public hearing, Mayor Tall asked for public comment.

Hearing no public comment, Mayor Tall then closed the public hearing.

PH-1 Blasier moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to approve of a USDA Grant for a 65%/35% funding split for a new command vehicle for Public Safety. Total cost is \$50,865 with the City covering \$33,065 and the USDA covering \$17,880.

Resolution Approval – Obsolete Property Rehabilitation Act (OPRA) – Exemption – District No. 25 – 301 North Lincoln Road.

Dial Escanaba Mall I LLP, owner of 301 North Lincoln Road, 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 recommended an OPRA exemption up to twelve (12) years beginning December 31, 2018, and ending December 31, 2030.

This being a public hearing, Mayor Tall asked for public comment.

William Gasman, Escanaba resident, expressed his concerns regarding the Delta Plaza Mall property located at 301 North Lincoln Road.

Ralph Blasier, Escanaba resident, showed support on the Delta Plaza Mall property located at 301 North Lincoln Road.

Hearing no further public comment, Mayor Tall then closed the public hearing.

PH-2 “By Council Member Blasier, seconded by Council Member Schumann:

**RESOLUTION TO APPROVE AN APPLICATION FOR
OBSOLETE PROPERTY REHABILITATION EXEMPTION FOR
DP MANAGEMENT, LLC NO. 25**

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. 25 on July 21, 2016, 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 July 21, 2016, 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 July 6, 2017, 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 DP MANAGEMENT, LLC 301 North Lincoln Road

Be and is hereby granted an Obsolete Property Rehabilitation Exemption for the real property located in Obsolete Property Rehabilitation District No. 25 at 301 North Lincoln Road, described as • SEC 25 T39N R23W [13.16 AC]
PRT OF BLKS 7, 8 & 9 OF THE CITY CENTER ADDITION NO. 3 & PRT OF SE1/4 OF NE1/4 SEC 25 FRM THE E1/4 COR OF SEC 25 TH N0D39'E 211.81 FT TH N89D14'40"W 50 FT TO INT OF N R/W LN OF 1ST AVE NO & W R/W LN STATE HWY M35 TH N89D58'W 100 FT TO POB TH N89D58'W 550.48 FT TH NORTH 361 FT TH N89D58'W 229.8 FT TH N0D05'39"E 366.06 FT TH N84D50'E 893.52 FT TO W R/W STATE HWY M35 TH S0D39'W 160.83 FT TH S84D50'W 150.73 FT TH S0D39'W 82.39 FT TH S89D21'E 150 FT TH S0D39'W 450 FT TH N89D58'W 100 FT TH S0D39'W 100 FT TO POB. (Includes Parcel Numbers – 051-120-2825-278-001, 051-120-2825-278-004, 051-120-2825-278-005 and 051-120-2825-278-006).

For a period of twelve years beginning December 31, 2018, and ending December 31, 2030.

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

Ayes: Blaiser, Schumann, Sattem, Tall
Nays: None

RESOLUTION DECLARED ADOPTED.

Public Hearing – Resolution - CDBG/RLF Funding for Northern Machining & Repair – Treasurer.

Administration recommended approval of a loan of \$100,000 of CDBG/RLF program funds to Northern Machining & Repair, Inc. to assist with its equipment needs. This would result in the hiring of (5) new employees, 51% of whom have been previously classified as low to moderate income persons. No individuals would be displaced as a result of the proposed activities. Administration recommended Council approval.

Dale Cook of Northern Initiatives, gave a brief overview on the CDBG Revolving Loan Fund. The Funds would be used for new equipment, purchase of three new welders and a metal bandsaw.

This being a public hearing, Mayor Tall asked for public comment.

Hearing no public comment, Mayor Tall then closed the public hearing.

PH-3 “By Council Member Sattem, seconded by Council Member Schumann:

RESOLUTION

APPLICATION FOR FUNDING THROUGH THE CITY OF ESCANABA

**STATE OF MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
REVOLVING LOAN FUND (RLF) PROGRAM FOR NORTHERN MACHINING &
REPAIR, INC.**

WHEREAS, Northern Machining & Repair, Inc. has made application through Northern Initiatives, Inc. for the City of Escanaba CDBG Revolving Loan Funds in the amount of \$100,000 to aid with equipment purchases within the City of Escanaba, and

WHEREAS, the project location meets zoning requirement is consistent with the City of Escanaba’s Comprehensive Plan, the project will employ at least 51% low to moderate income persons, and

WHEREAS, The City of Escanaba participates in the Regional RLF Model, has executed a Subrecipient Agreement with Northern Initiatives and has designated The City Treasurer and the Escanaba Economic Development Corporation Chair as its representatives on its Regional Funds Approval Committee, and

WHEREAS, the Regional Fund Approval Committee has reviewed and approved said application submitted by Northern Machining & Repair, Inc. on 9/6/2018 and

WHEREAS, no project costs (CDBG and non-CDBG) will be incurred prior to the formal loan award, completion of the environmental review procedures and formal, written authorization to incur costs has been provided by your CDBG Project Manager, and

WHEREAS, The City of Escanaba has advertised in the Daily Press newspaper and has held a public informational hearing in regard to the CDBG Revolving Loan Fund application on November 1, 2018.

THEREFORE BE IT FURTHER RESOLVED that The City of Escanaba acknowledges that it has held a public informational meeting on November 1, 2018 in regard to the CDBG Revolving Loan Fund Application by Northern Machining & Repair, Inc. in the amount of \$100,000 for equipment for its business within the City of Escanaba, that the project will employ at least 51% low to moderate income persons and the project meets zoning requirements and is consistent with the City of Escanaba's Comprehensive Plan and authorizes the Mayor Marc Tall to sign the part 2 Application and all attachments.

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

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

RESOLUTION DECLARED ADOPTED.

UNFINISHED BUSINESS – None

NEW BUSINESS

Approval - Lease agreement for Ness Field PI Tower Development Communications Tower.

Administration recommended approval of a Ground Lease Agreement with PI Tower Development, LLC for real property at Ness Filed for the construction of the utility/equipment shed necessary for support of the communications tower to be constructed. This lease will be nullified if construction of Tower Facilities does not commence for any reason or no reason at all.

NB-1 Sattem moved, Blasier seconded, to approve of a Ground Lease Agreement with PI Tower Development, LLC for real property at Ness Filed for the construction of the utility/equipment shed necessary for support of the communications tower to be constructed.

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

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

MOTION CARRIED.

Setting a Meeting Date to discuss the City Clerk/I.T. Administrator Position.

City Council set a meeting date to discuss how to proceed with the City Clerk/I.T. Administrator applicants.

NB-2 Blasier moved, Schumann seconded, **CARRIED UNANIMOUSLY**, to approve to hold a City Council meeting on November 12, 2018, at 6:00 p.m. to discuss on how to proceed with the City Clerk/I.T. Administrator applicants, contingent upon Council Member Beauchamp's availability.

