

**City of Swartz Creek
AGENDA**

**Regular Council Meeting, Monday, April 22, 2019, 7:00 P.M.
Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
4A. Council Meeting of March 25, 2019 MOTION Pg. 20
5. **APPROVE AGENDA:**
5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**
6A. City Manager's Report MOTION Pg. 3
6B. Incentive Materials Pg. 27
6C. Audit Letter & Services Outline Pg. 70
6D. Current Assessment List Pg. 83
6E. Monthly Reports Pg. 84
6F. Color Run Amended Application Pg. 97
7. **MEETING OPENED TO THE PUBLIC:**
7A. General Public Comments
8. **COUNCIL BUSINESS:**
8A. Census Committee Appointment RESO Pg. 15
8B. Incentive Program RESO Pg. 16
8C. Audit Services RESO Pg. 17
8D. Assessments RESO Pg. 18
8E. Color Run RESO Pg. 19
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

Next Month Calendar

Swartz Creek Chamber:	Tuesday, April 23, 2019, 12:00 p.m., SC Middle School
Metro Police Board:	Wednesday, April 24, 2019, 10:00 a.m., Metro Headquarters
Park Board:	Wednesday, May 1, 2019, 5:30 p.m., PDBMB
Planning Commission:	Tuesday, May 7, 2019, 7:00 p.m., PDBMB
Downtown Development Authority:	Thursday, May 9, 2019, 6:00 p.m., PDBMB
City Council:	Monday, May 13, 2019, 7:00 p.m., PDBMB
Zoning Board of Appeals:	Wednesday, May 15, 2019, 6:00 p.m., PDBMB
Fire Board:	Monday, May 20, 2019, 6:00 p.m., Public Safety Bldg
City Council:	Tuesday, May 28, 2019, 7:00 p.m., PDBMB

City of Swartz Creek Mission Statement

The City shall provide a full range of public services in a professional and competent manner, assuring that the needs of our constituents are met in an effective and fiscally responsible manner, thus promoting a high standard of community life.

City of Swartz Creek Values

The City of Swartz Creek's Mission Statement is guided by a set of values which serve as a common operating basis for all City employees. These values provide a common understanding of responsibilities and expectations that enable the City to achieve its overall mission. The City's values are as follows:

Honesty, Integrity and Fairness

The City expects and values trust, openness, honesty and integrity in the words and actions of its employees. All employees, officials, and elected officials are expected to interact with each other openly and honestly and display ethical behavior while performing his/her job responsibilities. Administrators and department heads shall develop and cultivate a work environment in which employees feel valued and recognize that each individual is an integral component in accomplishing the mission of the City.

Fiscal Responsibility

Budget awareness is to be exercised on a continual basis. All employees are expected to be conscientious of and adhere to mandated budgets and spending plans.

Public Service

The goal of the City is to serve the public. This responsibility includes providing a wide range of services to the community in a timely and cost-effective manner.

Embrace Employee Diversity and Employee Contribution, Development and Safety

The City is an equal opportunity employer and encourages diversity in its work force, recognizing that each employee has unlimited potential to become a productive member of the City's team. Each employee will be treated with the level of respect that will allow that individual to achieve his/her full potential as a contributing member of the City staff. The City also strives to provide a safe and secure work environment that enables employees to function at his/her peak performance level. Professional growth opportunities, as well as teamwork, are promoted through the sharing of ideas and resources. Employees are recognized for his/her dedication and commitment to excellence.

Expect Excellence

The City values and expects excellence from all employees. Just "doing the job" is not enough; rather, it is expected that employees will consistently search for more effective ways of meeting the City's goals.

Respect the Dignity of Others

Employees shall be professional and show respect to each other and to the public.

Promote Protective Thinking and Innovative Suggestions

Employees shall take the responsibility to look for and advocate new ways of continuously improving the services offered by the City. It is expected that employees will perform to the best of his/her abilities and shall be responsible for his/her behavior and for fulfilling the professional commitments they make. Administrators and department heads shall encourage proactive thinking and embrace innovative suggestions from employees.

City of Swartz Creek
CITY MANAGER'S REPORT

Regular Council Meeting of Monday, April 22, 2019 - 7:00 P.M.

TO: *Honorable Mayor, Mayor Pro-Tem & Council Members*
FROM: Adam Zettel, City Manager
DATE: April 15, 2019

ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS

- ✓ **MICHIGAN TAX TRIBUNAL APPEALS** (*No Change in Status*)
Huizinga (office at 6195 Miller) – The appraisal has been done and submitted. We attempted a negotiation, but the petitioner is unwilling to communicate on the matter. A full tribunal is expected and I like our chances to fare better than the proposed offer.

Board of Review is pending, but commercial/industrial appeals go straight to the Michigan Tax Tribunal. We are not yet aware of any, but we will keep the council informed as we move through spring and early summer.

- ✓ **STREETS** (*See Individual Category*)
 - ✓ **2017-2020 TRAFFIC IMPROVEMENT PROGRAM (TIP)** (*Update*)
Consumers Energy has their gas contractor replacing leads along Fairchild & Helmsley prior to the street work. This is a best practice to make sure infrastructure is getting upgraded in the right order (e.g. road breaks for underground work will not occur AFTER the road is replaced).

We held our preconstruction meeting with the state MDOT, staff, the contractor and our consultant on April 10th. Our street contractor is expected to begin on June 10 and be substantially complete prior to schools starting in the fall. The project includes a mill and resurface of the road way. We are also converting overhead street lights to LED and adding two additional LED pedestrian lights. Enhanced crosswalks are included in the project as well. Traffic should remain open throughout the project.

- ✓ **2020-2023 TRAFFIC IMPROVEMENT PROGRAM (TIP)** (*No Change in Status*)
Morrish Road from Bristol to Miller has been funded. The city has committed the match portion to this project, which is 80-20. It is unclear what year this project will be undertaken, but we want it done subsequent to the USDA water main work. This MAY span two construction seasons.

Note that we will likely need to engage in the Qualified Bidding Selection process to pre-certify engineering firms to work on federal projects. The QBS process is something that the city has routinely done to stay compliant and to have a good faith process for ensuring quality and competitive engineering services. This process was last finalized on November 25, 2013. I am going to split this out as a separate business item until it is complete. I intend to begin this process in late spring.

✓ **STREET PROJECT UPDATES** *(Update)*

This is a standing section of the report on the status of streets as it relates to our dedicated levy, 20 year plan, ongoing projects, state funding, and committee work. Information from previous reports can be found in prior city council packets.

Helmsley Drive is a go for 2019 reconstruction. The city council approved Glaeser Dawes as the contractor for Helmsley Drive last summer, and approved final pricing on April 8. The project includes full depth road reconstruction, new drive approaches, new sidewalk (for areas not included in the previous water main replacement), some forestry, and three new pedestrian LED's.

The engineering proposal for 2020 local streets with OHM is approved and work is underway. The scope includes a section of Oakview, Chelmsford, and Oxford (including the last small stretch of Winston). Note that it is unlikely we will have a budget to do all of those sections in 2020 since state revenues have not been forthcoming as expected. However, it is work that needs to be completed for the USDA watermain on those streets in the next three years.

Notable issues currently include the proposed layout and ownership (school or city) of the bus lane on Oakview by Syring. We will liaise with the school regarding this and how they wish to proceed with the bond improvements.

✓ **WATER – SEWER ISSUES PENDING** *(See Individual Category)*

✓ **SEWER REHABILITATION PROGRAM** *(No Change in Status)*

We have flow meters installed at key collector lines in the city. We need to ascertain what the remaining capacity is before we can enable the progress of new projects (Applecreek, Springbrook East expansion, future Morrish Road users, etc). If the lines are not sized properly, investment may be warranted. This would alter our rehabilitation plan to include capital investment for future users. For this reason, we are not altering rates until the capacity information is available.

2018-2019 winter sewer projects have been approved. The scope includes lining improvements and video service at a cost of \$197,772. There are some small connections between collectors in the Winchester Village that need to be done. Liquiforce will also complete the large collector on Durwood and a downtown line, School Street. As of writing, the lining crew is in town!

This multi-year program is on schedule and budget. Based upon current rates and existing fund balance, staff may recommend expending more in the next year or two on the sewer rehabilitation plan in order to get some higher risk assets completed more quickly.

✓ **WATER MAIN REPLACEMENT** *(No Change in Status)*

The USDA has reviewed the first draft agreement and made recommendations. We are following through. The Kroger easement has been executed. We also have a request by the engineer to consider zinc coated pipe, which could be an innovation that reduces costs (pipe thickness) and increases durability. We are checking. The previous report follows:

A water use agreement is being reviewed by USDA staff. Easements for public water main that are required, but previously undocumented, are now complete and we are seeking signatures from Kroger and the school to make them official. Engineering continues. Bond counsel and other team members have been tentatively assembled and await progress. The previous report follows:

On September 13th, we met with the feds about other steps and conditions of funding. We are in a good position to benefit from the nearly \$5,000,000 grant/loan, with the understanding that we will be putting the project out to bid in 2019, with some components to be completed in 2020 and 2021.

Concerning the Genesee County Drain Commission - Water and Waste Services Division Water Master Plan, we received notice that they are considering a northern loop to provide redundancy and stability to the system. This is good news since Gaines and Clayton Township rely on the overstressed Miller line. There is currently not any cost or participation information available. I will keep the council informed.

The city has been working with the county to abandon the Dye Road water main in the vicinity of the rail line. Note that we are holding this action pending the master plan review. This line is prone to breaks, which can be very costly and dangerous near the rail spur. The intention would be to connect our customers to the other side of the street, onto the county line. It appears the transition cost would be about \$25,000. We will work with the county on this matter and report back on our findings.

Lastly, the city should probably complete full demolition on the "Brown Road" site (the old well head) and sell this property. This is not a high priority, but it is now on our radar.

✓ **HERITAGE VACANT LOTS** *(No Change of Status)*

The last of the lots acquired prior to the special assessment have been approved for sale. The city has two more lots that were acquired through the tax reversion process. If there is no objection, I will look to prepare instruments for the two units acquired in 2017 at new, negotiated pricing if requested by the buyer, JW Morgan, at some point in the future.

✓ **NEWSLETTER** *(No Change of Status)*

The spring newsletter is out. Let me know what you think.

✓ **HOLLAND SQUARE & STREETScape** *(Update)*

Green Tech Systems, LLC has been approved to construct the 2019 streetscape project by the city council and DDA. The preconstruction meeting was held on April 10. This project appears to be in good hands and will commence on or about June 3rd, after Hometown Days.

The city's engineer and contractor are working on details for masonry specifications and pedestrian island installation. We are also working with Consumers Energy to

convert this entire section of street (Morrish to Hayes) to LED for overhead and pedestrian lights.

We are still having issues getting some of the stub poles removed, and we are working on final easement language to get some drives closed or narrowed along Miller.

✓ **TRAILS** *(No Change of Status)*

The second application to the DNR Trust Fund grant has been submitted. We await notification, which should come this fall.

The DNR grant is crucial to offset the 35% that the city must cover to match the Enhancement Grant. The MDOT Enhancement Grant is conditionally awarded. We hope this covers 65% of the investment. Work with Consumers Energy and CN Rail is positive for those project components that require their engagement. We are still working with the MTA and GM on some easements and permissions.

Note that the city will still be heavily invested in this, even if both grants are awarded. Count on a general fund outlay of \$200,000 for the local match and additional engineering, construction, and inspection services. Any overages (price changes and change orders) will be locally covered as well.

The project timeline will be revised. At its core, it should still reflect a 2020 construction timeframe. The difference is that we plan to engineer the project sooner than anticipated so we can bid it upon a conditional DNR award in a year's time.

✓ **REDEVELOPMENT READY COMMUNITIES** *(No Change of Status)*

There was a public hearing on April 2nd in front of the planning commission. The purpose was present and hear comment on proposed changes to the zoning ordinance. The current round of changes would enable conditional uses in commercial zones, as well as expedite review by placing standard site plan review under the approval authority of the planning commission. Additional changes will follow.

The commission also reviewed a draft of the public participation strategy (see the PC packet for details). This is another crucial piece to the puzzle that brings us closer to certification. At the meeting, the commission recommended approval of the statement by council. I am including this in the packet for council members to become familiar with. I am still awaiting feedback from the MEDC, as well as the flowchart that is to be inserted. I hope to have this ready for approval within a month.

The Economic Development Strategy Committee met on the 18th of December and further deliberated on the draft Economic Development Strategy. There is a strong sense that downtown design, function, and events are a priority that will require a strong partnership with the city, DDA, and Chamber of Commerce.

See the quarterly RRC report (March 11, 2019 packet) for details on progress. In short, the following RRC components are still pending:

- Development review flowchart and checklist

- Economic Development Strategy for the city and its partners (chamber of commerce, schools, etc.)
- Public participation plan and tracking methods (pending)
- Property marketing packages, including incentives (see incentives section)

✓ **DOG PARK** *(No Change of Status)*

Following the GFWC donation at our meeting on the 11th, the scouts are apparently within about \$1,000 of their goal. I am hopeful they can make this a 2019 project.

✓ **DURAND AREA INDUSTRY - PROJECT TIM** *(No Change of Status)*

This project seems cold and quiet. However, it appears there are still valid purchase agreements in place for the development, and there are state and local bureaucrats continuing work on contingency plans for utility and traffic modelling. It is anyone's guess at this point. Please see prior packets for information on the project and its evolution.

✓ **TAX REVERTED PROPERTY USE** *(No Change of Status)*

I expect transactions for the approved sales of vacant land on Wade Street and in Heritage Village before June.

✓ **8002 MILLER** *(No Change of Status)*

The contractor is working. A completion timeline has not been set. Time is on our side with this since it gives the user more time to establish their new business and contribute more monthly payments to the project.

✓ **GROUNDWATER WITHDRAWAL ORDINANCE** *(Update)*

The Michigan-based consultant that is working for Exxon contacted us this month. They are working with the state on finalizing the groundwater withdrawal ordinance for Holland Square. This is something that still needs to be approved by the city council per the executed site license agreement. The consultant is also looking to close another chapter in this saga by getting permission from the state to remove the monitoring wells on this site. This would make our development and maintenance of Holland Square much easier.

Concerning the ordinance, the practical impact of this is small since wells are no longer permitted in the city and there are no known 'grandfathered' wells in the impacted area.

The council held a public hearing at our meeting on April 23, 2018. ExxonMobil, the Michigan DEQ, and other representatives spent the last year reaching out to property owners to research if there are any well impacts.

✓ **SCHOOL FACILITY PROPOSAL** *(No Change of Status)*

The school received high bids for initial security work. They are rebidding with the addition of fall/winter work in the hopes that the scope and timing of the new work expectations will be more enticing to contractors. It is expected that elementary security entrances and related work will be the first phase of the investment.

Additional bond work shall continue in 2020 and 2021. It will include all facilities, including athletic facilities at the high school. We expect cooperation and benefit in terms of establishing safer connections for walkers, better land grades (e.g. the football field), and more attractive gateways.

