



CITY COUNCIL
VIRTUAL MEETING AGENDA
April 16, 2020

Marc D. Tall, Mayor
Peggy O'Connell, Mayor Pro Tem
Ralph B. Blasier, Council Member
Tyler D. DuBord, Council Member
Karen S. Moore, Council Member

Patrick S. Jordan, City Manager
Phil DeMay, City Clerk
John Bergman, City Attorney

City Council will hold this meeting virtually using WebEx. Detailed procedures by which the public can participate in the meeting electronically, including a telephone number and internet address is posted on our website home page "Virtual Meetings" (Escanaba.org).

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.

Virtual WebEx Regular Meeting
Thursday, April 16, 2020, at 7:00 p.m.

CALL TO ORDER

ROLL CALL

INVOCATION/PLEDGE OF ALLEGIANCE

APPROVAL/CORRECTION(S) TO MINUTES –

Regular Meeting – April 02, 2020

Special Council Meeting Budget – April 6, 2020

Special Council Meeting Budget – April 7, 2020

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS

1. Second Reading, Public Hearing and Adoption of the Residential Planned-Unit Development Re-Zoning – Planning & Zoning.

Explanation: Administration is requesting the City Council to consider approval and adoption of the Residential Planned-Unit Development Re-Zoning for the property located at 500 North 26th Street be rezoned from F-Light Manufacturing to C2 – Residential Planned Unit Development.

2. Close-Out Public Hearing – Community Development Block Grant (CDBG) – Northern Machining & Repair #2.

Explanation: Administration is seeking Council approval to consider this the Public Hearing regarding the closeout of the #2 CDBG loan for Northern Machining & Repair.

UNFINISHED BUSINESS –

1. Approval - Adoption of the Bay de Noc PILOT Ordinance No. 1223 - An Ordinance to Amend Chapter 26 – Taxation of the Code of Ordinances of the City of Escanaba.

Explanation: Administration is requesting the City Council to consider approval and adoption of the Bay de Noc PILOT Ordinance No. 1223, An Ordinance to Amend Chapter 26 – Taxation of the Code of Ordinances of the City of Escanaba.

2. Approval - Municipal Services Agreement for the Bay de Noc Apartments Project – Woda Cooper Companies.

Explanation: Woda Cooper Companies is requesting City Council approval of a Municipal Services Agreement for the property located at 500 North 26th Street.

3. Approval – Traffic Control Order #1005 – Public Safety.

Agenda – April 2, 2020

Explanation: Administration is seeking City Council approval of Traffic Control Order #1005 to have “No Overnight Parking” signs be installed in the City Hall Parking Lot – 410 Ludington Street, No overnight parking shall mean between 10:00 pm and 6:00 am..

NEW BUSINESS

1. Approval – Residential Planned-Unit Development – Final Plan – Planning & Zoning.

Explanation: Administration is recommending Council approval of the Final Development Plan for a 4-story, 70-unit apartment building to be constructed at 500 North 26th Street.

2. Approval – Intent to Apply Form for DWRP Loan – Water Department.

Explanation: Administration is requesting City Council’s approval to submit the attached “Intent to Apply Form”, requesting a DWRP (Drinking Water State Revolving Fund), loan in the amount of \$20,000,000 for the purpose of replacing aging infrastructure within the existing water distribution system.

3. Approval – RRC Recertification Action Plan – Planning & Zoning.

Explanation: Administration is requesting approval of the Redevelopment Ready Community (RRC) Action Plan which outlines the timetable for completing required actions to achieve recertification.

4. Approval- Investment Report and Depository Approval – Controller.

Explanation: Bob Valentine of First Bank will present the annual investment report. Administration is seeking City Council approval to the list of depositories.

5. Approval- BS&A Software – Planning and Zoning.

Explanation: Administration is requesting approval to purchase Community Development software from BS&A in the amount of \$35,500. The first payment of \$10,250 will be due upon execution of the agreement with the remaining balance due in the next fiscal year.

6. Setting of Public Hearing – FY2020-2021 Budget – May 7, 2020.

Explanation: Administration is requesting Council set May 7, 2019, as the fourth Public Hearing on the proposed 2020-2021 City Fiscal Year Budget.

7. Approval- Bonding Ordinance for WWTP SRF Project – Wastewater.

Explanation: Administration is requesting City Council’s approval of an Ordinance 1226 authorizing the issuance of the Wastewater System Revenue Bonds for the WWTP project in an amount not to exceed \$14,000,000.

8. Approval – Award Construction Work for Wastewater Treatment Plant SRF Project – Wastewater.

Explanation: Administration is requesting City Council's approval to award the contract to Staab Construction Corporation of Marshfield, WI in the amount of \$13,352,000. The contract award should be made contingent upon receipt of the project financing from the State of Michigan under the State Revolving Loan program, successful negotiation of a deductive change order #1 with Staab, and sufficient City reserves to fund the shortfall.

9. Approval – Construction Contract Resolution for Wastewater Treatment Plant SRF Project – Wastewater.

Explanation: Administration is requesting City Council’s approval of Resolution 20-09 to accept the construction contract to be awarded to Staab Construction Corporation of Marshfield, WI.

APPOINTMENTS

BOARD, COMMISSION, AND COMMITTEE REPORTS

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS -

ADJOURNMENT

Respectfully Submitted

A handwritten signature in blue ink that reads "Patrick S. Jordan". The signature is written in a cursive style with a long horizontal flourish at the end.

**Patrick S. Jordan
City Manager**

OFFICIAL PROCEEDINGS
CITY COUNCIL
CITY OF ESCANABA, MICHIGAN
Virtual WebEx Regular Council Meeting
Thursday, April 2, 2020

The meeting was called to order by the Honorable Mayor Marc D. Tall at 7:02 p.m.

Present: Mayor Marc D. Tall, Council Members, Ralph B. Blasier, Tyler D. DuBord, Karen S. Moore, and Peggy O'Connell

Absent: None

Also Present: City Manager Patrick S. Jordan, City Clerk Phil DeMay, Deputy City Clerk Tammy Weissert, Department Heads, media, and members of the public.

Blasier moved, O'Connell seconded, to approve Regular Meeting minutes from March 5, 2020, as submitted.

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

Ayes: Blasier, O'Connell, DuBord, Moore, Mayor Tall
Nays: None

MOTION CARRIED.

ADJUSTMENTS TO THE AGENDA

Blasier moved, Moore seconded, **CARRIED UNANIMOUSLY**, to approve the City Council Agenda as submitted.

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

Ayes: Blasier, Moore, DuBord, O'Connell, Mayor Tall
Nays: None

MOTION CARRIED.

CONFLICT OF INTEREST DECLARATION

O'Connell will abstain from Agenda Item #4 (Classic Car and Bike Night Events) due to her sponsoring the event.

BRIEF PUBLIC COMMENT – None

PUBLIC HEARINGS

PH-1 Public Hearing – Citizen Participation – 2020 / 2021 Fiscal Year Budget Preparation.

A public hearing was conducted to facilitate input from citizens for the City's next fiscal year budget. This was the third of five (5) scheduled public hearings.

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

Hearing to public comment, Mayor Tall then closed the public hearing.

UNFINISHED BUSINESS – None

NEW BUSINESS

NB-1 Approval – Traffic Control Order #1004 & #1005 – Public Safety.

Administration sought City Council approval of Traffic Control Order #1004 to have “No Parking” signs be installed on the East side of Sheridan Road from 15th Avenue North to Public Works (1715 Sheridan Rd) and Traffic Control Order #1005 to have “No Overnight Parking” signs be installed in the City Hall Parking Lot – 410 Ludington Street, No overnight parking shall mean between 10:00 p.m. and 6:00 a.m..

NB-1 O’Connell moved, Blasier seconded, to approve of Traffic Control Order #1004 to have “No Parking” signs be installed on the East side of Sheridan Road from 15th Avenue North to Public Works (1715 Sheridan Rd) and to postpone Traffic Control Order #1005 to have “No Overnight Parking” signs be installed in the City Hall Parking Lot – 410 Ludington Street, until City Council can get clarification from the Traffic Safety Advisory Committee on whether Traffic Control Order #1005 can be seasonal.

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

Ayes: O’Connell, Blasier, DuBord, Moore, Mayor Tall
Nays: None

MOTION CARRIED.

NB-2 Approval – Resolution for Street Add Certification - Engineering.

Administration recommended Council approval to add South 32nd Street from 3rd Avenue South to 4th Avenue South to its street system.

“**NB-2** Resolved by Council Member Blasier, seconded by Council Member Moore;

**RESOLUTION 20-08
FOR ADD
STREET CERTIFICATION**

WHEREAS, it is necessary to furnish certain information to the State of Michigan to place this street within the City Street System for the purpose of obtaining funds under Act 51, P.A. 1951 as amended.

NOW THEREFORE IT IS RESOLVED:

1. That the center line of South 32nd Street between 3rd Avenue South and 4th Avenue South described as follows:

COMMENCING AT THE SOUTH ¼ CORNER, SECTION 25, TOWNSHIP 39 NORTH, RANGE 23 WEST, CITY OF ESCANABA, DELTA COUNTY, MICHIGAN. THENCE NORTH 0°-30'-00" EAST A DISTANCE OF 1,286.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY OF 3RD AVENUE SOUTH, THENCE NORTH 89°-54'-50" WEST ALONG THE SOUTH RIGHT-OF-WAY OF 3RD AVENUE SOUTH A DISTANCE OF 348.54 FEET TO THE POINT OF BEGINNING, A POINT ON THE SOUTH RIGHT-OF-WAY OF 3RD AVENUE SOUTH AND THE CENTERLINE OF SOUTH 32ND STREET. THENCE SOUTH 00°-26'-30" WEST A DISTANCE OF 118.94 FEET, THENCE SOUTH 29°-57'-40" WEST A DISTANCE OF 483.27 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF 4TH AVENUE SOUTH EXTENDED AND THE CENTERLINE OF SOUTH 32ND STREET, THE POINT OF ENDING.

2. That said street is located within the City right-of-way and is under the control of the City of Escanaba.
3. That said street is a public street and is for public street purposes.
4. That said street is accepted into the municipal street system and is open to the public for public use on or before December 31, 2019.

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

Ayes: Blasier, Moore, DuBord, O'Connell, Mayor Tall
Nays: None

RESOLUTION DECLARED ADOPTED.”

NB-3 Approval – Digester #4 Repairs - Wastewater.

Administration requested City Council's approval to hire and retain the services of Terrazzo Creations and Renewal (TCR) of Norway Michigan, to conduct the repairs on digester #4 as specified in the attached quote, in an amount not to exceed \$19,700.

NB-3 Blasier moved, O'Connell seconded, to approve to hire and retain the services of Terrazzo Creations and Renewal (TCR) of Norway Michigan, to conduct the repairs on digester #4 as specified in the attached quote, in an amount not to exceed \$21,000.

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

Ayes: Blasier, O'Connell, DuBord, Moore, Mayor Tall
Nays: None

MOTION CARRIED.

NB-4 Approval - Street Closure Requests for 100 Block of South 13th Street to 1st Avenue South for Various Fundraising Events.

Mr. Curt Spaulding, owner of Cat-Man-Do's, 1223 Ludington Street requested the City Council approve the closure of the 100 block of South 13th Street from Ludington Street to 1st Avenue South for Classic Car and Bike Nights (June 10th and 11th, July 8th and 9th, August 12th and 13th, and September 9th and 10th), the Fun Run Parade May 29th, and other Fundraisers (Car Show July 18th and Wheeling Sportsmen August 22nd).

NB-4 Blasier moved, Moore seconded, to approve the closure of the 100 block of South 13th Street for all events listed. Closure of Ludington Street from South 12th and South 13th Street for Classic Car and Bike Nights, June 10th (rain date - June 11th), July 8th (rain date - July 9th), August 12th (rain date - August 13th), and September 9th (rain date - September 10th), closure of the 100 block of South 13th Street for the Fun Run Parade May 29th, and other Fundraisers (Car Show July 18th and Wheeling Sportsmen August 22nd).

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

Ayes: Blasier, Moore, DuBord, Mayor Tall
Nays: None
Abstain: O'Connell

MOTION CARRIED.

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 – commended the City for the Virtual Meeting and also including the residents and citizens to take part.

Jim Berthiaume – thanked the City for putting the Virtual Meeting together and thinks it was a success.

Patty Woerpel – stated the City did a very nice job on the Virtual Meeting, needs a little work here and there, but was glad she could listen.

ANNOUNCEMENTS

- Animal Shelter saved 81 animals in March;
- Asked people to really take COVID-19 seriously;
- Asked to close City parks, but want to keep them open for walking and biking, can't have groups gathering, stay home and stay safe.

PROCLAMATION

Mayor Tall proclaimed the start of “Evening in Escanaba” and also proclaimed April 24, 2020, as “Arbor Day”

Hearing no further public comment, O’Connell moved, the Council adjourned at 7:45 p.m.

Respectfully submitted

Tammy Weissert, CMC
Deputy City Clerk

Approved: _____
Marc D. Tall, Mayor

City of Escanaba Virtual WebEx Special Council Meeting Monday, April 6, 2020

Pursuant to a meeting notice posted December 18, 2020, the Council of the City of Escanaba convened in special session Virtual WebEx at 9:09 a.m., to begin the review and discussion of the proposed 2020/21 City Budget.

Present: Mayor Marc D. Tall, Council Members, Ralph B. Blasier, Tyler D. DuBord, Karen S. Moore, and Peggy O'Connell

Absent: None

Also Present: City Manager Patrick S. Jordan, City Controller Melissa Becotte, City Clerk Phil DeMay, Deputy City Clerk Tammy Weissert, Department Heads, media, and members of the public

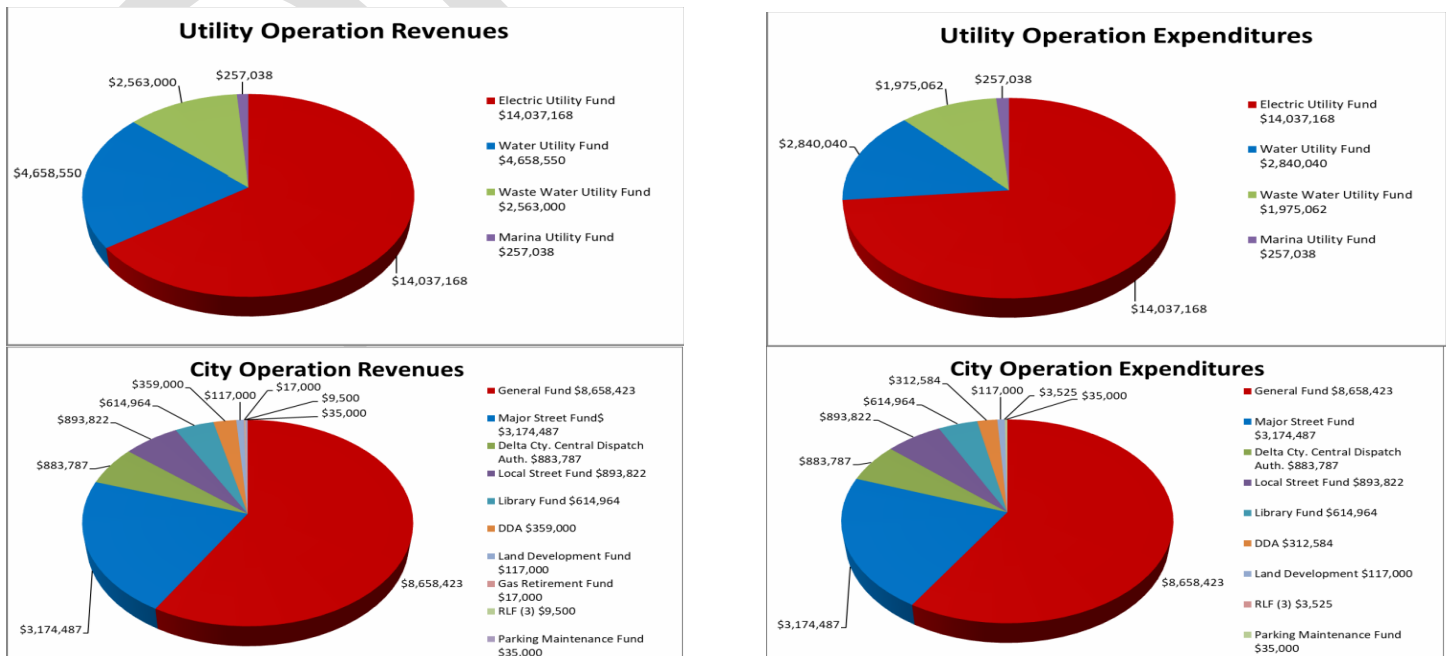
GENERAL PUBLIC COMMENT – None

City Manager Patrick Jordan and City Controller Melissa Becotte presented Council the following Budget information:

CITY MANAGER'S FINAL BUDGET OVERVIEW – FY 2020-21

Pursuant to the Escanaba City Charter and relevant state laws, I hereby submit for City Council and community review the final FY 2020-21 Budget. A copy of this document has been placed on file with the City Clerk and at the Escanaba Public Library, where the public may review it during normal hours of operation. An electronic version is also available on the City's website, www.escanaba.org, and on the City of Escanaba's Facebook page. This document serves as a daily guide for City Administration in receiving and allocating resources in the most effective way for the good of the community.

This budget, with over \$30 million in expenditures, reflects our commitment in providing core services to our community and was developed using the best available information and most current revenue projections.



City Millage Rate/Tax Rate and Tax Roll. The final budget is based on a property tax rate of 17 mills, which will not require any tax increase in the upcoming fiscal year.

For homeowners in the City, 41.05% of the total property tax bill is kept by the City of Escanaba to pay for all General Fund services provided. The remaining 58.95% of a homeowner’s tax bill is remitted to Delta County, the State of Michigan, the Escanaba School District, the Delta Schoolcraft Intermediate School District (DSISD), the Delta County Sheriff Department, 911 Operations, the Delta Area Transit Authority (DATA), Community Action Agency (CAA) and Bay de Noc Community College.

WHERE YOUR TAX DOLLAR GOES...

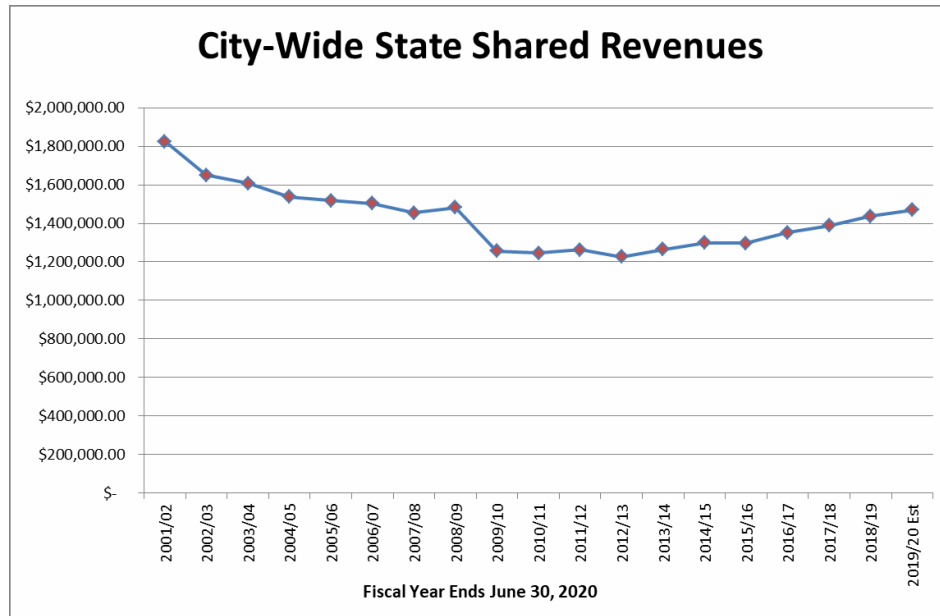
Homestead Exemption



Non-Homestead Exemption

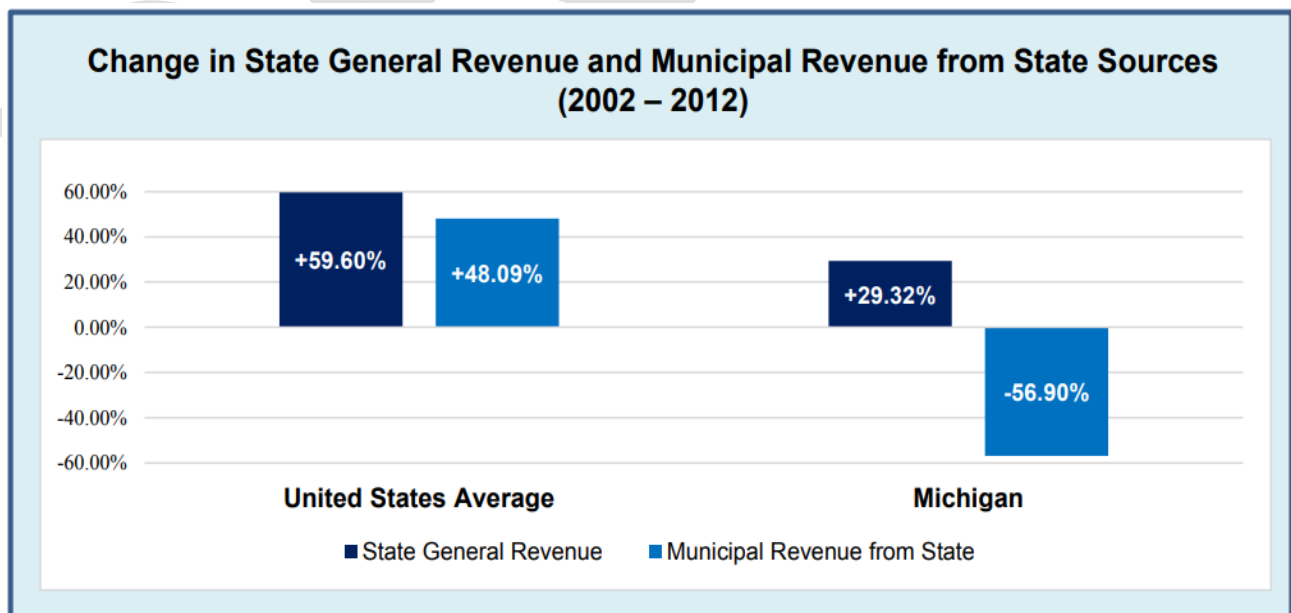


General Fund. The General Fund budget, which supports many of the day-to-day activities of the City, is \$8,665,307 (including transfers in from other funds), representing a decrease of .03% from the previous year’s budget. At the end of FY 2018-19, the General Fund balance was \$4,511,005, with a long-term debt obligation of \$625,000. At the end of FY 2019-20, projections show an estimated fund balance of \$4,586,083, with a long-term debt obligation of \$500,000. In the FY 2020-21 Budget, a projected fund balance of \$4,292,346, with a long-term debt obligation of \$375,000, is being proposed. The budget includes an electric utility transfer of \$765,790. Similar to most public utilities, this transfer, likened to property-like taxes or payments in lieu of taxes and the like have been made on an annual basis in Escanaba since 1956 so as to provide a direct benefit to the community including those properties that are exempt from paying property taxes. Using the latest available American Public Power Association data (2014) public power utilities contributed 5.6% of electric operating revenue back to the communities they serve.



As discussed with the City Council over the last several years, I believe that local units of government are struggling because the State’s system for funding municipalities is broken and does not track with the economy. In Michigan, cities have very few sources of revenue—and those sources are shrinking. In recent years these sources have failed to keep up with the current level of services, much less rising costs. Also, Michigan law contains structural provisions that limit cities’ ability to collect taxes on existing properties.

Only once since FY 1998 have lawmakers acted to fully fund Constitutional revenue sharing payments (in FY 2001). What’s more, the cumulative amount of cuts to Constitutional revenue sharing for municipalities from FY 1998 to FY 2017 is estimated to be over \$5.5 billion. When counties are included, the cumulative cut to local government revenue sharing since 1998 exceeds \$7.5 billion. Since 2002, Michigan has led the nation in cuts to municipalities. The Census of Governments, published every five years by the U.S. Census Bureau, reported that from 2002 to 2012, municipal revenue from state sources increased in 45 states and the average increase was 48.1 percent. In Michigan, municipal revenue from state sources declined 56.9 percent from 2002 to 2012. During this same period, total revenue for the State of Michigan increased by 29.3 percent ⁽¹⁾.



(1) Great Lakes Economic Consulting – April 2016 – "Michigan’s Great Disinvestment"

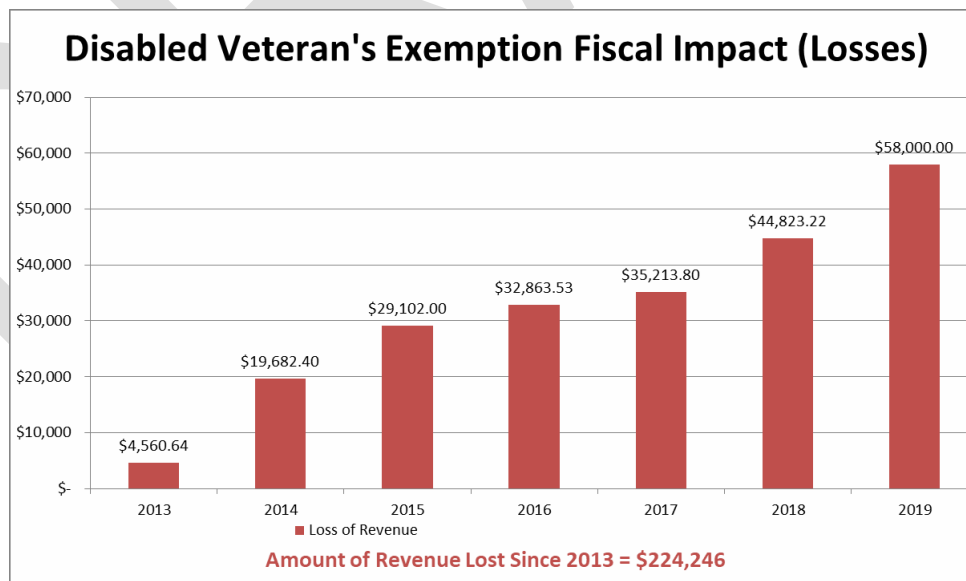
Annual 2020/21 Budget Work Session

Unless this trend is reversed by the State lawmakers, the severity of the continued cuts in state shared revenues will continue to have a direct negative impact on the basic community services we are able to provide and communities like Escanaba will continue to be left behind because of the burdens of a broken system. Since 2002, the City of Escanaba has lost approximately \$8,462,943 ⁽²⁾ in revenue.