APPOINTMENT(S) TO CITY BOARDS, COMMISSIONS, AND COMMITTEES – None

BOARD, COMMISSION, AND COMMITTEE REPORTS

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

GENERAL PUBLIC COMMENT

William Gasman, Escanaba resident, spoke about the opportunity and importance of voting. Mr. Gasman also commended the League of Women Voters for their Voter Guide that was published.

Dale Stannard, Escanaba resident, urged City Council to review and amend the personnel conduct and professional conduct policy for Escanaba Public Safety. He also discussed an unsatisfactory response to an incident involving a Public Safety Officer.

Amber Downey, Escanaba resident, Dale Stannard's daughter, agrees with her father. Ms. Downey reiterated his concerns.

ANNOUNCEMENTS

- Trunk or Treat had a fabulous turnout;
- Delta Animal Shelter Fundraiser was a sold out event;
- Veno at Casino is being held Saturday, November 3, 2018, and tickets had sold out.

Hearing no further public comment, the Council adjourned at 7:46 p.m.

Respectfully submitted

Tammy A. Weissert, CMC
Interim City Clerk

Approved: _____

Marc D. Tall, Mayor

NB-1
CC. 11/12/18

SPECIAL EVENT APPLICATION - CITY OF ESCANABA
Festivals, Parades, Races, Walkathons, Temporary Road Closures

DATE(S) OF EVENT: Friday, December 7th
Day of Week, Month, Day, Year (eg: Saturday, January 2, 2014)

NAME OF EVENT: Christmas Parade

CONTACT INFORMATION (Please Print Clearly - Incomplete applications may be delayed)

Organization: _____
Contact Person: Tanya E Henhofer Phone (day) 906-789-0060
Address: 1100 Ludington St Ste 302 Phone (evening): 289-6839
City: Escanaba MI 49829 E-mail: tschuster01@gmail.com
Postal Code _____ Website: bbbsbayarea.org
Charitable Org #: _____ Event Phone: _____
(If applicable) Fax: _____
Alternate Contact: DDA OFFICE (906) 789-8696
(It is recommended that an alternate name & telephone number be provided)

** Do you grant the City of Escanaba City Manager's Office permission to give your telephone number to the general public? Yes No

LOCATION

City Park Name: _____
 Building/Facility Name/Area: Civic Center + City Hall/Library Complex.
 Road (s) Road Closure Required?: Partial Full

DATE/TIME

EVENT TIME <small>This is the time your event would be ready to accept participants or general public.</small>	Event Begins DATE: <u>12/7/2018</u> TIME: <u>7 PM</u>	Event Ends DATE: <u>12/7/2018</u> TIME: <u>9 P.M.</u>
	SET UP TIME <small>When do you want the area reserved for your organization to ensure you have adequate time for set up and tear down.</small>	Set Up Start DATE: _____ TIME: _____

The collection, use and disclosure of personally identifying information submitted on this form will be used to facilitate the request to host a special event within the City of Escanaba. Applicants may, from time to time, be contacted by the City or a City-contracted third-party for the express purposes of gathering information about the proposed event, assessing satisfaction and/or obtaining feedback on services related to special events. Questions about this collection should be directed to the City Manager.

EVENT DETAILS

TYPE OF EVENT

- Parade Cycling Festival/Event
 Run Walkathon Other (specify) _____

ESTIMATED ATTENDANCE (please estimate all that apply)

Participants #	<u>500</u>	Wheelchair Accessible	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Bands #	<u>City - Escanaba High School</u>	For events on City Property are you seeking approval to charge:		
Vehicles/Floats #	<u>60</u>	Admission	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Volunteers #	<u>20</u>	Parking	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
General Public #	<u>Community</u>	Is this event:	<input checked="" type="checkbox"/> Open to the Public <input type="checkbox"/> For Invited Guests only	

EVENT ELEMENTS (complete to ensure proper permits are processed)

Power Requirements*	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Fireworks	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Sound Amplification	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Alcohol	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Access to power if possible	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>			
Live Music	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>			
Tents/Temp. Structures	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Size of tent(s):	_____	
Amusement Rides	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Provider:	_____	
Inflatables	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Provider:	_____	

FOOD & BEVERAGE

Will there be food & non alcoholic beverages sold? Yes No (continue to next page)

Food stand locations Indoor Outdoor Inside & Outside

What kinds of food will the Stands be selling? (check all that apply)

- | | | |
|---|---------------------------------------|--|
| <input type="checkbox"/> Chicken/seafood | <input type="checkbox"/> Soups/chilli | <input type="checkbox"/> Other foods (please list) |
| <input type="checkbox"/> Rice/pasta dishes | <input type="checkbox"/> Salad | _____ |
| <input type="checkbox"/> Pop, chips, candy | <input type="checkbox"/> Other meats | _____ |
| <input type="checkbox"/> Hotdogs/hamburgers | <input type="checkbox"/> Baked goods | _____ |

Reservation Fees (check applicable box):

- Ludington Park Pavilion 1/2 day \$75 (resident) \$100 (non-resident)
- Ludington Park Pavilion full day \$100 (resident) \$125 (non-resident)
- Ludington Park Bandshell 1/2 day \$75 (resident) \$100 (non-resident)
- Ludington Park Bandshell full day \$100 (resident) \$125 (non-resident)
- Ludington Park Gazebo \$50 p/2 hour block (res) \$75 p/2 hour block (non-resident)
- Other Picnic or Gathering Areas \$35 p/day
- John D. Besse Park Pavilion 1/2 day \$75 (resident) \$100 (non-resident)
- John D. Besse Park Pavilion full day \$100 (resident) \$125 (non-resident)
- Lemerand Pavilion 1/2 day \$75 (resident) \$100 (non-resident)
- Lemerand Pavilion full day \$100 (resident) \$125 (non-resident)
- Lemerand Complex \$250 per day

Half Day Reservation: Cut-off time is 4:00 pm. Half-day reservations can be made before or after 4:00 pm.

EVENTS REQUESTING ROAD CLOSURE

Road closures must be approved by City Council. Once City Council has approved your road closure, changes cannot be made to your route without notification to the City Manager as a secondary Council Approval will have to be sought.

A detailed map of road closure **MUST** be included. Applicants must notify abutting properties of the closure at least 14 days in advance of the event. This notification letter must be approved by the City Manager's Office. If there are any SPECIAL REQUESTS that you would like City to consider, please outline them on a separate paper and attach

DEFINE THE CLOSURE LIMITS – ATTACH A DETAILED MAP

I have read and understood the Special Events Application.

I will notify the City Manager's Office of any changes to my event application at least fourteen (14) days in advance of the event.

I have received a copy, read and understand the contents of the City of Escanaba Policy and Procedures No. 060101-10, Alcohol in Public Places (if applicable).


Event Organizer Signature

Tanya Ellenhofer 10/30/2018
Print Name & Date

Escanaba Christmas Parade

Escanaba City Manager

410 Ludington Street

Escanaba, MI 49829

Dear Patrick,

Good Morning, I am sending you the annual request letter, the Christmas Parade is scheduled for December 7nd, 7p.m. Listed below is the annual request for services.