✓ **BREWER TOWNHOMES (FORMALLY PAUL FORTINO PROPERTY PROPOSAL) (Update)**

The developer, RBF Construction, has submitted a substantially complete site plan to the DDA. The concept now includes expanded use of porches (lower and upper levels) to enable more 'protected space' for occupants to enjoy and observe the outdoors, while maintaining their privacy. This concept went over very well with the DDA, who made some material, layout, and maintenance recommendations. The plan still includes fifteen two-story homes, with two car garages and basements, on the property across from the post office.

You will also note the proposed name. Brett Jory spent some time considering the character of the area in the larger community context. He believes that naming the townhomes after the late Brigadier General Margaret Brewer is appropriate due to the proximity to the Veterans Memorial. General Brewer was a Swartz Creek native, attended the Ryno School at the crossroads of Miller and Van Vleet, and the first General of the United States Marine Corps. I am not sure what steps can be taken to gauge the interest of the family, but I support the concept to promote some community character, while memorializing a most worthy person.

I expect the planning commission to have this in front of them for site plan consideration in May or June. In tandem with this, **the city council will be deliberating the entire project from the standpoint of a land owner/partner, incentives, and site plan.** This will include consideration of quality of life impact, sale instruments, site plan specifics, and condominium documents (deed and bylaws). There is a lot going on, so please expect to have many facets to look at as this project approaches final consideration in May and June.

✓ **SPORTS CREEK RACEWAY & GAMING COMMISSION (No Change of Status)**

I have asked the owner to attend a council meeting, as requested. He indicates a willingness to do so, but he has requested additional time to see to essential matters. The previous report follows:

The property has sold! Staff met with the new owners, utilities have been transferred, and we have recorded a property transfer affidavit. It appears the plan is to proceed with use of the raceway for thoroughbred racing, however the state approvals and legislation relating to this are not looking promising. It appears that 2019 live racing and simulcasting are unlikely.

The owner appears very communicative and interested in making the facility more community oriented. They are open to cooperative planning, potential reuse of parts of the site, and engaging in stronger hospitality uses related to racing. However, there are many unknown and important circumstances at play, such as the racing industry as regulated by the state, the potential (right or wrong) for sports gambling, and demand from Project Tim.

Summarily, I believe the transfer will enable some sort of positive economic use in the years to come, but the path is not clear at this point due to the circumstances. However, I have a high degree of trust and confidence in the owner so far and will wait for the dust to settle for them with a renewed sense of optimism.

Future reports will obviously follow. Immediate steps for us are to work with the owner on site safety and compliance, as well as the potential for short term use as a horse racing venue. We will also connect them with our Downtown Development Authority and the Redevelopment Ready Communities Program state resources.

✓ **CDBG** *(No Change of Status)*

At this point, we are looking to upgrade street name/stop signs in the downtown area using these funds. I will keep the council informed of the timeline.

✓ **MDOT WARRANTY PROGRAM** *(No Change of Status)*

This has been approved. We will affirm that we have submitted the resolutions appropriately and move on.

✓ **FACILITY LIGHT CONVERSION** *(Update)*

Work is ongoing and nearly complete as I write this. The process appears to be going smoothly and to the satisfaction of users and the public. In fact, the council chambers was complete during our last meeting (I was curious to see if anyone would comment, since the hue is slightly different). The program is expected to save \$3,000 in the first year and about \$180,000 overall.

✓ **SAFE ROUTES TO SCHOOL** *(Update)*

The city and school have approved cooperation to proceed with the technical assistance grant offered by the Crim Fitness Foundation. We have a meeting scheduled for April 23rd to kick things off.

✓ **SCHOOL BUILDING REVIEW & INSPECTION SERVICES** *(No Change of Status)*

The state has affirmed the transfer of authority. The school intends to begin work on some elementary schools, including Elms, this summer. I will remove this section from future reports.

✓ **INCENTIVE PACKAGES & RRC PROPERTIES** *(Business Item)*

There is a general resolution of support for a local incentive program included in the packet. This is geared toward the RRC identified properties and similarly situated downtown properties. The resolution outlines the specific instruments by which we can target commercial and industrial properties downtown, including:

1. Public Act 198 of 1974: Industrial Property Tax Abatement
2. Public Act 255 of 1978: Commercial Redevelopment Act
3. Public Act 210 of 2005: Commercial Rehabilitation Act Tax Abatement
4. Water & Sewer Connection Fee Waiver Policy
5. Tax Increment Financing Public Improvements (already enabled via the façade program)
6. Expedited permitting

The resolution does not create any abatement districts or result in direct policy, but it enables marketing of RRC sites with the state, and it will provide a basis for developer interest in our community development goals. The resolution also directs the planning commission to work on a policy for the application of the incentives. At a minimum, I suggest the policy provide the legislative intent and layout a guideline for encouraging the following:

- Mixed use buildings
- Street level retail, hospitality, or culture
- Outdoor and/or public features
- Historic preservation or complimentary design
- Inclusion of residential units
- Shared parking
- 0-5' setbacks of buildings

I do not expect this policy to be prescriptive or rigid in nature. Instead, the council will have latitude to consider each project independently and award any incentives on an incremental/percentage basis using the site-specific circumstances.

I recommend we proceed.

✓ **BUILDING AND ZONING SERVICE DELIVERY** (*No Change of Status*)

We have ordered services to upgrade the functionality of our integrated software (BS&A) to enhance building and zoning matters. The enhancements will improve our internal work flow/checklists and increase our online abilities by enabling the integration with the existing BS&A platforms. This means that we will be using less paper and relying more on digital submissions of applications, as well as the potential for online payment and permit delivery. Projects, both big and small, will then be coordinated and viewable by all users (Swartz Creek and Mundy) within the software at all times.

This is an enhancement that Mundy staff are already engaged in and will look to apply their knowledge to bring us into the 21st century as well. In fact, combined with other RRC initiatives, this should make us cutting edge among municipalities. I will keep the council informed.

✓ **SWARTZ CREEK STUDENT COUNCIL COLOR RUN** (*Business Item*)

The group has considered other options and is requesting the color run permit for Saturday, May 18, 2019 from 5pm to 7pm, using the same route as originally applied for. I am including the original application, with notes. The amended report follows:

There is another event coming to town. In addition to the annual Riverbend Striders 5k that is held just before Hometown Days in Winchester Village, there is an application before the city council to approve a street use application for another 5K.

The High School Student Council, applying through the school district, is seeking permission to conduct a 5k color run using city streets between 5pm and 7pm. The chief has reviewed and approved the application. Closures are not required. The

amended route and time will not be conflict with the annual subdivision garage sales or any other known events.

A resolution is included to permit the street use with change.

✓ **NON-COMMERCIAL MARIJUANA REGULATIONS** *(No Change of Status)*

Though the city has not opted into any of the commercial license types for recreational and/or medical marijuana, there are still regulatory considerations for residential growing, processing, possessing, and using. There are also concerns with outdoor and/or public use. Chief Bade and Councilmember Hicks have been educating themselves, as have I, about the pitfalls observed with individual home operations/use and public use.

Generally, the concerns boil down to odor, as it relates to neighborhood and public impacts of growing and use. There is also concern for the scope and scale of residential growing as it relates to safe irrigation, lighting, ventilation, etc. Problems associated with home growing include odor, mold, pests, electrical fires, and theft.

To address these issues, I have been consulting the city attorney about providing regulations related to home grows (inside, outside and accessory structures; number of plants; applicability of building codes). Many codes already exist and can be enforced. However, ventilation is a tough one. For this, regulators recommend a general odor ordinance. This is something we are looking into.

On the use side, we are considering options for ordinances that might control outdoor consumption. This will almost certainly include publicly owned lands and rights of way. There is also consideration for outdoor use on private property as well.

I expect to work with Metro and our attorney in the coming weeks to create some ordinance language to regulate grow operations at residences, as well as outdoor use. The council and planning commission can expect to see this in the future.

✓ **OTHER COMMUNICATIONS & HAPPENINGS** *(See Individual Category)*

✓ **MONTHLY REPORTS** *(Update)*

There are a couple additional reports included from March. Contact myself prior or during our meeting with questions.

✓ **BOARDS & COMMISSIONS** *(See Individual Category)*

✓ **PLANNING COMMISSION** *(No Change of Status)*

The planning commission met on April 2nd. They held a public hearing concerning draft language of the zoning code for conditional uses which would make certain developments and alterations easier in the city while maintaining objective standards. They are proceeding with an amendment to make the planning commission the approval authority for site plans. Zoning changes and special land users would still require city council approval.

This effort is resulting from the RRC recommendations from the state's best practice guide. No public comment was received, but the commission spent much time

deliberating language with the consultant and changes are expected to be finalized in May. I expect official zoning ordinance amendments at the first meeting in May.

The commission made appointments to fill roles left by the resignation of Mr. Pinkston and transfer to council of Mrs. Root. Mr. Farmer was placed back into the role of Secretary, and Mr. Novak was placed into the role of Vice Chair. Mr. Stephens indicated he may not seek another appointment, which would require a new Chair of the commission.

The next meeting is scheduled for May 7th. I expect the zoning changes and the Fortino Town Home site plan to be on the agenda.

✓ **DOWNTOWN DEVELOPMENT AUTHORITY** *(Update)*

The townhome architectural plans are in. Please see the April DDA packet as emailed or as posted to the city website for details. The DDA reviewed the plans and made some final comments. I expect RBT to submit a full site plan for May or June review by the planning commission. The next regular meeting is scheduled for May 9. The budget process will begin in May.

✓ **ZONING BOARD OF APPEALS** *(No Change of Status)*

There was training for the ZBA during their annual meeting on March 20th. I have some inquiries that lead me to believe a dimensional variance is expected to be filed this summer.

✓ **PARKS AND RECREATION COMMISSION** *(No Change of Status)*

The Park Board met on April 3rd at city hall. The draft minutes are included. Action items included a contrigution toward Jeepers Creekers, paid from Slip and Slide monies, as well as a recommendation to approve the Scout pavilion fee waiver.

Summer projects include staining parts of the Elms playscape, the Elms trail loop, Abrams Park forestry, the new swing at Abrams tot lot, and the potential for the dog park.

The next meeting will be on May 1st.

✓ **BOARD OF REVIEW** *(No Change of Status)*

The BoR held hearings on:

- March 18th 9am-12pm & 6pm-9pm
- March 19th 9am-12pm
- March 20th 9am-12pm

Though I do not have a detailed report of the 26 cases that were heard, my understanding is that ten were disabled veteran exemptions.

NEW BUSINESS / PROJECTED ISSUES & PROJECTS

✓ **CENSUS APPOINTMENT** *(Business Item)*

As noted in the previous report, the 2020 census count is vital to the city's ability to understand our service needs and in calculating many state and federal funding streams. The Census Bureau is recommending local committee action to enable a high participation rate. To that end, the Mayor proposes a small, but effective organization of folks to lead initiatives to create awareness and increase participation. As of writing, there is not a volunteer or appointee to lead the endeavor. I am including this in the packet in case there is a volunteer prior to or at our meeting.

- ✓ **AUDITING PROFESSIONAL SERVICE ENGAGEMENT LETTER (*Business Item*)**
I have included a letter of engagement from our auditor that I am recommending the council approve for the coming audit of fiscal year 2019 financials.

City Manager Bueche did a request for proposals for a new auditing firm back in 2012 when the city had some apparent issues with their auditor at that time. The city chose Plante Moran, and a five year agreement for professional services was entered into.

The council has been free to move on for the last two audits. Based upon our collective experience and the recommendation of staff (current and prior staff members), we find that Plante Moran does an outstanding job with the audits and with support throughout the year. We continue to be very pleased with them.

As it happens, they enjoy doing the city's audits (probably because the finance staff makes it pretty easy and clean). Staff has internally discussed options, current pricing, and the proposed engagement letter. At this point, we find that there is no cause to go searching for a new firm.

However, I don't see the need to tie the city to a multi-year agreement either. I propose a year-by-year arrangement with incremental increases. This is how the city approaches assessing services, and it works well in my opinion. Coming into the third audit beyond the initial contract, the pricing is still very competitive, increasing only about \$2,000 or 10% over 2011 pricing for base services.

Note that there is an additional fee allowance for the GASB 75 Audit. This is a new audit that is required by state regarding Other Post-Employment Benefits (primarily separated employee healthcare). There have been a number of these state mandates in recent years that require a new set of findings, record, and exploratory work. Previously, we had to deal with the additional audit on road monies (Act 51), but this is now rolled into our general services now that the initial work has been completed.

Please take a look at the engagement letter and previous audits. Again, council always has the option to take a look around for a new provider. Given Plante Moran's track record and predictable pricing with our community, I recommend we retain them for at least one more year.

- ✓ **PRELIMINARY SPECIAL ASSESSMENTS (*Business Item*)**

Included with the packet is the list of all current special assessments for utilities and noxious weeds in their initial state for the 2019 tax roll. Letters went out on April 1 notifying those with water/sewer/snow/weed/sidewalk invoices of the application of these debts to the tax roll if unpaid by May 31st (cash or money order only after May 23rd). Note that the sidewalk clearing amounts are not included in this list. Some of these will likely be paid before that time but council will need to review the initial list of items for information purposes. A resolution to move this forward is included.

Council Questions, Inquiries, Requests, Comments, and Notes

Miller Settlement Award: It looks like this will be presented at the City Council meeting on Tuesday, May 28th.

Early Packet: I will be out of the office the rest of this week. I can still be reached by email, phone, etc.

**City of Swartz Creek
RESOLUTIONS
Regular Council Meeting, Monday, April 22, 2019, 7:00 P.M.**

Resolution No. 190422-4A MINUTES – April 8, 2019

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, April 8, 2019, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-5A AGENDA APPROVAL

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of April 22, 2019, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-6A CITY MANAGER’S REPORT

Motion by Councilmember: _____

I Move the Swartz Creek City Council accept the City Manager’s Report of April 22, 2019, including reports and communications, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-8A RESOLUTION TO CREATE A TEMPORARY COMMITTEE, CENSUS COMPLETE COUNT COMMITTEE, AND TO APPOINT A CHAIRPERSON

Motion by Councilmember: _____

WHEREAS, under the General Operating Rules of the Council, the Mayor, with the advice and consent of Council, may appoint temporary committees whose membership may include persons not on Council; and

WHEREAS, such committees must be temporary in nature, have a specific purpose, and include a specific time frame for their activities; and

WHEREAS, the federal government shall conduct a census of the community in 2020, and many city revenues, functions, and services are derived from the population and related information gleaned from the census; and

WHEREAS, the council desires to enable a committee of stakeholders to participate in the federal Complete Count program as a means to increase participation in the local census.

NOW, THEREFORE, BE IT RESOLVED, the City of Swartz Creek City Council hereby creates a temporary committee, to be referred to as the “Swartz Creek Complete Count Committee,” for the purpose of organizing the community and effecting participation in the 2020 census.

BE IT FURTHER RESOLVED, the Swartz Creek Complete Count Committee shall endeavor to complete this task and make a final report of activities to the city council no later than the last regular meeting in December of 2020 and be subsequently dissolved unless otherwise engaged in further reviews at the direction of the city council.