Year	Const. Payments	Statutory Payments	Total Payments	Full Statutory Payments	Statutory Reductions	Full Funding	Cumulative Difference
2003	\$ 872,820.00	\$ 857,054.00	\$ 1,729,874.00	\$ 1,021,098.00	\$ 61,838.00	\$ 1,893,918.00	\$ (164,044.00)
2004	\$ 863,338.00	\$ 691,391.00	\$ 1,554,729.00	\$ 1,010,005.00	\$ 318,614.00	\$ 1,873,343.00	\$ (482,658.00)
2005	\$ 883,941.00	\$ 653,841.00	\$ 1,537,782.00	\$ 1,034,108.00	\$ 380,267.00	\$ 1,918,049.00	\$ (862,925.00)
2006	\$ 898,990.00	\$ 621,682.00	\$ 1,520,672.00	\$ 1,051,714.00	\$ 430,032.00	\$ 1,950,704.00	\$ (1,292,957.00)
2007	\$ 880,310.00	\$ 595,076.00	\$ 1,475,386.00	\$ 1,029,860.00	\$ 434,784.00	\$ 1,910,170.00	\$ (1,727,741.00)
2008	\$ 909,702.00	\$ 565,684.00	\$ 1,475,386.00	\$ 1,064,246.00	\$ 498,562.00	\$ 1,973,948.00	\$ (2,226,303.00)
2009	\$ 857,958.00	\$ 656,684.00	\$ 1,423,642.00	\$ 1,003,711.00	\$ 438,027.00	\$ 1,861,669.00	\$ (2,664,330.00)
2010	\$ 831,675.00	\$ 434,512.00	\$ 1,266,187.00	\$ 972,963.00	\$ 538,451.00	\$ 1,804,638.00	\$ (3,202,781.00)
2011	\$ 847,091.00	\$ 419,096.00	\$ 1,266,187.00	\$ 990,998.00	\$ 571,902.00	\$ 1,838,089.00	\$ (3,774,683.00)
2012	\$ 901,640.00	\$ 294,759.00	\$ 1,196,399.00	\$ 1,054,814.00	\$ 760,055.00	\$ 1,956,454.00	\$ (4,534,738.00)
2013	\$ 920,305.00	\$ 315,816.00	\$ 1,236,121.00	\$ 1,076,650.00	\$ 760,834.00	\$ 1,996,955.00	\$ (5,295,572.00)
2014	\$ 941,887.00	\$ 331,029.00	\$ 1,272,916.00	\$ 1,101,898.00	\$ 770,869.00	\$ 2,043,785.00	\$ (6,066,441.00)
2015	\$ 956,680.00	\$ 341,137.00	\$ 1,297,817.00	\$ 1,119,204.00	\$ 778,067.00	\$ 2,075,884.00	\$ (6,844,502.00)
2016	\$ 955,764.00	\$ 341,137.00	\$ 1,296,901.00	\$ 1,118,133.00	\$ 776,996.00	\$ 2,073,897.00	\$ (7,621,504.00)
2017	\$ 1,010,849.00	\$ 341,137.00	\$ 1,351,986.00	\$ 1,182,576.00	\$ 841,439.00	\$ 2,193,425.00	\$ (8,462,943.00)

In addition to the losses incurred due to the broken revenue sharing system, the City continues to incur expenses related to Tax Tribunal cases for such things as attorney and appraisal fees (over \$1,000,000 to date) and refunds to property owners. There is currently 1 commercial case pending before the tax tribunal with an aggregate contested taxable value of \$12,323,889 million, which equates to \$209,506 of annual tax revenue at risk for the City.

Additionally, we are experiencing increasing revenue cuts on an annual basis due to the escalating number of Disabled Veteran Property Tax exemptions (projected to be \$58,000+ in the upcoming fiscal year). Here again, without replacement funding for this type of cut, cities like Escanaba are finding it difficult to fund expected services.



Over the last decade, the City has made deep cuts which included the elimination of as many as 36 full-time City employee positions, the consolidation of departments and their management team, major changes to the City pension system and major changes to City/employee cost sharing in how medical insurance is paid for with the employee now paying 20% of the policy costs. Additionally, a change was negotiated in the five (5) collective

bargaining agreements that changed the way vacation, personal days, sick leave and funeral leave are earned for newly hired employees in an attempt to control costs. This program also applies to newly-hired non-union employees.

Major/Local Street Funds. Street improvement funding continues to be a major concern. Administration remains proactive in identifying funds to address shortfalls such as applying for competitive grants. Major Street Fund expenditures, which support the day-to-day activities such as maintenance and snow plowing, are proposed to be \$3,174,487. At the end of FY 2019-20, projections show an estimated fund balance of \$1,756,019.

Additionally, the City of Escanaba maintains 55.05 miles of local streets. Local Street Fund expenditures, which support the day-to-day activities such as maintenance and snow plowing, are proposed to be \$893,822. At the end of FY 2019-20, projections show an estimated fund balance of \$455,983.

Each spring, the City Engineering Department conducts “Pavement Surface Evaluation and Rating (PASER)” inspections of all paved City streets. Using the PASER system, each street is scored a rating of 1 through 10 to evaluate the pavement surface condition. Each street is then entered into a condition category (poor, fair and good) and is assigned a treatment option. From that list, street projects are prioritized and selected based on surface condition, curbing condition, traffic volume, opinion of cost to repair and funds availability. Currently, approximately 64% of our street surfaces are considered to be substandard and in need of repair and upgrade, even after the resurfacing of 3rd Avenue North from Stephenson to Lincoln Rd. and Danforth Rd. The winter of 2018-19 was one of the harshest and coldest in recent memory and took a toll on our roads.

As we read this, the Governor is preparing to borrow \$3.5 Billion to keep her campaign promise to “Fix the ‘Darn’ Roads”. Administration will continue to monitor the actions of the Michigan Legislature and Governor Gretchen Whitmer on road funding initiatives to determine how street funding projections will be impacted. The plan made public so far shows the Cut River area as the only road in the U.P. receiving any of the \$3.5 billion. Cities and Road Commissions get their funding through Act 51, which fairly distributes monies generated by gas and weight taxes and registration fees. However, there is an increasing push downstate to reformulate the Act 51 distribution formula, possibly even a statewide ballot initiative, which would greatly disadvantage the Upper Peninsula.

Major and Local Street Projects in the budget include:

Planned Activity	Amount
Sheridan Rd. from 17 th Ave N to N. City Limits Resurface (in conjunction with Bike Path)	\$ 175,000
Resurfacing and Curb Repair City Wide - TBD	\$ 600,000
Ludington Street Reconstruction-1 st St. to 5 th St (CDBG IR Grant \$1,000,000)	\$ 1,415,000

Electric Fund. The Electric Fund budget, which supports the day-to-day activities of the electrical operation, is \$14,037,168 representing a decrease of 4.51% from the previous year’s budget. As of June 30, 2019, the overall City Electric Fund net assets exceed \$18.8 million. The current cash balance is approximately \$11.75 million.

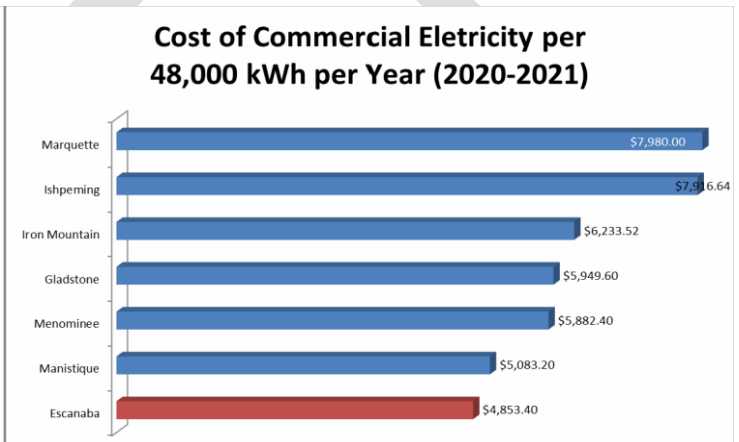
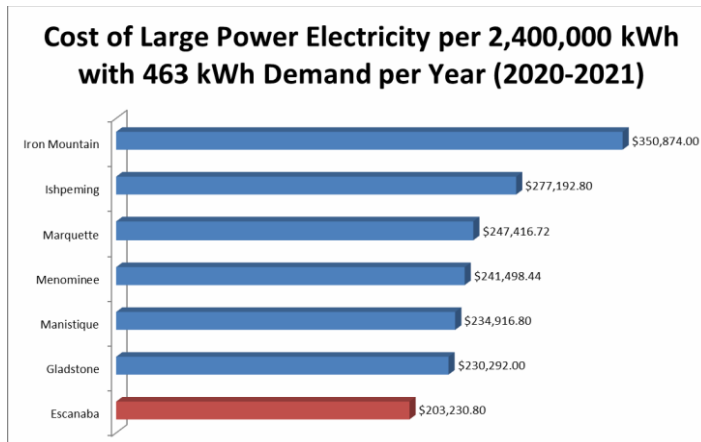
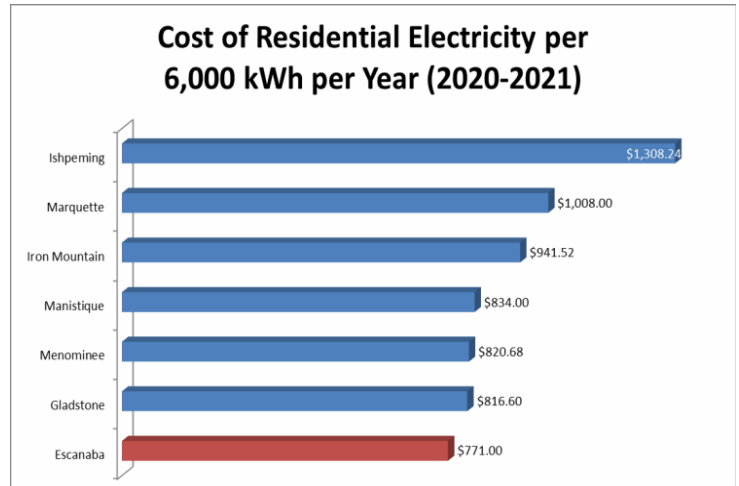
Of notable interest, the Electric Fund budget includes funding for:

Planned Activity	Amount
Advanced Metering Infrastructure (AMI-Remote Read and SCADA equipment)	\$ 1,800,000
Bucket Truck Replacement	\$ 250,000
Power Pole Replacement	\$ 200,000
URD Replacement (Underground Primary Cables)	\$ 200,000
West Side Substation Improvements	\$ 900,000
Solar Generation-Phase 2	\$ 2,000,000
Power Pole Replacement – Ludington Street	\$ 80,000
Street Light Replacement – City Wide	\$ 80,000

Annual 2020/21 Budget Work Session

A 1.75% electrical rate increase is included in the upcoming FY 2020-21 Budget.

Projected Example of Customer Classification and Usage - Effective July 2020			
City (Utility)	Residential 500 kWh/yr	Commercial 4,000 kWh/yr	Large Power 200,000 kWh & 463 kW
Escanaba		\$ 4,590.84	
City of Escanaba	\$ 771.00	\$ 4,853.40	\$ 203,230.80
Menominee			
WPS	\$ 820.68	\$ 5,882.40	\$ 241,498.44
Gladstone		\$ 5,937.60	
City of Gladstone	\$ 816.60	\$ 5,949.60	\$ 230,292.00
Manistique		\$ 4,903.20	
Cloverland REA	\$ 834.00	\$ 5,083.20	\$ 234,916.80
Iron Mountain		\$ 6,061.80	
WE Energies	\$ 941.52	\$ 6,233.52	\$ 277,192.80
Marquette			
Marquette BLP	\$ 1,008.00	\$ 7,980.00	\$ 350,874.00
Ishpeming			
UPPCO	\$ 1,308.24	\$ 7,916.64	\$ 247,416.72

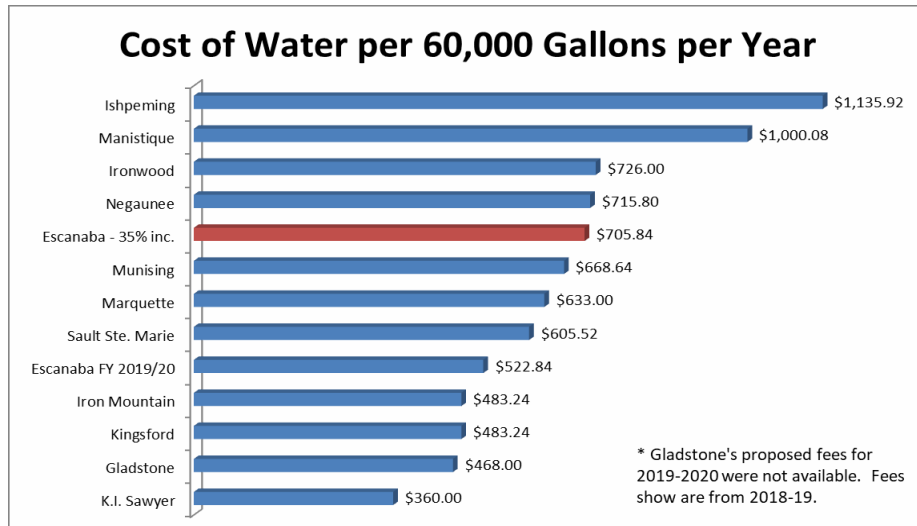


Water Fund. The Water Fund budget, which supports the day-to-day activities of the Water Treatment Plant, is \$2,840,040, representing an increase of 6% from the previous year's budget. This is due to as-yet unknown demands from the State of Michigan. As of June 30, 2019, the overall City Water Fund net assets exceed \$8 million. The current cash balance is approximately \$996,000.

Of notable interest, the Water Fund budget includes funding for:

<u>Planned Activity</u>	<u>Amount</u>
Water Main Replacement – TBD	\$ 635,000
Distribution System – Replace Water Meters	\$ 220,000
Ludington St. Reconstruction 1 st to 5 th Street (CDBG IR Grant)	\$ 385,000
Purchase of ¾ Ton Service Truck	\$ 60,000
Fire Hydrant Painting	\$ 80,000

Due to the ever changing landscape at the statewide level concerning water safety, Administration is anticipating that the State will introduce new requirements on drinking water safety as a result of the Flint, Michigan water crisis. Without knowing what exactly those requirements will be, this budget attempts to address some of the scenario's that seem to be rising to the top. However, we do know regardless of what the State does or does not do we must continue to upgrade such things as our water meters as part of a water loss reduction initiative as well as finding and eliminating our continued loss of potable water within our distribution system. Lead service line replacement continues to cause some ambiguity. We need to develop a clear, fair policy on line replacement.



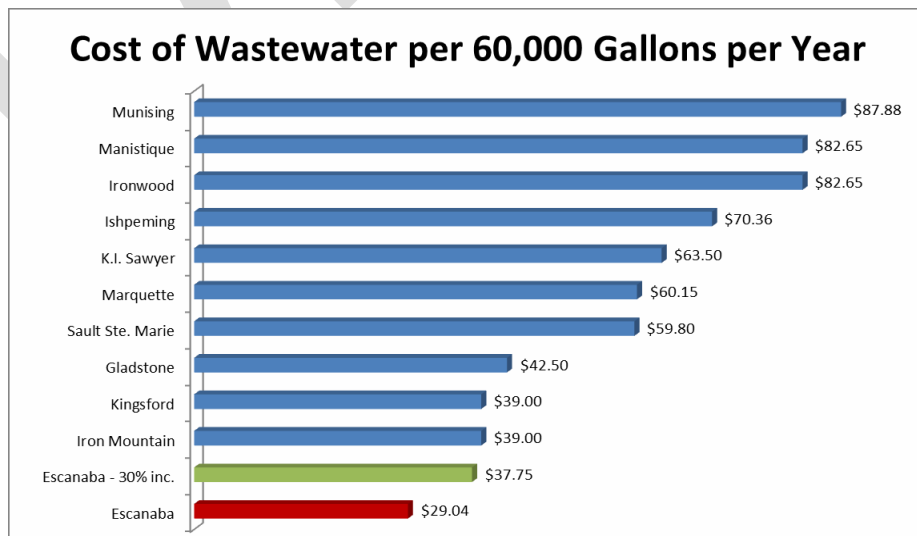
In the proposed FY 2020-21 budget, a water rate increase of 35% is being proposed to meet departmental obligations and needs. With this increase, a typical residential customer using 60,000 gallons of water annually would experience a \$183.00 annual increase beginning July 1, 2020.

Wastewater Fund. The Wastewater Fund budget, which supports the day-to-day activities of the Wastewater Treatment Plant, is \$1,975,062, representing an increase of 7.2% from the previous year's budget. As of June 30, 2019, the overall City Wastewater Fund net assets exceed \$7.1 million. The current cash balance is approximately \$2.5 million.

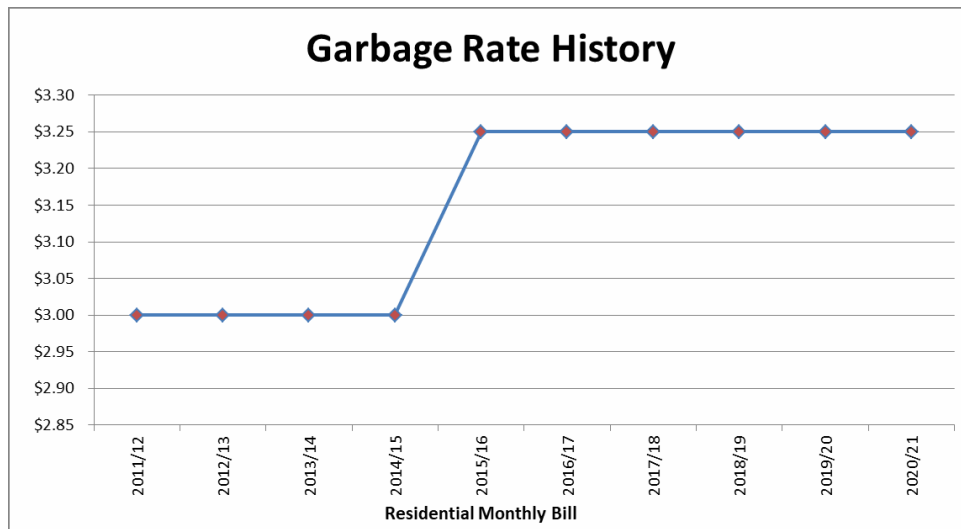
Of notable interest, the Wastewater Fund budget includes funding for:

<u>Planned Activity</u>	<u>Amount</u>
Replacement of Ludington St. Lift Station Generator	\$ 65,000
New 23 rd Ave. Lift Station Generator	\$ 65,000
Lake Shore Drive Lift Station Improvements	\$ 50,000
Ludington St Reconstruction (CDBG IR grant \$480,000) 1 st Street to 5 th Street	\$ 705,000
CIPP (Cured In-Place) and Manhole Restoration, Sites TBD	\$ 500,000
Plant Operation Improvements	\$ 80,000
Effluent/By-Pass/Dewatering Pump	\$ 90,000

Due to increases in operating costs, a wastewater rate increase of 30% is included in the budget to meet departmental obligations and needs. With this increase, a typical residential customer using 60,000 gallons of water annually would experience a \$104.52 annual increase beginning July 1, 2020.



Solid Waste Collection. No (0%) garbage/recycling collection rate increases are proposed in the upcoming FY 2020-21 Budget.



Motor Vehicle/Motorized Equipment. Within the budget is a Motor Vehicle/Motorized Equipment Fund. The purpose of the fund is to pay for salaries, wages and operations required for the repair and replacement, purchase and operation of motor vehicle equipment and motorized equipment, and for the purchase of equipment, materials and supplies to be used in the administration and operation of the fund. This fund is primarily funded by each department under a rental and rate schedule for each unit in the fund.

The Motor Vehicle/Motorized Equipment budget is \$1,071,425 representing an increase of .6% over the current fiscal year. At the end of FY 2018-19, the Motor Vehicle/ Motorized Equipment net asset balance was \$313,562. At the end of FY 2019-20, projections show an estimated net asset balance of \$299,728. In the FY 2020-21 Budget a projected net asset balance of \$299,728 is being proposed. There have been some structural adjustments made to this fund in order to provide the revenue required to support the demands placed on the fund. There may be more adjustments made in the future if it is determined they are needed.

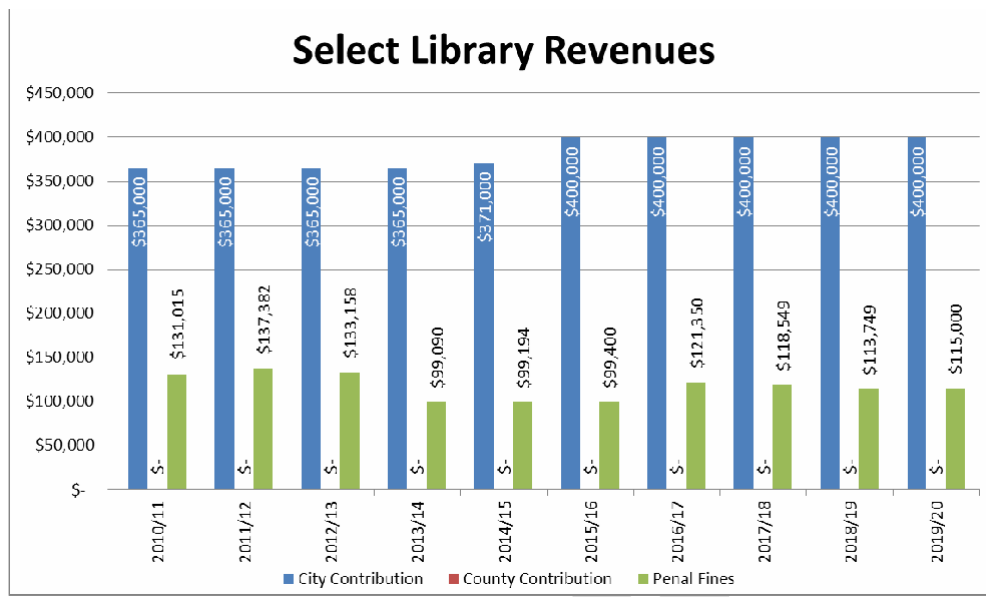
The budget includes the purchase or upgrade of the following piece of equipment:

<u>Planned Activity</u>	<u>Amount</u>
Police Patrol Vehicle-SUV	\$ 45,000
¾ Ton 2WD Pickup w/Flatbed (Recreation)	\$ 35,000
¾ Ton 2wd Chassis Flatbed-Public Works	\$ 35,000

Library Fund. The Library Fund budget, which supports the day-to-day activities of the Library, is \$614,964. As of June 30, 2020, the Library Fund balance is projected to equal \$103,755. At the end of next fiscal year, June 30, 2021, the Library Fund Balance is projected to be \$20,271. The Escanaba Public Library is a community hub, offering essential early literacy programs for children and families, cultural enrichment and lifelong learning opportunities for all ages, and serving as a conduit to the technological resources and expertise citizens need to function in a digital world.

For FY 2020-21, the Library will continue progress on implementing the partnerships and initiatives outlined in its strategic plan, with priority placed on technology instruction, local history preservation and marketing. The Library continues to build meaningful community connections that enable early literacy and after-school enrichment programs.

The City's General Fund continues to be the primary funding source for the operations costs of the Library. Funding for enhanced programs and services is provided by the Friends of the Escanaba Public Library and further developed through grants and partnerships with local and regional partners.

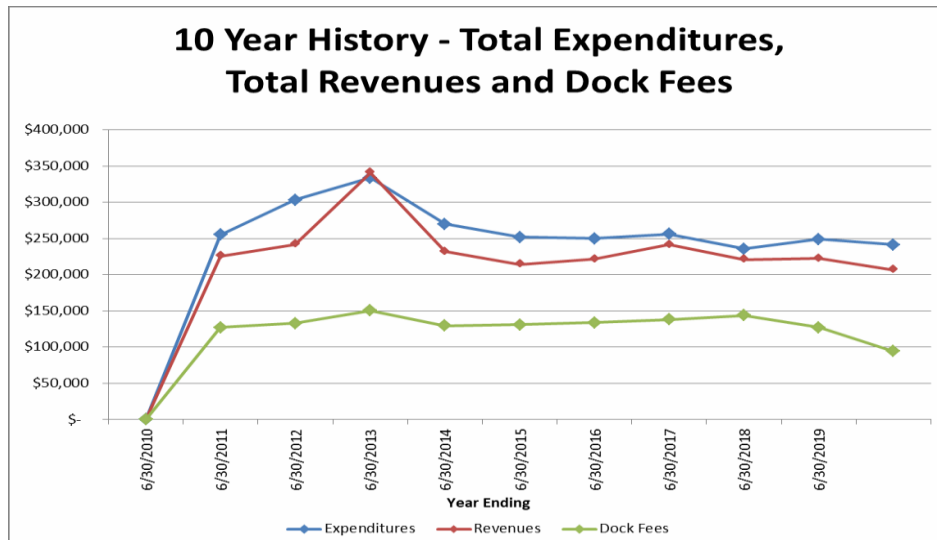


Department of Public Safety. The Escanaba Department of Public Safety was created in the mid-1970's, at which time the police and fire departments were merged. In the budget, the Department of Public Safety represents 45.1% of the City's General Fund appropriation. In dollars, this translates to \$4,404,271 in the upcoming fiscal year. This figure does not include the costs associated with Dispatching Operations. In the 2019-20 fiscal year budget, the department had 32 sworn officers including Officers, Command Staff, Detectives, two Captains and the Director. With a recent addition, our sworn officer (all ranks) to citizen ratio will be approximately 1 to 385.