- Parade Permit
- Police escort Friday evening
- Participation of City fire truck
- Participation of the City Band
- Opening of the Civic Center for warm-up
- 7 barricades to be dropped off at the water tower
- Use of City Hall for Hot Chocolate and Cookies for parade participants

The parade route will go from the Civic Center east down Ludington Street turning at City Hall. The parade line-up and Judging starts at 6pm., with the parade hitting eh street at 7p.m.

Thank you and your staff for the extra work they do to make this a special event for Escanaba.

Sincerely,

Tanya Ettenhofer

906-789-0060 (office)

906-280-6839 (Cell)

NB-2
CC. 11/12/18

MEMORANDUM

November 6th, 2018

TO: Patrick Jordan, City Manager
Tammy Weissert, Interim City Clerk

FROM: Melissa Becotte *mb*

SUBJECT: Brownfield

In reviewing the Delta Plaza Mall brownfield plan, I discovered some errors in the eligible cost charts.

The contingency amount in the DEQ eligible cost chart was calculated on some items that were not eligible for contingency. This resulted in an overstated contingency amount that is above the 15% maximum allowed by law.

The sub-total on the MSF eligible cost chart was not calculated correctly and was overstated by \$75,000. The Menards asbestos abatement needed to be removed as well because that work was already complete when the plan was approved. These two items result in another overstatement of the contingency on this chart.

All the changes have reduced the eligible expenses of the project.

I spoke to Myron Berry of Mountain Engineering and he updated the charts which now match what I believed to be the correct figures.

I also emailed Elizabeth Keller from the Brownfield Board to see what needed to be done on their end. She suggested council approve the new schedules.

Please add this item to the November 12th City Council agenda for approval.

Please contact me with any questions or concerns.

NB # 2
 C.C. 11/12/18

Oct 18

2.2.7 Assistance to a Land Bank Fast Track Authority

No Land Bank Authority is involved.

2.2.8 Relocation of Public Buildings or Operations –

No public buildings or operations had to be relocated

2.2.9 Brownfield Plan Preparation

The costs for preparing this Brownfield Plan are an eligible cost and are included,

2.2.10 Combined Brownfield Plan Implementation--

2.3 Eligible Activities Costs and Schedule

DEQ Eligible Activities Costs and Schedule		
DEQ Eligible Activities	Cost	Completion Season/Year
Department Specific Activities		
Phase I ESA	1,800	
Phase II ESA	20,000	
Baseline Environmental Assessment	2,100	
Asbestos Survey	7,950	
Soil Gas Quality Testing	40,000	
Soil Gas Remediation, If required	100,000	
Due Care Plan	1,600	
DEQ Eligible Activities Sub-Total	173,450	
Contingency (15 %)	26,468	
Interest (Indicate %)	0.00	
Combined Brownfield Plan Preparation	3,000	
Combined Brownfield Plan Implementation		
DEQ Eligible Activities Total Costs	202,918	

2.0 SCOPE OF WORK AND COSTS

2.1 MDEQ Eligible Activities

MDEQ Eligible Activities include the preparation of a Phase I Environmental Site Assessment, a Phase II Environmental Site Assessment, a vapor intrusion study, a survey for asbestos containing material, and preparation of a Baseline Environmental Assessment and a Due Care Plan. The projected costs of vapor sampling and vapor mitigation are also included.

2.2 MSF Eligible Activities

Michigan State Fund (Non-DEQ) eligible activities on site will include the demolition of various building components, the abatement of asbestos containing materials, and various infrastructure improvements and site preparation activities listed below.

2.2.1 Demolition

Demolition of various portions of the buildings will be required during the redevelopment process. This will include floors, flooring, interior walls, ceilings, roofs, facades, and parking lots.

2.2.2 Asbestos Abatement

The asbestos containing floor tile and mastic are being removed from the former Menard's Building. Asbestos abatement will also be required in the former J. C. Penny building.

2.2.3 Infrastructure Improvements

Various utilities will need to be relocated as part of the property development. Also, a new manhole will be installed.

2.2.4 Site Preparation

Site grading will occur as the outlots are developed and the parking lot improved. Paving of the parking lots and sidewalks is also included.

2.2.5 Interest

No interest charges are included in this Plan, per City of Escanaba Brownfield Redevelopment Authority policy.

Oct 18

MSF Eligible Activities Costs and Schedule		
MSF Eligible Activities	Cost	Completion Season/Year
Demolition Sub-Total		
J C Penny Building Demolition	275,000	
Menard's Demolition	100,000	
Lead, Asbestos, Mold Abatement Sub-Total		
Asbestos Abatement - Menard's	175,900	
Asbestos Abatement J. C. Penny	250,000	
Infrastructure Improvements Sub-Total		
J C Penny - relocate utilities	85,000	
New Manhole	7,700	
Site Preparation Sub-Total		
Site Grading with erosion control	40,000	
Concrete Parking Lot	100,000	
Asphalt Parking Lot	100,000	
MSF Eligible Activities Sub-Total	1,183,600	
Contingency (15 %)	177,540	
Interest (Indicate %)		
Combined Brownfield Plan Preparation		
Combined Brownfield Plan Implementation		
MSF Eligible Activities Total Costs	1,361,140	

The schedule of reimbursement is provided in Table 1.

3.0 TAX INCREMENT REVENUE ANALYSIS

3.1 Captured Taxable Value and Tax Increment Revenues Estimates

As shown on Table 1, non-school taxes will be captured over a period up to the 30 years allowed to reimburse eligible costs. The current taxable value of the four properties is \$1,242,367. This amount is expected to increase with the development of the out lots and also at about 3% per year.

3.2 Tax Increment Revenues Capture Period

The Mall will be placed in an Obsolete Property Rehabilitation Act (OPRA) district for 12 years. Tax capture for the Mall will resume in the 12th year and continue until full reimbursement is made or until the 35th year, whichever comes first. Tax capture for the remaining properties will not be effected by the OPRA district.

4.0 RELOCATION

4.1 Current Residents and Displacement

There are no current residents who will be displaced

4.2 Displaced Persons Relocation Plan

Not required

4.3 Relocation Costs Provisions

Not required

4.4 Compliance with Michigan's Relocation Assistance Law

Not required

2.2.7 Assistance to a Land Bank Fast Track Authority

No Land Bank Authority is involved.

2.2.8 Relocation of Public Buildings or Operations –

No public buildings or operations had to be relocated

2.2.9 Brownfield Plan Preparation

The costs for preparing this Brownfield Plan are an eligible cost and are included.