BE IT FURTHER RESOLVED, the leadership of the Swartz Creek Complete Count Committee shall be composed of the following individual:

BE IT FURTHER RESOLVED, the additional membership of the Swartz Creek Complete Count Committee shall be composed of individuals and organizations as needed and selected by the Committee Chairperson.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-8B

A RESOLUTION TO APPROVE AN INCENTIVE PROGRAM FOR SELECT PROPERTIES IN THE CITY AS PART OF THE REDEVELOPMENT READY COMMUNITIES INITIATIVE

Motion by Councilmember: _____

WHEREAS, the city, in pursuing certification as a Redevelopment Ready Community, must demonstrate an ability to provide for site-specific incentives for select redevelopment sites within the city, and;

WHEREAS, specific properties shall be noted in the community economic development strategy as priority sites for redevelopment, and;

WHEREAS, such sites are noted to have function, environmental, or other deficiencies that makes reuse, preservation, and enhancement financially impractical, and;

WHEREAS, staff has consulted with CIB Planning and the MEDC to compile a set of tools that will be most likely to have a positive impact on repurposing existing sites without compromising public processes, fairness in treatment/access to incentives, or public services.

NOW, THEREFORE, BE IT RESOLVED, the City of Swartz Creek City Council hereby creates the Swartz Creek RRC Incentive Program, which shall enable consideration of incentives for development projects within the city that meet program criteria.

BE IT FURTHER RESOLVED, the Incentive Program may include the following incentives:

1. Michigan Public Act 255 of 1978: Commercial Redevelopment Act
2. Michigan Public Act 210 of 2005: Commercial Rehabilitation Act
3. Michigan Public Act 198 of 1974: Plant Rehabilitation and Industrial Development Act
4. Expedited Permitting
5. Water and Sewer Connection Fee Waivers
6. Tax Increment Financing Assistance

BE IT FURTHER RESOLVED, the City Council hereby directs city staff and the planning commission to develop an objective but flexible set of incentive guidelines that incentivizes the following:

1. RRC sites
2. Hospitality, culture, entertainment, and recreational uses
3. Historic preservation and/or consideration
4. Build-to lines for development (little or no setbacks)
5. Outdoor uses
6. Walkable design
7. Mixed uses
8. Multiple stories
9. Total investment and job creation

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-8C

RESOLUTION TO APPROVE PROFESSIONAL SERVICES ENGAGEMENT LETTERS FOR GENERAL AND SPECIAL SERVICES

Motion by Councilmember: _____

WHEREAS, Section 8.13 of the City Charter requires an audit of all accounts of the city government; and

WHEREAS, the city desires an independent and professional audit of financial statements in compliance with accounting principles generally accepted in the United States of America (GAAP); and

WHEREAS, independent auditors, Plante Moran, PLLC, chosen by the city per a qualified bidding selection process, has submitted an engagement letter, dated March 2, 2019, to perform auditing services related to the city’s general fund, public utilities, enterprise accounts, Downtown Development Authority, Act 51 monies, and GASB 75 (newly mandated Other Post-Employment Benefit audit), and

WHEREAS, the City Council finds the services of Plante Moran, PLLC, to be sufficient and competitively priced.

NOW, THEREFORE BE IT RESOLVED that the City of Swartz Creek City Council accepts the engagement letter for general and GASB 75 audit services, as submitted by Plante Moran, PLLC, in the amount of \$25,100 (general) and \$3,500 (GASB 75) and necessary and reasonable travel & out-of-pocket expenses, for the noted services.

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to execute said engagement letters on behalf of the city.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-8D RESOLUTION TO ASSESS DELINQUENT CHARGES FOR WATER, SEWER AND WEEDS

Motion by Councilmember: _____

WHEREAS, the city, by virtue of enforcing certain ordinances and charter provisions, incurs expenses related to the improvement, maintenance, and/or replacement of private and public property; and

WHEREAS, the city also provides utility services, of which some recipients of said services have outstanding and overdue balances related to the same; and

WHEREAS, the city’s ordinances related to the provision of water and sewer services, as well as those pertaining to the maintenance of sidewalks and noxious weeds, provide for the collection of expenses and related fees; and

WHEREAS, such outstanding expenses, service charges, and fees are able to be assessed to real property per Chapter 10 of the City Charter.

NOW, THEREFORE, BE IT RESOLVED the City of Swartz Creek directs the Treasurer to prepare an audit of all outstanding debts owed to the City for delinquent water, sewer, mowing, sidewalk repairs, and sidewalk snow removal, and further, to cause such debts to be assessed against the property owner of record, in accordance with City Ordinance and State Statute, said debts to be placed against the summer 2019 tax collection roll.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 190422-8E

RESOLUTION TO APPROVE 5K FOOT RACE STREET PERMIT

Motion by Councilmember: _____

WHEREAS, the Swartz Creek Community Schools is a recognized not-for profit entity that operates in Swartz Creek; and

WHEREAS, the Swartz Creek High School Student Council proposes a 5k color run road race that will be centered in Winchester Village on Saturday, May 18, 2019, beginning at 5:00 p.m.; and

WHEREAS, the City Council finds this organization and the event to be beneficial to the public and in good standing; and

WHEREAS, the Metro Police Department of Genesee County has reviewed and administratively approved street usage for this event.

NOW, THEREFORE BE IT RESOLVED that the City of Swartz Creek hereby approves the application for a street usage permit to conduct a 5 kilometer foot road race on Saturday, May 18, 2019, 5:00 p.m. – 7:00 p.m., applicant: the Swartz Creek High School Student Council, as represented by the Swartz Creek Community School District, in the care of Principal Kitchen, race to be held in Winchester Village Subdivision, in accordance with the application submitted, under the direction and control of the Chief of Police and contingent upon the provision of valid insurance listing the City of Swartz Creek as an additionally insured party.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE REGULAR COUNCIL MEETING
DATE 04/08/2019**

The meeting was called to order at 7:001 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present: Cramer, Farmer, Gilbert, Hicks, Krueger, Pinkston, Root.

Councilmembers Absent: None.

Staff Present: City Manager Adam Zettel, Clerk Connie Eskew.

Others Present: Lania Rocha, Bob Plumb, Steve Shumaker, John Wilson, Erik Jamison, Steve Long, Nate Henry, Jim Barclay, Gary Borg.

APPROVAL OF MINUTES

Resolution No. 190408-01 (Carried)

Motion by Councilmember Root
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday March 25, 2019 to be circulated and placed on file.

YES Farmer, Gilbert, Hicks, Krueger, Pinkston, Root, Cramer.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 190408-02 (Carried)

Motion by Councilmember Cramer
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Agenda as, printed for the Regular Council Meeting of April 8, 2019, to be circulated and placed on file.

YES: Gilbert, Hicks, Krueger, Pinkston, Root, Cramer, Farmer.
NO: None. Motion Declared Carried.

Draft Minutes

CITY MANAGER'S REPORT

Resolution No. 190408-03

(Carried)

Motion by Councilmember Farmer
Second by Councilmember Cramer

I Move the Swartz Creek City Council accept the City Manager's Report of April 8, 2019, including reports and communications to be circulated and placed on file.

Discussion Ensued.

YES: Hicks, Krueger, Pinkston, Root, Cramer, Farmer, Gilbert.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

Gary Borg, 5380 Don Shenk Drive, has concerns about pedestrian safety and the lack of lighting at back entrance of High School, Cappy Ln. & Fairchild, and the parking lot of the PAC and at the Middle School south parking lot.

COUNCIL BUSINESS:

RESOLUTION TO APPROVE 5K FOOT RACE STREET PERMIT

Resolution No. 190408-04

(Denied)

Motion by Councilmember Hicks
Second by Councilmember Gilbert

WHEREAS, the Swartz Creek Community Schools is a recognized not-for profit entity that operates in Swartz Creek; and

WHEREAS, the Swartz Creek High School Student Council proposes a 5k color run road race that will be centered in Winchester Village on Saturday, May 11, 2019, beginning at 6:00 p.m.- 8:00 p.m.; and

WHEREAS, the City Council finds this organization and the event to be beneficial to the public and in good standing; and

WHEREAS, the Metro Police Department of Genesee County has reviewed and administratively approved street usage for this event.

NOW, THEREFORE BE IT RESOLVED that the City of Swartz Creek hereby approves the application for a street usage permit to conduct a 5 kilometer foot road race on Saturday, May 11, 2019, 6:00 p.m. –8:00 p.m., applicant: the Swartz

Draft Minutes

Creek High School Student Council, as represented by the Swartz Creek Community School District, in the care of Principal Kitchen, race to be held in Winchester Village Subdivision, in accordance with the application submitted, under the direction and control of the Chief of Police and contingent upon the provision of valid insurance listing the City of Swartz Creek as an additionally insured party.

Discussion Ensued.

YES: None.

NO: Krueger, Pinkston, Root, Cramer, Farmer, Gilbert, Hicks.

Motion Declared Denied.

RESOLUTION TO APPOINT A MEMBER TO THE PLANNING COMMISSION

Resolution No. 190408-05

(Carried)

Motion by Councilmember Gilbert
Second by Mayor Pro Tem Pinkston

WHEREAS, the laws of the State of Michigan, the Charter and Ordinances of the City of Swartz Creek, interlocal agreements in which the City of Swartz Creek is a member, and previous resolutions of the city council require and set terms of offices for various appointments to city boards and commissions, as well as appointments to non-city boards and commissions seeking representation by city officials; and

WHEREAS, there exists a vacancy in the Planning Commission; and

WHEREAS, said appointments are Mayoral appointments, subject to affirmation of the city council.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council concur with the Mayor and City Council appointment as follows:

#190408-05A	<u>MAYOR APPOINTMENT:</u>	Nathan Henry
	Planning Commission, Resident	
	Remainder of Three year term, expiring June 30, 2021	

Discussion Ensued.

YES: Pinkston, Root, Cramer, Farmer, Gilbert, Hicks, Krueger.

NO: None. Motion Declared Carried.

RESOLUTION TO APPROVE CDBG EXTENSION

Resolution No. 190408-06

(Carried)

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Cramer

WHEREAS, the City of Swartz Creek currently participates in the Genesee County Community Development Block Grant (CDBG) Program; and

WHEREAS, the city maintains 'entitlement status' by virtue of the Cooperative Agreement established in 1994, enabling the city to receive CDBG funds from the county; and

WHEREAS, the Continuation Clause of the Agreement indicates that 'entitlement status' must be affirmed every three years to maintain fundability; and

WHEREAS, after consultation with the Michigan Economic Development Corporation, the City Council finds that the benefits that the Cooperative Agreement offers outweigh the benefits of opting out.

THEREFORE BE IT RESOLVED, the Swartz Creek City Council hereby affirms and states its intent to remain in the Genesee County CDBG Program through 2022 and directs the city clerk to sign and deliver a letter to the Genesee County Metropolitan Planning Commission indicating this intent.

Discussion Ensued.

YES: Root, Cramer, Farmer, Gilbert, Hicks, Krueger, Pinkston.
NO: None. Motion Declared Carried.

RESOLUTION TO APPROVE THE PARK WAIVER REQUEST OF THE BOY SCOUTS PACK 122

Resolution No. 190408-07

(Carried)

Motion by Councilmember Root
Second by Councilmember Cramer

WHEREAS, the City of Swartz Creek requires park usage reservations and fees in accordance with adopted rules and regulations; and

WHEREAS, the Boy Scouts Pack 122 reserved Pavilion #2 in Elms Park for May 18, 2019 for the purpose of holding an organizational meeting; and

Draft Minutes

WHEREAS, the city park rules and regulations states that “fees may be waived in full if reservations by a non-profit are found to result in a public benefit directly or if proceeds from the reserved event are found to be a benefit to the city.”; and

WHEREAS, the City Council finds the petitioning group to be a qualifying group with a qualifying activity.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby waives all fees for the May 18, 2019 reservation in Elms Park.

YES: Cramer, Farmer, Gilbert, Hicks, Krueger, Pinkston, Root.

NO: None. Motion Declared Carried.

RESOLUTION TO APPROVE FINAL CONTRACTOR SERVICES AND PRICING FOR HELMSLEY DRIVE

Resolution No. 190408-08

(Carried)

Motion by Councilmember Cramer

Second by Councilmember Hicks

WHEREAS, the City of Swartz Creek owns, operates, and maintains a system of major streets, local streets, and water main, and

WHEREAS, the city has a twenty year asset management plan on file that is funded in part by a twenty year street levy, and

WHEREAS, Helmsley Drive was approved for reconstruction by the city council on July 9, 2018, with the understanding that the contract with the general contractor, Glaeser Dawes, would be extended and final prices were to be negotiated and subsequently approved by the city council, and

WHEREAS, the city engineer, staff, and general contractor have assessed the current market for such services and negotiated escalators to the 2017 contract accordingly.

NOW, THEREFORE, BE IT RESOLVED, the City Council hereby extends the contract with Glaeser Dawes for street reconstruction through the 2019 construction season, with allowances for escalators as included in the city council packet of April 8, 2019.

BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to execute change orders required to effect this change on behalf of the city.

Discussion Ensued.

Draft Minutes

YES: Farmer, Gilbert, Hicks, Krueger, Pinkston, Root, Farmer.
NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

Jim Barclay, 8420 Cappy Lane, he often hears that people don't see police in town and he just wanted the council to know that he has seen the police officers around town on a number of occasions recently.

REMARKS BY COUNCILMEMBERS:

Councilmember Root is happy to join the council and looking forward to

Councilmember Cramer is looking forward to Streetscape project and the street construction starting.

Councilmember Farmer comments on how awesome Sharp's is looking. He also commented on when he was a Cub Scout they attended a council meeting and that's what sparked his interest in city involvement.

Councilmember Hicks commented on the Fairchild construction. She does agree that the PAC back parking lot is very dark. She is taking pledges for the Rocking for Rosco event that is going on during Hometown Days.

Councilmember Gilbert would like to welcome the newest city council member.

Mayor Pro Tem Pinkston commented on the news he heard about thorough bred racing. He wished someone would come talk to the council about racing in the state.

Mayor Krueger commented on the water tower. He is glad to see that spring is coming and the construction season is starting. He is also glad to see Sharp's progress. He requested prayers for his surgery.

ADJOURNMENT

Resolution No. 190408-09

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Farmer

I Move the Swartz Creek City Council adjourn the regular meeting at 8:05 p.m.

Unanimous Voice Vote.

David A. Krueger, Mayor

Connie Eskew, City Clerk

COMMERCIAL REDEVELOPMENT ACT

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

WHO IS ELIGIBLE?

“Local governmental unit” means a city or village.

WHAT IS A REPLACEMENT, NEW AND RESTORED FACILITY?

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

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

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

WHAT IS THE PROCESS?

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

1. Obsolete commercial property or cleared or vacant land and part of an existing developed commercial or industrial zone. The property must have been zoned commercial or industrial before June 21, 1975, and characterized by obsolete commercial property and a decline in commercial activity.
2. Land cleared as a result of fire damage, or cleared as blighted area under *Blighted Area Rehabilitation Act (PA 344 of 1945)*.
3. Cleared or vacant land included in a redevelopment plan adopted by the Downtown Development Authority (PA 197 of 1975) or Principal Shopping District or a Business Improvement District (PA 120 of 1961).