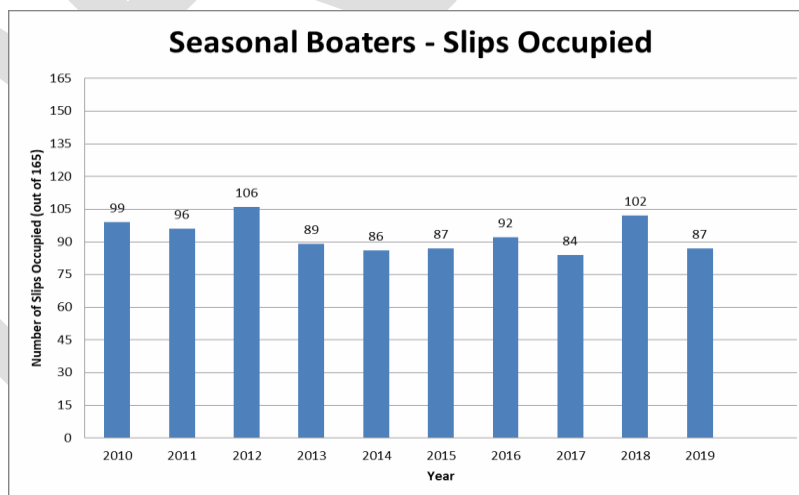
PERFORMANCE MATTERS					
PUBLIC SAFETY – CRIME, TRAFFIC, AND FIRE					
	2014	2015	2016	2017	2018
Violent Crimes Per 1,000	2.90	2.02	3.15	2.7	3.39
Property Crimes Per 1,000	41.7	52.4	57.2	37.0	23.28
Traffic Injuries / Fatalities	73	51	46	75	33
Traffic Tickets - City Infraction	773	705	654	863	1,226
Traffic Tickets - Misdemeanor	185	145	128	191	170
Call Volume - Incident	7,512	8,212	8,408	8,281	7,847
Call Volume - Quick Call	14,557	14,811	14,835	15,155	16,181
Fire Calls	99	140	138	184	114
Escanaba Public Safety Case Clearance Rate	52%	56%	52%	49%	50%
Statewide Case Clearance Rate (Averages)	36%	37%	36%	37%	35%

Municipal Marina Operations. The Marina Fund accounts for the activities of the Escanaba Municipal Marina. The publicly-owned Marina has 165 slips, including areas used to broadside tie against the basin seawall. The Municipal Marina offers a full array of services, including seasonal slip rental, transient slip rental, fuel, pump out services, bath facilities, water and electric hook up and laundry equipment. An Assistant Marina Manager position (seasonal) has been filled this season only in order to provide for continuity of operations with the retirement of Larry Gravatt in July 2020.

The Marina Fund budget is \$257,038. At the end of FY 2018-19, the Marina Fund cash balance was \$180,512, with a long-term debt obligation of \$217,053. At the end of FY 2019-20, projections show an estimated cash balance of \$137,178, with a long-term debt obligation of \$201,759. In the FY 2020-21 budget, a projected cash balance of \$115,124, with a long term debt obligation of \$186,006 is being proposed.



The Michigan Waterways Commission recommends rates for Harbors. In 2019-20, the Commission was recommending an increase to Rate 8 in the DNR Waterways fee schedule. Harbormaster Gravatt preferred to go halfway with the increase, or to implement it over 2 years. In the 2020-21 fee schedule the increase is completed. Some of the docks located within the Marina are reaching or have exceeded their recommended normal service life. To address these types of concerns, the Harbormaster was tasked with completing a debt restructuring plan which was done in late 2016. This was done so that the Harbormaster could put together a Capital Replacement, Repair and Improvement Plan for future upgrades. The Plan has been completed and accepted by the City Council, and will likely result in the necessity to increase future rates. The Pier 2 Dock Replacement project was completed in Summer 2019 for a total cost of \$389,000, which required a 50% match from the City and the remaining 50% funded by a Waterways grant. High water levels have resulted in ongoing access and usability issues with the new dock. Remedies are being considered for Summer 2020.



Downtown Development Authority Fund. The Downtown Development Authority Fund budget, which supports the day-to-day activities of the Downtown Development Authority, is \$312,584, representing an increase of 30.12% from the previous year’s budget. The current cash balance is approximately \$(15,066).

Of notable interest, the Downtown Development Authority budget includes funding for:

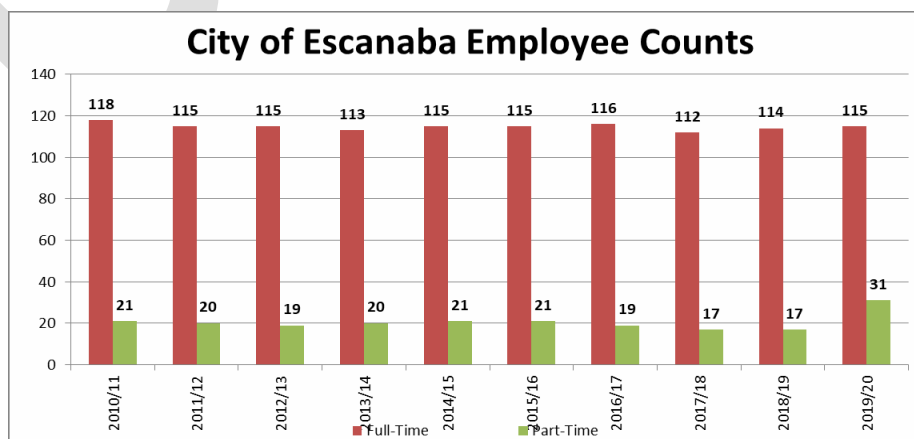
<u>Planned Activity</u>	<u>Amount</u>
DDA District Sidewalk and Curb Repair	\$ 12,000
DDA Parking Lot Improvements	\$ 4,000
Marketplace Kitchen Improvements-Licensed Commercial	\$ 65,000

Escanaba Building Authority Fund. The Escanaba Building Authority Fund budget, which supports the day-to-day activities and maintenance cost associated with the City Hall/Library Complex, is \$308,187, representing a decrease from the previous year’s budget. The projected cash balance is approximately \$217,000.

Master Fee Schedule. Included with the budget is a “Master Fee Schedule” for services that are provided to City of Escanaba residents and non-residents alike. The intent is to have the fees reviewed annually by the City Council and adopted by resolution (unless otherwise mandated by State or Federal law) as part of the budget approval process. While the primary mission of government is to satisfy community needs, many City services solely benefit specific individuals or businesses and are subject to separate fees. As a matter of practice, the City will continue the policy of not subsidizing activities of private interest through general tax and utility rate revenues. Fees that do not recover the cost of providing the service result in a subsidy, which shifts away from other critical and high priority programs that may not have similar cost recovery options.

Personnel and Staffing. Full-time staffing levels in the budget include 116 employees. Part-time staffing levels are at 31 employees. Seasonal employee levels will fluctuate throughout the year, depending on the operational needs of the various departments. Routinely, City Administration examines all job vacancies closely to ensure that our human resources are aligned with our operational needs and our financial means. The Retirement of the Treasurer/HR Director, Bob Valentine, allowed for the promotion of the Manager’s Executive Assistant to that position. Investment fund management has been outsourced to First Bank. The former Planning/Zoning/Code Enforcement position’s duties were divided. Code Enforcement is now housed in Public Safety and is effective. The Planning and Zoning Director was promoted from the Confidential Secretary position. The Confidential Secretary position was filled, but the Manager’s Executive Assistant position has been left vacant. Savings are being experienced, but an evaluation should be done this year to address needs in Administration.

Six (6) Collective Bargaining Units have agreements expiring June 30, 2020. There has been the creation of a new bargaining unit representing Clerical Staff in various departments, making 6 units all together. The negotiation process has begun for all 6 units.



Health Insurance. The budget takes into account a health premium increase of 6.4% as compared to less than 1% in the current fiscal year budget, depending on coverage, as a result of a contractual price increase from the Michigan Conference of Teamsters. In the budget, employee health insurance premium contributions will continue to be 20% of premium costs.

Pension Obligations. Over the last decade, the City has taken the necessary steps needed to address the unfunded pension obligations throughout the various pension plans. The City offers its non-public safety officer full-time employees hired prior to July 1, 2005 a defined benefit retirement pension through the Municipal Employees' Retirement System of Michigan (MERS). Based on the latest annual actuarial valuation report from MERS dated December 31, 2018, the City's plan is 64% funded, up from the 58% reported for the previous year. Employees full-time and part-time hired July 1, 2005 or later are provided with a MERS defined contribution plan. Under this plan, the City contributes a mandatory 4% of wages and will match the employee up to an additional 3%. Public Safety officers hired prior to July 1, 2014 participate in the Act 345 pension. Based on the latest annual actuarial valuation report date June 30, 2019, the plan is 88.9% funded, up from the 85.5% reported the previous year. Public Safety officers hired July 1, 2015 or later are provided with a defined contribution plan through ICMA. Under this plan, the City contributes a mandatory 10% of wages and the employee contributes a mandatory 6% of wages with the option to contribute as much as they like. As a result of the pension plan changes and marketplace conditions, funding the closed out plans continues to be an increasingly larger percent of payroll and a general stress to the overall budget city-wide. The aforementioned defined benefits and defined contribution plans are the only post-retirement benefits offered to employees. Retiree health insurance is not offered and never has been therefore, no OPEB liability exists for that purpose.

Budget Schedule. The budget has been developed with input from the City employees, City Council, City Boards, Commissions, and Committees and the public. This input is invaluable in terms of identifying the needs and desires of the community. The following schedule on the following page reviews/actions has or will take place:

December 27, 2019	Budget papers to department heads; operating budgets due 1/20/20.
January 3, 2020	Publish notice of first Public Hearing for the 2020-21 City budgets at the 1/16/20 regular Council meeting.
January 9, 2020	City Council Budget Work Session
January 16, 2020	(Regular Council Meeting) First Public Hearing for citizen input into the 2020-21 City budgets.
January 20, 2020	Departmental operating budgets due.
February 7, 2020	Publish notice of second Public Hearing for the 2020-21 City budgets at the 2/20/20 regular Council meeting.
February 10, 2020	First draft of budget requests to City Manager.
February 20, 2020	(Regular Council Meeting) Second Public Hearing for citizen input into the 2020-21 City budgets.
March 6, 2020	Publish notice of third Public Hearing for the 2020-21 City budgets at the 3/19/20 regular Council meeting.
March 19, 2020	(Regular Council Meeting) Third Public Hearing for citizen input into the 2020-21 City budgets.
March 20, 2020	Council receives tentative copy of the City budgets.
April 6, 2020	Budget work session open to the public.
April 7, 2020	Budget work session open to the public.

April 8, 2020	Budget work session, if required, open to the public.
April 16, 2020	(Regular Council Meeting) Council passes resolution to set May 7th as the fourth Public Hearing on the 2020-21 City budgets.
April 17, 2020	Budgets are revised, based on the work sessions, and are made available to the public.
April 20, 2020	Publish notice of Public Hearings on budgets.
May 7, 2020	(Regular Council Meeting) Public Hearing on 2020-21 City budgets.
May 11, 2020	Publish notice of final hearing and adoption of 2020-21 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 21, 2020	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 28th special meeting. First reading of Utility Ordinances, with second reading and adoption set for the Monday, June 1st special meeting.
May 28, 2020	(Special Council Meeting) Second reading and adoption of the Tax Levy Ordinance and the Appropriations Ordinance.
June 1, 2020	(Special Council Meeting) Second reading and adoption of the Utility Ordinances.

While it is my privilege to author this budget message, thanks must be given to the City Council, Department Heads, City employees, City Boards, Commission and Committee Members, and community members who committed themselves to assisting in this budget process. Collectively, as a team, I remain confident that the City will continue to utilize the combined knowledge and experience in meeting the challenges that lay ahead in providing more efficient City services and growing the community economically. As City Manager, I am fortunate to have a Council, community and dedicated employee support in providing the residents with the necessary resources, flexibility and funding which allows us all to live in a community that we can be proud of.

Electric Superintendent, Mike Furmanski – 9:18 a.m.

Mr. Furmanski reviewed the 2020/21 proposed City Electric Budget with Council. The following was discussed:

- Income, Capital Expenditures, and Operating Statements;
- Discussed to increase city's solar generation capacity;
- Discussed a new Solar Facility;
- Discussed Advanced Metering Infrastructure (AMI);
- Request for an Electric Truck;
- Electric Rate increase;
- Capacity Purchases;
- Discussed declining revenues;
- Pole replacements;
- Discussed bidding out projects;
- Rate Study;
- Discussed Meter Replacement and Charges;
- Transmission and Distribution Statements;
- Request for an increase in Salary.

The time being 10:08 a.m., the Council recessed.

The Council came back into regular session at 10:13 a.m. and reviewed the following budgets.

Downtown Development Authority (DDA) – Judy Schroeder 10:13 a.m.

City Controller Becotte reviewed the DDA Budget with Council and discussed the following budget line items:

- Revenue and Fund Balance;
- Discussed Deficit Elimination Plan;
- Market Place Kitchen project;
- Continue to fund the Façade Program;
- Hiring of a new Executive DDA Director;
- Grant opportunities.

Public Safety Department, Robert LaMarche – 10:21 a.m.

Public Safety Director LaMarche reviewed the following 2020/21 proposed budget items with Council:

- Provided a recap of the current budget year which included Staffing levels, training needs obtained by Officers, and equipment purchases;
- Discussed Captain positions and requested to raise their salaries;
- Clothing supplies jumped because of new officers coming in;
- Request for Professional Services;
- Request for Cell Phones in Police Vehicles;
- Request increase for Parking/Traffic citations;
- Capital Out-Lay Building Improvements;
- Request for increase for Scott Air Packs;
- Request for Fire Hose;
- Request for a new Police Vehicle;
- Request for Bullet Proof Vests;
- Act 302-Public Safety Training;
- Discussed training, education and travel budgets;
- Gave overview on the Community Preservation Department;
- Request secretary for 5 hours a week to help out Code Compliance Inspector Blaine DeGrave;
- Request training for Code Compliance Inspector;
- Other Funds – Central Dispatch; hard time finding part time employees.

The time being 10:54 a.m., the Council recessed.

The Council came back into regular session at 11:00 a.m. and reviewed the following budgets.

City Clerk, Phil DeMay – 11:00 a.m.

Elections Budget:

- Request for new Laptops for E-Pollbooks;
- Request for new Election Signage, “Vote Here” signs;
- Request for increase in postage.

Clerk Office Budget:

- Request for Annual Code of Ordinances Supplement Code of Ordinances on the Internet;
- Request for Travel Expenses, Clerk’s Institute & Summer Conference;
- Request for Stand-Up Desk;
- Request for Printer.
- Discussed an increase in Salary for City Clerk.

Office Equipment Budget:

- Replacing old cable in City Hall and Public Safety;
- Request for Microsoft Office Suites upgrade;
- New Switches for network;
- Camera System in Council Chambers;

The time being 11:16 a.m., the Council recessed.

The Council came back into regular session at 11:26 a.m. and reviewed the following budgets.

Marina Fund - Larry Gravatt – 11:29 a.m.

Mr. Gravatt reviewed the Marina Budget with Council and discussed the following items:

- Reviewed Marina Fund-Income Statement, dock fees, services;
- Request for Porta-Potty;
- Dock repairs and maintenance;
- Discussed condition of docks;
- Discussed a platform for the L-Dock;
- Discussed having firepits;
- Request for Night Watchman/Security Cameras;
- Discussed how to make the Harbor more attractive to boaters.

Council consensus to break for lunch at 11:57 a.m.

Council came back into regular session at 1:01 p.m.

Water/Wastewater Superintendent, Jeff Lampi – 1:01 p.m.

Mr. Lampi reviewed the following 2020/21 proposed Water/Wastewater budget items with Council:

WasteWater Department:

- Proposed projects, capital purchases and proposed budget increase;
- Engineering Costs for Plant Improvements;
- Wastewater Rate Increase;
- Request for 23rd Ave. Lift Station On-Site Generator;
- Replace Ludington Lift Station On-Site Generator;
- Replace Ferric Pumps;
- Chlorine Room Improvements;
- Effluent/By-Pass/Dewatering Pump;
- Request for a Hot Water Pressure Washer;
- Lake Shore Drive Lift Station Upgrade;
- CIPP & Manhole Restoration-Sites;
- Ludington Street Reconstruction Project;
- Computer System Expansion;
- Request for Drying Oven;
- Collection System Infiltration Study;
- Discussed Sump-Pump issues.

Water Department:

- Income, Operation, and Capital Expenditure Statements;
- Replace Turbidity Meters;
- Replace 4" & 16" Mag Meter;
- Replace Chlorine Scales;
- Request for ¾ Ton Van with Walk-In Service Box;
- Request for Miscellaneous Tools to Outfit Van;
- Automatic Flushing Stations;
- Disinfection byproducts system;
- Discussed Water Main Replacements;
- Ludington Street Reconstruction;
- Fire Hydrants appearance;
- Discussed new water meters;
- Discussed Advanced Metering Infrastructure (AMI);
- Water Rate Increase;

City Council – 2:05 p.m.

- Discussed the MML Conference;
- Request for Education & Training;
- Request for Travel Expenses.

City Manager Jordan briefly reviewed his Department Fiscal Year Budget.

City Controller, Melissa Becotte – 2:13 p.m.

- Request for increase in pay for Payroll Clerk;

- City Hall Network Rental;
- Request for additional Monitors and Monitor Arms.

Council continued to review the following General Fund Budget requests:

- Discussed Revenues and Fund Balance;
- City Hall and Grounds;
- Request for Crossing Guards;
- Request for Street Lighting;
- Request for Community Services;
- Request for City Band;
- Request for Historical Museum, removed from policy;
- Request for Insurance and Bonds;
- Request for Transfer to Other Funds.

The time being 2:33 p.m., the Council recessed.

The Council came back into regular session at 2:41 p.m. and reviewed the following budgets.

City Assessor, James McNeil – 2:41 p.m.

Assessor McNeil reviewed Department budget with Council. The following was discussed:

- Tax Tribunal update;
- Doing more Field Work;
- U.P. Assessors Association Memberships & Dues;
- U.P. Assessor's School Education & Training;
- Assistant Assessor update;
- Board of Review Budget.

Council continued to review the following General Fund Budget requests:

- EBA Fund-Income Statement;
- Request for Capital Expenditures;
- Concrete Work at Back Entrance – including Snow Melt System Repairs;
- Replace ADA Door Opener;
- Seal Brick on City Hall and Library Building;
- Fund Budget Request Workpaper;
- Hiring own Custodial Staff;
- HVAC Maintenance.

Planning/Zoning Administrator, Roxanne Spencer – 2:59 p.m.

Planning/Zoning Administrator Spencer provided an overview of her department with Council.

- Request for Zoning Ordinance Software;
- Request for Repair to Equipment;

- BS&A Software purchase discussion;
- More training for the Planning Commission.

GENERAL DISCUSSION – None

GENERAL PUBLIC COMMENT – None

Hearing no further public comment and the time being 3:19 p.m., O’Connell moved, the Council recessed until 9:00 a.m., Tuesday, April 7, 2020.

Respectfully submitted

Tammy Weissert, CMC
Deputy City Clerk

Approved: _____

Marc D. Tall, Mayor

DRAFT

City of Escanaba
Virtual WebEx Special Council Meeting
Tuesday, April 7, 2020

Pursuant to a meeting notice posted December 18, 2020, the Council of the City of Escanaba convened in special session Virtual WebEx at 9:04 a.m., to begin the review and discussion of the proposed 2020/21 City Budget.

Present: Mayor Marc D. Tall, Council Members, Ralph B. Blasier, Tyler D. DuBord, Karen S. Moore, and Peggy O'Connell

Absent: None

Also Present: City Manager Patrick S. Jordan, City Controller Melissa Becotte, City Clerk Phil DeMay, Deputy City Clerk Tammy Weissert, Department Heads, media, and members of the public

GENERAL PUBLIC COMMENT – None

The following Department Heads presented their budgets:

Public Works/Engineer, Robert Becotte – 9:06 a.m.

Public Works Director/Engineer Robert Becotte reviewed the 2020/21 proposed Public Works/Engineering budget with Council. The following was reviewed:

- Request for Celebration – Flags;
- Request for Cross Walks;
- Request for Care of Trees and Shrubs;
- General Fund Public Works and Engineering budgets;
- Sanitary Landfill, and Landfill Road Clean-up;
- Delta County Solid Waste Landfill Fees;
- Solid Waste Collection;
- Composting Activities;
- Request for Recycling;
- Snowplowing of Alleys;
- Request for Parks, seasonal workers;
- Work on Bandshell & Water Fountain;
- Alley Paving/Maintenance;
- Resurfacing of Streets;
- Discussed Non-Motorized Pathway System;
- Ludington Street Reconstruction;
- Request for Patching and Crack Filling;
- Request for Storm Sewer and Roadside Drains;
- Grass and Weed Cutting;
- Request for Sweeping and Flushing;
- Request for Traffic Service;
- Request for Snow Plowing and Snow Removal;
- Request Blades for Graders;

- Request for Ice Control;
- Request for Administrative and Engineering;
- Bridge Inspection Program;
- Reviewed Local Street Projects;
- Request for Capital Outlay-Street Preservation;
- Request for Patching and Crack Filling;
- Request for Storm Sewers and Roadside Drains;
- Request for Sweeping and Flushing;
- Request for Grading;
- Request for Dust Control;
- Request for Traffic Service;
- Discussed Wage Increase for Public Works Assistant Superintendent.

Library Director, Carolyn Stacey – 9:57 a.m.

Library Director Carolyn Stacey reviewed the 2020/21 proposed Library Budget with Council. The following was reviewed:

- Overview of the Department, Library Strategic Planning process, daily programs, services, and technology's, and strategies the Library provides the community and Delta County;
- Discussed Library Fees;
- Discussed Penal Fines;
- Request for a Task Force;
- Library Revenues and Fund Balance;
- State of Michigan Library Funding;
- Request for increase in education.

The time being 10:21 a.m., the Council recessed.

The Council came back into regular session at 10:31 a.m. and reviewed the following budgets.

Recreation Director, Kim Peterson – 10:31 a.m.

Recreation Director Peterson reviewed the following Recreational Department budgets she was responsible for with Council:

- Provided an overview of Departmental activities and Civic Center Improvements;
- Request for Fourth of July/New Year's Eve;
- Request for Summer Sports;
- Request for Lawn Mower Bagger Attachment;
- Request to reconstruct Ludington Park Tennis Courts;
- Request for Wading Pool;
- Request for Winter Sports;
- Request for Beach;
- Request for Civic Center Activities;
- Request for Tourism Promotion;

- Discussed Non-Motorized Pathway System;
- Need to Update 5-Year Recreation Plan;
- Discussed a Wage Increase and Reclassification for Recreation Foreman.

Human Resources Director/City Treasurer, Kim Gustafson – 10:57 a.m.

Ms. Gustafson reviewed the following 2020/21 proposed budget items with Council:

- Human Resources and Treasurer's Department Budgets.
- Request for Online Skill Testing;
- BS&A Training;
- Printing and publishing;
- Software costs.

GENERAL DISCUSSION

During discussion, it was Council consensus to make the following changes to the Proposed 2020/21 Fiscal Year Budget:

- Electric Vehicle for Electric Department postponed at least for another year;
- 4% Wage Increase, \$97,000, for Electric Superintendent Mike Furmanski;
- 5% Wage Increase, for Public Safety Captains;
- \$2,000 for New Signage for Elections, "Voter Here" Signs;
- Pay City Clerk as IT Professional, \$67,000, and will also get his contractual raise of \$5,000 once CMC is achieved;
- \$35,500 for Planning & Zoning Software & Training;
- 3% Wage Increase for Department Heads and Non-Union Staff;
- Overhaul of Zoning Ordinance at a cost of \$30,000 postponed for at least another year;
- \$30,000 for Ash Borer Treatment for Trees;

Blasier moved, O'Connell seconded, to adopt the Master Fee Schedule as written.

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

Ayes: Blasier, O'Connell, DuBord, Moore, Mayor Tall

Nays: None

MOTION CARRIED.

Council consensus to break for lunch at 11:55 a.m.

Council came back into regular session at 1:03 p.m.

After further discussion, Blasier moved, O'Connell seconded, to approve all changes to the Proposed 2020/21 Fiscal Year Budget.

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

Ayes: Blasier, O'Connell, Moore, DuBord, Mayor Tall

Nays: None

MOTION CARRIED.

Further discussion with Mr. Lampi on the following 2020/21 proposed Water/Wastewater budget items with Council:

- Wastewater Plant Improvements;
- Discussed Bids the Wastewater Department received;
- Discussed alternative options;
- Wastewater Rate Increases;
- Water Rate Increases;
- Line Replacements.

GENERAL PUBLIC COMMENT – None

Hearing no further public comment, O'Connell moved, the Council adjourned at 2:32 p.m.

Respectfully submitted,

Tammy Weissert, CMC
Deputy City Clerk

Approved:

Marc D. Tall, Mayor

Agenda Item: PH-1
Date: 4/16/2020

City Council Agenda Item Request

Date: 03/06/2020

Name: Roxanne Spencer

Department: Planning & Zoning

Item: Residential Planned-Unit Development Re-Zoning

Meeting date requested: 03/19/2020

Explanation for request:

Administration is requesting the City Council to consider approval and adoption of the Residential Planned-Unit Development Re-Zoning for the property located at 500 North 26th Street be rezoned from F-Light Manufacturing to C2 – Residential Planned Unit Development.



PROJECT OVERVIEW	
Case Number	PC-021320-01
Location	500 North 26 th Street
Tax Parcel Number	051-420-2825-200-002
Zoning District	F - Light Manufacturing
Future Land Use Map	Regional Retail
Property Dimensions/Info	613' 3" x 179' = 109,772 s.f.
Proposed Use	Multi-Family Residential (4-Story, 70-Unit Apartment Building)
Estimated Value	\$7,268,000
Property Owner	Dagenais Real Estate, Inc.
Developer	Woda Cooper Companies, Inc. – Craig Patterson
Applicant	Hooker DeJong (Architect/Engineer/Planner) – Patrick Kelderhouse

OVERVIEW/PHOTO/DRAWING

CONCEPTUAL SITE PLAN

BAY DE NOC APARTMENTS

500 N 26th St
 Escanaba, MI 49829

PROJECT INFORMATION

PROPOSED 4-UNIT 4-STOREY APARTMENT BUILDING

ZONING INFORMATION ZONING: LIGHT MANUFACTURING
 PROPOSED CURRENT ZONING: LIGHT MANUFACTURING

NO. OF UNITS	1BR	2BR	3BR	TOTAL
RESIDENTIAL	2	2	2	6
OFFICE	0	0	0	0
RETAIL	0	0	0	0
TOTAL	2	2	2	6

TOTAL FLOORS 216,000 SQ FT

FLOOR	AREA
1ST FLOOR	18,125
2ND FLOOR	38,750
3RD FLOOR	38,750
4TH FLOOR	18,125
TOTAL	113,750

AERIAL PLAN

BACKGROUND INFORMATION

The applicant is requesting a Residential Planned Unit Development (R-PUD) approval to construct a 4-story, 70-unit apartment building at 500 North 26th Street. An R-PUD approval is governed by Chapter 8 of the Zoning Ordinance, which includes the following key components in the process:

- Planning Commission Public Hearing, preliminary concept approval, and recommendation for re-zoning of the property to a C-2 R-PUD district.
- City Council approval of re-zoning to a C-2 R-PUD district (with Public Hearing for Zoning Map amendment).
- Planning Commission approval of final plan.
- City Council approval of final plan.