2.2.10 Combined Brownfield Plan Implementation–

2.3 Eligible Activities Costs and Schedule

DEQ Eligible Activities Costs and Schedule		
DEQ Eligible Activities	Cost	Completion Season/Year
Department Specific Activities		
Soil Gas Quality Testing	40,000	
Soil Gas Remediation, if required	100,000	
DEQ Eligible Activities Sub-Total	140,000	
Contingency (15 %)	21,000	
Phase I ESA	1,800	
Phase II ESA	20,000	
Baseline Environmental Assessment	2,100	
Asbestos Survey	7,950	
Due Care Plan	1,600	
Act 381 Plan	3,000	
Interest (Indicate %)	0.00	
DEQ Eligible Activities Total Costs	197,450	

MSF Eligible Activities Costs and Schedule		
MSF Eligible Activities	Cost	Completion Season/Year
Demolition Sub-Total		
J C Penny Building Demolition	275,000	
Menard's Demolition	100,000	
Lead, Asbestos, Mold Abatement Sub-Total		
Asbestos Abatement J. C. Penny	250,000	
Infrastructure Improvements Sub-Total		
J C Penny – relocate utilities	85,000	
New Manhole	7,700	
Site Preparation Sub-Total		
Site Grading with erosion control	50,000	
Subgrade Replacement	25,000	
Engineering, Surveying, Design	140,000	
MSF Eligible Activities Sub-Total	932,700	
Contingency (15 %)	139,905	
Interest (Indicate %)	0	
Combined Brownfield Plan Preparation		
Combined Brownfield Plan Implementation		
MSF Eligible Activities Total Costs	1,072,605	

The schedule of reimbursement is provided in Table 1.

Act 381 Work Plan
Delta Plaza Mall
Escanaba, Michigan

	Base Year	Year 1	2	3	4	5	6	7	8	9	10	11	12	13	
		Taxable Value													
Real Property	\$1,252,391	\$1,452,391	\$1,459,333	\$1,472,753	\$1,486,575	\$1,500,813	\$1,515,477	\$1,530,581	\$1,546,139	\$1,562,163	\$1,578,666	\$1,595,666	\$1,613,178	\$1,631,213	
Capturable Taxable Value	\$1,252,391	\$200,000	\$206,942	\$220,362	\$234,184	\$248,422	\$263,066	\$278,190	\$293,748	\$309,772	\$326,277	\$343,277	\$360,787	\$378,622	
Taxing Jurisdiction	mills levied	Taxes Paid on New Property Value													
County	6.03170	Captured	\$ 1,008	\$ 1,041	\$ 1,109	\$ 1,178	\$ 1,250	\$ 1,324	\$ 1,400	\$ 1,478	\$ 1,559	\$ 1,642	\$ 1,727	\$ 1,815	\$ 1,906
College	3.30760	Captured	\$ 862	\$ 684	\$ 729	\$ 775	\$ 822	\$ 870	\$ 920	\$ 972	\$ 1,025	\$ 1,079	\$ 1,135	\$ 1,193	\$ 1,253
City/Op	17.09000	Captured	\$ 3,400	\$ 3,518	\$ 3,748	\$ 3,981	\$ 4,223	\$ 4,472	\$ 4,729	\$ 4,994	\$ 5,266	\$ 5,547	\$ 5,836	\$ 6,133	\$ 6,440
Recycling	0.30000	Captured	\$ 60	\$ 62	\$ 66	\$ 70	\$ 75	\$ 79	\$ 83	\$ 89	\$ 93	\$ 98	\$ 103	\$ 108	\$ 114
Shorff	1.75175	Captured	\$ 350	\$ 363	\$ 386	\$ 410	\$ 435	\$ 461	\$ 487	\$ 515	\$ 543	\$ 572	\$ 601	\$ 632	\$ 664
Comm Act	0.60000	Captured	\$ 120	\$ 124	\$ 132	\$ 141	\$ 149	\$ 158	\$ 167	\$ 176	\$ 186	\$ 196	\$ 206	\$ 216	\$ 227
DATA	0.60000	Captured	\$ 120	\$ 124	\$ 132	\$ 141	\$ 149	\$ 158	\$ 167	\$ 176	\$ 186	\$ 196	\$ 206	\$ 216	\$ 227
Comm Dispatch	0.20000	Captured	\$ 40	\$ 41	\$ 44	\$ 47	\$ 50	\$ 53	\$ 56	\$ 59	\$ 62	\$ 65	\$ 69	\$ 72	\$ 76
School Operating		Not Captured													
State Education Tax		Not Captured													
ISD		Not Captured													
Downtown Development		Not Captured													
Total Captured	28.79105		\$ 5,758	\$ 5,958	\$ 6,344	\$ 6,742	\$ 7,152	\$ 7,575	\$ 8,009	\$ 8,457	\$ 8,919	\$ 9,394	\$ 9,883	\$ 10,387	\$ 10,907
Expenses Remaining	\$1,270,055		\$1,264,297	\$1,268,339	\$1,251,994	\$1,245,252	\$1,238,100	\$1,230,525	\$1,222,516	\$1,214,058	\$1,205,140	\$1,195,746	\$1,185,863	\$1,175,476	\$1,164,568
Expenses Paid			\$5,758	\$5,958	\$6,344	\$6,742	\$7,152	\$7,575	\$8,009	\$8,457	\$8,919	\$9,394	\$9,883	\$10,387	\$10,907
Annual Debt Recovery			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax capture by CEBRA			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Eligible Environmental Expenses \$1,270,055