To establish the Commercial Redevelopment District, the city or village must first hold a hearing to establish a Commercial Rehabilitation District and determine in the resolution the district meets the requirements of the act. Once the district is established, the property owners may file an application

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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

COMMERCIAL FACILITIES EXEMPTION CERTIFICATE

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

DETERMINING COMMERCIAL FACILITIES TAX RATE

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

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

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

DISCUSSION

In addition to the Commercial Redevelopment Act (PA 255 of 1978), several other property tax abatements are available for the rehabilitation of commercial property in Michigan, including the Commercial Rehabilitation Act (PA 210 of 2005) and the *Obsolete Property Rehabilitation Act (PA 146 of 2000)*. Each act has unique eligibility requirements, processes, and lengths and terms of the abatement. Please refer to the Michigan Economic Development Corporation (MEDC) fact sheet for more information on each program and consult the authorizing statute to determine the best fit for your project needs.

CONTACT INFORMATION

For more information on the Commercial Rehabilitation Act, please contact the *CAteam specialist* assigned to your territory. For more general information, contact the MEDC customer contact center at 517.373.9808.

SUPPORTING STATUTES

PA 255 of 1978: Commercial Redevelopment Act

Frequently Asked Questions
Commercial Redevelopment Act
(PA 255 of 1978, as amended)

The following frequently asked questions are being provided as a service to assessors and taxpayers to better inform them about the administration of Public Act 255 of 1978, as amended.

Note: The information contained in these frequently asked questions constitutes an analysis of one or more statutes and not legal advice. Since the analysis is limited to general statutory requirements, individual facts may result in different conclusions being reached. Therefore, individuals may wish to consult legal counsel.

1. What is a Commercial Facilities Exemption?

The Commercial Redevelopment Act (known as the Commercial Facilities Exemption), PA 255 of 1978, as amended, provides a tax incentive to commercial business enterprises to enable renovation and expansion of aging facilities and assist in the building of new facilities. A Commercial Redevelopment District (CRD) must be created prior to initiating a project so it is essential that you consult your local assessor before commencing a project. A Commercial Facilities Exemption Certificate entitles the facility to exemption from ad valorem real property taxes for a term of 1-12 years as determined by the local governmental unit. Applications are filed, reviewed, and approved by the local governmental unit. The State Tax Commission (STC) receives a copy of the certificate after issuance by the local governmental unit.

2. Who establishes a Commercial Redevelopment District?

The legislative body of a qualified local governmental unit may establish a Commercial Redevelopment District on its own initiative or upon written request filed by the owner or owners of 75% of the state equalized value of the commercial property located within a proposed district.

3. Who can file an application for a Commercial Facilities Exemption Certificate (CFEC) and with whom is it filed?

The owner or lessee of a commercial facility may file an application for a CFEC with the Clerk of the qualified local governmental unit that established the Commercial Redevelopment District.

4. How do I apply for a Commercial Facilities Exemption Certificate?

Applications can be found on the Michigan Department of Treasury website: www.michigan.gov/propertytaxexemptions. Completed applications are filed with the Clerk of the local governmental unit and must be accompanied by the following documentation:

- a. A legal description of the property referred to in the application.

Frequently Asked Questions
Commercial Redevelopment Act
(PA 255 of 1978, as amended)

- b. A statement describing the facility and its proposed project that must include all of the following items:
 - 1. General description of the facility (including year built, original use, most recent use, number of stories and square footage);
 - 2. General description of the proposed use of the facility;
 - 3. A description of the general nature and extent of the restoration, replacement or construction to be undertaken;
 - 4. A descriptive list of the fixed building equipment that will be a part of the facility, if applicable; and
 - 5. A time schedule for undertaking and completing the restoration, replacement or construction of the facility.

- c. A statement of the economic advantages expected from the exemption, including the number of jobs retained or created due to the exemption, including expected construction employment.

5. Are there provisions in the application process that are time sensitive?

Yes. Work may not begin before the establishment of the district. After work has begun in an established district, the application must be filed with the clerk of the local governmental unit within 45 days. Also, in order to qualify for a State Education Tax (SET) exemption from the State Treasurer, applications and certificates must be completed and received by the State of Michigan no later than October 31st. An application received after October 31st will not be processed until the following tax year.

6. Who determines if a facility qualifies for a Commercial Facilities Exemption Certificate (CFEC)?

The determination of qualification for a CFEC is made by the local governmental unit (LGU) when the application is filed with the clerk. The LGU must determine whether or not an applicant meets the definitions of the Act.

7. Can an application for a Commercial Facilities Exemption Certificate be denied?

Yes. An application can be denied at the local unit level if all of the requirements are not met by the applicant.

8. What is the term of a Commercial Facilities Exemption Certificate (CFEC)?

The CFEC may be issued for a period of at least one (1) year, but not more than twelve (12) years. The total amount of time determined for the certificate, including any extensions, shall not exceed twelve (12) years after the completion of the facility. The certificate shall commence with its effective date and end on the December 30th immediately following the last day of the number of years approved.

Frequently Asked Questions
Commercial Redevelopment Act
(PA 255 of 1978, as amended)

9. What determines the starting date of a Commercial Facilities Exemption Certificate (CFEC)?

The effective date of the CFEC is December 31st immediately following the date of issuance of the certificate by the local governmental unit.

10. How is the tax computed on a Commercial Facilities Exemption Certificate?

Restored Facility: Multiply the total mills levied as ad valorem taxes for that year by all taxing units within which the facility is situated by the taxable value of the real property (excluding land) of the obsolete commercial property for the tax year immediately preceding the effective date of the commercial facilities exemption.

New or Replacement Facility: Multiply 50% of the mills levied as ad valorem taxes for that year by all taxing units other than State Education Tax and multiply 100% of the mills levied as ad valorem taxes for that year for SET by the taxable value of the real property (excluding land) for the current tax year.

11. Are special assessment millage rates impacted by the granting of a Commercial Facilities exemption?

Special assessment millage rates may be impacted. Millage-based special assessments levied under Public Act 33 of 1951 do not apply to property with a Commercial Facilities exemption. However, the special assessments would still be applicable to the land on which the Commercial Facilities exemption property is located. Conversely, for millage-based special assessments levied under public acts other than Public Act 33 of 1951, property with a Commercial Facilities exemption pays on the full special assessment millage rate, the same as any “ad valorem” property.

12. What happens when an incomplete application for a Commercial Facilities Exemption Certificate is received?

The applicant will be contacted to submit the required items.

13. What requirements must be met to gain approval for a Commercial Facilities Exemption Certificate at the local governmental unit level?

The owner or lessee of the property must file an application with the local governmental unit (LGU). The application shall contain or be accompanied by a general description of the facility, a general description of the proposed use of the facility, a detailed description of the nature and extent of the restoration, replacement or construction to be undertaken, a descriptive list of the fixed building equipment that will be a part of the facility, a time schedule for undertaking and completing the restoration, replacement or construction of

Frequently Asked Questions
Commercial Redevelopment Act
(PA 255 of 1978, as amended)

the facility, a statement of the economic advantages expected from the exemption, including the number of jobs to be retained or created as a result of the exemption, including expected construction employment; and additional information as may be required by the LGU. Since individual LGUs may have specific application procedures and requirements, it is recommended that prospective applicants consult with the LGU early in the project planning process.

14. Can a Commercial Facilities Exemption Certificate (CFEC) be transferred?

Yes. A CFEC may be transferred and assigned by the holder of the certificate to a new owner or lessee of the facility if the qualified local governmental unit approves the transfer after application by the new owner(s).

15. Can a Commercial Facilities Exemption Certificate (CFEC) be revoked? If yes, who holds the authority to do so?

Yes. The legislative body of the qualified local governmental unit (LGU) may, by resolution, revoke the CFEC of a facility if it finds that the completion of the restoration, replacement or construction of the facility has not occurred within two years of the effective date of the exemption or a greater time authorized by the LGU for good cause, or that the holder of the exemption certificate has not proceeded in good faith with the replacement, restoration or construction and operation of the facility in a manner consistent with the purpose of the exemption and in the absence of circumstances beyond the control of the holder of the exemption certificate.

16. When does the revocation of a Commercial Facilities Exemption Certificate take effect?

The revocation will take effect December 31st in the year in which the local governmental unit revokes the certificate by resolution.

17. What is the definition of “commercial property?”

MCL 207.653(3) defines “commercial property” as:

“land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to section 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise and shall include office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities but shall not include any of the following:

- a. Land.

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- b. Property of a public utility.
- c. Housing, except that portion of a building containing nonhousing commercial activity.
- d. Financial organizations.”

“Commercial property may be owned or leased. If, in the case of leased property, the lessee is liable for payment of ad valorem property taxes, and furnishes proof of that liability, the lessee is eligible for the exemption. If the lessor is liable for payment of ad valorem property taxes and furnishes proof of that liability, the lessor is eligible for the exemption.”

18. What is the definition of “new facility?”

MCL 207.654(2)(b) defines “new facility” as:

“Beginning July 1, 2008, new commercial property other than a replacement facility to be built in a redevelopment district that meets all of the following:

- (i) Is located on property that is zoned to allow for mixed use that includes high-density residential use.
- (ii) Is located in a qualified downtown revitalization district as defined in section 2 of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.772.
- (iii) The local governmental unit in which the new facility is to be located does all of the following:
 - (A) Establishes and implements an expedited local permitting and inspection process in the commercial redevelopment district.
 - (B) By resolution provides for walkable non-motorized interconnections, including sidewalks and streetscapes throughout the commercial redevelopment district.”

19. What is the definition of “obsolete commercial property?”

MCL 207.654(3) defines “obsolete commercial property” as:

“commercial property the condition of which is impaired due to changes in design, construction, technology, or improved production processes, or damage due to fire, natural disaster, or general neglect.”

20. What is the definition of “replacement facility?”

MCL 207.654(5)(b) defines “replacement facility” as:

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“Beginning July 1, 2008, commercial property on the same or contiguous land within the district which land is or is to be acquired, constructed, altered, or installed for the purpose of being submitted for obsolete commercial property and any part of the old altered property that remains for use as commercial property after the replacement, that meets all of the following:

- (i) is located on property that is zoned to allow for mixed use that includes high-density residential use.
- (ii) is located in a qualified downtown revitalization district as defined in section 2 of the neighborhood enterprise zone act, 1992 PA 147, MCL 207.772.
- (iii) the local governmental unit in which the replacement facility is to be located does all of the following:
 - (A) establishes and implements an expedited local permitting and inspection process in the commercial redevelopment district.
 - (B) by resolution provides for walkable non-motorized interconnections, including sidewalks and streetscapes throughout the commercial redevelopment district.”

21. What is the definition of “restoration?”

MCL 207.654(6) defines “restoration” as:

“Changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances thereto, to an economically efficient condition. Restoration includes major renovation including but not limited to the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore the commercial property to an economically efficient condition. Restoration does not include improvements aggregating less than 10% of the true cash value of the property at commencement of the restoration of the commercial property.”

22. What is the definition of “restored facility?”

MCL 207.654(7) defines “restored facility” as:

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“A facility that has undergone restoration.”

23. What is the State Treasurer’s State Education Tax (SET) exclusion?

Within sixty (60) days after the granting of a new Commercial Facilities Exemption Certificate, the State Treasurer may exempt 50% of the SET mills for a period not to exceed six (6) years. The State Treasurer will not grant more than 25 of these SET exclusions each year.

24. What is required of the Local Governmental Unit regarding the yearly status reporting of the Commercial Facilities Exemptions to the State Tax Commission?

Not later than October 15th of each year, each qualified local governmental unit granting a Commercial Facilities Exemption shall report to the State Tax Commission on the status of each exemption. The report must include the current value of the property to which the exemption pertains, the value on which the commercial facilities tax is based, and a current estimate of the number of jobs retained or created by the exemption.

25. Where can I obtain copies of previously issued Commercial Redevelopment Act Certificates?

Copies of certificates acted upon by the State Tax Commission after January 1, 2013, are available on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions. Choose the exemption program under which the certificate was issued. Within the “Certificate Activity” link, the certificates are listed according to the date they were acted upon.

COMMERCIAL REHABILITATION ACT

Public Act 210 of 2005, as amended, encourages the rehabilitation of commercial property by abating the property taxes generated from new investment for a period up to 10 years. As defined, commercial property is a qualified facility that includes a building or group of contiguous buildings of commercial property that is 15 years or older, of which the primary purpose is the operation of a commercial business enterprise or multifamily residential use. A qualified facility may also include vacant property or other commercial property which, within the immediately preceding 15 years, was commercial property. Types of commercial business enterprises include office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Multi-family residential is housing that consists of five or more units. Commercial properties allocated new market tax credits are also considered a qualified facility.

Qualified retail food establishments are considered a qualified facility for purposes of granting the tax abatement. These establishments include a retail supermarket, grocery store, produce market, or delicatessen that offer unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public. The qualified retail food establishment must be located in a “core community” as defined in the Obsolete Property Rehabilitation Act (PA 146 of 2000) or in an area designated as rural as defined by the United States Census Bureau and is located in an underserved area.

Commercial property does not include property that is to be used as a professional sports stadium or a casino. Land and personal property are not eligible for abatement under this act.

Note: This document is offered as a general guide only and the legislation should be reviewed by local officials.

WHO IS ELIGIBLE?

“Qualified local government units” mean any city, village or township.

WHAT IS REHABILITATION?

Rehabilitation is defined as changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. The new investment in the rehabbed property must result in improvements aggregating to more than 10 percent of

the true cash value of the property at commencement of the rehabilitation of the qualified facility. Rehabilitation includes the following: improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment including heating, ventilation, and lighting, reducing multistory facilities to one or two stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition.

Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit.

Rehabilitation for a qualified retail food establishment also includes new construction.

WHAT IS THE PROCESS?

Before the Commercial Rehabilitation Exemption Certificate (i.e., property tax abatement) can be granted to the commercial property owner, the city, village or township by resolution of its legislative body, must establish a Commercial Rehabilitation District. The establishment of the district may be initiated by the local government unit or by owners of property comprising 50 percent of all taxable value of the property in the proposed district. The district must be at least three acres in size unless it is located in a downtown or business area or contains a qualified retail food establishment.

The city, village or township must hold a hearing to establish a Commercial Rehabilitation District. Notification of the hearing must be given to the county board of commissioners and all real property owners in the proposed district.

After the hearing is held and the local unit of government determines the district meets the requirements of the act, a copy of the resolution adopting the district shall be provided to the county where the district is established. Within 28 days, the county may accept or reject the establishment of the district. In a county with a county executive, the executive can write a letter rejecting the establishment of the district. In all other counties, the county board of commissioners can pass a resolution rejecting the establishment of the district.

Once the district is established, the property owners may file an application with the local clerk for a commercial rehabilitation exemption certificate. Applications are available from the Michigan Department of Treasury. The local clerk shall provide written notification to the assessor of the local unit of government and each taxing jurisdiction that levies ad valorem property taxes of the application hearing. The city, village or township has 60 days after receipt of the application to either approve or disapprove the application. If denied, a reason must be given in the resolution. The assessor and applicant shall be sent a copy of the unapproved resolution by certified mail. If approved, the application and resolution must be sent to the State Tax Commission, which will certify or deny the application within 60 days. A resolution is not effective unless approved by the State Tax Commission.

COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE

Upon approval by the State Tax Commission, a commercial rehabilitation certificate is issued. The property owner must pay a Commercial Rehabilitation Tax rather than the normal property tax. The certificate must be issued for a period of at least one year, but cannot exceed 10 years. Certificates initially issued for less than 10 years may be extended, but shall not exceed 10 years. The criteria for extensions must be included in the resolution approving the abatement.

The Commercial Rehabilitation Tax freezes the taxable value of the building and exempts the new investment from local taxes. The school operating tax and the State Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act.

DISCUSSION

In addition to the Commercial Rehabilitation Act (PA 210 of 2005), several other property tax abatements are available for the rehabilitation of commercial property in Michigan, including the Commercial Redevelopment Act (PA 255 of 1978) and the Obsolete Property Rehabilitation Act (PA 146 of 2000). Each act has unique eligibility requirements, processes, and lengths and terms of the abatement. Please refer to the Michigan Economic Development Corporation (MEDC) fact sheet for more information on each program and consult the authorizing statute to determine the best fit for your project needs.

SUPPORTING STATUTE

[Public Act 210 of 2005: Commercial Rehabilitation Act](#)

CONTACT INFORMATION

For more information on the Commercial Rehabilitation Act, contact the [Community Assistance Team \(CAT\) specialist](#) assigned to your territory or visit www.miplace.org.

Frequently Asked Questions
Commercial Rehabilitation Act
(PA 210 of 2005, as amended)

The following frequently asked questions are being provided as a service to assessors and taxpayers to better inform them about the administration of Public Act 210 of 2005, MCL 207.841 *et seq.*, as amended.

Note: The information contained in these frequently asked questions constitutes an analysis of one or more statutes and not legal advice. Since the analysis is limited to general statutory requirements, individual facts may result in different conclusions being reached. Therefore, individuals may wish to consult legal counsel.

1. What is a Commercial Rehabilitation Exemption?

The Commercial Rehabilitation Act, PA 210 of 2005, MCL 207.841 *et seq.*, as amended, provides a property tax exemption for multifamily residential, commercial business enterprises, or qualified retail food establishments that are rehabilitated and meet the requirements of the Act. Types of commercial business enterprises may include, but are not limited to: office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Multifamily residential is defined as housing that consists of five or more units. Qualified retail food establishments are primarily retail supermarkets, grocery stores, produce markets or delicatessens that offer fresh USDA inspected meat and poultry, fresh fruits and vegetables, and dairy products for sale.

Exemptions are approved for a term of 1-10 years as determined by the local unit of government. The property taxes are based on the previous year's, which is the year prior to the rehabilitation, taxable value. The taxable value is frozen for the duration of the exemption. Completed applications are sent to the local governmental unit for review and approval. Qualified retail food establishment applicants must also submit an additional application. If the local governmental unit approves an application, it is forwarded to the State Tax Commission (STC) for further review and approval.

Commercial Rehabilitation Tax Exemption Certificate applications are available from the Michigan Department of Treasury at: www.michigan.gov/propertytaxexemptions.

2. Who establishes a Commercial Rehabilitation District?

The legislative body of a “qualified local governmental unit” may establish a commercial rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed commercial rehabilitation district. See question 26 for an explanation of what constitutes a “qualified local governmental unit.”

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3. What are the requirements for the formation of a Commercial Rehabilitation District?

A Commercial Rehabilitation District may consist of one or more parcels or tracts of land or a portion of a parcel or tract of land, provided that the parcel or tract of land or portion of a parcel or tract of land within the district is a “qualified facility,” as defined by MCL 207.842(h) (see question 27).

A “Commercial Rehabilitation District” or “district” is further defined by MCL 207.842(b) as: “an area not less than 3 acres in size of a qualified local governmental unit However, if the commercial rehabilitation district is located in a downtown or business area or contains a qualified retail food establishment, as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size.”

Before adopting a resolution establishing a commercial rehabilitation district, the qualified local governmental unit must give written notice by certified mail to the county in which the proposed district is to be located and the owners of all real property within the proposed commercial rehabilitation district and shall afford an opportunity for a hearing on the establishment of the commercial rehabilitation district. The qualified local governmental unit must give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.”

Following the public hearing, the legislative body of the qualified local governmental unit may establish a Commercial Rehabilitation District by resolution. The resolution must set forth a finding determination that the district meets the requirements of the Act. A sample resolution can be found at: www.michigan.gov/propertytaxexemptions.

4. Can a request to establish a Commercial Rehabilitation District be denied?

Yes. The qualified local governmental unit must “give written notice by certified mail to the county in which the proposed district is to be located and the owners of all real property within the proposed commercial rehabilitation district and shall afford an opportunity for a hearing on the establishment of the commercial rehabilitation district at which any of those owners and any other resident or taxpayer of the qualified local governmental unit may appear and be heard.” MCL 207.843(3). The local governmental unit may deny the establishment of the district by resolution.

Once the county receives a copy of the resolution establishing a Commercial Rehabilitation District, they have 28 days to reject the establishment of the district by written notification to the qualified local governmental unit by the elected county executive. If the county does not have an elected county executive, the county can reject the establishment of the district by resolution of the county board of commissioners. MCL 207.843(5).

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5. How do I apply for a Commercial Rehabilitation Exemption Certificate?

Applications for Commercial Rehabilitation Exemption Certificates are filed with the local governmental unit by the owner of the property.

File two (2) copies of the completed application and all attachments with the clerk of the local governmental unit where the property is located. The property must meet the following requirements:

- a. The property must be located in a “qualified local governmental unit” as defined by MCL 207.842(i).
- b. The property must be located in a “commercial rehabilitation district” as defined by MCL 207.842(b).
- c. The property must meet the definition of “commercial property” as defined by MCL 207.842(a).
- d. The proposed project must meet the definition of “rehabilitation” in MCL 207.842(k).

6. What documents must accompany an application for a Commercial Rehabilitation Exemption Certificate?

- a. A general description of the facility (including year built, original use, most recent use, number of stories, square footage);
- b. A general description of the rehabilitated facility’s proposed use;
- c. A detailed description of the general nature and extent of the rehabilitation to be undertaken;
- d. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility;
- e. A time schedule for undertaking and completing the facility’s rehabilitation;
- f. A statement of economic advantages expected from the exemption;
- g. A legal description of the property outlined in the application;
- h. A building permit, if construction has started on the project.

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- i. A contractor's bid or itemized list of costs matching the investment amount reported on the box titled *Estimated Cost of Rehabilitation* on the first page of the application.
- j. A copy of the resolution approved by the local unit establishing the eligible district;
- k. The local unit resolution, containing all the required statements, approving the application for the exemption; and
- l. If applicable, a completed Form 4753, Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments.

7. What does the local governmental unit need to do upon receipt of a Commercial Rehabilitation Exemption Certificate Application?

Upon receipt of an application for a Commercial Rehabilitation Exemption Certificate, the clerk of the qualified local governmental unit shall notify, in writing, the assessor and the legislative body of each taxing unit that levies ad valorem property taxes in the qualified local governmental unit in which the qualified facility is located.

Before acting on the application, the qualified local governmental unit must hold a hearing on the application and give notice to the applicant, assessor, a representative of the affected taxing units, and the general public. The hearing must be held separately from the hearing on the establishment of the Commercial Rehabilitation District.

Not more than 60 days after receiving an application, the qualified local governmental unit must approve or disapprove the application by resolution. Certain resolution statements are required. A sample resolution with all required statements, can be found at: www.michigan.gov/propertytaxexemptions.

8. What requirements for a Commercial Rehabilitation Exemption Certificate must be met to gain approval at the local governmental unit level?

An applicant seeking a Commercial Rehabilitation Exemption Certificate must meet the following qualifications:

- a. The commencement of the rehabilitation of the qualified facility does not occur earlier than six months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate.
- b. The application relates to a rehabilitation program that when completed constitutes a qualified facility within the meaning of the act and that shall be situated within a Commercial Rehabilitation District established in a qualified local governmental unit eligible under the act.

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- c. Completion of the qualified facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the qualified facility is situated.
- d. The applicant states, in writing, that the rehabilitation of the qualified facility would not be undertaken without the applicant's receipt of the exemption certificate.
- e. The applicant is not delinquent in the payment of any taxes related to the qualified facility.

9. What happens if the qualified local governmental unit approves the application?

If the qualified local governmental unit approves the application, the clerk must forward a copy of the application and resolution to the STC.

10. What happens if the qualified local governmental unit disapproves the application?

If the local governmental unit disapproves the application, the reason for disapproval must be set forth in writing in the resolution, and the clerk must send a copy of the resolution to the applicant and assessor by certified mail.

11. Are there provisions in the application process that are time sensitive?

Yes. MCL 207.848 requires that the commencement of the rehabilitation of the qualified facility does not occur earlier than six months before the applicant files the application for the Commercial Rehabilitation Exemption Certificate.

In addition, State Tax Commission Rule 209.111(2) states that “[a]ll complete applications for commercial rehabilitation exemption certificates received through October 31 shall receive consideration and action by the commission before December 31. An application received on or after November 1 shall be considered by the commission contingent upon staff availability.”

12. What does the STC do when it receives an application and resolution from the clerk of the qualified local governmental unit?

The STC reviews the application for completeness and compliance with the statute. If the application is incomplete, staff sends a letter requesting the missing information. Once the application is complete, the STC is required to either approve or disapprove the application within 60 days. If the application is approved, the STC issues a Commercial Rehabilitation Exemption Certificate, and it is effective December 31st immediately following the date of issuance by the STC.

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13. Who determines if a facility qualifies for a Commercial Rehabilitation Exemption Certificate?

Initially, that determination is made when the application is filed and reviewed by the local governmental unit. However, the local governmental unit's determination is then reviewed by the STC. The STC can approve, modify, or deny the application.

14. Can a decision of the STC regarding a Commercial Rehabilitation Exemption Certificate be appealed?

Yes. A party aggrieved by the issuance, refusal to issue, revocation, transfer or modification of a Commercial Rehabilitation exemption certificate may appeal a final decision of the STC by filing a petition with the Michigan Tax Tribunal, www.michigan.gov/taxtrib, within 35 days. MCL 205.735a(6).

15. What is the term of a Commercial Rehabilitation Exemption Certificate?

A certificate may be issued for a period to be determined by the legislative body of the local governmental unit of at least 1 (one) year but not to exceed 10 (ten) years. If the number of years determined is less than 10 (ten), the certificate may be subject to review by the legislative body of the qualified local governmental unit and the certificate may be extended. The total amount of time determined for the certificate, including any extensions, shall not exceed 10 (ten) years after the completion of the qualified facility.

16. What determines the starting date of a Commercial Rehabilitation Exemption Certificate?

The effective date of the certificate is December 31st immediately following the date of issuance of the certificate by the STC.

17. How is the Commercial Rehabilitation Tax computed for a rehabilitated facility?

A specific tax, known as the commercial rehabilitation tax, is levied upon every owner of a rehabilitated facility to which a Commercial Rehabilitation Exemption Certificate is issued. MCL 207.850.

Calculating the commercial rehabilitation tax is a two-step process.

First, multiply the total mills levied as ad valorem taxes for that year by all taxing units by the taxable value of the real property (excluding land) for the tax year immediately preceding the effective date of the commercial rehabilitation exemption.

Second, multiply the local school district operating and state education tax mills by the difference between the taxable value of the real property (excluding land) for the current

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tax year and the taxable value of the real property (excluding land) for the year immediately preceding the effective date of the exemption.

For a qualified retail food establishment that was issued a certificate on or before December 31, 2009, the tax is the sum of the product computed by multiplying the total mills levied as ad valorem taxes for that year by all taxing units (including local school district operating and the state education tax) by the taxable value of the real property (excluding land) for the tax year immediately preceding the rehabilitation and the product computed by multiplying the local school district operating and state education tax mills by the difference between the taxable value of the real property (excluding land) for the current tax year and the taxable value of the real property (excluding land) for the tax year immediately preceding the rehabilitation.

18. Are special assessment millage rates impacted by the granting of a Commercial Rehabilitation Exemption Certificate?

Special assessment millage rates may be impacted. Millage-based special assessments levied under Public Act 33 of 1951 do not apply to property with a Commercial Rehabilitation Act exemption. However, the special assessments would still be applicable to the land on which the Commercial Rehabilitation Act exemption property is located. Conversely, for millage-based special assessments levied under public acts other than Public Act 33 of 1951, property with a Commercial Rehabilitation Act exemption pays on the full special assessment millage rate, the same as any “ad valorem” property.

19. For Qualified Retail Food Establishments, how do you determine if you are located in an “underserved area?”

Under the “Commercial Rehabilitation Act” link on the Property Tax Exemption Section website (www.michigan.gov/propertytaxexemptions) click on “Qualified Retail Food Establishments.” Then click on “Eligibility Requirements,” which describes how to find the census tract that you are located in. Last, click on “Census Tracts Regarding Underserved Areas” for a listing of qualifying census tracts.

20. Can a Commercial Rehabilitation Exemption Certificate be transferred or amended?

Yes. MCL 207.853 allows a certificate to be transferred and assigned by the holder to a new owner of the qualified facility. The new owner must first apply and be approved by the qualified local governmental unit before the transfer may occur. A certificate may also be amended if the number of years initially exempted was fewer than ten. The certificate may then be subject to review by the legislative body of the qualified local governmental unit and be extended.

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21. Can a Commercial Rehabilitation Exemption Certificate be revoked?

Yes. The legislative body of the qualified local governmental unit may, by resolution, revoke the Commercial Rehabilitation Exemption Certificate of a facility if it finds that the completion of rehabilitation of the qualified facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time or that the holder of the Commercial Rehabilitation Exemption Certificate has not proceeded in good faith with the operation of the qualified facility in a manner consistent with the purposes of the act and in the absence of circumstances that are beyond control of the holder of the exemption certificate. MCL 207.852(1).

In addition, the holder of a Commercial Rehabilitation Certificate may send, by certified mail, a request to revoke the certificate to the qualified local governmental unit. Upon receipt of the request, the legislative body of the local governmental unit may, by resolution, revoke the certificate. MCL 207.852(2).

22. When does the revocation of a Commercial Rehabilitation Exemption Certificate take effect?

The revocation of a Commercial Rehabilitation Exemption Certificate is effective the December 31st of the year in which the local governmental unit resolves to revoke the certificate.

23. Can a revoked Commercial Rehabilitation Exemption Certificate be reinstated?

Yes. Pursuant to MCL 207.853(3), a Commercial Rehabilitation Certificate can be revoked under two circumstances. If the holder of the revoked certificate is requesting reinstatement, they must submit a written request to the qualified local governmental unit and the STC. If a subsequent owner is requesting reinstatement of a revoked certificate, they must file an application with the qualified local governmental unit.

If the legislative body of the qualified local governmental unit submits a resolution of concurrence to the STC, and the facility continues to qualify under the Act, a revoked Commercial Rehabilitation Exemption Certificate may be reinstated by the STC.

24. What is the definition of “Commercial Property?”

MCL 207.842(a) defines “Commercial Property” as:

“. . . land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206; MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include facilities related to

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a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise. Commercial property **does not** include any of the following: land or property of a public utility” (emphasis added).