See attached Zoning Ordinance Chapter 8 –Residential Planned Unit Development for a complete description of the process and guidelines.

This zoning approval method was chosen over a straight re-zoning to a C – Multi-Family district to avoid a spot-zoning situation of having a single multi-family parcel in the middle of a commercial/light manufacturing district. With an R-PUD, the re-zoning is tied to the specific project, so that if the project is not developed, the original zoning district (in this case, F – Light Manufacturing) will remain in place. Additionally, an R-PUD has more layers of approval involving two different reviews by the Planning Commission and two by the City Council. This more complex process allows for greater flexibility in applying development standards that will ensure neighborhood compatibility, especially in this cases where the development use may be out of alignment with the Future Land Use Map in the Master Plan, but still may be considered a desirable development.

SURROUNDING LAND USES/ZONING

	Current Use	Current Zoning	Future Land Use Map
North	Vacant Land	F – Light Manufacturing	Regional Retail
East	Retail/Grocery Store (Walmart)	F – Light Manufacturing (Proposed re-zoning in process to E – Commercial)	Regional Retail
South	Vacant Land & Grocery Store (Aldi)	F – Light Manufacturing	Regional Retail
West	Retail/Grocery Store (Meijer)	E – Commercial	Regional Retail

SITE PLAN REVIEW PROCEDURE

ITEM	COMPLIANCE NOTES
Application Section 1803.1.1.2.	The applicant submitted the complete application and fee for site plan consideration on January 22, 2020 , prior to the 21-day deadline.
Official Review Sections 1803.1.1.3. & 1802.2	A preliminary review was conducted by the Planning & Zoning Administrator for comments as to the proposed development’s conformance to all applicable standards and requirements on January 23, 2020 .
Department Head Review Sections 1803.1.1.3 & 1905.1	A Pre-Site Plan Review was not held with Department Heads for the preliminary plan, as many details were not available at the this stage. A Pre-Site Plan Review will be scheduled with Department Heads prior to the Final Plan approval. However, the preliminary plans were submitted for review to the Department Heads individually. It was noted that there are no specific concerns relating to the connection of appropriate utilities. Public Safety did express some concerns regarding traffic control in the already-congested area.
Approval & Referral Section 1803.1.1.4. & 1803.3	Being deemed complete, the preliminary plan proposal is referred to the Planning Commission for approval/denial within 45 days of submission.
Public Hearing Notifications	Notification requirements have been fulfilled as follows:

Sections 1803.3 & 814	Daily Press Newspaper	January 28, 2020
	300' Radius to Neighbors	January 24, 2020
	City of Escanaba Website & Facebook	February 6, 2020

GENERAL ZONING COMPLIANCE																
Use	Finding	MEETS STANDARD														
	Comments	Proposed use as a multi-family dwelling is a permitted use by right under Section 803.1, paragraph B.														
Setbacks	Finding	MEETS STANDARD														
	Comments	<p>Section 808 – Peripheral Yards requires setbacks to the same as the Front Yard setbacks in adjoining zoning district.</p> <table border="1"> <thead> <tr> <th></th> <th>North</th> <th>East</th> <th>South</th> <th>West</th> </tr> </thead> <tbody> <tr> <td>Required</td> <td>F – Light Man. 20'</td> <td>F – Light Man. 20'</td> <td>F – Light Man. 20'</td> <td>E – Commercial 0'</td> </tr> <tr> <td>Proposed</td> <td>20'</td> <td>20'</td> <td>20'</td> <td>0'</td> </tr> </tbody> </table>		North	East	South	West	Required	F – Light Man. 20'	F – Light Man. 20'	F – Light Man. 20'	E – Commercial 0'	Proposed	20'	20'	20'
	North	East	South	West												
Required	F – Light Man. 20'	F – Light Man. 20'	F – Light Man. 20'	E – Commercial 0'												
Proposed	20'	20'	20'	0'												
Height	Finding	FURTHER DISCUSSION RECOMMENDED														
	Comments	<p>Section 810.1 states "In a Residence C-2 District, no building shall exceed thirty-five (35) feet in height." The developer is proposing a 4-story building that will be 45' in height.</p> <p>Section 804 grants the Planning Commission and the City Council the ability to grant a variance in cases where a conflict exists with other part of the Code. In this case, it should be noted that the height maximums in the surrounding zoning districts are 70' in E – Commercial and 50' in F – Light Manufacturing. Additionally, the height maximum in a C – Multi-Family district is 50'.</p> <p>A 3-story version of the building with a height of 35' was submitted as an alternative if necessary. This version is <u>not</u> preferred by the developers or city staff as it requires a less desirable layout of the building and site plan features such as parking and buffering distances from neighboring parcels, but could be considered for approval if Planning Commission or City Council feels strongly about it.</p>														
Lot Density	Finding	FURTHER DISCUSSION RECOMMENDED														
	Comments	<p><u>Section 807.1 – Area</u> Parcel Size x 35% = Max. Area to be occupied by structures 109,772 s.f. x 35% = 38,420 s.f. Proposed (4-Story) = 18,725 s.f. – Meets Standard Proposed (3-story) = 24,552 s.f. – Meets Standard</p> <p><u>Section 807.2.1 – Residential Density</u> Net Dev. Area / 5,000 = Units Allowed 109,772 s.f. / 5,000 = 22 Units Allowed Proposed (Both versions) = 70 units – Does Not Meet Standard</p> <p>Section 807.3 gives the Planning Commission the ability to grant additional dwelling units and greater density of the location if, in its sole discretion, it deems that the plan is extraordinary in planned land use and design.</p> <p>The inclusion of the playground on the south end and the open space on the north</p>														

		end which serve as buffers from neighboring parcels could be considered in this determination. Additionally, there is a large retention pond on a parcel immediately to the east, so no development will ever take place in that area, reducing the overall residential density in the region.
Zoning History (Variances, Non-Conforming Information, Enforcement, etc.)	The site plan in review is currently part of the larger parcel known as 2510 3 rd Avenue North. The parcel would need to be legally split before the development moves forward. Review of zoning and development standards was based on the section proposed for development and not the parcel in its entirety. The parcel is currently vacant land. Files contain no other zoning history.	

SITE PLAN REVIEW Section 1907		
Building Orientation	Finding	MEETS STANDARD
	Comments	The main entrance faces North 26 th Street upon which the lot fronts.
Roof Equipment	Finding	MEETS STANDARD
	Comments	All equipment will be roof-mounted and screen by a parapet wall.
Visual & Sound Mitigation	Finding	MEETS STANDARD
	Comments	Green screening is proposed around the perimeter.
Emergency Access Chapter 17	Finding	MEETS STANDARD
	Comments	The building is arranged to permit adequate emergency access to all sides. Two fire exit doors are proposed.
Street Access Chapter 17	Finding	MEETS STANDARD
	Comments	The development has legal access to North 26 th Street.
Circulation System Chapter 17	Finding	MEETS STANDARD
	Comments	One curb cut on North 26 th Street is proposed for ingress/egress. A six-foot wide public sidewalk will be installed along the entire length of the property on North 26 th Street. Private sidewalks connecting from the rear entry to the public sidewalks on the north and south sides of the building.
Non-Motorized Circulation System Chapter 17	Finding	MEETS STANDARD
	Comments	See comments above under "Circulation System".
Parking Areas	Finding	MEETS STANDARD

Chapter 17	Comments	Section	Required	Proposed
		1704.4 – Accessible Spaces	5	5
		1702.2 – Total Parking Spaces	140	144/143
		1703.1 – Stall Width	9'	9'
		1703.2 – Stall Length	20'	20' *
		1703.3 – Maneuvering Aisle Width	24'	24'
		1709.1 – Bicycle Parking	6	6
Green screening separates the parking lot both from the street and from private sidewalk areas.				
* Drawings show 18' stall length, but it will actually be 20' as required. Correction will be made on the final site plan drawings.				
Shared Drives Chapter 17	Finding	NOT APPLICABLE		
	Comments			
Loading, Unloading, & Storage Areas Sections 1707 & 1910	Finding	MEETS STANDARD		
	Comments	The dumpster will be screened with a 6' 8" enclosure.		
Light Sources Section 1909	Finding	MEETS STANDARD		
	Comments	Exterior lights shall be reflected downward and away from adjacent properties and right-of-ways.		
Utilities	Finding	MEETS STANDARD		
	Comments	Water/Wastewater and Electric Departments have indicated they have no concerns with connecting the proper utilities needs. All utilities will be run underground.		
Environmental Issues	Finding	MEETS STANDARD		
	Comments	There are no known environmental concerns.		
Tree Preservation Section 1912	Finding	MEETS STANDARD		
	Comments	Section	Required	Proposed
		1912.9.4 A – Green Space	10% (11,557 s.f.)	28% (4-story) 18% (3-story)
		1912.9.4 B - Trees	70 (1/unit)	70
Canopies	Finding	NOT APPLICABLE		
	Comments			
Storm Water Control Plan	Finding	MEETS STANDARD		
	Comments	Public Works Department is satisfied that storm water will be carried away from the building and adjacent properties into an approved collection system.		
Special Design Standards – C-2 Construction Materials Section 1908.4	Finding	FURTHER DISCUSSION RECOMMENDED		
	Comments	<i>"Must be constructed of brick, natural stone, or other material approved by the Planning Commission. Vinyl siding, composite</i>		

	<p><i>material, and steel siding may be used only in combination with brick and natural stone on sides which do not face and adjacent street or public right-of-way. 100% vinyl siding designs which coordinated with the architectural and/or historic concepts in the neighborhood may be approved."</i></p> <p>Exact building materials haven't been finalized yet, but will most likely be brick, fiber cement siding, and asphalt shingles.</p>
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STAFF ANALYSIS & RECOMMENDATION

<p>Analysis</p>	<p>While the Future Land Use Map depicts this area as Regional Retail and does not show any projected residential use in the immediate area, several factors may support the approval of a residential planned unit development at this location.</p> <ul style="list-style-type: none"> • A paragraph in the Regional Retail description refers to the underutilized properties in decline in the area which could be re-purposed to accommodate new uses. In keeping with that idea, developing a long-vacant parcel into any use, even a residential use, may be preferable to leaving the land vacant. • The proximity to retail and job opportunities within easy walking distance would make this a convenient housing location for residents. • One of the Master Plan goals is to attract new housing developments by modifying the Zoning Ordinance to allow a variety of housing types. There is a documented shortage of housing in the Escanaba area at all levels. • "There is a demand in the local housing market for units often called the 'missing middle'. This includes market rate multi-family or clustered housing within walking distance to shops and other amenities that can help the City meet the demand from young professionals and retirees for walkable urban living." (2016 Master Plan, p. 37) • This parcel is located in a federal/state designated "Opportunity Zone" which provides three different types of tax incentives to investors in low-income communities like Escanaba, which have historically been cut off from capital and business growth. It has been recommended that our Master Plan and Zoning Ordinance be revised to allow greater mixed use of areas in the Opportunity Zone so that the community is better prepared to process incoming development proposals such as this one. <p>While most development standards have been met during this first phase of concept approval, several items need specific direction from the Planning Commission in its decision:</p> <ul style="list-style-type: none"> • Rezoning to C-2 Residential Planned Unit Development • Height of the building (3 or 4 story proposal) • Number of units allowed • Construction Materials <p>The Planning Commission may outline additional details and conditions that need to be included in the Final Plan Review (see next section for guidance).</p>
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<p>Conditional Approvals Section 1805.1</p>	<p>A. The Planning Commission or Code Official may attach conditions to the approval of a site plan when such conditions:</p> <ol style="list-style-type: none"> 1. Would insure that public services and facilities affected by a proposed land use or activity are capable of accommodating increased service and service facilities loads caused by the land use or activity. 2. Would protect the built and natural environment. 3. Would insure compatibility with adjacent uses of land. <p>B. The Planning Commission or Code Official may conditionally approve a site plan on conformance with fencing, screening, buffering or landscaping requirements of this Code and may collect a performance guarantee consistent with these requirements to insure conformance. When so doing, the following finding shall be made and documented as part of the review process:</p> <ol style="list-style-type: none"> 1. That such fencing, screening, buffering or landscaping would mitigate negative effects of noise, dust, lighting, vehicular or pedestrian traffic, loading or unloading, parking or other similar impact on adjoining parcels; 2. That absent such conditions, the development would adversely affect the reasonable use, enjoyment and value of adjoining lands of like of similar benefits enjoyed by other properties in the area.
<p>Staff Recommendation (Potential motion wording)</p>	<p>To recommend to City Council 1) to conditionally-approve-in-concept the preliminary plan for the development of a multi-unit apartment building at 500 North Lincoln Road consisting of 70 units, 4 stories, and a maximum height of 50 feet (add in any other specifics required) and 2) to recommend re-zoning of the project portion of the parcel to C-2 Residential Planned Unit Development.</p>

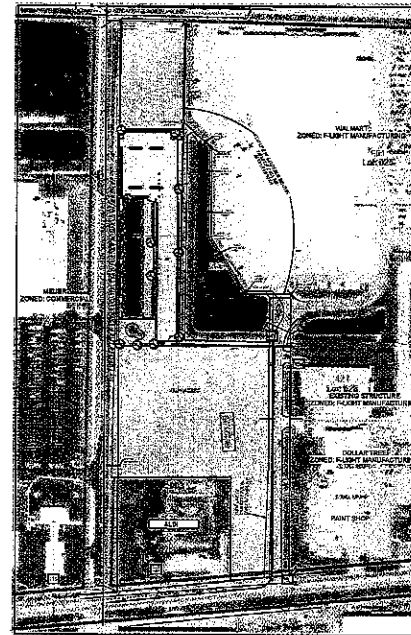
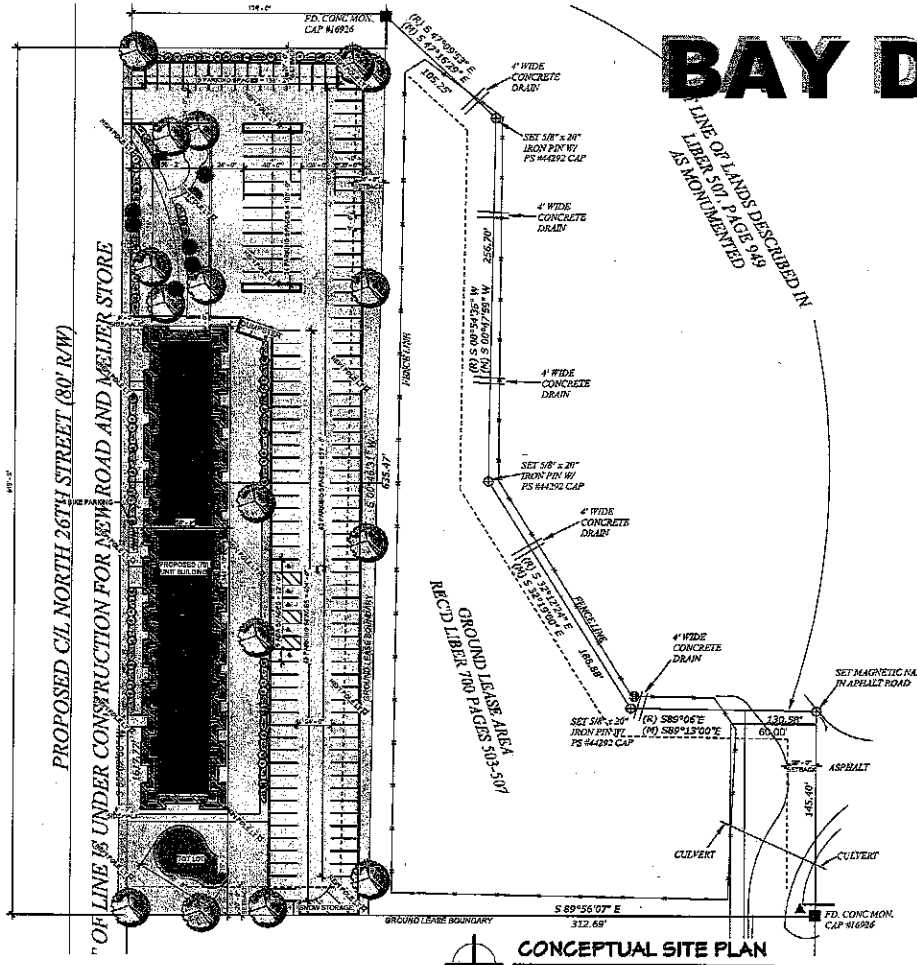
APPEAL PROCESS - Section 1809.5-18 Chapter 8 - Zoning Board of Appeals

If the Planning Commission denies a site plan, the property owner or applicant may appeal the decision to the Zoning Board of Appeals within 15 working days.

DOCUMENTATION ATTACHMENTS
1. Zoning Permit Application
2. Site Plan Drawings
3. Assessor's Property Information Card
4. Daily Press Public Hearing Notification
5. Letter to Property Owner/Occupant Within 300' Radius & Address List
6. Zoning Ordinance Chapter 8 – Residential Planned Unit Development C-2

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829



AERIAL PLAN

PROJECT INFORMATION				
PROPOSED 70-UNIT NEW CONSTRUCTION APARTMENT BUILDING				
ZONING INFORMATION: ZONED: F - LIGHT MANUFACTURING				
*PROPOSED ZONING: ZONED: C2-RESIDENTIAL				
UNIT BREAKDOWN:				
	1BR	2BR	3BR	TOT.
1ST FLOOR:	4	8	4	16
2ND FLOOR:	8	9	4	18
3RD FLOOR:	8	9	4	18
4TH FLOOR:	5	6	2	13
TOTAL:	21	36	14	70 UNITS
TOTAL PARKING: (144) PARKING SPACES				
SQ.FT. BREAKDOWN:				
1ST FLOOR:	16,839			
2ND FLOOR:	16,839			
3RD FLOOR:	16,839			
4TH FLOOR:	16,335			
TOTAL:	73,162			
SITE INFORMATION:				
172' X 612' - 3"	= 105,634 SQ. FT.			
GREEN SPACE REQUIRED:	10%			
GREEN SPACE PROVIDED:	28%			

EXISTING PHOTOS: SEE AERIAL PLAN



4-STORY (70) UNIT CONCEPTUAL SITE PLAN | CSP.1

WODA COOPER COMPANIES



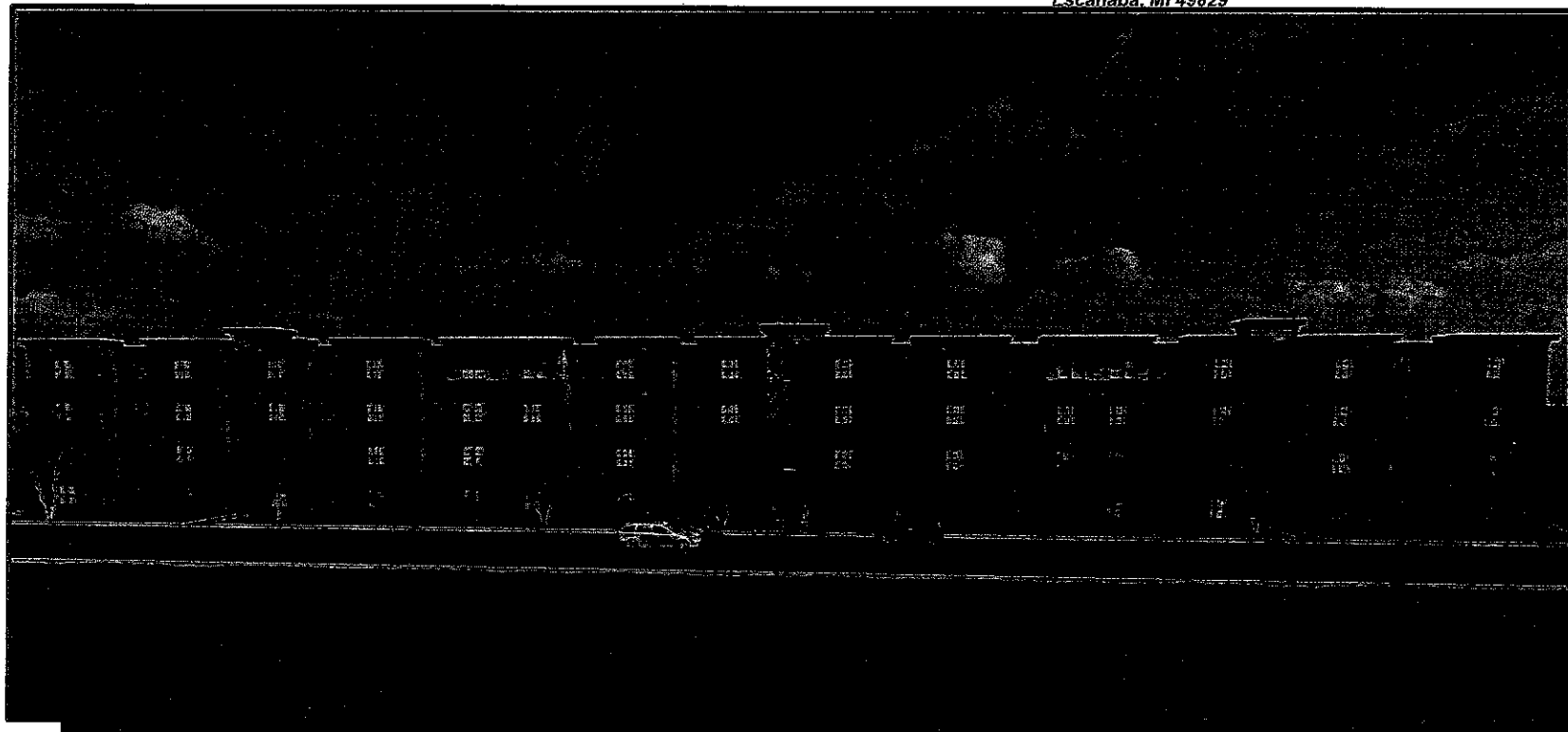
Hooker DeJong, Inc.
Architects | Engineers | Planners

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829
2020-0212

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829



4 STORY ELEVATION CONCEPT
3/22 - 1/22 1/22 STORY CONCEPT 2/22/22

EXTERIOR IMAGERY | CSP.3

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829
2020-0212


WODA COOPER COMPANIES

 Hooker DeJong, Inc.
Architects | Engineers | Planners

Agenda Item: PH-2
Date: 04/16/2020

City Council Agenda Item Request

Date: March 3, 2020

Name: Kim G.

Department: HR Director/Treasurer

Item: Closeout Public Hearing - Community Development Block Grant (CDBG)
Northern Machining & Repair #2

Meeting date requested: March 19, 2020

Explanation for request:

Administration is seeking Council approval to consider this the Public Hearing regarding the closeout of the #2 CDBG loan for Northern Machining & Repair.

City Council Agenda Item Request

Date: 04/16/2020

Name: Patrick Jordan

Department: Administration

Item: Request from Bay de Noc Apartments for PILOT Ordinance No. 1223

Meeting date requested: 04/16/2020

Explanation for request:

Administration is requesting the City Council to consider approval and adoption of the Bay de Noc PILOT Ordinance No. 1223, An Ordinance to Amend Chapter 26 - Taxation of the Code of Ordinances of the City of Escanaba.

ORDINANCE NO. 1223

**AN ORDINANCE TO AMEND CHAPTER 26 - TAXATION
OF THE CODE OF ORDINANCES OF THE CITY OF ESCANABA**

THE CITY OF ESCANABA ORDAINS:

CHAPTER I

Chapter 26 - Taxation of the Escanaba Code of Ordinances is hereby amended by adding Division 9, Sponsor Bay de Noc Apartments Limited Dividend Housing Association Limited Partnership, to read as follows:

CHAPTER 26 - TAXATION

**ARTICLE III, SERVICE CHARGE IN LIEU OF PROPERTY TAXES
FOR HOUSING DEVELOPMENT**

**DIVISION 9, Sponsor Bay de Noc Apartments Limited Dividend Housing
Association Limited Partnership**

Sec. 26-90. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide affordable housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA Section 125.1401 et seq, MSA Section 116.114(l) et seq).. The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuation of the provisions of this article for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The city acknowledges that Sponsor Bay de Noc Apartments Limited Dividend Housing Association Limited Partnership has offered, subject to receipt of the allocation under the LIHTC Program by the Michigan State Housing Development Authority to construct, own and operate a housing development identified as Bay de Noc Apartments on certain property located at 500 N. 26th Street in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing development an annual service charge for public services in lieu of all ad valorem property taxes.

Sec. 26-91. Definitions.

All terms not herein defined shall have the meanings given them in the State Housing Development Authority Act of 1966, being Public Act of 1966, of the State of Michigan, as amended.

1. *Act* means the State Housing Development Authority Act, being Michigan Public Act of 1966, as amended.
2. *Annual shelter rent* means the total collections, including rental subsidy, during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, late fees, or other utilities furnished to the occupants.

3. *Authority* means the Michigan State Housing Development Authority.
4. *Housing development* means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.
5. *Low Income or Moderate Income Persons* means families and persons eligible to move into a housing development.
6. *Mortgage loan* means a loan to be made by the authority to the sponsor for the construction and/or permanent financing of the housing development.
7. *Sponsor* means Bay de Noc Apartments Limited Dividend Housing Association Limited Partnership and any entity that receives or assumes a mortgage loan.
8. *Utilities* means charges for gas, electric, water, sanitary sewer service and other utilities furnished to the occupants of the housing development.

Section 26-92, Class of housing development.

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments for low income persons and families that are financed or with a mortgage loan. It is further determined that Bay de Noc Apartments is of this class.

Section 26-93. Establishment of annual service charge.

The housing development known as Bay de Noc Apartments and the property on which it is located shall be exempt from all property taxes as of or effective on the December 31st of the year the certified notification of exemption was filed with the City Assessor prior to November 1st. The city acknowledges that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this ordinance and the qualification of the housing development for the exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a Mortgage Loan or IRS Section 42 Low Income Housing Tax Credits (LIHTC), the annual service charge shall be equal to 5% of the Annual Shelter Rents actually collected by the housing development during each operating year.

Section 26-94. Limitation on the payment of the annual service charge.

Notwithstanding Section 26-93, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which shall be paid on that portion of the housing development if the housing development were not tax exempt.

Section 26-95. Contractual effect of this article.