Act 381 Work Plan
Delta Plaza Mall
Escanaba, Michigan

	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Real Property	\$2,072,066	\$2,134,228	\$2,198,255	\$2,284,202	\$2,332,123	\$2,402,092	\$2,474,155	\$2,548,380	\$2,624,831	\$2,703,576	\$2,784,683	\$2,868,224	\$2,954,270	\$3,042,899	\$3,134,186	\$3,228,211	\$3,325,057	
Capturable Taxable Value	\$819,675	\$881,837	\$945,884	\$1,011,811	\$1,079,737	\$1,149,701	\$1,221,784	\$1,296,989	\$1,372,440	\$1,451,185	\$1,532,292	\$1,615,833	\$1,701,879	\$1,790,508	\$1,881,795	\$1,975,820	\$2,072,666	
Taxing Jurisdiction	mills levied																	
County	5.03170	\$ 4,124	\$ 4,437	\$ 4,759	\$ 5,091	\$ 5,433	\$ 5,785	\$ 6,148	\$ 6,521	\$ 6,906	\$ 7,302	\$ 7,710	\$ 8,130	\$ 8,563	\$ 9,009	\$ 9,469	\$ 9,942	\$ 10,429
College	3.30760	\$ 2,711	\$ 2,917	\$ 3,129	\$ 3,347	\$ 3,571	\$ 3,803	\$ 4,041	\$ 4,287	\$ 4,539	\$ 4,800	\$ 5,068	\$ 5,345	\$ 5,629	\$ 5,922	\$ 6,224	\$ 6,535	\$ 6,856
City Op	17.00000	\$ 13,934	\$ 14,991	\$ 16,080	\$ 17,201	\$ 18,356	\$ 19,545	\$ 20,770	\$ 22,032	\$ 23,331	\$ 24,670	\$ 26,049	\$ 27,469	\$ 28,932	\$ 30,439	\$ 31,991	\$ 33,589	\$ 35,235
Recycling	0.30000	\$ 246	\$ 265	\$ 284	\$ 304	\$ 324	\$ 345	\$ 367	\$ 389	\$ 412	\$ 435	\$ 460	\$ 485	\$ 511	\$ 537	\$ 565	\$ 593	\$ 622
Sheriff	1.75175	\$ 1,436	\$ 1,545	\$ 1,657	\$ 1,772	\$ 1,891	\$ 2,014	\$ 2,140	\$ 2,270	\$ 2,404	\$ 2,542	\$ 2,684	\$ 2,831	\$ 2,981	\$ 3,137	\$ 3,296	\$ 3,461	\$ 3,631
Comm Act	0.60000	\$ 492	\$ 529	\$ 568	\$ 607	\$ 648	\$ 690	\$ 733	\$ 778	\$ 823	\$ 871	\$ 919	\$ 969	\$ 1,021	\$ 1,074	\$ 1,129	\$ 1,185	\$ 1,244
DATA	0.60000	\$ 492	\$ 529	\$ 568	\$ 607	\$ 648	\$ 690	\$ 733	\$ 778	\$ 823	\$ 871	\$ 919	\$ 969	\$ 1,021	\$ 1,074	\$ 1,129	\$ 1,185	\$ 1,244
Central Dispatch	0.20000	\$ 164	\$ 176	\$ 189	\$ 202	\$ 216	\$ 230	\$ 244	\$ 259	\$ 274	\$ 290	\$ 306	\$ 323	\$ 340	\$ 358	\$ 376	\$ 395	\$ 415
School Operating																		
State Education Tax																		
JSD																		
Downtown Development																		
Total Captured	28,79105	\$ 23,699	\$ 25,389	\$ 27,232	\$ 29,131	\$ 31,087	\$ 33,101	\$ 35,176	\$ 37,313	\$ 39,514	\$ 41,781	\$ 44,116	\$ 46,522	\$ 48,999	\$ 51,551	\$ 54,179	\$ 56,886	\$ 59,674
Expenses Remaining	\$1,140,969	\$1,115,580	\$1,088,348	\$1,059,217	\$1,028,130	\$995,029	\$959,853	\$922,540	\$883,026	\$841,245	\$797,129	\$750,607	\$701,608	\$650,058	\$595,879	\$538,993	\$479,319	
Expenses Paid	\$23,599	\$25,389	\$27,232	\$29,131	\$31,087	\$33,101	\$35,176	\$37,313	\$39,514	\$41,781	\$44,116	\$46,522	\$48,999	\$51,551	\$54,179	\$56,886	\$59,674	
Annual Debt Recovery																		
Tax capture by CEBRA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Eligible Environmental Expenses

NB-4
C.C. 11/12/18

MEMORANDUM

Date: November 8, 2018
To: Patrick S. Jordan, Manager
Tammy A. Weissert, Interim City Clerk
From: Kevin Dubord, Assessing Office *KD*
Subject: Agenda Item Request
November 12, 2018 Meeting

Please place the following on the November 12, 2018 council agenda:

Request to set December 6, 2018 as a public hearing date to:

1. Establish Obsolete Properties Rehabilitation District No. 27 for property at 1204 Ludington Street, which includes office/retail space on the ground floor and apartment space on the second and third floors, as well as the basement. The building was built in 1912 and is currently unoccupied. The owner has requested the district and plans to update the facility to house five mid-upscale apartments, one office/retail/event rental space, and storage, with a central outdoor courtyard.

The public hearing will allow the establishment of District 27 and it will allow the property owner to apply for an OPRA exemption later. Attached are copies of background information for this property. Once the district is established, the property owner may begin the rehabilitation process.



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 form a 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

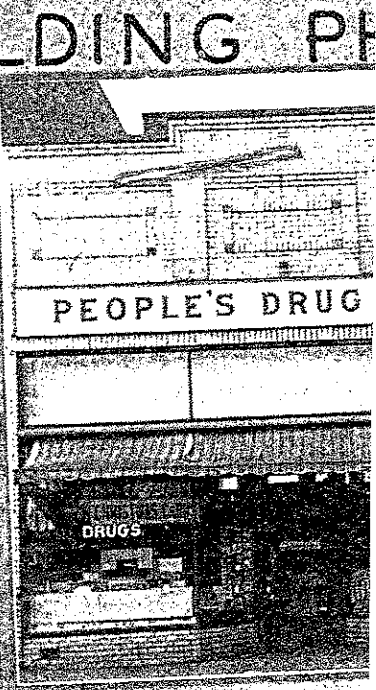
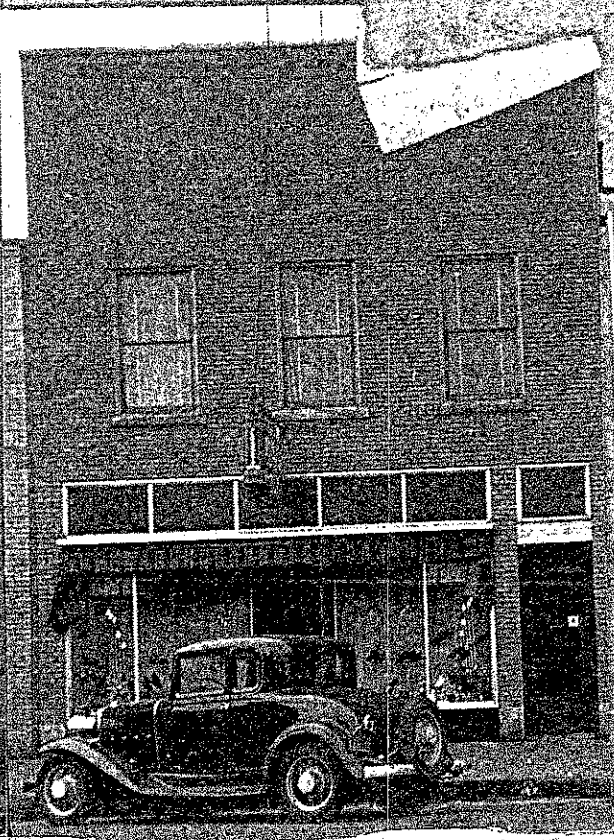
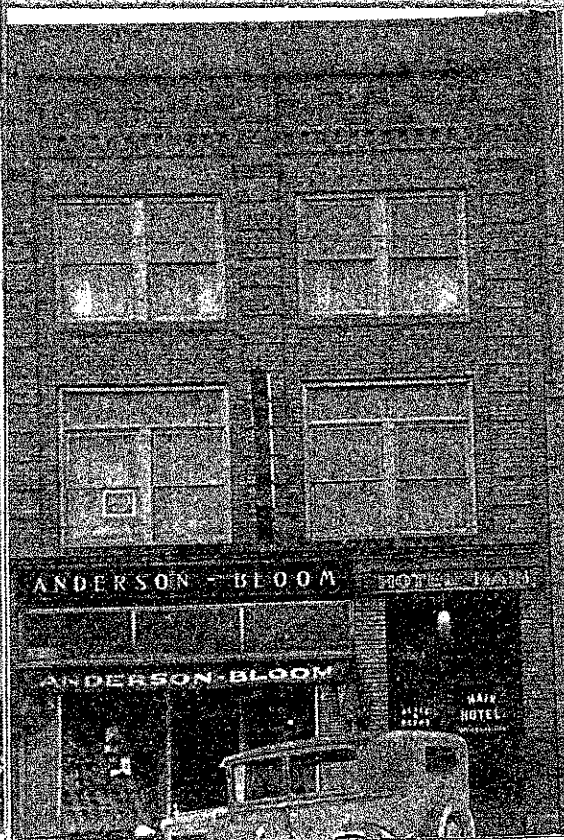
This project has been in the planning stages for about two years to-date. MEDC grant funding will be utilized for the rehabilitation of this project, which can take an undetermined amount of time. Once construction begins, the project is expected to take 9-12 months.