25. What is the definition of “multifamily residential use?”

“‘Multifamily residential use’ means multifamily housing consisting of 5 or more units.” MCL 207.842(g).

26. What is the definition of a “qualified local governmental unit?”

“‘Qualified local governmental unit’ means a city, village, or township.” MCL 207.842(i).

27. What is the definition of a “Qualified Facility?”

A “Qualified Facility” is defined by MCL 207.842(h) as:

“A qualified retail food establishment or a building or group of contiguous buildings of commercial property that is 15 years old or older or has been allocated for a new market tax credit under section 45d of the internal revenue code, 26 USE 45d. Qualified facility also includes a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which within the immediately preceding 15 years, was commercial property as defined in subdivision (a). Qualified facility shall also include vacant property located within a city with a population of more than 500,000 according to the most recent federal decennial census and from which a previous structure has been demolished and on which commercial property is or will be newly constructed provided an application for a certificate has been filed with that city before July 1, 2010. A qualified facility also includes a hotel or motel that has additional meeting or convention space that is attached to a convention and trade center that is over 250,000 square feet in size and that is located within a county with a population of more than 1,100,000 and less than 1,600,000 as of the most recent decennial census. A qualified facility **does not** include property that is to be used as a casino or a professional sports stadium. As used in this subdivision, “casino” means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the

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Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226” (emphasis added).

28. How is “rehabilitation” defined as it pertains to the Commercial Rehabilitation Act?

“Rehabilitation” is defined by MCL 207.842(k) as:

“. . . [C]hanges to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation for a qualified retail food establishment also includes new construction. Rehabilitation also includes new construction of a qualified facility that is a hotel or motel that has additional meeting or convention space that is attached to a convention or trade center that is over 250,000 square feet in size, located within a county with a population of more than 1,100,000 and less than 1,600,000 as of the most recent decennial census, if that new construction is an economic benefit to the local community as determined by the qualified local governmental unit. Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if that new construction is an economic benefit to the local community as determined by the qualified local governmental unit. Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the qualified facility.”

29. What is required of the Local Governmental Unit regarding the yearly status reporting of Commercial Rehabilitation Exemptions to the STC?

No later than October 15th of each year, the assessor of each qualified local governmental unit containing properties subject to a Commercial Rehabilitation Exemption Certificate shall file Form 4769 *Assessing Officer Report for Commercial Rehabilitation Exemption* with the STC. The report must include the current value of the property to which the exemption pertains, the value on which the commercial rehabilitation tax is based, and a current estimate of the number of jobs retained or created by the exemption, and the number of new residents.

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30. Where can I obtain copies of previously issued Commercial Rehabilitation Exemption Certificates?

Copies of certificates acted upon by the STC after January 1, 2013 are available on the Department of Treasury website at:

www.michigan.gov/propertytaxexemptions.

Choose the exemption program under which the certificate was issued. Within the “Certificate Activity” link, the certificates are listed according to the date they were acted upon.

INDUSTRIAL PROPERTY TAX ABATEMENT (PA 198 of 1974, as amended)

Industrial property tax abatements provide incentives for eligible businesses to make new investments in Michigan. These abatements encourage Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement.

High-technology activity is defined in the Michigan Economic Growth Authority (MEGA) Act as: advanced computing, advanced materials, biotechnology, electronic device technology, engineering or laboratory testing related to product research and development and advanced vehicles technology or technology that assists in the assessment or prevention of threats or damage to human health or the environment. Abatements under PA 198 can significantly reduce property taxes on new investment for eligible firms.

ESTABLISHING THE DISTRICT

Tax benefits are granted by the legislative body of the city, township or village in which the investment will be located. A public hearing is held and a resolution is adopted to approve the establishment of an Industrial Development District (for a new project) or a Plant Rehabilitation District (for a rehabilitation project). A written request to establish the district must be filed with the clerk of the local unit of government prior to commencement of construction, alteration or installation of equipment.

Once the district is established, the company may apply for an abatement on real and personal property taxes for up to 12 years.

APPLICATION PROCESS

Industrial property tax abatements must be approved at both the local and state levels. The eligible business files an application (Michigan Department of Treasury Form 1012) with the local clerk after the district has been established and no later than six months after commencement of the project. The local unit adopts a

resolution approving the application and determines the length of years for the abatement. After a local public hearing, the application is filed and reviewed by the State Tax Commission (STC) and the Michigan Economic Development CorporationSM (MEDC). The STC then grants final approval applications with required attachments must be received by the STC no later than October 31, in order to receive consideration and action by December 31.

Applications to the STC must include an agreement signed by the local unit and the operator of the facility outlining the conditions of the abatement. This shall include an affidavit that no payment of any kind in excess of the fee allowed under the act has been made or promised in exchange for favorable consideration of exemption application.

Once approved, the firm pays an Industrial Facilities Tax (IFT), instead of property tax, which reflects the abatement savings.

ELIGIBLE FACILITIES

Industrial plants eligible for tax abatement are those that primarily manufacture or process goods or materials by physical or chemical change. Related facilities of Michigan manufacturers such as offices, engineering, research and development, warehousing or parts distribution are also eligible for exemption.

Research and development laboratories, high-tech facilities and large communication centers can qualify throughout Michigan.

Facilities used for warehousing, distribution or logistics purposes can be eligible if they locate in specific border counties. At least 90 percent of the property, excluding the surrounding green space, must be used for a warehouse, distribution, logistics or communication center and occupy a building or structure that is more than 100,000 square feet. Eligible border counties include

Berrien, Branch, Cass, Chippewa, Dickinson, Gogebic, Hillsdale, Iron, Lenawee, Menominee, Monroe, St. Clair, St. Joseph, and Wayne.

The exemption applies to buildings, building improvements, machinery, equipment, furniture and fixtures. Real and personal property are eligible whether owned or leased (provided the lessee is liable for payment of taxes on the property).

The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to construction of a new facility are not exempt. If the project is rehabilitation, the value of any pre-existing obsolete property is exempt from ad valorem property taxes, but will be used as the base for IFT. Similarly, any structures or equipment added after completion of the project are fully taxable.

TAX IMPACT

Real and Non-industrial Personal Property IFT Treatment

The IFT on a new plant and non-industrial personal property, such as some high-tech personal property, is computed at half the local property tax mileage rate. This amounts to a reduction in property taxes of approximately 50 percent. In addition, the 6-mill SET may be abated 100 percent, 50 percent or not at all. Any SET abatement must be negotiated with the MEDC.

Rehabilitation of Real or Personal Property IFT Treatment

For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement. This results in a 100 percent exemption from property tax on the value of the improvements.

Speculative Building IFT Treatment

In order for a speculative building to qualify for abatement, the local unit must approve a resolution declaring it is a speculative building prior to identifying occupants. Initial construction and finishing costs would be eligible for a reduction in property taxes of approximately 50 percent.

Commercial Personal Property Tax Relief

Commercial personal property will receive an automatic reduction of 12 mills for local school on their property tax bill.

Extension Under Personal Property Tax Reform

Personal property abated under PA 198 and eligible in the future for the Personal Property Tax (PPT) exemption will automatically continue to be abated under PA 198 until that property may be claimed as exempt from the PPT in the current tax year. Businesses with IFT until the property becomes eligible for the PPT exemption.

For more information, contact the MEDC customer contact center at 517.373.9808 or visit our website at www.michiganbusiness.org.

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

The following frequently asked questions are being provided as a service to assessors and taxpayers to better inform them about the administration of Public Act 198 of 1974, MCL 207.551 et seq., as amended.

Note: The information contained in these frequently asked questions constitutes an analysis of one or more statutes and not legal advice. Since the analysis is limited to general statutory requirements, individual facts may result in different conclusions being reached. Therefore, individuals may wish to consult legal counsel.

1. What is an Industrial Facilities Exemption?

The Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities and to promote the establishment of high tech facilities. An Industrial Development District (IDD) or a Plant Rehabilitation District (PRD) must be created prior to initiating a project so it is essential that you consult with your local assessor before commencing a project. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division and the Michigan Economic Development Corporation. The State Tax Commission (STC) is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

2. What is the difference between an Industrial Development District and a Plant Rehabilitation District?

The main difference is that an Industrial Development District (IDD) covers only new facility projects and a Plant Rehabilitation District (PRD) is designed primarily for rehabilitation projects and requires a finding that 50% or more of the industrial property within the district is obsolete. (See MCL 207.554(5).) The 50% obsolescence requirement is measured by dividing the State Equalized Value (SEV) of the obsolete property by the SEV of all the properties in the district and multiplying the result by 100.

3. Should a Plant Rehabilitation District (PRD) include only the project that is currently being rehabilitated?

Yes. A PRD should only include the project that is currently being rehabilitated and requires at least 50% of the properties within the district to be obsolete. This allows future applicants the ability to apply for additional replacement facilities.

In the case of a district which was created many years ago and encompassed many separate buildings, several separate Industrial Facilities Exemption Certificates could have been issued over the years. The result is that when the assessor calculates whether

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50% of the property in the district is obsolete, there may be so many new and rehabilitated properties that have returned to the ad valorem roll that the 50% obsolescence requirement cannot be met.

4. How do I identify the exact parameter of a project that will be placed within a Plant Rehabilitation District?

The following procedure has been utilized to assist in identifying the exact parameter of the project that is being replaced and the taxable value to be frozen:

- a. Designate a PRD with a legal description that specifically matches the description of the replacement portion or project to be rehabilitated in the application. The legal description of the district will encompass only the building or portion of the building or machinery and equipment that is being rehabilitated.

If the PRD includes more than the property currently being rehabilitated, an exemption certificate may be granted in the future to additional properties within the district even though the local unit objects to it.

- b. Request that the assessor provide the Taxable Value (TV) of all the real and/or personal property contained within the boundaries of the specifically described PRD. This figure becomes the frozen TV of the facility.

It has been the practice of the State Tax Commission (STC) to request that the SEV/TV of the entire PRD for a rehabilitation project be frozen. Many of the early applications involved projects in large established PRD districts where the SEVs of the entire PRD were later found to include additional buildings/personal property that were contained within the district and frozen but were not being rehabilitated at the time of the application. This was at times found to be detrimental to both the company and the local units. The detriment for companies was that there was no allowance on frozen assessments for the depreciation of buildings and equipment. In order to correct the frozen assessment, the company would have to request revocation of the certificate.

5. Can a request to establish an Industrial Development District or a Plant Rehabilitation District be denied?

Yes. A local governmental unit may approve or deny a request to establish a district.. Once a district is established, a local unit cannot stop an application within the established district from being submitted, acted upon and given the full right to the appeal process.

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6. Is there a procedure for dissolving an Industrial Development District or a Plant Rehabilitation District?

Yes. Guidelines for the dissolving of a district can be found in MCL 207.554(8), which states the following:

“A local governmental unit, by resolution of its legislative body, may terminate a plant rehabilitation district or an industrial development district, if there are no industrial facility exemption certificates in effect in the plant rehabilitation district or the industrial development district on the date of the resolution to terminate.”

7. How do I apply for an Industrial Facilities Exemption Certificate?

An application for *Industrial Facilities Exemption Certificate* (Form 1012) can be found at the Michigan Department of Treasury website:

www.michigan.gov/propertytaxexemptions.

File two copies of the completed application and all attachments with the clerk of the local governmental unit where the facility is located. You must meet the following qualifications of the Act:

- a. The facility must be located within an established Industrial Development or Plant Rehabilitation District;
- b. The applicant is a qualifying business as outlined in MCL 207.552; and
- c. The application for the exemption can be prefiled but must be filed within six months of the commencement of the improvements.

8. Are there provisions in the application process that are time sensitive?

Yes. There are several provisions which cause the application process to be time-sensitive.

MCL 207.553(8)(b) provides that a speculative building must be one that is constructed *before* a specific user is identified.

MCL 207.554(3) requires that the request for the establishment of a proposed Plant Rehabilitation District (PRD) or Industrial Development District (IDD) must be made *prior* to the start of construction of the property for which exemption is being sought.

MCL 207.554(4) requires that *before* adopting a resolution establishing a PRD or IDD the legislative body shall give written notice by certified mail to the owners

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of all real property within the proposed PRD or IDD, hold a public hearing on the proposed establishment, and grant a right to appear and be heard regarding same.

MCL 207.554(9) provides that *before* acting on a proposed resolution terminating a PRD or IDD, the local unit shall give at least 14 days written notice by certified mail to owners of all real property within the PRD or IDD and hold a hearing at which those owners have a right to appear and be heard.

MCL 207.555(2) requires that *before* acting upon an application, the legislative body of the local governmental unit shall afford the applicant, the assessor and a representative of the affected taxing units an opportunity for a hearing.

MCL 207.556 requires that no more than 60 days after the clerk's receipt of the application, the legislative body of the local governmental unit shall, by resolution, either approve or disapprove the application. Further, the clerk shall forward the approved application to the commission within 60 days of that approval or before October 31 of that year, whichever is first. In the case of a disapproval of the application, the applicant has 10 days after the date of the disapproval to appeal to the commission.

MCL 207.559(2) requires that the start of construction of the facility cannot occur more than 6 months before the filing of the application for the Industrial Facilities Exemption Certificate with the clerk of the local unit of government.

State Tax Commission Rule No. 57 states that a complete application (with all required attachments) received by the State Tax Commission on or before October 31 will be acted on by the Commission before December 31 of that year. Applications received after October 31 will be processed contingent upon staff availability.

9. Can an application for an Industrial Facilities exemption Certificate be denied?

Yes. An application can be denied by the local governmental unit or by the State Tax Commission if all the requirements are not met by the applicant.

10. Can a decision of the State Tax Commission regarding an industrial facilities Exemption Certificate be appealed?

Yes. MCL 207.570 states as follows:

“A party aggrieved by the issuance or refusal to issue, revocation, transfer, or modification of an industrial facilities exemption certificate may appeal from the finding and order of the commission in the manner and form and within the time provided by Act No. 306 of the Public Acts of 1969, as amended.”

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PA 306 of 1969, also known as the Administrative Procedures Act (APA) provides for an appeal to the circuit court within 60 days of the date the STC denies the application for an IFEC. (See MCL 24.301 through MCL 24.306.)

11. Is it possible for an Industrial Facilities Exemption Certificate to remain in effect for more than 12 years?

Yes. The local unit determines the number of years granted for an exemption request. The number of years can be anywhere from 1 to 12 years with the exception discussed below for the period of construction. If the local unit decides to grant exactly 12 years, it should state this in the resolution, as discussed below in Example #1. If the local unit chooses to grant the application for a period of time greater than 12 years, (*i.e.*, 1-2 years as partially complete and 12 years as fully completed), the local unit should use the language discussed in Example #2 below to accomplish this.

Example #1: If the resolution states “12 years,” the ending date of the certificate will be 12 years added to the tax day on which the exemption becomes effective.

Example #2: If the resolution states “12 years after completion,” the ending date of the certificate will be 12 years added to up to 2 years of construction time. This would allow up to a 14-year exemption period. This could be further extended if an extension of time is granted as provided by STC Rule No. 53.