Notwithstanding the provisions of Section 15(a)(5) of the act to the contrary, a contract between the city and the Sponsor, with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article.

Section 26-96. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the city and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before on or before July 1st of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et seq).

Section 26-97. Duration.

This article shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or the authority and the housing development remains subject to income and rent restrictions under the LIHTC Program but in no case longer than sixteen (16) years.

CHAPTER II
SEVERABILITY

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by and court of competent jurisdiction to be unconstitutional or invalid, the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

CHAPTER III
REPEALING CHAPTER

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency of conflict.

CHAPTER IV
EFFECTIVE DATE

This Ordinance shall be in full force and effect ten (10) days after its passage and publication, as provided in the City Charter.

APPROVED:

APPROVED:

John Bergman, City Attorney

Marc D. Tall, Mayor

ATTEST:

Phil Demay, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a Regular Meeting held on the ____ day of _____, 2020, and was published in the Daily Press, a newspaper of general circulation in the City of Escanaba on _____, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Phil Demay, City Clerk

Agenda Item: UB-2
Date: _____

City Council Agenda Item Request

Date: 04/16/2020

Name: Patrick Jordan

Department: Administration

Item: Municipal Services Agreement - Bay de Noc Apartments.

Meeting date requested: 04/16/2020

Explanation for request:

Woda Cooper Companies is requesting City Council approval of a Municipal Services Agreement for the property located at 500 North 26th Street.

MUNICIPAL SERVICES AGREEMENT

THIS MUNICIPAL SERVICES AGREEMENT entered into this ____ day of _____, 2020 between BAY DE NOC APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership of 500 South Front Street, 10th Floor, Columbus, Ohio 43215, (hereinafter referred to as the “OWNER”) and Escanaba, a Michigan municipal corporation, of 410 Ludington Street, Escanaba Michigan 49829 (hereinafter referred to as the “CITY”).

RECITALS

- A. The OWNER intends to purchase and develop a housing project for low to moderate income families, to be known as Bay de Noc Apartments, financed in part by Low Income Housing Tax Credits (LIHTC), administered by the Michigan State Housing Development Authority (MSHDA) on land legally described on Exhibit “A”, (hereinafter referred to as the “PROJECT”).

- B. The OWNER desires to guarantee that certain municipal services will be provided to the PROJECT during the term that the Payment in Lieu of Taxes (hereinafter referred to as the “PILOT”) Ordinance for this PROJECT is in place, such municipal services to exclude normal water, sewer, and other utility charges as well as special assessment charges (which must be paid separately and at duly established rates) and similar charges and to include only:
 - 1. Emergency services, including police and ambulance (at normal published rates) and fire service specifically administered through the CITY;
 - 2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the PROJECT;
 - 3. Said municipal services shall be provided in the customary way, in a competent and workmanlike manner, and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Delta, and City of Escanaba or other applicable jurisdictions or bodies.

(All of the above collectively referred to as “Municipal Services”)

AGREEMENT

The parties agree as follows:

1. The payment for Municipal Services shall be computed as follows: Sixteen Thousand Five Hundred Dollars (\$16,500.00) will be paid concurrent with the annual PILOT payment for Bay de Noc Apartments. Each year the annual MSA payment shall be adjusted by 2%.
2. Payment for Municipal Services shall commence at the time the first PILOT payment is made and will remain in effect for as long as a payment-in-lieu-of-taxes ordinance is in place for the project.
3. The OWNER shall utilize individual city metering for water and electric services to all residential units.

IN WITNESS WHEREOF, this Municipal Services Agreement is executed as of the day and year first written above.

WITNESSES:

BAY DE NOC APARTMENTS LIMITED
 DIVIDEND HOUSING ASSOCIATION
 LIMITED PARTNERSHIP, A Michigan
 Limited Partnership

By: BAY DE NOC APARTMENTS GP,
 LLC,
 An Ohio limited liability company
 Its General Partner

By: Woda Cooper General Partner, LLC
 An Ohio limited liability company
 Its Sole Member

By: Woda Cooper Communities, LLC
 An Ohio limited liability company
 Its Sole Member

By: _____
 David Cooper Jr., Vice President &
 Associate General Counsel

CITY OF ESCANABA

By: _____
 Its: City Manager

EXHIBIT A

ASSESSORS SUBD NO 1 To Be Completed

City Council Agenda Item Request

Date: 4-16-2020

Name: Robert LaMarche

Department: EDPS

Item: Traffic control orders

Explanation for request:

To permanently place no parking signs in the City Hall parking lot from 10:00pm-6:00am

See attached Traffic Control order.

City of Escanaba, Michigan

Distribution: 1005

Traffic Control Order

- City Manager
- City Engineer
- City Clerk
- Public Works
- Public Safety

Traffic Control Order Number: 1005

Date of Filing: December 20, 2019

In accordance with Chapter 27 of the Escanaba Code of Ordinances as amended, we have made an investigation of the traffic Conditions on: **City Hall Parking Lot Behind 410 Ludington Street**

at or near the intersection of:

And as a result of said investigation, do hereby direct that:

NO OVERNIGHT PARKING signs be installed in the City Hall Parking Lot - 410 Ludington Street
No overnight parking shall mean between 10:00pm - 6:00 am

Further that the following controls be placed at the following locations:

Sign Direction (Facing):
At all entrances to the parking lot

Sign(s) Location:

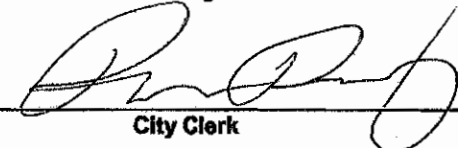
The following Traffic Control Oder(s) are hereby rescinded: _____

This order shall expire 90 days from date of filing except that upon its approval by the Escanaba City Council, it shall not so expire.

12-20-19
Date of Filing with City Clerk

Signed: 
Traffic Engineer

3-11-2020
Received for filing (date)

By: 
City Clerk

Approved by the City of Escanaba Council on _____
Date

The Traffic Control Order is effective upon posting of the required street signs.

Agenda Item: NB-1
Date: 04/16/2020

City Council Agenda Item Request

Date: 3/13/20

Name: Roxanne Spencer

Department: Planning & Zoning

Item: Residential Planned-Unit Development - Final Plan Approval

Meeting date requested: 04/16/2020

Explanation for request:

Administration is recommending approval of the Final Development Plan for a 4-story, 70-unit apartment building to be constructed at 500 North 26th Street.

At their 03/12/20 meeting, the Planning Commission approved the Final Development Plan as having met all development standards, with the following conditions:

1. Re-zoning to C-2 Residential Planned Unit Development district is granted by City Council.
2. The property must be legally parceled to match the approved site plan.
3. Utilities and Storm Water Control plans must be reviewed and approved by City Department Heads prior to construction.

If City Council decides to approve the Final Plan, conditions 2 and 3 above should be included in the motion wording (assuming the re-zoning has already been approved earlier in this meeting).

Attachments:

1. Staff Report from March 12, 2020 Planning Commission meeting
2. Site Plan Drawings & Renderings

BACKGROUND INFORMATION

The applicant is requesting a Residential Planned Unit Development (R-PUD) approval to construct a 4-story, 70-unit apartment building at 500 North 26th Street. An R-PUD approval is governed by Chapter 8 of the Zoning Ordinance, which includes the following key components in the process:

- Planning Commission Public Hearing, preliminary concept approval, and recommendation for re-zoning of the property to a C-2 R-PUD district.
- City Council approval of re-zoning to a C-2 R-PUD district (with Public Hearing for Zoning Map amendment).
- Planning Commission approval of final plan.
- City Council approval of final plan.

The preliminary concept of the project was approved by the Planning Commission on February 13th with an allowance of additional units granted, and a recommendation to City Council to re-zone the property to a C-2 Residential Planned Unit Development district. Additionally, the Planning Commission recommended to City Council to amend the Zoning Ordinance by increasing the maximum height in a C-2 R-PUD district to fifty (50) feet.

At its February 20th meeting, the City Council postponed the re-zoning request to have a first reading on March 5th, with the second reading and public hearing to potentially be held on March 19th. Council did hold the first reading for the height change amendment, and set a second reading and public hearing for March 5th.

The next step in the process is for the Planning Commission to review the final plan according to development standards and make a recommendation to City Council.

SURROUNDING LAND USES/ZONING

	Current Use	Current Zoning	Future Land Use Map
North	Vacant Land	F – Light Manufacturing	Regional Retail
East	Retail/Grocery Store (Walmart)	F – Light Manufacturing (Proposed re-zoning in process to E – Commercial)	Regional Retail
South	Vacant Land & Grocery Store (Aldi)	F – Light Manufacturing	Regional Retail
West	Retail/Grocery Store (Meijer)	E – Commercial	Regional Retail

SITE PLAN REVIEW PROCEDURE

ITEM	COMPLIANCE NOTES
Application Section 1803.1.1.2.	The applicant submitted the complete application and fee for site plan consideration on January 22, 2020 , prior to the 21-day deadline.
Official Review Sections 1803.1.1.3. & 1802.2	A preliminary review was conducted by the Planning & Zoning Administrator for comments as to the proposed development’s conformance to all applicable standards and requirements on January 23, 2020 . Final plans were reviewed by the Planning & Zoning Administrator on February 26, 2020 and used as the basis for this report.
Department Head Review Sections 1803.1.1.3 & 1905.1	A Pre-Site Plan Review was held with Department Heads regarding the Final Plan on February 27, 2020. (Minutes attached.) The main concern expressed was that no utilities are included on the drawings, so proper evaluations cannot be made yet. As zoning approval is required as part of the funding application guidelines, the developer is unlikely to invest in the detailed utilities drawings before the funding submission and approval. While the City prefers to have more detailed drawings submitted prior to zoning approval, it

	<p>acknowledges that in cases such as this that the zoning approval may need to be conditioned on utilities being worked out with various departments after funding approval is granted, but before construction begins.</p> <p>Additionally, concern was expressed regarding the setback on the front of the building. See section below on setbacks for an explanation.</p>	
Approval & Referral Section 1803.1.1.4. & 1803.3	Being deemed complete, the preliminary plan proposal is referred to the Planning Commission for approval/denial within 45 days of submission.	
Public Hearing Notifications Sections 1803.3 & 814	The Planning Commission held a Public Hearing on the project on February 13, 2020. No public comments were made at the hearing, and no letters have been received. Notification requirements were fulfilled as follows:	
	Daily Press Newspaper	January 28, 2020
	300' Radius to Neighbors	January 24, 2020
	City of Escanaba Website & Facebook	February 6, 2020

GENERAL ZONING COMPLIANCE																
Use	Finding	MEETS STANDARD														
	Comments	Proposed use as a multi-family dwelling in a C-2 Residential Planned Unit Development district is a permitted use by right under Section 803.1, paragraph B, as long as City Council approves the re-zoning.														
Setbacks	Finding	MEETS STANDARD														
	Comments	<p>Section 808 – Peripheral Yards requires setbacks to be the same as the Front Yard setbacks in adjoining zoning district.</p> <table border="1"> <thead> <tr> <th></th> <th>North</th> <th>East</th> <th>South</th> <th>West</th> </tr> </thead> <tbody> <tr> <td>Required</td> <td>F – Light Man. 20'</td> <td>F – Light Man. 20'</td> <td>F – Light Man. 20'</td> <td>E – Commercial 0'</td> </tr> <tr> <td>Proposed</td> <td>20'</td> <td>20'</td> <td>20'</td> <td>0'</td> </tr> </tbody> </table> <p>While the west side along North 26th Street requires no setback, concern was expressed at the Dept. Head Pre-Site Plan Review meeting regarding the building's proposed proximity to the water main in that area. Updated drawings now show the building set back further to the east, with 5' of greenspace to the west of the sidewalk and 10' of greenspace to the east of the sidewalk.</p>		North	East	South	West	Required	F – Light Man. 20'	F – Light Man. 20'	F – Light Man. 20'	E – Commercial 0'	Proposed	20'	20'	20'
	North	East	South	West												
Required	F – Light Man. 20'	F – Light Man. 20'	F – Light Man. 20'	E – Commercial 0'												
Proposed	20'	20'	20'	0'												
Height	Finding	FURTHER DISCUSSION RECOMMENDED														
	Comments	<p>Section 810.1 states "In a Residence C-2 District, no building shall exceed thirty-five (35) feet in height." The developer is proposing a 4-story building that will be 45' in height.</p> <p>Planning Commission recommended to City Council to change the ordinance to be a maximum height of 50'. Council has held a first reading on February 20th and set a second reading and public hearing for March 5th. As the Council's decision will take place after the submission of this Staff Report, the outcome of Council's decision and how it affects the final plan should be discussed.</p>														
Lot Density	Finding	MEETS STANDARD														
	Comments	<p><u>Section 807.1 – Area</u></p> <p>Parcel Size x 35% = Max. Area to be occupied by structures 109,772 s.f. x 35% = 38,420 s.f. Proposed = 18,725 s.f. – Meets Standard</p>														

	<p><u>Section 807.2.1 – Residential Density</u> Net Dev. Area / 5,000 = Units Allowed 109,772 s.f. / 5,000 = 22 Units Allowed Proposed = 70 units – Additional Dwelling Units were granted by Planning Commission on February 13, 2020 in accordance with Section 807.3.</p>
<p>Zoning History (Variances, Non-Conforming Information, Enforcement, etc.)</p>	<p>The site plan in review is currently part of the larger parcel known as 2510 3rd Avenue North. The parcel would need to be legally split before the development moves forward. Review of zoning and development standards was based on the section proposed for development and not the parcel in its entirety. The parcel is currently vacant land. Files contain no other zoning history. <u>Recommend including in any motion for approval the requirement to have the property legally split according to the approved plans.</u></p>

SITE PLAN REVIEW – Section 1907		
Building Orientation	Finding	MEETS STANDARD
	Comments	The main entrance faces North 26th Street upon which the lot fronts.
Roof Equipment	Finding	MEETS STANDARD
	Comments	All equipment will be roof-mounted and screen by a parapet wall.
Visual & Sound Mitigation	Finding	MEETS STANDARD
	Comments	Green screening is proposed around the perimeter.
Emergency Access Chapter 17	Finding	MEETS STANDARD
	Comments	The building is arranged to permit adequate emergency access to all sides. Two fire exit doors are proposed.
Street Access Chapter 17	Finding	MEETS STANDARD
	Comments	The development has legal access to North 26 th Street.
Circulation System Chapter 17	Finding	MEETS STANDARD
	Comments	One curb cut on North 26 th Street is proposed for ingress/egress. A six-foot wide public sidewalk will be installed along the entire length of the property on North 26 th Street. Private sidewalks connecting from the rear entry to the public sidewalks on the north and south sides of the building.
Non-Motorized Circulation System Chapter 17	Finding	MEETS STANDARD
	Comments	See comments above under “Circulation System”.

Parking Areas Chapter 17	Finding	MEETS STANDARD																						
	Comments	<table border="1"> <thead> <tr> <th>Section</th> <th>Required</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>1704.4 – Accessible Spaces</td> <td>5</td> <td>5</td> </tr> <tr> <td>1702.2 – Total Parking Spaces</td> <td>140</td> <td>144</td> </tr> <tr> <td>1703.1 – Stall Width</td> <td>9'</td> <td>9'</td> </tr> <tr> <td>1703.2 – Stall Length</td> <td>20'</td> <td>20'</td> </tr> <tr> <td>1703.3 – Maneuvering Aisle Width</td> <td>24'</td> <td>24'</td> </tr> <tr> <td>1709.1 – Bicycle Parking</td> <td>6</td> <td>6</td> </tr> </tbody> </table> <p>Green screening separates the parking lot both from the street and from private sidewalk areas.</p>	Section	Required	Proposed	1704.4 – Accessible Spaces	5	5	1702.2 – Total Parking Spaces	140	144	1703.1 – Stall Width	9'	9'	1703.2 – Stall Length	20'	20'	1703.3 – Maneuvering Aisle Width	24'	24'	1709.1 – Bicycle Parking	6	6	
Section	Required	Proposed																						
1704.4 – Accessible Spaces	5	5																						
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1703.2 – Stall Length	20'	20'																						
1703.3 – Maneuvering Aisle Width	24'	24'																						
1709.1 – Bicycle Parking	6	6																						
Shared Drives Chapter 17	Finding	NOT APPLICABLE																						
	Comments																							
Loading, Unloading, & Storage Areas Sections 1707 & 1910	Finding	MEETS STANDARD																						
	Comments	<p>The dumpster will be screened with a 6' 8" enclosure.</p> <p>Snow storage is designated on the southeast corner of the property.</p>																						
Light Sources Section 1909	Finding	MEETS STANDARD																						
	Comments	Exterior lights will be reflected downward and away from adjacent properties and right-of-ways.																						
Utilities	Finding	FURTHER DISCUSSION RECOMMENDED																						
	Comments	<p>All utilities will be run underground.</p> <p>Water/Wastewater and Electric Departments have indicated they have the capacity to meet utilities needs, but will require the submission of detailed drawings for review and approval prior to construction. This should be included as a condition of any motion for approval.</p>																						
Environmental Issues	Finding	MEETS STANDARD																						
	Comments	There are no known environmental concerns.																						
Tree Preservation Section 1912	Finding	MEETS STANDARD																						
	Comments	<table border="1"> <thead> <tr> <th>Section</th> <th>Required</th> <th>Proposed</th> </tr> </thead> <tbody> <tr> <td>1912.9.4 A – Green Space</td> <td>10% (10,997 s.f.)</td> <td>28%</td> </tr> <tr> <td>1912.9.4 B - Trees</td> <td>70 (1/unit)</td> <td>70</td> </tr> </tbody> </table>	Section	Required	Proposed	1912.9.4 A – Green Space	10% (10,997 s.f.)	28%	1912.9.4 B - Trees	70 (1/unit)	70													
Section	Required	Proposed																						
1912.9.4 A – Green Space	10% (10,997 s.f.)	28%																						
1912.9.4 B - Trees	70 (1/unit)	70																						
Canopies	Finding	NOT APPLICABLE																						
	Comments	None																						
Storm Water Control Plan	Finding	FURTHER DISCUSSION RECOMMENDED																						
	Comments	As with comments under "Utilities" above, detailed storm water control plans are not yet available, but should be submitted for																						

		review and approval prior to construction. This should be included as a condition of any motion for approval.
Special Design Standards – C-2 Construction Materials Section 1908.4	Finding	MEETS STANDARD
	Comments	Building materials will be a combination of brick, fiber cement siding, and asphalt shingles.

STAFF ANALYSIS & RECOMMENDATION	
Analysis	<p>Development and zoning standards have primarily been met, with the following notations:</p> <ul style="list-style-type: none"> • Rezoning to C-2 Residential Planned Unit Development would need to be granted by City Council. • Changing of the building height maximum to 50' in a C-2 R-PUD district would need to be granted by City Council. • Utilities & Storm Water Control Plans would need to be reviewed and approved by City Department Heads prior to construction. • Property would need to be legally parceled to match approved site plan. <p>It is recommended that any motion to approve include reference to each of the above items.</p>
Conditional Approvals Section 1805.1	<p>A. The Planning Commission or Code Official may attach conditions to the approval of a site plan when such conditions:</p> <ol style="list-style-type: none"> 1. Would insure that public services and facilities affected by a proposed land use or activity are capable of accommodating increased service and service facilities loads caused by the land use or activity. 2. Would protect the built and natural environment. 3. Would insure compatibility with adjacent uses of land. <p>B. The Planning Commission or Code Official may conditionally approve a site plan on conformance with fencing, screening, buffering or landscaping requirements of this Code and may collect a performance guarantee consistent with these requirements to insure conformance. When so doing, the following finding shall be made and documented as part of the review process:</p> <ol style="list-style-type: none"> 1. That such fencing, screening, buffering or landscaping would mitigate negative effects of noise, dust, lighting, vehicular or pedestrian traffic, loading or unloading, parking or other similar impact on adjoining parcels; 2. That absent such conditions, the development would adversely affect the reasonable use, enjoyment and value of adjoining lands of like of similar benefits enjoyed by other properties in the area.

<p>Options for Action (Potential motion wording)</p>	<p>1. To recommend to City Council the approval of the Final Plan for the development of a 4-story, 70-unit apartment building at 500 North 26th Street with the following conditions:</p> <ul style="list-style-type: none"> • Rezoning to C-2 Residential Planned Unit Development would need to be granted by City Council. • Changing of the building height maximum to 50' in a C-2 R-PUD district would need to be granted by City Council. • Utilities & Storm Water Control Plans would need to be reviewed and approved by City Department Heads prior to construction. • Property would need to be legally parceled to match approved site plan. <p>(Add/remove/modify conditions above as necessary.)</p> <p>2. To deny the Final Plan for the development of a 4-story, 70 unit apartment building at 500 North 26th Street based on the following reasons:</p> <ul style="list-style-type: none"> • (Outline specific areas that do not meet the development/zoning standards, including section numbers.)
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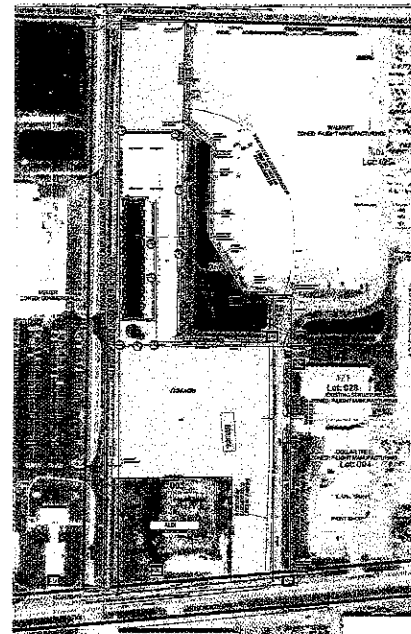
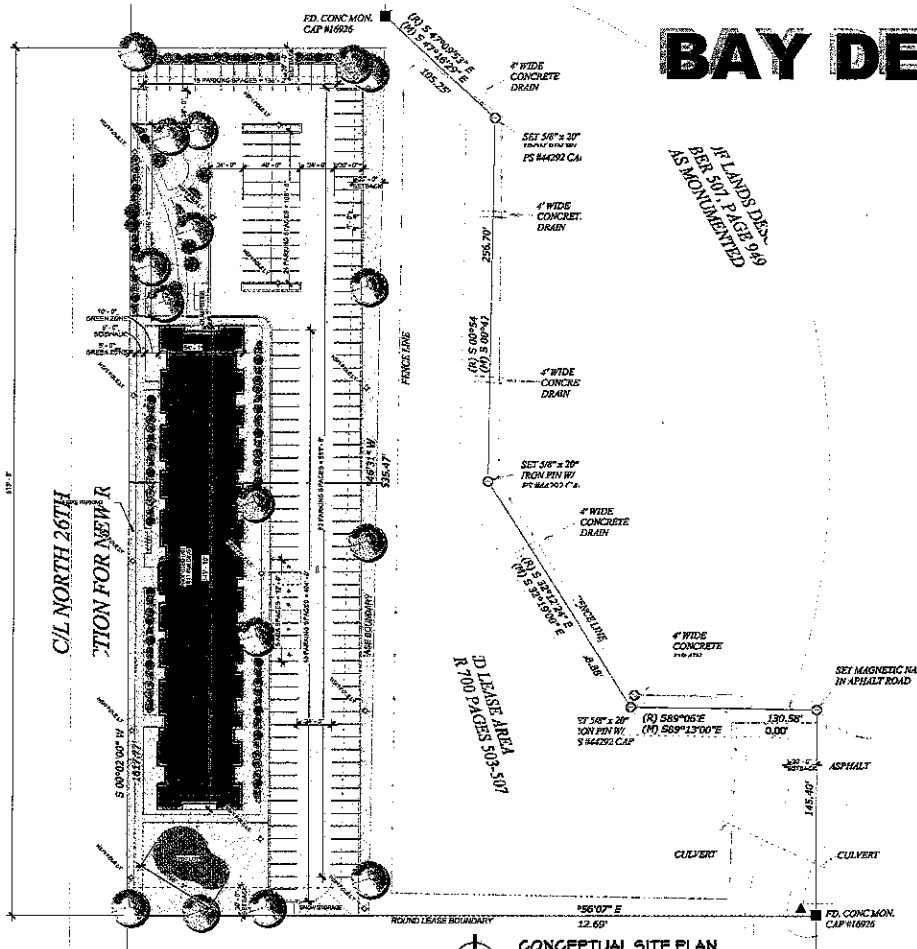
<p>APPEAL PROCESS – Section 1803.5-1 & Chapter 3 – Zoning Board of Appeals</p>
<p>If the Planning Commission denies a site plan, the property owner or applicant may appeal the decision to the Zoning Board of Appeals within 15 working days.</p>

<p>DOCUMENTATION ATTACHMENTS</p>
<p>1. Zoning Permit Application</p>
<p>2. Site Plan Drawings</p>
<p>3. Assessor's Property Information Card</p>
<p>4. Departmental Pre-Site Plan Review Meeting Minutes</p>
<p>5. Zoning Ordinance Chapter 8 – Residential Planned Unit Development C-2</p>

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829

JR LANDS DES.
BEG. 507, PAGE 99
AS MONUMENTED



AERIAL PLAN

PROJECT INFORMATION				
PROPOSED UNIT: NEW CONSTRUCTION APARTMENT BUILDING				
ZONING INFORMATION: ZONED: F-LIGHT MANUFACTURING				
PROPOSED ZONING: ZONED: C2-RESIDENTIAL				
UNIT BREAKDOWN:	1BR	2BR	3BR	TOT.
1ST FLOOR:	4	5	4	13
2ND FLOOR:	8	9	4	21
3RD FLOOR:	8	5	2	15
4TH FLOOR:	5	6	2	13
TOTAL:	25	25	12	62 UNITS
TOTAL PARKING: (144) PARKING SPACES				
SQ. FT. BREAKDOWN:				
1ST FLOOR:	18,828			
2ND FLOOR:	18,828			
3RD FLOOR:	18,828			
4TH FLOOR:	18,828			
TOTAL:	75,312			
SITE INFORMATION:				
CITY X 647' - 3"	= 104,124 SQ. FT.			
GREEN SPACE REQUIRED:	10%			
GREEN SPACE PROVIDED:	25%			