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.

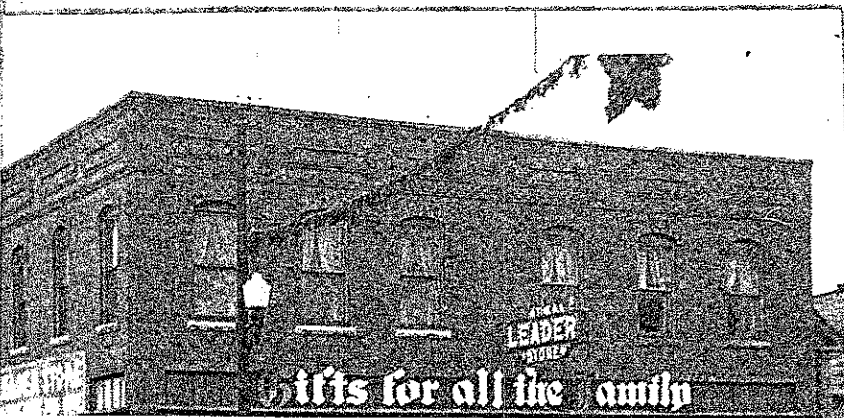


2 49

2 2 50

2 2 51

2 2 51



ASSESSMENT CARD

COUNTY Delta CITY Escanaba WARD _____ BOOK _____ PAGE _____ ITEM 2250 SHEET NO. 2230

PROPERTY ADDRESS North SIDE Ludington STREET, NO. 1204 OCCUPIED BY Tenant

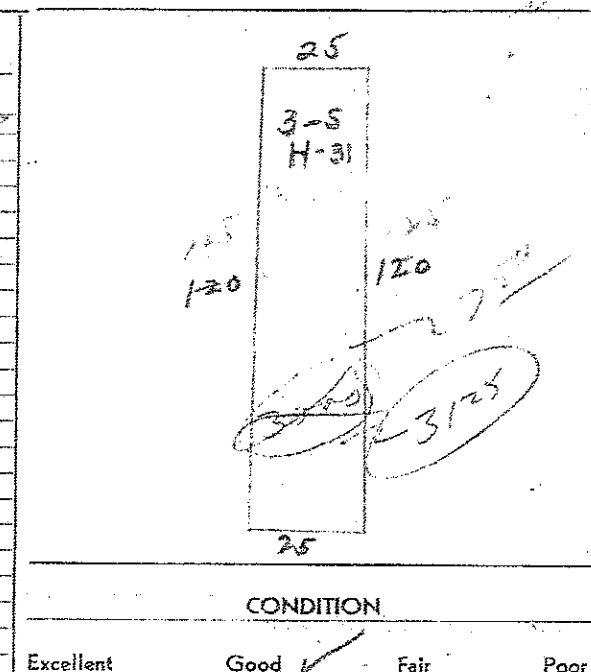
OWNER'S NAME Mrs. Emily Magnuson ADDRESS 210 Stephenson Ave. City _____

LOT E 1/2 of 2 BLOCK 80 PLAT Proprietor's First Addition

METES AND BOUNDS _____

BUILDING DESCRIPTION

USE	FOUNDATION	ROOFING	INTERIOR FINISH	MISCELLANEOUS	GARAGE
<input type="checkbox"/> BUNGALOW	<input type="checkbox"/> POST	<input type="checkbox"/> ROLL	<input checked="" type="checkbox"/> PLASTER	<input checked="" type="checkbox"/> P. G. STO. FR.	COND. <u>Poor</u>
<input type="checkbox"/> SINGLE HOUSE	<input type="checkbox"/> CONCRETE	<input type="checkbox"/> SHINGLE	<input checked="" type="checkbox"/> DECORATED	<input type="checkbox"/> SPRINKLER	CONST. <u>Metal</u>
<input type="checkbox"/> DOUBLE HOUSE	<input type="checkbox"/> BRICK	<input checked="" type="checkbox"/> TAR AND GRAV.	<input checked="" type="checkbox"/> PINE	<input type="checkbox"/> PASS. ELEV.	FLOOR <u>Dirt</u>
<input type="checkbox"/> APARTMENT	<input checked="" type="checkbox"/> STONE	<input type="checkbox"/> COMPOSITION	<input type="checkbox"/> HARDWOOD	<input type="checkbox"/> FRT. ELEV.	SIZE <u>11 x 16</u>
<input checked="" type="checkbox"/> STORE	<input type="checkbox"/> PILES	<input type="checkbox"/> SLATE	<input checked="" type="checkbox"/> METAL CEILING	<input checked="" type="checkbox"/> FIRE ESC.	UNIT <u>one</u>
<input type="checkbox"/> STORE AND FLAT	<input type="checkbox"/> CAISSONS	<input type="checkbox"/> TILE	<input type="checkbox"/> MAR. AND TILE	<input type="checkbox"/> REFRIGERATOR	
<input type="checkbox"/> OFFICE BUILDING				<input type="checkbox"/> VAC. GL. SYS.	
<input checked="" type="checkbox"/> HOTEL				<input checked="" type="checkbox"/> CABINETS	
<input type="checkbox"/> THEATRE	EXT. WALLS	BASEMENT	HEATING	<input type="checkbox"/> FIRE PLACE	PORCHES
<input type="checkbox"/> FACTORY	<input type="checkbox"/> METAL	<input type="checkbox"/> NONE	<input type="checkbox"/> STOVES	<input type="checkbox"/> INCIN.	FRONT _____
<input type="checkbox"/> GARAGE	<input type="checkbox"/> WIDE SIDING	<input type="checkbox"/> PART	<input type="checkbox"/> PIPELESS	<input type="checkbox"/> OIL BURNER	SIDE _____
<input type="checkbox"/> GAS STATION	<input type="checkbox"/> STUCCO	<input checked="" type="checkbox"/> FULL	<input type="checkbox"/> HOT AIR	<input type="checkbox"/> GAS HEAT	REAR _____
<input type="checkbox"/> WAREHOUSE	<input checked="" type="checkbox"/> BRICK	<input type="checkbox"/> DIRT FLOOR	<input checked="" type="checkbox"/> STEAM	<input type="checkbox"/> ELEC. HEAT	SLEEP _____
	<input type="checkbox"/> TER. COT.	<input checked="" type="checkbox"/> CEMENT FLOOR	<input type="checkbox"/> VAPOR	<input type="checkbox"/> GENT. HEAT	
	<input type="checkbox"/> STONE	<input type="checkbox"/> FINISHED	<input type="checkbox"/> HOT WATER		
CONSTRUCTION	ROOF	FLOORS	PLUMBING	ROOMS	
<input type="checkbox"/> WOOD FRAME	<input type="checkbox"/> GABLE	<input type="checkbox"/> DIRT	<input type="checkbox"/> NONE	<input type="checkbox"/> APTS.	
<input type="checkbox"/> VENEER	<input type="checkbox"/> HIP	<input type="checkbox"/> PINE	<input checked="" type="checkbox"/> FIXTURES	<input type="checkbox"/> RMS. APT.	OTHER _____
<input checked="" type="checkbox"/> BRICK	<input checked="" type="checkbox"/> FLAT	<input checked="" type="checkbox"/> HARDWOOD <u>26</u>	<input type="checkbox"/> TOILET	<input type="checkbox"/> FIN. ATT. RM.	
<input type="checkbox"/> ST. FRAME	<input type="checkbox"/> GAMBREL	<input type="checkbox"/> OAK	<input checked="" type="checkbox"/> BATH RMS. <u>5</u>	<input type="checkbox"/> FIN. BAS. RM.	
<input type="checkbox"/> MILL	<input type="checkbox"/> MANSARD	<input type="checkbox"/> CEMENT	<input checked="" type="checkbox"/> TILE FLOOR <u>3</u>	<input checked="" type="checkbox"/> STOKER	
<input type="checkbox"/> RE CONC.		<input checked="" type="checkbox"/> TILE <u>2</u>	<input type="checkbox"/> TILE WALLS		