12. What determines the starting date of an Industrial Facilities Exemption Certificate (IFEC)?

The starting date of the term of an IFEC is December 31st of the year the certificate is issued by the State Tax Commission (STC). [Example: a certificate issued on November 12, 2018 would have a start date of December 31, 2018.]

13. Why is a certificate sometimes issued by the State Tax Commission (STC) for a longer period of time than what was approved by the local unit?

There may be a variance due to the local unit’s resolution stating the number of years as “after completion.” The resolution may be corrected any time prior to being submitted to the STC for issuance of the certificate. After issuance, no corrections are allowed except in the case of an extension of time to complete, as provided by STC Rule No. 53.

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14. Can the ending date of an Industrial Facilities Exemption Certificate be changed after it is issued by the State Tax Commission (STC)?

Yes. The statute calls for the certificate to be issued by the local unit for the number of years it designates. The ending date is determined by the language in the resolution. Once the certificate is issued, the ending date can only be changed when one of the following applies:

- a. STC Rule No. 53, which provides for an extension of time to complete the project.
- b. MCL 207.557a which applies to facilities that exceed \$150,000,000 of State Equalized Value (SEV).
- c. MCL 207.566a which applies to certificates issued after December 31, 1995, for which the exemption period is shorter than the maximum allowed under MCL 207.566.

15. Can the duration of an Industrial Facilities Exemption Certificate (IFEC) be extended?

An IFEC can be approved for a maximum of 12 years. Local units may grant less than the 12-year maximum term when granting exemptions based on criteria they have adopted. (See MCL 207.566a.) Some local units allow extensions beyond the original term granted and some do not. A local unit may state in its original resolution the number of years being granted and include an extension provision which contains the criteria to be used to determine whether someone qualifies for an extension. This could be done at the start of the exemption process.

16. How is the tax computed for a new facility?

Real Property

MCL 207.564(3) states that the tax computation for new facility real property is determined by multiplying the Taxable Value (TV) of the facility by ½ of the total mills other than the State Education Tax (SET) mills levied as ad valorem taxes for that year by all of the taxing units where the property is located plus the total SET mills, unless receiving a 100% or 50% abatement from the State Treasurer under MCL 207.564a.

Personal Property Sited on Real Property Classified as Industrial Real Property

MCL 207.564(4) states that the tax computation for new facility personal property sited on real property classified as industrial real property is determined by multiplying the TV of the facility by ½ of the total mills other than the local school district (LSD) Operating mills and SET mills levied as ad valorem tax for that year by all of the taxing units where the property is located, plus ½ of the Hold-Harmless mills.

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Personal Property Sited on Real Property Classified as Commercial Real Property

MCL 207.564(4) states that the tax computation for new facility personal property sited on real property classified as commercial real property is determined by multiplying the TV of the facility by $\frac{1}{2}$ of the total mills (including SET mills) other than the LSD Operating mills levied as ad valorem tax for that year by all of the taxing units where the property is located, plus $\frac{1}{2}$ of the sum of LSD Operating mills minus 12 mills, plus $\frac{1}{2}$ of the Hold-Harmless mills.

Personal Property Sited on Real Property Not Classified as Industrial or Commercial Real Property

MCL 207.564(3) states that the tax computation for new facility personal property sited on real property not classified as industrial or commercial real property is determined by multiplying the TV of the facility by $\frac{1}{2}$ of the total mills other than the SET mills levied as ad valorem tax for that year by all of the taxing units where the property is located plus the total SET mills unless receiving a 100% or 50% abatement from the State Treasurer under MCL 207.564a.

A parcel of property holding a new Industrial Facilities Exemption Certificate (IFEC) will have two assessments: the land will be addressed on the regular (ad valorem) assessment roll that the assessor has turned over to the March Board of Review and the building, land improvements and personal property (pertaining to the same certificate) will have an assessment on the Industrial Facility Tax tax roll.

MCL 207.553(11) requires the assessor to calculate a Capped Value and a Taxable Value for the building and land improvements of a parcel of real property holding a new IFEC.

Taxes on a property holding a new certificate shall be levied against the TV of the property, not the SEV. The TV of real property which has a new certificate is calculated the same way that TV is calculated for the non-IFT, ad valorem assessment roll.

The property's land assessment on the ad valorem roll may be adjusted by the March Board of Review. The IFT tax roll assessment of a new IFEC may also be adjusted by the March Board of Review.

17. How is the tax computed for a “replacement facility”?

MCL 207.564(1) states that the tax computation for a replacement facility is determined by multiplying the total mills levied as ad valorem taxes by the Taxable Value (TV) of the real and/or personal component of the obsolete industrial property for the tax year immediately preceding the effective date of the certificate.

A parcel of property holding a “rehabilitation” Industrial Facilities Exemption Certificate will have two assessments. The land will be assessed on the regular (ad valorem) assessment roll that the assessor has turned over to the March Board of Review. The building, land improvements and personal property (pertaining to the same certificate)

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will have an assessment on the Industrial Facility Tax (IFT) tax roll. The taxes on properties holding a “rehabilitation” or “replacement” certificate shall be levied against TV.

The TV of a property on the IFT tax roll with a “rehabilitation” or “replacement” certificate is the amount of the TV of the real and/or personal property for the tax year immediately preceding the effective date of the certificate. That amount is frozen until the exemption certificate expires.

The TV of a property on the IFT tax roll with a “rehabilitation” or “replacement” certificate which began PRIOR to 1995 will still be the same as the frozen SEV for the property until the exemption certificate expires. The TV of a property covered by a rehabilitation or replacement certificate which began in 1995 or AFTER will be the same as the frozen TV for the property until the exemption certificate expires.

The property’s land assessment on the ad valorem roll may be adjusted by the March Board of Review. The IFT tax roll assessment of a property with a rehabilitation or replacement certificate cannot have its assessment altered by the Board of Review during the term of the certificate.

18. Can a 1% Administration Fee be added to an Industrial Facility Tax (IFT) tax roll?

Yes. Per MCL 207.561(11)(1), the 1% Administration Fee can be added to an IFT tax roll.

19. Why are the dollar amounts on some Industrial Facilities Exemption Certificates (IFEC) different from what was applied for?

If the dollar amounts on a certificate are different from what was applied for, it may have been changed by Property Services Division (PSD) staff due to one of the following reasons:

- a. The application was filed more than 6 months after the start of construction of real property or the start of installation of personal property. See also Question #7.
- b. Some of the equipment was existing equipment which is ineligible for exemption as new property. See also Question #20.
- c. Used equipment was purchased from another manufacturing company, not from a broker of used equipment. See also Question #20.
- d. The application involves leased property, but the property tax liability is not held by the applicant. In other words, the applicant is not responsible for direct payment of taxes to the local unit. See MCL 207.552(6).

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- e. The real property investment cost listed within box 6a of the application includes the purchase price of the land. See also Question #33.

20. What happens when an incomplete application for an Industrial Facilities Exemption Certificate (IFEC) is received?

The applicant will be contacted by letter regarding the incomplete application and the applicant must submit a completed application with the required documents within 30 days. If the required documents are not submitted within 30 days, the application may be dismissed as inactive.

21. What types of equipment qualify as new industrial property as defined in MCL 207.552(4)?

The State Tax Commission (STC) has interpreted the term “new industrial property” to mean new to the tax base in Michigan. Following this interpretation, the following would be considered new industrial property:

- a. New equipment purchased from an equipment manufacturer.
- b. Used equipment never before located in Michigan.
- c. Used equipment purchased from a broker of used equipment with the rationale that because the prior owner is a broker, the equipment has lost its status as existing equipment in Michigan as it has become inventory.

The following would not qualify as new industrial property:

- a. Existing equipment already in the possession of the applicant.
- b. Existing equipment in the possession of another Michigan company.

22. Can an application for an Industrial Facilities Exemption Certificate (IFEC) include equipment/devices which are also going to be submitted for an Air or Water Pollution Control Exemption?

Yes. It is recommended that all new equipment and machinery be included in the IFEC application so that the equipment and machinery meet the timeline requirements of PA 198 of 1974, as amended. The same equipment can then also be submitted for an Air or Water Pollution Control Exemption. If all of the property does not qualify as exempt Air or Water Pollution Control equipment, the remainder may then qualify for the IFEC exemption. Refer to the Air or Water Pollution Control Exemption FAQs for more information.

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23. Can a real property replacement facility include more floor space than the original obsolete facility?

Yes. MCL 207.552(3) states that a replacement facility can consist of either replacement or restoration. MCL 207.553(5) defines “replacement” as:

“...the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility.”

“Replacement” usually involves the construction of a new building or a part of a building. “Restoration” is defined in MCL 207.553(6) as:

“... changes to obsolete industrial property other than replacement as may be required to restore the property ... to an economically efficient functional condition.”

When replacement includes additional floor space, it can still be a replacement facility, provided that the building does not exceed the size of the original building by more than 10%. If the replacement building exceeds the size of the original by more than 10%, the additional space must be treated as a new facility. The tax on a new facility is calculated differently from the tax on a replacement facility.¹ When restoration includes more floor space than the original building, ALL of the additional floor space is treated as a new facility.

24. Why are some projects approved by the State Tax Commission (STC) as new facilities even though they were submitted as rehabilitation facilities?

If an application was submitted as a rehabilitation facility project but was approved as a new facility, it may be due to one of the following reasons:

- a. The description of the investment undertaken did not speak to restoration and/or replacement of a functionally obsolete facility involving major improvements such as roof, windows, plumbing, heating, code compliances, etc.
- b. The Plant Rehabilitation District (PRD) in which the project is located no longer qualifies as a PRD because at least 50% of the properties in the district are no longer obsolete. Therefore, only new facilities can be located within the district.
- c. The district established was an Industrial Development District (IDD) in which only new projects are allowed, not a PRD.

¹ See MCL 207.564 regarding the calculation of the industrial facility tax for new and replacement facilities.

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- d. The local unit's resolution approving the request approved a new facility project, not a rehabilitation project.

25. Can leased equipment qualify for an Industrial Facilities Exemption Certificate?

Yes, under the following conditions:

1. The length of the lease must be as long as or longer than the length of the certificate to be granted.
2. The lessee must have the tax liability for the length of the certificate to be granted. (Any indication that the taxes are being paid "as additional rent" is not acceptable.)

26. Can an Industrial Facilities Exemption Certificate (IFEC) be transferred to a new owner?

Yes. MCL 207.571 states as follows:

"An industrial facilities exemption certificate may be transferred and assigned by the holder of the industrial facilities exemption certificate to a new owner or lessee of the facility but only with the approval of the local governmental unit and the commission after application by the new owner or lessee, and notice and hearing in the same manner as provided under section 5 for the application for a certificate."

Once the application for transfer has been presented to the local unit, they must review the application and issue a decision after a review of the prerequisites and qualifications contained in MCL 207.559. If the local unit denies the application, the applicant may appeal to the State Tax Commission (STC), pursuant to MCL 207.556. If the local unit approves the application, the STC must make a decision pursuant to MCL 207.557. If the local unit disapproves the application and the taxpayer files an appeal with the STC within 10 days, the STC shall review the facility to determine if it meets the qualifications in MCL 207.559. If the STC denies the approval, the applicant may appeal pursuant to the Administrative Procedures Act (APA).

The STC has allowed a shortened procedure for transfers when they involve a name change only. This is the case when the ownership remains exactly the same and the activity at the facility remains the same. The only change is in the name of the company. Certain mergers and restructuring may also qualify for this shortened procedure. Please contact the Tax Exemption Section at (517) 373-2408 with questions regarding transfers involving a name change, mergers, and restructurings.

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- 27. Company “A” has an Industrial Facilities Exemption Certificate that was issued a year ago. They have purchased new equipment that qualified for exemption. Is it more advantageous to add this new equipment to the existing Exemption Certificate or apply for a new exemption certificate for this equipment?**

As long as the new equipment is purchased within the two-year post construction period from the effective date of the original issuance of the certificate, the equipment may be added by amending the existing certificate. If the new equipment purchase is closer to the end of the two-year post construction period from the effective date of the original issuance of the certificate, it may be more advantageous to apply for a new certificate for this equipment thereby attaining a greater number of years of exemption than could be gained by an amendment.

- 28. Is there a limit on the amount of time that an applicant can take to complete a project?**

Yes. MCL 207.565 states that a certificate can be revoked if the project has not been completed in a two-year time period from the issuance of the certificate. STC Rule No. 53 allows for a one-year extension of time to complete a project. If a resolution is received by the State Tax Commission (STC) and it does not specifically state that the local unit is granting a three-year construction completion period, the assumption is made that the local unit is only granting a two-year construction completion period. Companies may obtain a third year to complete construction through a resolution by the local governmental unit granting a one-year extension of time as outlined in STC Rule No. 53. Upon receipt of a request for an extension, the local unit may: (a) deny the request; (b) approve the request with no change in the ending date of the certificate issued; or (c) approve the extension of time for the completion of the project and a revised ending date on the certificate. Depending upon the outcome at the local level, the request for an extension of time for the completion of a project shall be filed with the commission by the certificate holder and shall be accompanied by a resolution of approval adopted by the local governmental unit. Please see MCL 207.557a for the construction period of a facility whose cost will exceed \$150,000,000 of state equalized value.

- 29. What happens when the cost or the size of the project turns out to be greater than what was stated on the original application?**

The Property Services Division (PSD) staff distinguishes between an increase in costs versus an amendment to the project. For example, if the original application listed 10 computers at a total cost of \$20,000, but it turns out that the 10 computers cost a total of \$25,000 that is an increase in costs. However, if the original application listed 10 computers at a total cost of \$20,000 but it turn out that 20 computers were purchased at a total cost of \$40,000, that is determined to be an amendment.

If there is an increase in costs of the project that exceeds the original approved amount by 10% or less, it is not necessary for the local unit to approve the new amount. If the

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increase is greater than 10%, the procedures in STC Rule No. 54 must be followed. STC Rule No. 54 states that the certificate holder shall request that the local governmental unit approve the revised cost if greater than 10% over the original approved amount. If the local unit approves the revised cost, the holder of the certificate shall request that the commission issue a revised certificate. The request shall be accompanied by a copy of the resolution of approval adopted by the local governmental unit.

When additional real and/or personal property components are added, an amendment to the project has occurred, and regardless of the dollar amount of the additional property, it must be approved at the local level and ultimately by the STC.

30. Can an Industrial Facilities Exemption Certificate (IFEC) be revoked? If yes, who holds the authority to do so?

Yes. MCL 207.565 provides for the revocation of an IFEC. MCL 207.565(1) addresses requests for revocations initiated by the holder of the certificate. MCL 207.565(2) addresses requests for revocation initiated by the local governmental unit and includes specific reasons why a certificate may be revoked. In either case, only the State Tax Commission (STC) has the authority to revoke a certificate.

A party aggrieved by a revocation by the STC may appeal the revocation under the provisions of the Administrative Procedures Act (APA). The APA provides that a request for a rehearing of an STC decision should be filed, in writing, within 60 days from the date the STC mailed the notice of revocation.

In a related matter, MCL 207.563(2) provides for automatic termination of an IFEC when the Industrial Facility Tax on real property has not been paid. Please see MCL 207.563 for the procedure to be followed.