EXISTING PHOTOS: SEE AERIAL PLAN



4-STORY (70) UNIT CONCEPTUAL SITE PLAN

CSP.1

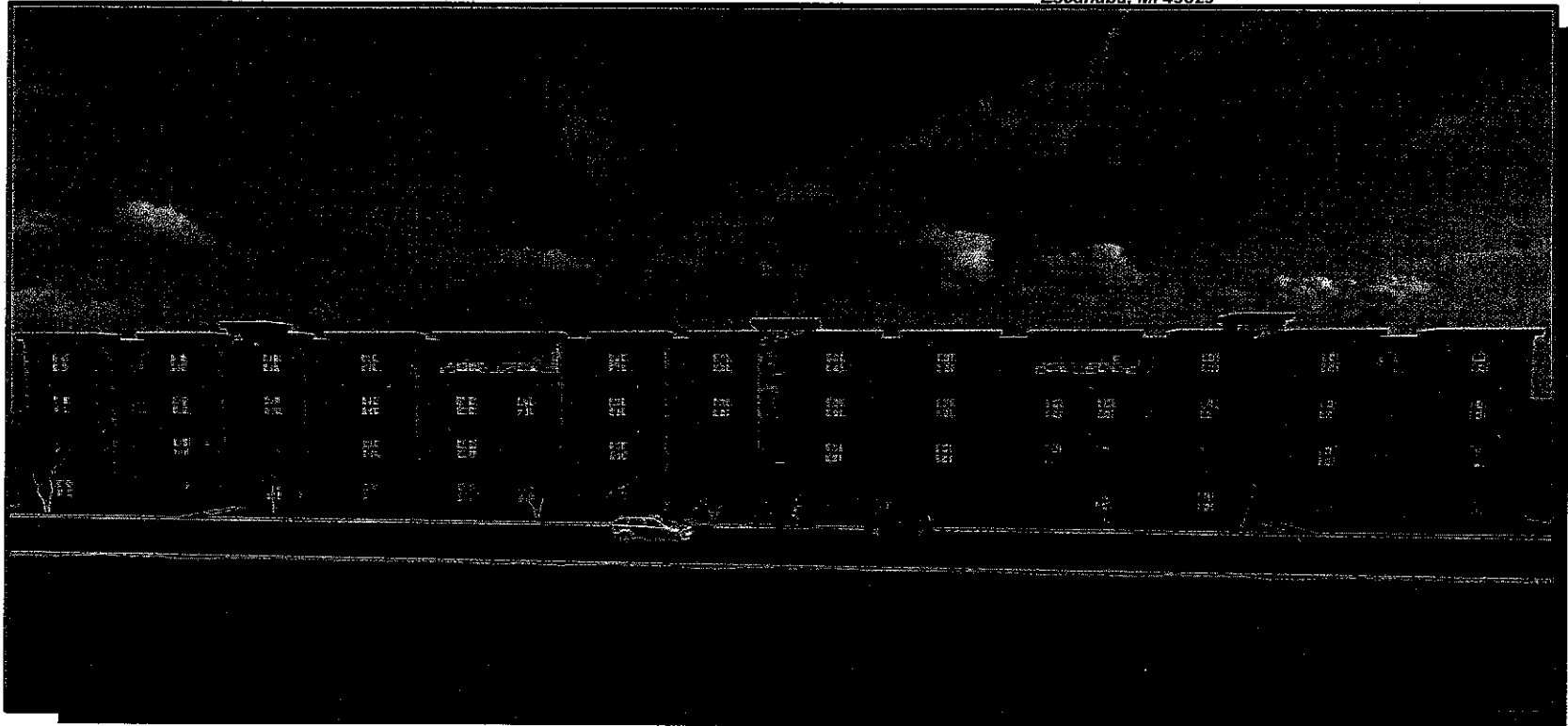
WODA COOPER COMPANIES

HD Hooker DeJong, Inc.
Architects | Engineers | Planners

BAY DE NOC APARTMENTS
500 N 26th St.
Escanaba, MI 49829
2020-2253

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829



4 STORY ELEVATION CONCEPT
3/20 11'x14' 1 STORY CONCEPT 5/16/14



WODA COOPER COMPANIES



Hooker DeJong, Inc.
Architects | Engineers | Planners

EXTERIOR IMAGERY | CSP.3

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829
2020-0212

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829

X-1001-10-01-11

LIGHTING

ONLY NON-GLARE, COLOR CORRECTED, SHIELDED LIGHTING SHALL BE PERMITTED. LIGHTING SHALL FOCUS DOWNWARD AND NOT BE DIRECTLY VISIBLE FROM ADJOINING PROPERTIES, AND NOT INTERFERE WITH MOTORISTS.

PARKING LOT AND BUILDING MOUNTED SECURITY LIGHTING SHALL BE FULL CUT-OFF FIXTURES THAT ARE DIRECTED DOWNWARD.

LIGHTING FIXTURES SHALL NOT EXCEED A HEIGHT OF 20' AND HAVE AN OVERLAPPING PATTERN OF LIGHT AT APPROXIMATELY 7' ABOVE GROUND LEVEL.

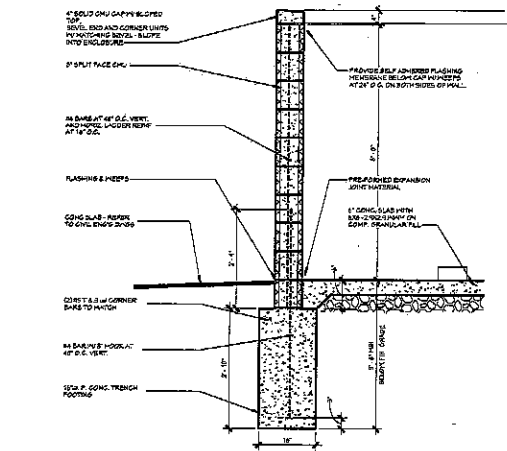
ALL ON-SITE LIGHTING SHALL COMPLY WITH LOCAL CODES AND ORDINANCES - FINAL DESIGN AND PHOTOMETRIC CALCS SHALL BE SUBMITTED TO THE CITY FOR FINAL APPROVAL AT TIME OF BUILDING PERMIT SUBMITTAL.

ON UNIMPROVED STREETS, GRADING LIMITS SHALL BE DETERMINED WITH AN ON-SITE INSPECTION BY A REPRESENTATIVE OF THE CITY ENGINEERING DIVISION.

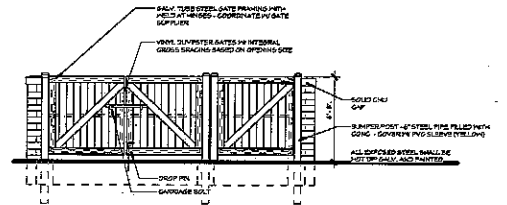
THE AREA IMMEDIATELY BENEATH THE PROPOSED WALK SHALL BE FILLED WITH 3" OF SAND WHERE CLAY SUB-GRADE IS ENCOUNTERED. SAND SUBGRADE SHALL BE MECHANICALLY COMPACTION. COMPACTION SHALL BE PERFORMED IN LAYERS OF NOT MORE THAN 6".

KAD LED
LED AREA LIGHTING

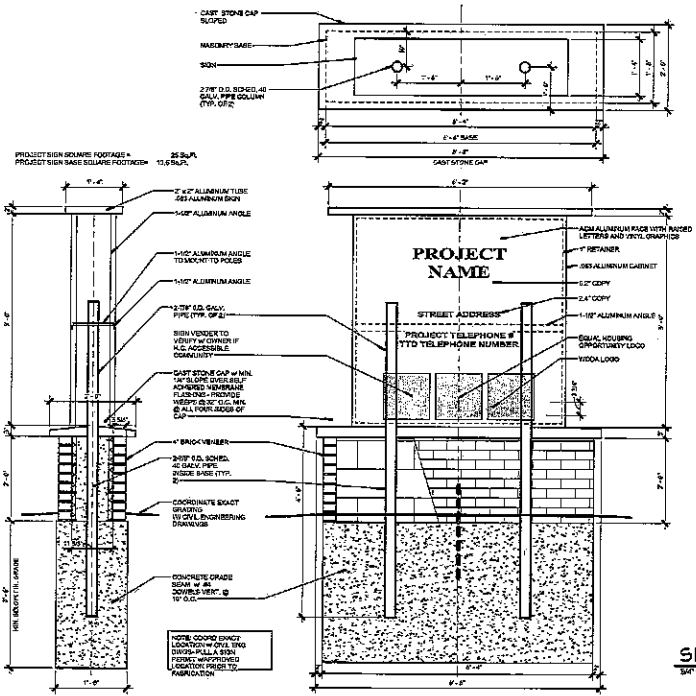
Item	Description	Quantity	Unit	Notes
1	LED AREA LIGHTING	1	EA	
2
3
4
5
6
7
8
9
10



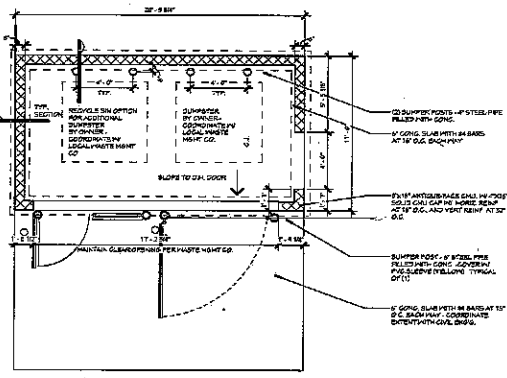
CMU DUMPSTER SECTION
SAC-110P



TYPICAL ELEVATION



SITE SIGN
SAC-110P



ACCESSIBLE DUMPSTER ENCLOSURE
SAC-110P

WODA COOPER COMPANIES



Hooker DeJong, Inc.
Architects | Engineers | Planners

SITE INFORMATION | CSP.4

BAY DE NOC APARTMENTS

500 N 26th St.
Escanaba, MI 49829
2020-0212

Agenda Item: NB-2

4-16-2020

City Council Agenda Item Request

Date: 3/11/2020

Name: Jeff Lampi 

Department: Water

Item: Intent to Apply form for DWRF Loan

Explanation for request:

Administration is requesting City Council's approval to submit the attached "Intent to Apply Form", requesting a Drinking Water State Revolving Fund (DWRF), loan in the amount of Twenty Million Dollars (\$20,000,000.00) for the purpose of replacing aging infrastructure within the existing water distribution system.



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
FINANCE DIVISION
CLEAN WATER AND DRINKING WATER STATE REVOLVING FUND/
STRATEGIC WATER QUALITY INITIATIVES FUND

INTENT TO APPLY FORM

This form should be submitted by all applicants seeking funding in the next five years. Applicants participating in the ITA process receive early indication of the funding outlook for their project(s).

DATE: March 10, 2020

PROJECT(S) NAME (Brief Identifier): Water System Improvements

PROJECT(S) PURPOSE (Including general location and public health or water quality issue being addressed): Replace lead or lead contaminate water services and miscellaneous undersized/deficient water mains located in various areas within the City of Escanaba

Applicant Legal Name: City of Escanaba, MI

Applicant Contact Name: Jeff Lampi Title: Water and Wastewater Superintendent

Mailing Address (street, city, state, zip+4): PO BOX 948, 410 Ludington Street, Escanaba, MI 49829-

Phone No.: [REDACTED] Email: jlampi@escanaba.org

Consulting Engineer Name* (if applicable): Darren Pionk Firm: C2AE

Mailing Address (street, city, state, zip+4): 1211 Ludington Street, Escanaba, MI 49829-

Phone No.: [REDACTED] Email: [REDACTED]

PROJECT INFORMATION

Applicant Population: 12,181 Population Served by Project: 12,181

Treatment Facility Name (if applicable): Escanaba Water Plant

Estimated Total Project Cost: \$20,000,000

Year 1 Costs: \$8,000,000 Estimated Year 1 Costs Financed Through SRF: \$8,000,000

Future Year Costs (if applicable): \$12,000,000 Estimated Future Costs Financed Through SRF: \$12,000,000

Other Funding Sources (check all that apply): MDOT MEDC USDA Rural Development

Other Financing/Funding Agency: Click here to enter text.

Proposed Construction Start Date (mm/yyyy): 06-01-21

Completed Project-Related Planning Documents (check all that apply; do not need to submit at this time): Capital Improvements Plan Asset Management Plan Preliminary Engineering Report Environmental Report Project Plan Infiltration & Inflow Study Sanitary Sewer Evaluation Study NASSCO Report Watershed Management Plan Master Plan Reliability Study Other: Click here to enter text.

ADDITIONAL INFORMATION

Disadvantaged Community (as determined by EGLE)? Yes No Unknown

For a preliminary determination from EGLE, complete and attach the [Disadvantaged Community Status Determination Worksheet](#).

Does the proposed project include any green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities? Yes No Unknown

If yes, please describe: Click here to enter text.

Deadlines: The ITA form may be submitted at any time, but is due on or before April 1, to allow for sufficient time for the pre-application meeting and to be placed on the DWSRF or CWSRF/SWQIF Project Priority List (PPL).

Pre-Application Meeting: The applicant will be contacted by an assigned Water Infrastructure Financing Section (WIFS) project manager within 14 days of receipt of this ITA form to schedule a pre-application discussion. This meeting can help to identify project funding opportunities and challenges earlier in the planning stage to better guide the efforts of the applicant and their consulting engineer. Suggested attendees would include the WIFS project manager, EGLE district engineer, applicant representative(s), and any other applicable attendees.

Questions: Please visit our website at Michigan.gov/CleanWaterRevolvingFund or Michigan.gov/DrinkingWaterRevolvingFund or call [REDACTED]

Please submit this form by email to EGLE-WIFS@Michigan.gov.

Agenda Item: NB 3

Date: 04-16-2020

City Council Agenda Item Request

Date: 3/13/20

Name: Roxanne Spencer

Department: Planning & Zoning

Item: RRC Recertification Action Plan Approval

Meeting date requested: 04/16/2020

Explanation for request:

Administration is requesting approval of the Redevelopment Ready Community (RRC) Action Plan which outlines the timetable for completing required actions to achieve recertification.

RRC Recertification Action Plan – Escanaba

The table below reflects the agreed upon timetable for bringing the city back into full alignment with the RRC Best Practices in order to maintain the city’s certification status. This table reflects all the recommended actions from the recertification memo issued in December 2019 including some which have since been completed.

This action plan has been agreed upon by the RRC team and city representatives as of **XX March 2020.**

Criteria	Description	Proposed Action to Take	Target Date
1.1.1	Master Plan	Update the Planning Commission annual report to include a progress update on the city’s efforts to achieve the master plan goals and actions.	Complete – Feb 2020
1.1.4	Capital Improvements Plan	Extend the CIP to include six years (currently only five).	May 2020
1.2	Public Participation Plan	Update the public participation plan to remove outdated references and a more active evaluation component.	Complete – Feb 2020
2.1	Zoning Regulations	CUPPAD is currently conducting a zoning audit using RRC funding. Once that audit is complete, there may be minor updates needed to fully align.	Audit Complete
3.1.3	Development Review Process – Conceptual Meetings	Clearly advertise the availability of conceptual review meetings on the website. Create a checklist or guidance document outlining how to prepare and what will be covered.	April 2020
3.1.5	Development Review Process – Internal Review Process	Document the internal review process – from application to zoning permit.	September 2020
3.1.6	Development Review Process – Prompt Action	Remove the required public hearing for <i>permitted uses</i> . This hearing is not legally required and adds cost, time, and uncertainty for projects which much legally be approved as long as they meet the zoning ordinance requirements.	May 2020
3.2.1	Guide to Development	Develop a more detailed online guide to development as part of the new website.	April 2020
4.1.1*	Recruitment and Orientation	Develop position descriptions for development-related boards.	May 2020

		Document the appointment process from application to orientation.	
4.1.2*	Recruitment and Orientation	Complete the city's current efforts to create a boards and commissions handbook, including orientation sections.	May 2020
4.2.2*	Recruitment and Education – Strategy & Tracking	Create training strategies for development-related boards and commissions	May 2020
4.2.2*	Recruitment and Education – Consistent Reminders	Add training as a standing agenda item for development-related boards.	March 2020
4.2.4	Recruitment and Education – Joint Meeting	Hold a joint meeting or training with council, planning commission, and DDA (others as desired) at least annually.	Complete – Feb 2020
5.1.2	Economic Development Strategy - Reporting	Included the master plan – incorporate the annual progress update into the planning commission annual report.	Complete – Feb 2020
5.2.1	Marketing and Promotion – Marketing Strategy	Review the city's marketing strategy from 2017 and identify next steps with key partners, including a matrix of actions and responsible parties.	September 2020
6.1	Redevelopment Ready Sites	Identify a third priority site and provide the requested information to MEDC to complete three site information sheets.	April 9, 2020

*RRC is aware that the city is in the process of filling the DDA Director position and that the vacancy may delay these best practice items for the DDA. RRC will work with the city to identify DDA-specific timelines once that position.

Agenda Item: NB - 5__

Date: 04/01/20_____

City Council Agenda Item Request

Date:

Name:

Department:

Item:

Meeting date requested:

Explanation for request:

Proposal for Software and Services, Presented to...

City of Escanaba, Delta County MI

February 19, 2020

Quoted by: Keegan Nixon



Thank you for the opportunity to quote our software and services.

At BS&A, we are focused on delivering unparalleled service, solutions, support, and customer satisfaction. You'll see this in our literature, but it's not just a marketing strategy... it's a mindset deeply embedded in our DNA. Our goal is to provide such remarkable customer service that our customers feel compelled to remark about it.

*We are extremely proud of the many long-term customer relationships we have built. Our success is directly correlated with putting the customer first and consistently choosing to **listen**. Delivering unparalleled customer service is the foundation of our company.*

Cost Summary

Applications and Annual Service Fee prices based on an approximate parcel count of 6,372 and population of 13,140. Software is licensed for use only by municipality identified on the cover page. If used for additional entities or agencies, please contact BS&A for appropriate pricing. Prices subject to change if the actual count is significantly different than the estimated count.

Applications

Community Development

Building Department .NET	\$8,715
Field Inspection .NET	\$3,490
Total:	\$12,205

Database Setup

Database Setup:

Building Department (per database)	\$3,000
------------------------------------	----------------

No data conversion or database setup to be performed for:
Field Inspection

Project Management and Implementation Planning

Services include:

- Analyzing customer processes to ensure all critical components are addressed.
- Creating and managing the project schedule in accordance with the customer's existing processes and needs.
- Planning and scheduling training around any planned process changes included in the project plan.
- Modifying the project schedule as needed to accommodate any changes to the scope and requirements of the project that are discovered.
- Providing a central contact between the customer's project leaders, developers, trainers, IT staff, conversion staff, and other resources required throughout the transition period.
- Installing the software and providing IT consultation for network, server, and workstation configuration and requirements.
- Reviewing and addressing the specifications for needed customizations to meet customer needs (when applicable).

\$7,250

Implementation and Training

- \$1,000/day
- Days quoted are estimates; you are billed for actual days used

Services include:

- Setting up users and user security rights for each application
- Performing final process and procedure review
- Configuring custom settings in each application to fit the needs of the customer
- Setting up application integration and workflow methods
- Onsite verification of converted data for balancing and auditing purposes
- Training and Go-Live

Software Setup	Days:	1		\$1,000
Community Development Applications	Days:	12		\$12,000
	Total:	13	Subtotal	\$13,000

Cost Totals

Not including Annual Service Fees

Applications	\$12,205
Database Setup	\$3,000
Project Management and Implementation Planning	\$7,250
Implementation and Training	\$13,000

Total Proposed **\$35,455**

Travel Expenses *\$6,500*

Payment Schedule

1st Payment: **\$10,250** to be invoiced upon execution of this agreement.

2nd Payment: **\$12,205** to be invoiced at start of training.

3rd Payment: **\$19,500** to be invoiced upon completion of training.

Annual Service Fees

Unlimited support during your first year with the program is included in your purchase price. Thereafter, Service Fees are billed annually. After two (2) years, BS&A Software reserves the right to increase the Annual Service Fee by no more than the yearly Consumers Price Index for All Urban Consumers U.S. city average (CPI-U).

Community Development	
Building Department .NET	\$1,835
Field Inspection .NET	\$735
<hr/>	
Total:	\$2,570

Additional Information

Program Customization

BS&A strives to provide a flexible solution that can be tailored to each municipality's needs. However, in some cases, custom work may be required. Typical examples include:

- ˘ custom payment import/lock box import
- ˘ custom OCR scan-line
- ˘ custom journal export to an outside accounting system
- ˘ custom reports

If you require any custom work, please let us know so that we can better understand the scope of your request and include that in a separate proposal.

Additional Training - Building Department Report Designer

Most of our Building Department customers heavily use our Report Designer, which is included free with the program. Report Designer Training is not included in the training quoted on this proposal and is highly recommended. You may attend a class at our office in Bath Township, or we can train at your location. Report Designer Training is typically completed in one day.

Please check the option you are interested in. Report Designer Training will be scheduled after successful implementation and training of your Building Department software.

- Classroom training, \$205/person/day
- On-site training (unlimited attendees), \$1,000/day, travel not included

Acceptance

Signature constitutes...

1. An order for products and services as quoted
Quoted prices do not include Program Customization, training beyond the estimated number of days, or recommended Bank Reconciliation Consultation
2. Agreement with the proposed Annual Service Fees
3. Acceptance of BS&A's hardware recommendations required to efficiently run the .NET applications

Signature

Date

BS&A PLEDGE. We offer a one-year, risk-reversal pledge on our software. If, up to a year after installation, you are not happy with our software and service, you can return our software for a full refund.

Returning Accepted Proposal to BS&A

Please return the entire proposal, with signature/date (this page) and contact information (next page) filled out, by any of these methods:

Mail: BS&A Software
14965 Abbey Lane
Bath, MI 48808

Fax: (517) 641-8960

Email: knixon@bsasoftware.com

Once your proposal is received, a BS&A representative will contact you to begin the scheduling process.



Contact Information

If any mailing addresses are PO Boxes, please also provide a Street Address for UPS/Overnight mail.

If additional contacts need to be submitted, please make a copy of this page.

Key Contact for Implementation and Project Management

Name _____ Title _____

Phone/Fax _____ Email _____

Mailing Address _____

City, State, Zip _____

IT Contact

Name _____ Title _____

Phone/Fax _____ Email _____

Mailing Address _____

City, State, Zip _____

City Council Agenda Item Request

Date: 4/9/20

Name: Jeff Lampi

Department: Wastewater

Item: Bonding Ordinance for WWTP SRF project

Explanation for request:

Administration is requesting city council's approval of an Ordinance authorizing the issuance of the Wastewater System Revenue Bonds for the WWTP project in an amount not to exceed \$14,000,000.

The Ordinance 1226 is attached to this request. You will also find a cover letter from Patrick McGow; of Miller Canfield, explaining this action in more detail.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL [REDACTED]
FAX [REDACTED]
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

D.C.: Washington

ILLINOIS: Chicago

NEW YORK: New York

OHIO: Cincinnati • Cleveland

CANADA: Windsor

CHINA: Shanghai

MEXICO: Monterrey

POLAND: Gdynia

Warsaw • Wroclaw

PATRICK F. McGOW
TEL [REDACTED]
FAX [REDACTED]
E-MAIL [REDACTED]

April 9, 2020

Mr. Patrick Jordan
City Manager
City of Escanaba
410 Ludington Street
Escanaba MI 49829-0948

Re: City of Escanaba SRF Bonds for Waste Water System Project

Dear Pat:

I have enclosed an Ordinance authorizing the issuance of the above-captioned Waste Water System Revenue Bonds to be considered for approval by the City Council at its meeting on April 16th. The Waste Water Bonds are to be sold through the Michigan Finance Authority's ("MFA") 3rd Quarter State Revolving Fund ("SRF") Program scheduled to close on June 12th.

The Waste Water Bond Ordinance authorizes the issuance of the Bonds in an amount not to exceed \$14,000,000 for the Waste Water Treatment Plant projects, which is the maximum authorized under the Notice of Intent Resolution the City Council approved on October 17th. The remaining costs of the Project will need to come from other sources available to the City.

The Bond Ordinance authorizes the issuance of the Series 2020 Bonds, which are payable from the Net Revenues of the City's Waste Water System. The Bonds are expected to be sold to the MFA and payable in 20 annual principal installments at an interest rate of 2.00%. The Bonds are the only revenue bonds payable from the Waste Water System and are being established as a junior lien to give the City flexibility to issue additional revenue bonds of equal or senior standing at a later date if desired. As additional security, and to satisfy the MFA's investment grade credit requirement, the City is pledging its limited tax full faith and credit for the payment of the Bonds. If the Net Revenues of the System at any time are insufficient to pay the principal of and interest on the Series 2020 Bonds when due, then the City is required to advance from any available funds, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to constitutional, statutory and charter tax limitations. The City shall then be reimbursed later for any such advance from the Net Revenues of the System.

This Bond issuance process through the SRF Program is the same process that the City followed years ago in 1998 through the SRF for the Waste Water System (which Bonds were paid off in 2018) and more recently, similar to the Water Supply System, Series 2002 Bonds and

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Patrick Jordan

-2-

April 9, 2020

Series 2007 Bonds which were issued and sold through the Drinking Water Revolving Fund program.

The Ordinance also authorizes various City officials to take the necessary actions to execute and deliver the Bonds and all related documents, approve the final size of the Bonds and contains the necessary items required by the Revenue Bond Act, Act 94 of 1933.

Pursuant to the Revenue Bond Act, the Ordinance may be adopted in one reading, regardless of any contrary provision in the City's ordinance adoption procedures. Each Ordinance is required to be published once in full in your local newspaper after its adoption. There are no restrictions or requirements on the size of the publication, so it can be as small as possible. Upon adoption by the City Council, we would appreciate receiving three (3) certified copies of the Ordinance and three (3) Affidavits of Publication of the Ordinance for bond transcripts.

The Part III application to EGLE with the construction bids and tentative contract approval is due on April 17th. The EGLE Order of Approval is expected to be issued on May 19th. There will be a conference call with MFA, EGLE and City officials on May 6th which we will participate in, to make final arrangements relating to the Bond terms. At that time, the final bond size will be determined and we will prepare the necessary documents to be signed by various City officials after that date regarding the sale and delivery of the Bonds. The closing for the Bonds will be June 12th and the City can begin requesting draws on the Bonds after that date.

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

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: 

Patrick F. McGow

Enclosure

Enclosure

cc: Jeff Lampi
Melissa Becotte
Tom Traciak
Chuck Lawson

35629007.1\027017-0002E

ORDINANCE NO. _____
CITY OF ESCANABA

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ADDITIONS AND IMPROVEMENTS TO THE WASTE WATER SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COST THEREOF; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SYSTEM REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO ESTABLISH SEPARATE SERIES OF BONDS OF SENIOR AND SUBORDINATE STATUS WITH RESPECT TO THE NET REVENUES OF THE SYSTEM; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF ESCANABA ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.
- (b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the City in lieu of taxes, to which may be made the following adjustments.
 - (i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.
 - (ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.
- (c) "Authority" means the Michigan Finance Authority or its successor.
- (d) "Authorized Officers" means the City Manager, the City Controller, the Water - Wastewater Superintendent and the City Clerk of the City.