BUILDING VALUE COMPUTATIONS

YEAR	NO.	LENGTH	WIDTH	HEIGHT	SQ. F. AREA OR CU. F. CONT.	COST UNIT	COST REP. NEW	YEAR BUILT OR REM.	DEPRECIATION		COST NEW LESS DEPRECIATION OR SOUND VAL.	SOUND VALUE LESS OBSOLESCENCE	EXTRAS TO ADD	TOTAL MARKET VALUE
									%	AMOUNT				
		<u>170</u>	<u>75</u>	<u>31</u>	<u>93,000</u>			<u>1912</u>						
								<u>1932 Rem.</u>						

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

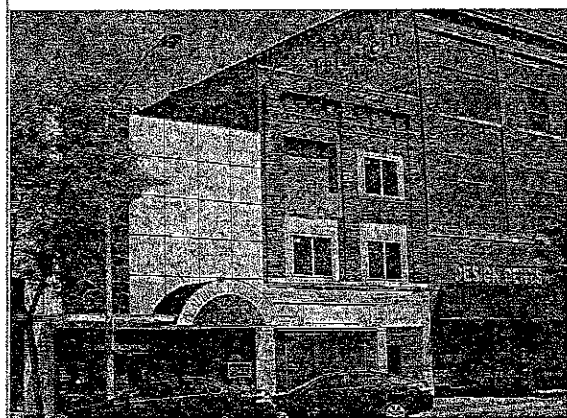
The East ½ of Lot 2 of Block 80 of Proprietor's First Addition to the City of Escanaba, according to the plat thereof, as recorded in Liber A of Plats, Page 3, Delta County Records

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prct. 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					
Owner's Name/Address	Map #:					
STARZ KRYSTA NESS 1615 LUDINGTON ST STE B ESCANABA MI 49829-2854	2019 Est TCV Tentative					

Tax Description	Improved	Vacant	Land Value Estimates for Land Table 20.COM 1					
E 1/2 OF LOT 2 OF BLK 80 OF THE PROPRIETORS 1ST ADDITION	X		* Factors * 25 X 140					
Comments/Influences	Public Improvements		Description	Frontage	Depth	Front Depth	Rate & Adj. Reason	Value
	Dirt Road		E LUDINGTON	25.00	140.00	1.0000 1.0000	600 100	15,000
	Gravel Road		25 Actual Front Feet, 0.08 Total Acres Total Est. Land Value =					15,000

X	Paved Road
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		Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/Other	Taxable Value
X	Level	2019	Tentative	Tentative	Tentative			Tentative
	Rolling							
	Low							
X	High	2018	6,400	19,300	25,700			25,667C
	Landscaped	2017	6,438	18,702	25,140			25,140S
	Swamp	TW	02/06/2017	Data Enter				
	Wooded	2016	6,438	19,127	25,565			24,926C
	Pond							
	Waterfront							
	Ravine							
	Wetland							
	Flood Plain							

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

SKETCH/AREA TABLE ADDENDUM

Parcel No 051-320-2930-404-017

Property Address 1204 LUDINGTON STREET

City ESCANABA

County Delta

State MI

Zip 49829

Owner SUMMERS DOUGLAS D

Client

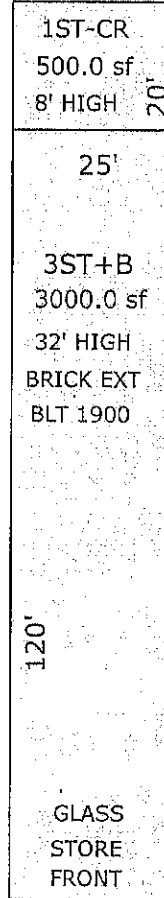
Client Address 1204LUDS

Appraiser Name KEVIN DUBORD

Inspection Date DRAWN 8-15-11

SUBJECT

IMPROVEMENTS SKETCH



1204 LUDINGTON STREET

Scale: 1" = 12'

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY					
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 1	
Comment Table 2	Comment Table 3

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

Overview

A means to encourage the rehabilitation of obsolete property and to increase commercial/residential housing available in downtowns or other areas characterized by underused or functionally obsolete properties.

OPRA provides property tax exemptions for commercial and commercial housing properties that are rehabilitated and meet the requirements of the Act. The property must be located in a qualified local unit, such as the City of Escanaba and be located in an established Obsolete Property Rehabilitation District. Properties must meet eligibility requirements including a statement of obsolescence by the local assessor. Exemptions are approved for a term of 1-12 years as determined by the local unit of government. The property taxes for the rehabilitated property are based on the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the exemption. Additionally, the State Treasurer may approve reductions of half of the school operating and state education taxes for a period not to exceed 6 years for 25 applications annually. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. **Exemptions are not effective until approved by the State.**

Functional obsolescence as defined by the state includes inadequate electrical, heating and plumbing. Oversized or undersized rooms, poor layouts and traffic flow problems, etc.

Functionally Obsolete: means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

Antiquated plumbing, heating, and electrical fixtures and connections or spaces that are not conducive to the use of modern equipment and technologies or spaces broken up by poorly planned wall dividers that may have been functional 50 or 100 years ago are examples of deficiencies which could qualify a building. Super adequacies include excessive ceiling height, excessive size, etc. The OPRA legislation requires a statement of obsolescence from a Level III or Level IV certified assessor using this criteria.