(e) "Bonds" or "Senior Lien Bonds" means any bonds or series of bonds so designated and payable from Net Revenues, which are secured by a statutory first lien on the Net Revenues established by this Ordinance and which are senior and superior in all respects with respect to the Net Revenues to any Junior Lien Bonds secured by the statutory second lien established by this Ordinance, together with any additional Bonds of equal standing thereafter issued.

(f) "City" or "Issuer" means the City of Escanaba, County of Delta, State of Michigan.

(g) "EGLE" means the means the Michigan Department of Environment, Great Lakes, and Energy, or its successor.

(h) "Engineers" means C2AE, registered engineers of Escanaba, Michigan.

(i) "Junior Lien Bonds" means Series 2020 Bond and any additional bonds of equal standing with the Series 2020 Bond which are secured by a statutory second lien on the Net Revenues and are junior and subordinate to the Senior Lien Bonds.

(j) "Project" means the acquisition, construction, furnishing and equipping of improvements to the Waste Water System of the City, including including Waste Water Treatment Plant improvements, together with all related appurtenances and attachments.

(k) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the City relating to the purchase by the Authority of the Series 2020 Bond.

(l) "Revenues" and "Net Revenues" shall mean the revenues and net revenues of the City derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues," the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

(m) "Series 2020 Bond" means the Waste Water System Junior Lien Revenue Bond, Series 2020 (Limited Tax General Obligation), of the City in the principal amount of not to exceed \$14,000,000 authorized by this Ordinance.

(n) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds or Junior Lien Bonds and the principal and redemption premium, if any, on the Bonds or Junior Lien Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(o) "Supplemental Agreement" means the supplemental agreement among the City, the Authority and the EGLE relating to the Series 2020 Bond.

(p) "System" means the Waste Water System of the City, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity, Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the State Revolving Fund financing program being administered by the EGLE and the Authority, whereby bonds of the City are sold to the Authority and bear interest at a fixed rate of not to exceed two percent (2.00%) per annum.

Section 3. Costs, Useful Life. The cost of the Project is estimated to be an amount not less than Fourteen Million Dollars (\$14,000,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost, Bonds Authorized. To pay part of the cost of acquiring the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2020 Bond, the City shall borrow the sum of not to exceed Fourteen Million Dollars (\$14,000,000), and issue the Series 2020 Bond therefor pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from City funds on hand and legally available for such use.

Section 5. Issuance of Series 2020 Bond; Details. The Series 2020 Bond of the City, to be designated WASTE WATER SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2020 (LIMITED TAX GENERAL OBLIGATION) is authorized to be issued in the aggregate principal sum of not to exceed Fourteen Million Dollars (\$14,000,000) or such lesser amount as finally determined by order of the EGLE for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2020 Bond. The Series 2020 Bond shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof, provided that said Series 2020 Bond shall be junior and subordinate to the prior lien with respect to the Net Revenues of any Senior Lien Bonds hereafter issued.

The Series 2020 Bond shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the EGLE at the time of sale of the Series 2020 Bond and approved by the Authority and an Authorized Officer. Principal installments of the Series 2020 Bond shall be payable on October 1 of the years 2022 through 2041, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2020 Bond shall be payable on April 1 and October 1 of each year, commencing October 1, 2020 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2020 Bond and the payment dates and amounts of principal installments of the Series 2020 Bond shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and

deliver the Purchase Contract when in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than October 1, 2020 and the total principal amount shall not exceed \$14,000,000.

The Series 2020 Bond shall bear interest at a rate of two percent (2.00%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2020 Bond in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2020 Bond is expected to be drawn down by the City periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the City.

The Series 2020 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2020 Bond shall be payable as provided in the Series 2020 Bond form in this Ordinance.

The Series 2020 Bond shall be subject to optional redemption by the City with the prior written approval of the Authority and on such terms as may be required by the Authority.

The Treasurer shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the City of all outstanding principal of and interest on the Series 2020 Bond, the Authority shall deliver the Series 2020 Bond to the City for cancellation.

Section 6. Execution of Series 2020 Bond. The Series 2020 Bond shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City or facsimile thereof impressed thereon. The Series 2020 Bond bearing the manual or facsimile signatures of the Mayor and the City Clerk sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond or Junior Lien Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond or Junior Lien Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Junior Lien Bond shall be surrendered for transfer, the City shall execute and the transfer agent shall authenticate and deliver a new Bond or Junior Lien Bond, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The City shall not be required (i) to issue, register the transfer of or exchange any Bond or Junior Lien Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2020 Bond contained in Section 18 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond or Junior Lien Bond so

selected for redemption in whole or in part, except the unredeemed portion of Bonds or Junior Lien Bonds being redeemed in part. The City shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds or Junior Lien Bond, which shall at all times be open to inspection by the City; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on said books Bonds or Junior Lien Bond as hereinbefore provided.

If any Bond or Junior Lien Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond or Junior Lien Bond of like tenor in exchange and substitution for the mutilated Bond or Junior Lien Bond, upon surrender to the transfer agent of the mutilated Bond or Junior Lien Bond. If any Bond or Junior Lien Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the City, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond or Junior Lien Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond or Junior Lien Bond so lost, destroyed or stolen. If any such Bond or Junior Lien Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond or Junior Lien Bond the transfer agent may pay the same without surrender thereof.

Section 8. Payment of Series 2020 Bond; Security; Priority of Lien; Limited Tax General Obligation Pledge. Any Bonds hereafter issued and the interest thereon shall be payable primarily from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien to continue until payment in full of the principal of and interest on all Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Bonds of a series then outstanding, principal and interest on such Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any.

Any Junior Lien Bonds issued hereunder, including the Series 2020 Bond, and the interest thereon shall be payable primarily from the Net Revenues, and to secure such payment, there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a second lien, subject only to the statutory first lien established with respect to the Senior Lien Bonds, to continue until payment in full of the principal of and interest on all Junior Lien Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Junior Lien Bonds of a series then outstanding, principal and interest on such Junior Lien Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory lien on the Net Revenues created with respect to the Junior Lien

Bonds (including the Series 2020 Bond) shall at all times be and remain subordinate and inferior to the pledge of Net Revenues and the statutory first lien thereon authorized to be granted to secure any Senior Lien Bonds hereafter issued.

In addition, for the Series 2020 Bond being sold to the Authority, the Issuer hereby pledges its limited tax full faith and credit for the payment of the principal of and interest on the Series 2020 Bond. Should the Net Revenues of the System at any time be insufficient to pay the principal of and interest on the Series 2020 Bond as the same become due, then the Issuer shall advance from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the Issuer, subject to constitutional, statutory and charter tax limitations, such sums as may be necessary to pay said principal and interest. The Issuer shall be reimbursed for any such advance from the Net Revenues of the System subsequently received which are not otherwise pledged or encumbered by this Ordinance.

Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentences, the statutory lien shall be terminated with respect to that series of Bonds or Junior Lien Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds or Junior Lien Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 9. Bondholders' Rights; Receiver. The holder or holders of the Bonds or Junior Lien Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds or the Junior Lien Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the City and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the City more particularly set forth herein and in Act 94.

The holder or holders of the Bonds and the Junior Lien Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the Junior Lien Bonds and the security therefor.

Section 10. Management; Fiscal Year. The operation, repair and management of the System and the acquisition and construction of the Project shall be under the supervision and control of the City Council. The City Council, in accordance with the relevant provisions of the City Charter, may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Council may make such rules and regulations as it deems advisable and necessary to assure the efficient

management and operation of the System. The fiscal year of the System shall be the fiscal year of the City.

Section 11. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 12. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 13. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds and the Junior Lien Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is agreed that the rates shall be set from time to time so that there shall be produced each fiscal year Net Revenues in an amount not less than 110% of the principal of and interest on all Bonds coming due in each fiscal year and not less than 100% of the principal of and interest on all Junior Lien Bonds coming due in each fiscal year. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 14. Funds and Accounts; Flow of Funds. Commencing on July 1, 2020, all funds belonging to the System shall be transferred as herein indicated and all Revenues of the System shall be set aside as collected and credited to a fund to be designated WASTE WATER SYSTEM RECEIVING FUND (the "Receiving Fund"). In addition, on July 1, 2020, all Revenues in any accounts of the System shall be transferred to the Receiving Fund and credited to the funds and accounts as provided in this section. The Revenues credited to the Receiving Fund are pledged for the purpose of the following funds and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority hereinafter specified:

A. OPERATION AND MAINTENANCE ACCOUNT:

Out of the Revenues credited to the Receiving Fund there shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE ACCOUNT (the "Operation and Maintenance Account"), monthly a sum sufficient to provide for the payment of the next month's expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the same in good repair and working order.

A budget, showing in detail the estimated costs of administration, operation and maintenance of the System for the next ensuing operating year, shall be prepared by the City at least 30 days prior to the commencement of each ensuing operating year. No

payments shall be made to the City from moneys credited to the Operation and Maintenance Account except for services directly rendered to the System by the City or its personnel.

B. BOND AND INTEREST REDEMPTION ACCOUNT:

There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION ACCOUNT (the "Redemption Account"), the moneys on deposit therein from time to time to be used solely for the purpose of paying the principal of, redemption premiums (if any) and interest on the Bonds. The moneys in the Redemption Account shall be kept on deposit with the bank or trust company where the principal of and interest on the Bonds, or any series thereof, are payable.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Account, there shall be set aside in the Redemption Account each month, commencing with the date of issue of a series of Bonds, a sum proportionately sufficient to provide for the payment when due of the then current principal of and interest on the Bonds, less any amount in the Redemption Account representing accrued interest on the Bonds or investment income on amounts on deposit in the Redemption Account. Commencing with the date of issue of a series of Bonds, the amount set aside each month for interest on the Bonds shall be the fractional amount of the total amount of interest on the Bonds next coming due derived from the number of months from the date of issue of the Bonds to the first interest payment date. Commencing with the first interest payment date, the amount set aside each month for interest on the Bonds shall be $1/6$ of the total amount of interest on the Bonds next coming due. The amount set aside each month for principal, commencing with the date of issue of a series of Bonds, shall be the fractional amount of the total amount of principal on the Bonds next coming due by maturity or sinking fund redemption derived from the number of months from the date of issue of the Bonds to the first principal payment date. The amount set aside each month for principal payment commencing with the first principal payment date shall be $1/12$ of the amount of principal next coming due by maturity or sinking fund redemption. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding monthly requirements. The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Redemption Account, including investment income thereon, is necessary to pay principal and interest due on the Bonds on the next succeeding principal payment date.

C. JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT:

There is hereby established and there shall be maintained a separate depository account designated JUNIOR LIEN BOND AND INTEREST REDEMPTION ACCOUNT (the "Junior Lien Redemption Account"). Except as otherwise provided herein, the moneys on deposit therein from time to time shall be used for the purpose of paying the principal or Redemption Price of and interest on any Junior Lien Bonds.

Out of the Revenues remaining in the Receiving Fund, after transfer, if required, for deposit into the Operation and Maintenance Account and the Redemption Account, there shall be set aside monthly in the Junior Lien Redemption Account a sum sufficient to provide for the next payment when due of the principal of and interest on the Junior Lien Bonds, less any amount in the Junior Lien Redemption Account representing accrued interest on the Junior Lien Bonds, and less the sum of any funds actually on deposit in the Junior Lien Redemption Account. The amount set aside and transferred to the Junior Lien Redemption Account each month for interest on the Junior Lien Bonds shall be $1/6$ of the total amount of interest on the Junior Lien Bonds next coming due or such greater or lesser amount as is necessary to assure that the amount set aside in the Junior Lien Redemption Account as of the first of such month is not less than the product of (a) $1/6$ of the amount of interest next due on the Junior Lien Bonds times (b) the number of months elapsed since and including the last interest payment date. For the month immediately prior to each interest payment date the amount set aside and transferred to the Junior Lien Redemption Account to pay interest shall be reduced by amounts, including investment earnings, available in the Junior Lien Redemption Account which are available for such purpose. The amount set aside and transferred to the Junior Lien Redemption Account each month for principal commencing twelve months prior to the first maturity or mandatory sinking fund redemption date shall be $1/12$ of the amount of principal next coming due on the Junior Lien Bonds by maturity or as a mandatory redemption requirement or such greater or lesser amount as is necessary to assure that the amount set aside in the Junior Lien Redemption Account as of the first of such month is not less than the product of $1/12$ of the amount of principal next due on the Junior Lien Bonds times (b) the number of months elapsed since and including the last principal payment date. If there is any deficiency in the amount previously set aside, that deficiency shall be added to the next succeeding month's requirement.

No further payments need be made into the Junior Lien Redemption Account after enough of the principal installments of the Junior Lien Bonds have been retired so that the amount then held in the Junior Lien Redemption Account (including a bond reserve account, if any), is equal to the entire amount of principal and interest which will be payable at the time of maturity of all the principal installments of the Bond then remaining outstanding.

D. REPLACEMENT AND IMPROVEMENT FUND:

There shall next be established and maintained a fund, separate depository account, designated WASTE WATER SYSTEM REPLACEMENT ACCOUNT or such other designation determined by the Treasurer (the "Replacement Account"), the money credited thereto to be used solely for the purpose of making repairs and replacements to the System. Out of the Revenues and moneys of the System remaining in the Receiving Fund each month after provision has been made for the deposit of moneys in the Operation and Maintenance Account, the Redemption Account and the Junior Lien Redemption Account, there may be deposited in the Replacement Account such additional funds as the City may deem advisable. If at any time it shall be necessary to use moneys in the Replacement Account for the purpose for which the Replacement Account was established, the moneys so used shall be replaced from any moneys in the

Receiving Fund which are not required by this Ordinance to be used for the Operation and Maintenance Account, the Redemption Account, or the Junior Lien Redemption Account.

E. GENERAL OBLIGATION DEBT ACCOUNT:

Out of the remaining Revenues in the Receiving Fund, there may be next set aside in or credited to monthly after meeting the requirements of the foregoing Account, to an account designated General Obligation Debt Account (the "G.O. Fund"), or from other available moneys such sums as shall be necessary to pay debt service on presently existing or future general obligation bond issues of the City or general obligations or contractual obligations of the City incurred or to be incurred for System purposes.

F. SURPLUS MONEYS:

Thereafter, any Revenues in the Receiving Fund after satisfying all the foregoing requirements of this Section may, at the discretion of the City, be used for any of the following purposes:

1. Transferred to the Replacement Account.
2. Transferred to the Redemption Account and used for the purchase of Bonds on the open market at not more than the fair market value thereof or used to redeem Bonds prior to maturity pursuant to this Ordinance.
3. Any other use permitted by law.

Section 15. Priority of Funds. In the event the moneys in the Receiving Fund are insufficient to provide for the current requirements of the Operation and Maintenance Account, the Redemption Account, or the Junior Lien Redemption Account, any moneys or securities in other funds of the System, except the proceeds of sale of the Bonds, shall be credited or transferred, first, to the Operation and Maintenance Account, and second to the Redemption Account.

Section 16. Investments. Moneys in the funds and accounts established herein and moneys derived from the proceeds of sale of the Bonds, may be invested by the City in United States of America obligations or in obligations the principal of and interest on which is fully guaranteed by the United States of America and any investments now or hereafter permitted by Act 94 or other controlling law. Investment of moneys in the Redemption Account or the Junior Lien Redemption Account being accumulated for payment of the next maturing principal or interest payment of the Bonds or of the Junior Lien Bonds shall be limited to obligations bearing maturity dates prior to the date of the next maturing principal or interest payment on the Bonds or the Junior Lien Bonds. In the event investments are made, any securities representing the same shall be kept on deposit with the bank or trust company having on deposit the fund or funds or account from which the purchase was made. Profit realized or interest income earned on investment of funds in the Funds established hereunder shall be deposited in or credited to the Fund having realized the profit or earned the interest (unless otherwise expressly provided in this

Ordinance or as determined by the City), such deposit or credit to occur periodically but not less often than at the end of each fiscal year.

Section 17. Bond Proceeds. From the proceeds of the sale of the Series 2020 Bond there shall be immediately deposited in the Junior Lien Redemption Account an amount equal to the accrued interest and premium, if any, received on the delivery of the Series 2020 Bond. The balance of the proceeds of the sale of the Series 2020 Bond shall be deposited in a bank or banks, designated by the City, qualified to act as depository of the proceeds of sale under the provisions of Act 94, in an account designated 2020 WASTE WATER SYSTEM PROJECT CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof.

Any unexpended balance of the proceeds of sale of the Series 2020 Bond remaining after completion of the Project in the Construction Fund may, at the discretion of the City, be used for further improvements, enlargements and extension to the System, if, at the time of such expenditures, such use is approved by the Michigan Department of Treasury, if such permission is then required by law. Any remaining balance after such expenditure shall be paid to the Redemption Account and may be used for the purpose of purchasing the Series 2020 Bond on the open market at not more than the fair market value thereof, but not more than the price at which the Series 2020 Bond may next be called for redemption, or used for the purpose of paying principal of the Series 2020 Bond upon maturity or calling the Series 2020 Bond for redemption.

Section 18. Bond Form. The Series 2020 Bond shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance and further subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF DELTA

CITY OF ESCANABA

WASTE WATER SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2020
(LIMITED TAX GENERAL OBLIGATION)

REGISTERED OWNER: Michigan Finance Authority
PRINCIPAL AMOUNT: _____ Dollars (\$ _____)
DATE OF ORIGINAL ISSUE: _____, 2020

The CITY OF ESCANABA, County of Delta, State of Michigan (the "City"), for value received, hereby promises to pay, primarily out of the hereinafter described Net Revenues of the City's Waste Water System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$ _____ is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of two percent (2.00%) per annum. Interest is first payable October 1, 2020 and semiannually thereafter and principal is payable on the first day of October commencing October 1, 2021 (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Waste Water System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory second lien thereon is hereby recognized and created, subject to the senior lien of any additional Bonds of the City hereafter issued by the City, as set forth in the Ordinance (hereinafter defined). The City has reserved the right to issue such additional Bonds which shall be superior and senior in all respects to the bonds of this issue as to the Net Revenues.

Purchasers of the bonds of this issue, by their acceptance of the bonds of this issue or a beneficial ownership interest therein, shall be deemed to have consented to the subordination of their interest in and lien upon the Net Revenues upon the issuance of Bonds subsequent to the delivery of the bonds of this issue.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. ___ (the "Ordinance") duly adopted by the City Council of the City, and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

This bond is a self-liquidating bond, payable, both as to principal and interest, primarily from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned. As additional security, the City has pledged its limited tax full faith and credit for payment of the principal of and interest on the bonds of this issue, which includes the City's obligation to levy taxes, if necessary, within applicable constitutional, statutory and charter tax limitations.

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of the bonds of this issue, any additional Bonds, and any additional Junior Lien Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund (including a bond reserve account, if any) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by said Ordinance.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Escanaba, County of Delta, State of Michigan, by its City Council has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the City to be impressed or imprinted hereon, all as of the Date of Original Issue.

CITY OF ESCANABA

By _____
Mayor

(Seal)

Countersigned:

By _____
City Clerk

EGLE Project Number: 5683-01
EGLE Approved Amt: \$ _____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

<u>Maturity Date</u>	<u>Principal Amount</u>
October 1, 2022	\$575,000
October 1, 2023	590,000
October 1, 2024	600,000
October 1, 2025	610,000
October 1, 2026	625,000
October 1, 2027	635,000
October 1, 2028	650,000
October 1, 2029	660,000
October 1, 2030	675,000
October 1, 2031	690,000
October 1, 2032	705,000
October 1, 2033	715,000
October 1, 2034	730,000
October 1, 2035	745,000
October 1, 2036	760,000
October 1, 2037	775,000
October 1, 2038	790,000
October 1, 2039	805,000
October 1, 2040	825,000
October, 1, 2041	840,000

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 2.00% per annum, payable October 1, 2020, and semi-annually thereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 19. General Covenants. The City covenants and agrees with the holders of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest:

(a) The City will maintain the System in good repair and working order and will operate the same efficiently and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Michigan and this Ordinance.

(b) The City will keep proper books of record and account separate from all other records and accounts of the City, in which shall be made full and correct entries of all transactions relating to the System. The City shall have an annual audit of the books of record and account of the System for the preceding operating year made each year by an independent certified public accountant. The auditor shall comment on the manner in which the City is complying with the requirements of the Ordinance with respect to setting aside and investing moneys and meeting the requirements for acquiring and maintaining insurance. The audit shall be completed and so made available not later than six (6) months after the close of each operating year except as such period may be extended in conformance with the rules of the Michigan Department of Treasury.

(c) The City will maintain and carry, for the benefit of the holders of the Bonds, insurance on all physical properties of the System and liability insurance, of the kinds and in the amounts normally carried by municipalities engaged in the operation of a system, including self-insurance. All moneys received for losses under any such insurance policies shall be applied solely to the replacement and restoration of the property damaged or destroyed, and to the extent not so used, shall be used for the purpose of redeeming or purchasing Bonds.

(d) The City will not sell, lease or dispose of the System, or any substantial part, until all of the Bonds and Junior Lien Bonds have been paid in full, both as to principal and interest or provision made thereof as herein provided. The City will operate the System as economically as possible, will make all repairs and replacements necessary to keep the System in good repair and working order, and will not do or suffer to be done any act which would affect the System in such a way as to have a material adverse effect on the security for the Bonds and the Junior Lien Bonds.

(e) The City will not grant any franchise or other rights to any person, firm or corporation to operate a System that will compete with the System and the City will not operate a system that will compete with the System.

(f) The City will cause the Project to be acquired and constructed promptly and in accordance with the plans and specification therefor.

Section 20. Additional Bonds. Except as hereinafter provided, the City shall not issue additional Bonds of equal or prior standing with any initial series of Bonds issued hereunder.

The right is reserved in accordance with the provisions of Act 94, to issue additional Bonds or Junior Lien Bonds payable from the Revenues of the System which shall be of equal

standing and priority of lien on the Net Revenues of the System with the Bonds or Junior Lien Bonds but only for the following purposes and under the following terms and conditions:

(a) To complete the Project in accordance with the plans and specifications therefor. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to complete the Project in accordance with the plans and specifications therefor and stating the amount that will be required to complete the Project. If such certificate shall be so executed and filed with the City, it shall be the duty of the City to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the Project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part or all of the Bonds or Junior Lien Bonds then outstanding and paying costs of issuing such additional Bonds or Junior Lien Bonds. Bonds or Junior Lien Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the preceding twelve-month operating year shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Bonds or Junior Lien Bonds and on the additional Bonds then being issued. If the additional Bonds or Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds or Junior Lien Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds or Junior Lien Bonds to be refunded from the proceeds of the additional Bonds or Junior Lien Bonds. For purposes of this subparagraph (b) the City may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Bonds or Junior Lien Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Bonds or Junior Lien Bonds. Determination by the City as to existence of conditions permitting the issuance of additional Bonds or Junior Lien Bonds shall be conclusive. No additional Bonds or Junior Lien Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the City shall then be in default in making its required payments to the Operation and Maintenance Account or the Redemption Account.

(c) For refunding a part or all of the Bonds or Junior Lien Bonds then outstanding and paying costs of issuing such additional Bonds or Junior Lien Bonds including deposits which may be required to be made to a bond reserve account (if any) for such Bonds or Junior Lien Bonds. No additional Bonds or Junior Lien Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 21. Negotiated Sale; Application to EGLE and Authority; Execution of Documents. The City determines that it is in the best interest of the City to negotiate the sale of the Series 2020 Bond to the Authority because the State Revolving Fund financing programs provide significant interest savings to the City compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to make application to the Authority and to the EGLE for placement of the Series 2020 Bond with the Authority. The actions taken by the Authorized Officers with respect to the Series 2020 Bond prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officers is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2020 Bond for the State Revolving Fund. Prior to the delivery of the Series 2020 Bond to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2020 Bond contained in Section 18 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 22. Covenant Regarding Tax Exempt Status of the Bonds. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2020 Bond from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2020 Bond proceeds and moneys deemed to be Bond proceeds.

Section 23. Approval of Bond Counsel. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with its financing programs and borrowings.

Section 24. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2020 Bond issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2020 Bond shall not exceed two percent (2.00%) per annum, and the Series 2020 Bond shall mature in not more than twenty (20) annual installments.

Section 25. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 26. Severability, Paragraph Headings, and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 27. Publication and Recordation. This Ordinance shall be published in full in the *The Daily Press*, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 28. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 16th day of April, 2020.

Signed _____
Mayor

Signed _____
City Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Council of the City of Escanaba, County of Delta, Michigan, at a regular meeting held on the 16th day of April, 2020, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as temporarily modified by Governor Whitmer's Executive Order No. 2020-15 and its successors, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: _____ and
that the following Members were absent: _____

I further certify that Member _____ moved for adoption of said Ordinance, and that said motion was supported by Member _____.

I further certify that the following Members voted for adoption of said Ordinance: _____ and
that the following Members voted against adoption of said Ordinance: _____

I further certify that said Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and the City Clerk.

Phil DeMay
City Clerk

35628983.1\027017-00028

City Council Agenda Item Request

Date: 4/9/20

Name: Jeff Lampi



Department: Wastewater

Item: Request to award Construction Work for WWTP SRF project

Explanation for request:

Administration is requesting city council's approval to award the contract to Staab Construction Corporation of Marshfield Wi in the amount of \$13,352,000. The contract award should be made contingent upon receipt of the project financing from the State of Michigan under the State Revolving Loan program, successful negotiation of a deductive change order #1 with Staab, and sufficient City reserves to fund the shortfall.



1211 Ludington St.
Escanaba, MI 49829

O: [REDACTED]
[REDACTED]

4/9/2020

Mr. Jeff Lampi
Water and Wastewater Superintendent
City of Escanaba
PO Box 948
Escanaba, MI 49829

**Re: Waste Water Treatment Plant Improvements
SRF No. 5683-01 Project Number 18-0175
Award Recommendation**

Dear Mr. Lampi,

On April 2, 2020, the City of Escanaba received bids for its Waste Water Treatment Plant Improvement Project. A total of two (2) bids were received for the work. The bids are summarized below and a Bid Tabulation is attached.

LUMP SUM BASE BIDS

<u>Bidder</u>	<u>Total Base Bid</u>
Staab Construction Corporation	\$12,587,000.00
Grand Traverse Construction	\$17,506,000.00

The base bid for each exceeded the budgeted amount for this project. Despite a competitive bid environment, several bidders declined to bid at the last moment, focusing on other projects instead. Shortages of excavators quoting the project due to a large number of MDOT projects bidding this month and a WI mechanical competing project bidding 5 days later were cited as particularly limiting the bidding on this work. However, we believe that the Staab bid received was accurate and competitive given the current bidding environment. The second bidder, located over 6 hours away, noted their base bid was conservative. The apparent low bidder based on the Lump Sum Base Bid is Staab Construction.

ALTERNATES

The Bid included eight additive Alternates which could be declined to reduce project construction costs. It is recommended that Alternate No. 4 and 8 be accepted. Note that the alternates were very competitive between the contractors and that no combination of alternates accepted would result in a shift in the apparent low bidder.

	Staab	Recommendation
Additive Alternate No. 1 Effluent Booster Pump Station	\$1,100,000.00	Decline, consider adding later

Additive Alternate No. 2 Building Wall Exterior Siding	\$380,000.00	Decline
Additive Alternate No. 3 Full Demo. Of Primary Facilities	\$800,000.00	Decline
	Staab	Recommendation
Additive Alternate No. 4 Reduced Demolition of Primary Facilities	\$490,000.00	Accept
Additive Alternate No. 5 Vactor Storage Garage	\$1,080,000.00	Decline
Additive Alternate No. 6 Administration Building	\$260,000.00	Decline
Additive Alternate No. 7 Grit Slurry Pump Building	\$205,000.00	Decline
Additive Alternate No. 8 Raw Sewage Fine Screening	\$275,000.00	Accept

EVALUATED EQUIPMENT BIDS

Two important items of equipment were bid to allow the Owner to select the product of greatest long term value based on known pricing. For these two equipment items the Lump Sum Base Bid includes the lowest as highlighted below. The range of listed prices between bidders for each specific manufacturer of equipment is as summarized below.

Evaluated Bid - Screen Equipment Data Sheet

Manufacturer -	Cost	Recommendation
Huber	\$169,000.00	Accept Huber
Kusters	\$189,000.00	
JWC	\$232,000.00	
Duperon	\$364,000.00	

Base Bid - Vortex Grit Equipment	Smith and Loveless	Recommendation Accept Smith & Loveless
Alt. Manufacturer	Kusters Grit Equipment	
Alt. Cost Increase	\$30,000.00	

Subcontractors & Manufacturers

Mechanical Subcontractor	Staab
Electrical Subcontractor	Master
Instrumentation Subcontractor	E-Commerce
Fine Screen Manufacturer	Huber
Vortex Grit Equipment Manufacturer	Smith & Loveless
Clarifier Equipment Manufacturer	Hi-Tech, Kusters

Having reviewed technical information submitted with the bid and based on past experience of our company we recommend that the Award be based upon the following equipment:

- Huber Screening and Compacting Equipment
- Smith and Loveless Grit Equipment.

The range of equipment bids for each bidder can be seen in the Bid Tabulation. We note that generally competitive equipment bids were offered by Staab Construction Corporation.

AWARD RECOMMENDATION

We have reviewed the bids and information included with each bid. We offer the following Engineer's recommendation regarding the award:

It is recommended that the Award of the construction contract be based on the Lump Sum Base Bid without adjustment for the recommended Screening and Grit Equipment and including the additive Alternate #'s 4 and 8 increase. Based on adjustments the low bid was submitted by Staab Construction Corporation of Marshfield, Wisconsin, in the amount of \$13,352,000. We have reviewed the bid and find only minor irregularities. We have discussed past experience with the contractor. Staab Contracting has adequate experience and resources to complete this project in compliance with the Contract Documents.

PROJECT BUDGET SUMMARY

The total amount of the recommended low bid is \$13,352,000. This is 20% above the Engineer's opinion of cost and exceeds the financing planned for the project. The SRF funding is capped at a maximum loan amount of \$14,000,000 per the previous public notice. The remainder of the total project cost of \$16,058,000 or \$2,058,000 would be funded out of City reserves. The Award would include acceptance of Alternate No.'s 4 & 8 and selection of the Huber Screening Equipment and the Smith and Loveless Grit Equipment.

It is our recommendations that the City of Escanaba resolve to award the contract to Staab Construction Corporation in the amount of \$13,352,000.

The contract award should be made contingent upon receipt of the project financing from the State of Michigan under the State Revolving Loan program, successful negotiation of a deductive change order #1 with Staab, and sufficient City reserves to fund the shortfall.



Please contact us if any questions arise.

Sincerely,

C2AE

A handwritten signature in blue ink that reads 'Charles J. Lawson'. The signature is written in a cursive style and is positioned above a horizontal line.

Charles J. Lawson, P.E.
Project Manager

Enclosure

cc: 18-0175

City of Escanaba, MI
 WWTP Improvements Project
 Project No.: 18-0175
 SRF Project No.: 5683-01

BID TABULATION

Bid Open: April 2nd, 2020 @ 2:00 pm EDT. C2AE Conference Room via Zoom

Bidder Contact Information Contact Person Address Phone Email	Staab Construction Corp. Ron Twardoski 1800 Laemle Ave Marshfield, WI 54449 715.387.8429 ex. 283 ron.twardowski@staabco.com		Grand Traverse Construction Chris Weber 1714 Northern Star Drive Traverse City, MI 49696 231.929.1000 / Cell 231.649.0969 cweber@grandtraverseconstruction.com		
Signed and Sealed Bid Bid Attachments Bid Security DBE Form Debarment Certification Other Attachments	X Bid Bond (Penal Sum Form) X X Cert of Resolution, Publication Affidavit, Surety Cert.		X Bid Bond (Penal Sum Form) X, Separate Attachment X Cert of Resolution, Surety Cert., Publication Affidavit		
Addenda Acknowledged No. 1 - 3/16 Addenda Acknowledged No. 2 - 3/17 Addenda Acknowledged No. 3 - 3/26 Addenda Acknowledged No. 4 - 3/30	X X X X		X X X X		
Total Lump Sum Base Bid	\$12,587,000.00		\$17,506,000.00		
Additive Alternate No. 1 Effluent Booster Pump Station	\$1,100,000.00		\$1,244,850.00		
Additive Alternate No. 2 Building Wall Exterior Siding	\$380,000.00		\$264,525.00		
Additive Alternate No. 3 Full Demo. Of Primary Facilities	\$800,000.00		\$502,000.00		
Additive Alternate No. 4 Reduced Demolition of Primary Facilities	\$490,000.00		\$410,000.00		
Additive Alternate No. 5 Vactor Storage Garage	\$1,080,000.00		\$1,172,000.00		
Additive Alternate No. 6 Administration Building	\$260,000.00		\$270,592.00		
Additive Alternate No. 7 Grit Slurry Pump Building	\$205,000.00		\$287,877.00		
Additive Alternate No. 8 Raw Sewage Fine Screening	\$275,000.00		\$540,300.00		
Evaluated Bid - Screen Equipment Manufacturer - Cost		Data Sheet		Data Sheet	
JWC	\$232,000.00	X	\$195,754.00	X	
Duperon	\$364,000.00	X	\$275,500.00		
Huber	\$169,000.00	X	\$159,000.00		
Kusters	\$189,000.00	X	\$160,000.00	X	
Complete Package Notes, Irregularities, Etc.	Partial Spirac Equipment Data Included W/O Price	X			
Base Bid - Vortex Grit Equipment Alt. Manufacturer Complete Package Cost (Increase) Notes, Irregularities, Etc.	Smith and Loveless Kusters Grit Equipment \$30,000.00 Partial Spirac Equipment Data Included W/O Price	X X X	Smith and Loveless Kusters Grit Equipment \$17,000.00	X	
Subcontractors & Manufacturers Mechanical Subcontractor	Staab		Tweet Garot		

CITY OF ESCANABA, MICHIGAN
WWTP IMPROVEMENTS - SRF PROJECT PLAN
PRELIMINARY BUDGET - NO GRANT IMPACT

April 6, 2020

			<u>Amount</u>
I. Administration and Legal			
A. Advertising			
1. Ordinances and Resolutions	\$6,530		
2. Construction Bids	\$6,510		
	Subtotal Advertising	\$13,040	
B. Bonds			
1. Bond Counsel	\$42,500		
2. Publishing	\$9,000		
3. Filing Charges	\$6,000		
4. Financial Consultant	\$38,500		
	Subtotal Bonds	\$96,000	
C. Legal			
1. Resolutions and Ordinances	\$9,000		
2. Right-of-way Certification & Easement Work	\$0		
3. Bond Opinion	\$6,000		
4. Meetings, Correspondence and Contract Review	\$6,000		
	Subtotal Legal	\$21,000	
D. Permits			
		\$1,000	
	Total Administration and Legal		\$131,040
II. Land and Right-of-way			
A. Easements			
		\$0	
B. Title Insurance			
		\$0	
C. Land Purchase			
		\$0	
	Total Land and Right-of-way		\$0
III. Relocation Expenses			
			\$0
IV. Engineering - Basic Services (per EJCDC 2002 FA Agreement)			
A. Study & Report Phase			
		\$0	
B. Design Phase			
		\$977,000	
C. Bidding Phase			
		\$20,000	
D. Construction Phase			
1. General Engineering		\$200,000	
2. Resident Project Representative (see "Inspection" below - to match Federal 424 Appl. form)			
E. Post Construction Phase			
		\$10,000	
	Total Basic Services (Less RPR)		\$1,207,000
V. Engineering - Additional Services			
A. Land Soil Borings			
		\$10,000	
B. Site Survey and Mapping			
		\$0	
C. Equipment Evaluations			
		\$0	
D. Easements and Related Surveys			
		\$0	
G. Wetlands/Environmental Evaluations and Permits			
		\$4,000	
H. Construction Layout Control			
		\$15,000	
I. Construction Compaction Testing			
		\$15,000	
J. Construction Storm Water Monitoring			
		\$20,000	
K. Operation and Maintenance Manual (Primary Facility and Update)			
		\$19,600	
L. Hazardous Materials and Environmental Testing and Reporting			
		\$0	
M. Startup Services			
		\$15,900	
N. User Charge System			
		\$0	
O. Asst. Owner in Part 1 & 2 SRF app			
		\$10,000	
Q. Asst. Owner in Part 3 SRF app			
		\$8,500	
	Total Additional Services		\$118,000
VI. Inspection (RPR under Basic Eng. Constr. Phase in EJCDC FA Agreement)			
		\$300,000	\$300,000
VII. Construction			
A. WWTP Construction			
		\$12,587,000	
B. Primary Partial Deno			
		\$490,000	
C. Screening			
		\$275,000	
	Total Construction		\$13,352,000
VIII. Equipment			
			\$0
IX. Miscellaneous			
A. Asbestos abatement			
		\$40,000	
B.			
		\$0	
C.			
		\$0	
	Total Miscellaneous		\$40,000
X. Subtotal			
			\$15,149,000
XI. Contingency			
			\$909,000
XII. TOTAL			
			\$16,058,000

Total Engineering is:

\$1,625,000 12.2%

BID FORM FOR CONSTRUCTION CONTRACT

ESCANABA, MI
WASTEWATER TREATMENT PLANT IMPROVEMENTS
PROJECT NO. 18-0175
SRF NO. 5683-01

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 1—OWNER AND BIDDER

- 1.01 This Bid is submitted to: ~~City of Escanaba, Office of the City Clerk, City Hall, 410 Ludington Street, Escanaba, MI 49829.~~ **City of Escanaba c/o the a C2AE email lockbox, [REDACTED] as a scanned PDF attachment (ADM3)**
- 1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2—ATTACHMENTS TO THIS BID

- 2.01 The following documents are submitted with and made a condition of this Bid:
 - A. Required Bid security;
 - B. DBE Form (See Required Standard Contract Language: Clean Water State Revolving Fund and Drink Water Revolving Fund)
 - C. Debarment Certification (See Required Standard Contract Language: Clean Water State Revolving Fund and Drink Water Revolving Fund)
 - D. *Equipment data sheets and attachment packages are to be included with receipt of bid. (ADM3)*

ARTICLE 3—BASIS OF BID—LUMP SUM BID AND UNIT PRICES

- 3.01 *Lump Sum Bids*
 - A. Bidder will complete the Work in accordance with the Contract Documents for the following lump sum (stipulated) price(s):
 - 1. Lump Sum Price (Base Bid and Alternates)

Lump Sum Bid Price for Base Bid	\$ 12,587,000
Alternate 1 : Add Effluent Booster Pumps Station Construction (Add)	\$ 1,100,000
Alternate 2, Add Building Wall Exterior Siding (Add)	\$ 380,000

Alternate 3: Add Full Demolition of the Abandoned Primary Treatment Facilities (Add)	\$ 800,000
Alternate 4: Add Reduced Demolition of the Abandoned Primary Treatment Facilities (Add)	\$ 490,000
Alternate 5: Add Vactor Storage Garage Construction (Add)	\$ 1,080,000
Alternate 6: Add Administration Building Upgrade (Add)	\$ 260,000
Alternate 7: Add Grit Slurry Pump Building Construction (Add)	\$ 205,000
Alternate 8: Add All Work Associated with Raw Sewage Fine Screening (Add)	\$ 275,000

2. See Specification 01 2300 for additional detail of Alternates. Based Bid does not include the Alternate Prices. Owner may select any or multiple Alternates in no specific order as felt in their benefit.

B. All specified cash allowance(s) are included in the price(s) set forth below, and have been computed in accordance with Paragraph 13.02 of the General Conditions. Total of allowance number 1: Building Furnishings is included with additive alternate number 6 above. Furnishing allowance is not required if Alternate number 6 is not selected by Owner.

Lump Sum for Allowance 1, Building Furnishings	\$25,000
Lump Sum for Allowance 2	\$ NO BID

C. Grit Equipment Base Bid: Vortex Grit Removal Equipment Specified in Section 46 2423 and provided by Smith and Loveless is included in the Lump Sum Bid Price above. The Equipment and Installation cost for this equipment is the Base Bid included. For each additional listed manufacturer, the reduced or increased amount for equipment plus installation shall be listed in the space provide below. The Owner will select the manufacturer which offers the greatest long term value.

1. Provide Equipment Data Sheets and requested supplemental information to aid the owner in evaluating bids
2. The Owner may determine bids to be unresponsive if requested information is not provided
3. The Base bid amount shall include Vortex Tank, Vortex Drive, Grit Classifier, Control Panel and listed accessories including installation.

a. ~~Nexom Grit Equipment~~ Increased Amount \$ 30,000
 Kusters Grit Equipment Decreased Amount \$ —
 (per Addendum #4)

D. Screen Evaluated Equipment Bid: Packaged Fine Screening and Washing/Compacting Equipment (Specifications 46 2110 and 46 2120) will be selected on an Evaluated Equipment Bid basis. Package is to include fine screen, washer compactor, and conveyors all from same manufacturer. The total combined equipment price for each manufacturer of equipment furnished for both specifications shall be listed by the Bidder on the lines provided below. The Lump Sum Bid Price shall include the lowest combined from the listed manufacturer. The Owner will select the specific fine screen and washing equipment system that is evaluated to provide the greatest long term value. If a higher priced equipment package is selected, the Contract will be revised by change order for the incremental cost as determined in Bid Form. Prices must be written for each equipment manufacturer listed as acceptable in specifications 46 2110 and 46 2120. (ADM3)

The Evaluated Equipment Bid to be considered by the Owner for Fine Vertical Bar Screening plus Solids Washing/Compacting Equipment:

JWC, Chain and Rake Monster: \$ 232,000
 Duperon, Flexrake: \$ 364,000
 Huber, Chain and Rake: \$ 169,000
 Kusters: \$ 189,000

List if Equipment Data Sheets Have Been Provided with Bid: ✓

ARTICLE 4—LISTING OF SUBCONTRACTORS AND MANUFACTURERS

4.01 Bidder shall list the specific subcontractors, suppliers, equipment manufactures as included in the Table below.

Mechanical Subcontractor	Staab
Electrical Subcontractor	Master Elec
Instrumentation Subcontractor	E-Commerce
Fine Screen Manufacturer	Huber
Vortex Grit Equipment Manufacturer	Smith + Loveless
Clarifier Equipment Manufacturer	Hi-Tech Kusters

ARTICLE 5—TIME OF COMPLETION

- 5.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.
- 5.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 6—BIDDER’S ACKNOWLEDGEMENTS: ACCEPTANCE PERIOD, INSTRUCTIONS, AND RECEIPT OF ADDENDA

6.01 Bid Acceptance Period

- A. This Bid will remain subject to acceptance for 90 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

6.02 Instructions to Bidders

- A. Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security.

6.03 Receipt of Addenda

- A. Bidder hereby acknowledges receipt of the following Addenda:

Addendum Number	Addendum Date
1	3-16-20
2	3-17-20
3	3-26-20
4	3-30-20

ARTICLE 7—BIDDER’S REPRESENTATIONS AND CERTIFICATIONS

7.01 Bidder’s Representations

- A. In submitting this Bid, Bidder represents the following:
 1. Bidder has examined and carefully studied the Bidding Documents, including Addenda.
 2. Bidder has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Bidder is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Bidder has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site, if any, that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
 5. Bidder has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.

6. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, if selected as Contractor; and (c) Bidder's (Contractor's) safety precautions and programs.
7. Based on the information and observations referred to in the preceding paragraph, Bidder agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
8. Bidder is aware of the general nature of work to be performed by Owner and others at the Site, if any, that relates to the Work as indicated in the Bidding Documents.
9. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
10. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. The submission of this Bid constitutes an incontrovertible representation by Bidder that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

7.02 Bidder's Certifications

A. The Bidder certifies the following:

1. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.
2. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid.
3. Bidder has not solicited or induced any individual or entity to refrain from bidding.
4. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 8.02.A:
 - a. Corrupt practice means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process.
 - b. Fraudulent practice means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition.

- c. Collusive practice means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels.
- d. Coercive practice means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

BIDDER hereby submits this Bid as set forth above:

Bidder:

Staab Construction Corporation

(typed or printed name of organization)

By:

[Signature]

(individual's signature)

Name:

Benjamin J. Lee

(typed or printed)

Title:

President

(typed or printed)

Date:

4-2-20

(typed or printed)

If Bidder is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.

Attest:

[Signature]

(individual's signature)

Name:

Kevin J. Leick

(typed or printed)

Title:

Sr. Vice President

(typed or printed)

Date:

4-2-20

(typed or printed)

Address for giving notices:

[Redacted]

Marshfield, WI 54449

Bidder's Contact:

Name:

Ron Twardowski

(typed or printed)

Title:

Project Manager

(typed or printed)

Phone:

715-387-8429 Ext. 283

Email:

[Redacted]

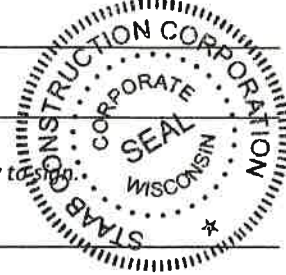
Address:

[Redacted]

Marshfield, WI 54449

Bidder's Contractor License No.: (if applicable)

N/A



BID FORM FOR CONSTRUCTION CONTRACT

ESCANABA, MI
WASTEWATER TREATMENT PLANT IMPROVEMENTS
PROJECT NO. 18-0175
SRF NO. 5683-01

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 1—OWNER AND BIDDER

- 1.01 This Bid is submitted to: ~~City of Escanaba, Office of the City Clerk, City Hall, 410 Ludington Street, Escanaba, MI 49829.~~ *City of Escanaba c/o the a C2AE email lockbox, [REDACTED] as a scanned PDF attachment (ADM3)*
- 1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2—ATTACHMENTS TO THIS BID

- 2.01 The following documents are submitted with and made a condition of this Bid:
 - A. Required Bid security;
 - B. DBE Form (See Required Standard Contract Language: Clean Water State Revolving Fund and Drink Water Revolving Fund)
 - C. Debarment Certification (See Required Standard Contract Language: Clean Water State Revolving Fund and Drink Water Revolving Fund)
 - D. *Equipment data sheets and attachment packages are to be included with receipt of bid. (ADM3)*

ARTICLE 3—BASIS OF BID—LUMP SUM BID AND UNIT PRICES

- 3.01 *Lump Sum Bids*
 - A. Bidder will complete the Work in accordance with the Contract Documents for the following lump sum (stipulated) price(s):
 - 1. Lump Sum Price (Base Bid and Alternates)

Lump Sum Bid Price for Base Bid	\$ 17,506,000.00
Alternate 1 : Add Effluent Booster Pumps Station Construction (Add)	\$ 1,244,850.00
Alternate 2, Add Building Wall Exterior Siding (Add)	\$ 264,525.00

D. Screen Evaluated Equipment Bid: Packaged Fine Screening and Washing/Compacting Equipment (Specifications 46 2110 and 46 2120) will be selected on an Evaluated Equipment Bid basis. Package is to include fine screen, washer compactor, and conveyors all from same manufacturer. The total combined equipment price for each manufacturer of equipment furnished for both specifications shall be listed by the Bidder on the lines provided below. The Lump Sum Bid Price shall include the lowest combined from the listed manufacturer. The Owner will select the specific fine screen and washing equipment system that is evaluated to provide the greatest long term value. If a higher priced equipment package is selected, the Contract will be revised by change order for the incremental cost as determined in Bid Form. Prices must be written for each equipment manufacturer listed as acceptable in specifications 46 2110 and 46 2120. (ADM3)

The Evaluated Equipment Bid to be considered by the Owner for Fine Vertical Bar Screening plus Solids Washing/Compacting Equipment:

JWC, Chain and Rake Monster:	\$ 195,754.00	_____
Duperon, Flexrake:	\$ 275,500.00	_____
Huber, Chain and Rake:	\$ 159,000.00	_____
Kusters:	\$ 160,000.00	_____

List if Equipment Data Sheets Have Been Provided with Bid: Yes

ARTICLE 4—LISTING OF SUBCONTRACTORS AND MANUFACTURERS

4.01 Bidder shall list the specific subcontractors, suppliers, equipment manufactures as included in the Table below.

Mechanical Subcontractor	Tweet Garot
Electrical Subcontractor	Master Electric
Instrumentation Subcontractor	Commerce Controls Inc.
Fine Screen Manufacturer	Kusters
Vortex Grit Equipment Manufacturer	Smith & Loveless
Clarifier Equipment Manufacturer	Kusters

ARTICLE 5—TIME OF COMPLETION

5.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

5.02 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 6—BIDDER’S ACKNOWLEDGEMENTS: ACCEPTANCE PERIOD, INSTRUCTIONS, AND RECEIPT OF ADDENDA

6.01 *Bid Acceptance Period*

- A. This Bid will remain subject to acceptance for 90 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

6.02 *Instructions to Bidders*

- A. Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security.

6.03 *Receipt of Addenda*

- A. Bidder hereby acknowledges receipt of the following Addenda:

Addendum Number	Addendum Date
One (1)	March 16, 2020
Two (2)	March 17, 2020
Three (3)	March 26, 2020
Four (4)	March 30, 2020

ARTICLE 7—BIDDER’S REPRESENTATIONS AND CERTIFICATIONS

7.01 *Bidder’s Representations*

- A. In submitting this Bid, Bidder represents the following:
 1. Bidder has examined and carefully studied the Bidding Documents, including Addenda.
 2. Bidder has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Bidder is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Bidder has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing surface or subsurface structures at the Site, if any, that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.
 5. Bidder has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.

6. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, if selected as Contractor; and (c) Bidder's (Contractor's) safety precautions and programs.
7. Based on the information and observations referred to in the preceding paragraph, Bidder agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
8. Bidder is aware of the general nature of work to be performed by Owner and others at the Site, if any, that relates to the Work as indicated in the Bidding Documents.
9. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
10. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. The submission of this Bid constitutes an incontrovertible representation by Bidder that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.

7.02 *Bidder's Certifications*

A. The Bidder certifies the following:

1. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.
2. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid.
3. Bidder has not solicited or induced any individual or entity to refrain from bidding.
4. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 8.02.A:
 - a. Corrupt practice means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process.
 - b. Fraudulent practice means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition.

- c. Collusive practice means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels.
- d. Coercive practice means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

BIDDER hereby submits this Bid as set forth above:

Bidder:

Grand Traverse Construction LLC

(typed or printed name of organization)


By:  _____
(Individual's signature)

Name: Bryan L. Lawton _____
(typed or printed)

Title: Vice President of Construction _____
(typed or printed)

Date: April 2, 2020 _____
(typed or printed)

If Bidder is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.

Attest:  _____
(Individual's signature)

Name: Chris Weber _____
(typed or printed)

Title: Vice President of Operations _____
(typed or printed)

Date: April 2, 2020 _____
(typed or printed)

Address for giving notices:

 _____
Traverse City MI 49696

Bidder's Contact:

Name: Chris Weber _____
(typed or printed)

Title: Vice President of Operations _____
(typed or printed)

Phone: 231.929.1000 /  _____

Email:  _____

Address:  _____
Traverse City MI 49696

Bidder's Contractor License No.: (if applicable)  _____

City Council Agenda Item Request

Date: 4/9/20

Name: Jeff Lampi

Department: Wastewater

Item: Construction Contract Resolution for WWTP SRF project

Explanation for request:

Administration is requesting city council's approval of the resolution to accept the construction contract to be awarded to Staab Construction Corporation of Marshfield WI

Copy of the Resolution is attached.

RESOLUTION 20-09

**A RESOLUTION TO TENTATIVELY AWARD
A CONSTRUCTION CONTRACT
FOR WASTEWATER SYSTEM IMPROVEMENTS**

WHEREAS, the City of Escanaba, MI wishes to construct improvements to its existing wastewater treatment and collection system; and

WHEREAS, the wastewater system improvements project formally adopted on June 06, 2019 will be funded through Michigan's SRF Program; and

WHEREAS, the City of Escanaba, MI has sought and received construction bids for the proposed improvements and has received a low Base bid plus Alternates #4 and #8 in the amount of \$13,352,000 from Staab Construction Corp., Marshfield, WI; and

WHEREAS, the project engineer, C2AE, Escanaba, MI, has recommended awarding the contract to the low bidder.

NOW THEREFORE BE IT RESOLVED, that the City of Escanaba, MI tentatively awards the contract for construction of the proposed wastewater system improvements project to Staab Construction Corp., Marshfield, WI, contingent upon successful financial arrangements with the Michigan SRF Program.

Yeas: _____

Nays: _____

Abstain: _____

Absent: _____

I certify that the above Resolution was adopted by Escanaba City Council on Aril 16, 2020.

BY: _____

Name and Title *(please print or type)*

Signature

Date