Once in the program there will now be three tax bills for the same property. 1) the tax bill on the land taxed at full millage, 2) the taxable value on the building is frozen at the pre-improvement level at full millage, and 3) the tax bill on the improvement which only taxes the School Operating (18 mills) and State Education Tax (6 mills) which could be reduced by ½ by the State Treasurer.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

An example of how the OPRA affects property taxes for property with an exemption. Using the 2013 millage rates for the City of Escanaba, the annual rates would be as follows:

The taxable value of the parcel prior to the exemption is \$70,000. Of the total taxable value, assume that \$20,000 is the portion attributable to the land. Assume also that rehabilitation and remodeling result in a total taxable value of \$1,200,000 for the rehabbed property. The tax breakdown would be as follows:

School Oper.	= 18.0000 mills
State Ed Tax	= 6.0000 mills
TOTAL Millage	= 59.8744 mills

Annual Tax Bill	Taxable Value		Millage	=	Annual Tax Dollars
1) Land	20,000	X	59.8744	=	\$ 1,197
2) Frozen Building TV	50,000	X	59.8744	=	\$ 2,943
3) Non-frozen TV	1,130,000	X	*18.0000	=	\$ 27,120
	1,130,000	X	*6.0000	=	
Total Annual Tax					= \$ 31,260

<i>Annual Tax Without Exemption</i>	\$ 71,849
<i>Annual Savings</i>	\$ 40,589
<i>Savings Over 12-year term</i>	\$ 487,071

* The State Treasurer can exempt up to 50% of the State Education Tax and the school operating tax for a period of up to 6 years, which would result in additional annual savings of \$13,560 or \$81,360 for the term of the exemption.

The OPRA exemption applies only to existing buildings. Taxable value attributable to increased building size, whether vertical or horizontal, is taxed at the full millage rate.

Additionally, if the rehabbed property is commercial/residential, any portion which qualifies as primary residence would be exempted from the 18 mills of school operating tax, in the same manner as any other homestead.

The entire process is set by statute.

Unlike other exemptions, OPRA exemptions can be transferred to new property owners. The exemption can be transferred to a new owner during or after rehabilitation with the approval of the city council. The process starts at the local assessor's office.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

Definitions Contained In or Referenced In Public Act 146 of 2000

"Commercial housing property" means that portion of real property not occupied by an owner of that real property that is classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, is a multiple-unit dwelling, or is a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial housing property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to a multiple-unit dwelling or dwelling unit in a multiple-purpose structure, used for residential purposes.

"Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and MCL 211.14, the primary purpose and use of which is the operation of a commercial business enterprise. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise or a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial property does not include any of the following: Land, Property of a utility

"Facility", except as otherwise provided in this act, means a building or group of contiguous buildings.

"Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property. (See MCL 125.2652)

Note: The STC offers the following as examples of functional obsolescence:

- 1) A floor plan which is inappropriate for the highest and best use of the property.
- 2) A heating system which is inadequate for the highest and best use of the property.
- 3) Excessively high or low ceilings for the highest and best use of the property.
- 4) Partition walls which restrict the highest and best use of the property.
- 5) Mechanical systems (e.g. electrical, plumbing, etc) which are inadequate for the highest and best use of the property.

"Obsolete property" means commercial property or commercial housing property, that is 1 or more of the following:

- (i) "Blighted property". Blighted property means property that meets 1 or more of the following criteria:
 - a. Has been declared a nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - b. Is an attractive nuisance to children because of physical condition, use, or occupancy.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

- c. iii. Is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - d. iv. Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
 - e. v. Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of PA 145 of 2000. (MCL 125.2652)
- (ii) A facility as that term is defined below:
"Facility" as defined in PA 451 of 1994 means any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of section 20120a(1)(a) or (17) or the cleanup criteria for unrestricted residential use under part 213 has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, or property at which response activities have been completed which satisfy the cleanup criteria for the residential category provided for in section 20120a(1)(a) and (17) or at which corrective action has been completed under part 213 which satisfies the cleanup criteria for unrestricted residential use. (See MCL 324.20101)
- (iii) Functionally obsolete. Please see the definition of "functionally obsolete".

"Obsolete property rehabilitation district" means an area of a qualified local governmental unit established as provided in section 3. Only those properties within the district meeting the definition of "obsolete property" are eligible for an exemption certificate issued pursuant to section 6 of PA 146 of 2000.

"Rehabilitation" means changes to obsolete property OTHER THAN REPLACEMENT that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily 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 1 or 2 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 required to restore or change the obsolete property to an economically efficient condition. **Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the obsolete property.**

"Rehabilitated facility" means a commercial property or commercial housing property that has undergone rehabilitation or is in the process of being rehabilitated, including rehabilitation that changes the intended use of the building. A rehabilitated facility does not include property that is to be used as a professional sports stadium. A rehabilitated facility does not include property that is to be used as a casino. As used in this subdivision, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

Obsolete Property Rehabilitation Act Exemption

P.A. 146 of 2000, as amended

City of Escanaba Application Process

These are the steps to follow if you wish to apply for an Obsolete Properties Rehabilitation Exemption (OPRA exemption):

1. **Request in writing** to the city assessor that an Obsolete Properties Rehabilitation District be established for your property. City Council will approve this by resolution. Do not begin structural or cosmetic improvements to the building until after the district is established by City Council. This process may take four to six weeks.
2. **Request that the city assessor inspect** your building to determine if the property qualifies as obsolete property under the legislation. This can be done before council acts on your request for an OPRA district.
3. **Complete the application form and addendum** provided by the city assessor. You must include a letter stating that the rehabilitation project could not be completed without the assistance of the exemption (required by statute). Also include cost estimates of your planned projects and approximate completion schedules. Be as specific as possible. The assessor will bring this before Escanaba City Council and a public hearing will be held to consider your exemption. This process will take an additional four to six weeks.
4. **If approved by City Council the assessor will then send** required documents to the State of Michigan for review and approval/disapproval by the State Tax Commission. Please note that the STC must receive the application by October 1st to consider the exemption for the next year's taxes. In order to maintain the necessary timetable, your district request should be started by the end of June with the completed exemption application submitted by the first (1st) Thursday of September. An OPRA exemption granted by the state on or before December 31st of any year will take effect in the following tax year.

NOTE:

An OPRA exemption will result in three separate tax bills for the exempt parcel: 1) land is assessed and taxed normally, 2) the frozen taxable value for all levies 3) "Non-frozen taxable value" means that the increased taxable value resulting from project improvements will be taxed only the School Operating (18 mills) and State Education Tax (6 mills) which may be reduced by ½ by the State Treasurer for up to 6 years:

You must pay property taxes timely. Failure to pay taxes before they become delinquent on March 1st of each year may constitute a reason for revoking the exemption.

A Principal Residence Exemption may apply If you rehabilitate the upper floor(s) of your property into your primary residence.

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