31. When does the revocation of an Industrial Facilities Exemption Certificate (IFEC) take effect?

The revocation of an IFEC is effective the December 31st of the year in which the State Tax Commission (STC) revoked the certificate.

32. If a company announces that it will cease operations in the coming year, will the State Tax Commission approve the revocation of that company's Industrial Facilities Exemption Certificate (IFEC) for the tax day prior to the actual cessation of operations?

No. It has been the State Tax Commission's past practice, that an IFEC could not be revoked as of December 31, 2018 even though it was announced during 2018 that operations would cease as of February of 2019.

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Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

33. Is there a limit to the application fee that may be charged by a local unit of government for the cost of processing the application for an Industrial Facilities Exemption Certificate (IFEC)?

Yes. MCL 207.555(3) specifically limits the amount of an exemption certificate application fee that may be charged by a unit of local government to the lesser of the actual cost of processing the application or 2% of total property taxes abated during the term that the exemption certificate is in effect and specifically prohibits local units of government from charging applicants any other fee.

Local units may not require, as a condition precedent to approving an IFEC application, that applicants make or promise to make payments to the local unit. Whether referred to as fees, payments in lieu of taxes, donations, or another name, such payments are contrary to the legislative intent of PA 198 of 1974. [See STC Bulletin 3 of 1998, at www.michigan.gov/propertytaxexemptions].

34. What is the definition of “Industrial Property”?

MCL 207.552(6) defines “Industrial Property” as:

land improvements, buildings, structures, and other real property and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or in the process of construction comprising an integrated whole, the primary purpose and use of which is:

- a. the engaging in a high-technology activity;
- b. operation of a strategic response center;
- c. operation of a motorsports entertainment complex;
- d. operation of a logistical optimization center;
- e. operation of a qualified commercial activity;
- f. operation of a major distribution or logistics facility;
- g. the manufacture of goods or materials;
- h. creation of synthesis of biodiesel fuel;

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- i. the processing of goods and materials by physical or chemical change²;
- j. property acquired, constructed, altered, or installed due to the passage of Proposal A in 1976;
- k. the operation of a hydroelectric dam by a private company other than a public utility;
- l. agricultural processing facilities;
- m. facilities related to a manufacturing operation under the same ownership, including but not limited to, office, engineering, research and development, warehousing, or parts distribution facilities;
- n. research and development laboratories of companies other than those companies that manufacture the products developed from their research activities;
- o. research development laboratories of a manufacturing company that are related to the products of the company;
- p. an electric generating plant that is not owned by a local unit of government, including, but not limited to, an electric generating plant fueled by biomass, if the application is approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007;
- q. convention and trade centers in which construction begins not later than December 31, 2010 and is over 250,000 square feet in size or, if located in a county with a population of more than 750,000 and less than 1,100,000 is over 100,000 square feet in size or, if located in a county with a population of more than 26,000 and less than 28,000, is over 30,000 square feet in size;
- r. a federal reserve bank operating under 12 USC 341, located in a city with a population of 750,000 or more.

² “Manufacture of goods or materials” or “processing of goods or materials” means any type of operation that would be conducted by any entity included in the classifications provided by Section 31-33 – Manufacturing, of the North American Industry Classification System – United States (1997), published by the Office of Management and Budget, regardless of whether the entity conducting that operation is included in that manual.

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Note: Industrial property may be owned or leased. However, in the case of leased property, the lessee must be liable for payment of ad valorem property taxes and shall furnish proof of the liability.

Industrial property does not include any of the following:

- a. land;
- b. property of a public utility other than an electric generating plant that is not owned by a local unit of government for which an application was approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007;
or
- c. inventory.

35. What is the definition of “high-technology activity”?

Section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803 defines “high-technology” as:

- i. Advanced computing, which is any technology used in the design and development of any of the following:
 1. Computer hardware and software.
 2. Data communications.
 3. Information technologies.
- ii. Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.
- iii. Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.
- iv. Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.

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- v. Engineering or laboratory testing related to the development of a product.
- vi. Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.
- vii. Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.
- viii. Product research and development.
- ix. Advanced vehicles technology that is any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles. For purposes of this act:
 - 1. "Electric vehicle" means a road vehicle that draws propulsion energy only from an on-board source of electrical energy.
 - 2. "Hybrid vehicle" means a road vehicle that can draw propulsion energy from both a consumable fuel and a rechargeable energy storage system.

36. What is the definition of “obsolescence”?

The assessor must make a recommendation to the local governing unit that 50% or more of the property to be contained in a Plant Rehabilitation District (PRD) is obsolete. “Obsolete industrial property” is defined in MCL 207.552(7) as:

“... industrial property the condition of which is substantially less than an economically efficient functional condition.”

“Economically efficient functional condition” is further defined in MCL 207.552(8) as:

“... a state or condition of property the desirability and usefulness of which is not impaired due to changes in design, construction, technology, or improved production processes, or from external influencing factors which make the property less desirable and valuable for continued use.”

The following are examples of the restoration of obsolete industrial property from MCL 207.553(6):

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Restoration includes major renovation including but not necessarily limited to the improvement of floor loads, correction of deficient or excessive height, new or improved building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, improvements or modifications of machinery and equipment to improve efficiency, decrease operating costs, or to increase productive capacity, and other physical changes as may be required to restore the industrial property to an economically efficient functional condition, and shall include land and building improvements and other tangible personal property incident to the improvements.

When the planned improvements are less than 10% of the true cash value of the industrial property, the improvements are considered delayed maintenance and not considered restoration. (MCL 207.553(6).)

37. What are some of the special provisions that apply to speculative buildings?

MCL 207.553(8) defines a “speculative building” as:

“Speculative Building means a new building that meets all of the following criteria and the machinery, equipment, furniture, and fixtures located in the new building:

- a. the building is owned by or approved as a speculative building by resolution of a local governmental unit in which the building is located or the building is owned by a development organization and located in the district of the development organization.
- b. the building is constructed for the purpose of providing a manufacturing facility before the identification of a specific user of that building.
- c. the building does not qualify as a replacement facility.”

Subsection 8(b) requires that a speculative building be constructed before a specific user is identified. This law does not require that a building be approved by the local governmental unit before identification of the specific user.

The following are additional requirements specific to speculative buildings:

- a. that the speculative building was constructed less than 9 years before the filing of the exemption certificate.

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- b. that the speculative building has not been occupied since the completion of construction.

Important note: It is sometimes advantageous to divide a speculative building into several smaller units rather than having the entire building as one unit. (*e.g.*, if a 50,000 square foot building is designed to be occupied by 5 separate users, but it is only approved as a single speculative building, after the first user takes occupancy, the building may no longer qualify as speculative for future occupants because it may no longer qualify under paragraph b, above.)

38. Where can I find information regarding the Industrial Facilities Exemption Certificate (IFEC) application process?

Application instructions, sample documents, and a checklist regarding the IFEC application process can be found on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions.

39. Where can I obtain copies of previously issued Industrial Facilities Exemption Certificates?

Copies of certificates acted upon by the State Tax Commission after January 1, 2013, are available on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions Choose the exemption program under which the certificate was issued. Within the “Certificate Activity” link, the certificates are listed according to the date they were acted upon.

40. Where can I check on the status of an Industrial Facilities Exemption application?

The status of an application is available through a search tool on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions . Choose the Industrial Facilities Exemption (IFE) program. Then select the Industrial Facilities Application/Certificate Search link.



Plante & Moran, PLLC

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March 2, 2019

Mr. Adam Zettel, City Manager
City of Swartz Creek
8083 Civic Drive
Swartz Creek, MI 48473

Dear Mr. Zettel:

Thank you for your selection of Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature, limitations, and terms of the services we will provide to City of Swartz Creek ("the City").

Scope of Services

We will audit the City's financial statements as of and for the year ended June 30, 2019. In addition, the supplemental information accompanying the financial statements, consisting of the nonmajor governmental funds combining balance sheet, nonmajor governmental funds combining statement of revenue, expenditures, and changes in fund balances, and fiduciary funds statement of net position, will be subjected to the auditing procedures applied in our audit of the financial statements.

In connection with our audit engagement, we will assist you in drafting your financial statements, supplementary information, and related notes. This assistance is considered a non-audit service; you agree to the contemporaneous provision of these audit and non-audit services.

If you determine that you need additional services, including accounting, consulting, or tax assistance, PM can be available to provide such additional services if and to the extent provided for in a separate, signed engagement agreement.

Timing of Services

We expect to begin fieldwork for this engagement at your offices on August 21, 2019. We anticipate that our on-site audit work will end on approximately August 30, 2019 and that our report will be issued by November 30, 2019.

Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expends at our current hourly rates. We estimate that our fee for this engagement will be approximately \$25,100, plus all reasonable and necessary travel and

Adam Zettel
City of Swartz Creek

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March 2, 2019

out-of-pocket costs incurred. As the City and MPA implemented GASB 75 in fiscal year 2018, we will be required to continue to audit that new information every year. There will be an additional charge for that work over the base of the audit as they are new procedures established by the standards last year. The charge will be based off of the time it takes to audit the data for both OPEB plans. We estimate that fee for this additional work will not exceed \$3,500.

Invoices for audit services will be rendered to reflect this payment schedule. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Pamela L. Hill, CPA
Partner

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between City of Swartz Creek and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.

City of Swartz Creek

Mr. Adam Zettel

Date

City Manager

Title

Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for audit services dated March 2, 2019 between Plante & Moran, PLLC (referred to herein as “PM”) and City of Swartz Creek (referred to herein as “the City”).

1. **Financial Statements** – The financial statements of the City being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **Management Responsibilities** – The City management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America and the completeness and accuracy of the information presented and disclosed therein. Management is also responsible for the capability and integrity of the City personnel responsible for the City’s underlying accounting and financial records.

The City personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and additional information that the auditor may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM’s audit. In addition, the City will provide PM with all information in its possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate. The City will allow PM unrestricted access to personnel within the City from whom PM determines it necessary to obtain audit evidence.

the City represents and warrants that any and all information that it transmits to PM will be done so in full compliance with all applicable federal, state, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, “Data Privacy Laws”). The City shall not disclose personal data of data subjects who are entitled to certain rights and protections afforded by applicable federal, state, and foreign privacy and data protection laws (“Personal Data”) to PM without prior notification to PM. the City shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, supplementary financial information, and related notes and for accepting full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, supplementary financial information, and related notes. The City has designated Deanna Korth to oversee financial statement related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of the financial statements.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting the City involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management’s responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

3. **Objective of an Audit of Financial Statements** – The objective of PM’s audit is the expression of an opinion on the City financial statements specified in the accompanying engagement letter. PM offers no guarantee, express or implied, that its opinion will be unmodified or that it will be able to form an opinion about these financial statements in the event that the City’s internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If PM’s opinion is to be modified, PM will discuss the reasons with the City management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is unable to form an opinion on these financial statements, PM may terminate the engagement and decline to issue a report.
4. **Supplementary Information** – In any document that contains supplementary information to the basic financial statements that indicates that the auditor has reported on such supplementary information, management agrees

Professional Services Agreement – Audit Services

to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.

5. **Internal Controls** – The City is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations. PM, in making its risk assessments, will consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. PM's audit will not be designed to provide assurance on the design or operating effectiveness of the City's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention.
6. **Audit Procedures and Limitations** – PM's audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the City financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement. In addition, an audit in accordance with GAAS is not designed to detect errors or fraud that are immaterial to the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, the City acknowledges that PM's audit cannot guarantee that all instances of error or fraud will be identified.
7. **Government Auditing Standards** – Under *Government Auditing Standards*, PM will make some assessments of the City's compliance with laws, regulations, and contract provisions. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate all noncompliance conditions that come to PM's attention.

PM's audit of the City's federal awards will be made in accordance with auditing standards generally accepted in the United States of America; the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Management is responsible for corrective action on all audit findings, including preparation of a schedule of prior audit findings and corrective action plans, if necessary.

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this agreement.

8. **Auditor Communications** – PM is obligated to communicate certain matters related to the audit to those responsible for governance of the City, including instances of error or fraud and significant deficiencies and material weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the members of the City's governing board, and the City acknowledges and agrees that communication in this manner is sufficient for the City's purposes.

Communication to Group Auditor – In instances where PM has been engaged as a component auditor for the purposes of a Group Audit, the terms of the engagement may include communication of certain matters related to the audit to the Group Auditor. The City permits such communication. PM will discuss matters being communicated with those responsible for governance of the City.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of the City. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance, or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

Professional Services Agreement – Audit Services

- 9. Accounting and Financial Records** – The City agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all the City financial records and related information available to PM for purposes of PM's audit. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on the City providing PM with all such accounting and financial records, schedules, and analyses on the date PM's work commences. PM will assess the condition of the City's accounting and financial records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to the City's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

- 10. Audit Adjustments** – PM will recommend adjustments to the City's accounting records that PM believes are appropriate. The City management is responsible for adjusting the City accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the City financial statements specified in this agreement.

- 11. Management Representations** – the City is responsible for the financial statements being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of the audit, PM will request information and explanations from the City officers, management, and other personnel regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error or fraud to go undetected by PM's procedures. Accordingly, the City acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("Client Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit of the financial statements will be considered a material breach of this agreement. In addition, as a condition of its audit engagement, the City agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in the City financial statements resulting in whole or in part from deliberate false or misleading representations, whether oral or written, made to PM by Client Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by Client Personnel was false.

- 12. Use of Report** – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. The City may make copies of the audit report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with that report. The City agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if the City intends to make reference to PM in a publication of any type, the City agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. The City acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the City's Internet website, the City understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional Services Agreement – Audit Services

- 13. Securities Offerings** – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event the City elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, the City understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.

If the City incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, the City agrees to include the following provision in the offering document:

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of the City since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 14. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If the City requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
- 15. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of the City, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to the City. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of the City.

In the interest of facilitating PM's services to the City, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, the City recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both the City and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform the City in a timely manner of such request and to cooperate with the City should it attempt, at the City's cost, to limit such access. This provision will survive the termination of this agreement. PM's efforts in complying with such requests will be deemed billable to the City as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

Both the City and PM acknowledge that upon completion of the audit PM is required to send an electronic copy of the City's financial report, PM's official letter of comments and recommendations, and auditing procedures report directly to the State of Michigan pursuant to Michigan Department of Treasury Regulations. The City authorizes and directs PM to provide such information and disclosure of such information shall not constitute a breach of the provisions of this agreement.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Professional Services Agreement – Audit Services

Upon the City's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. The City acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

- 16. Consent to Disclosures to Service Providers** – In some circumstances, PM may use third-party service providers to assist with its services. In those circumstances, PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for the City. In order to enable these service providers to assist PM in this capacity, the City, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of the City's information to such service providers to the extent such information is relevant to the services such third-party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this agreement. The City's consent shall be continuing until the services provided for this engagement agreement are completed.
- 17. Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by the City regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. The City acknowledges that the following circumstances may result in an increase in fees:
- Failure by the City to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
 - Failure by the City to complete the audit preparation work by the applicable due dates;
 - Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances;
 - Delays by the City causing scheduling changes or disruption of fieldwork;
 - After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
 - Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
 - An excessive number of audit adjustments.

PM will advise the City in the event these circumstances occur, however it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

- 18. Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's audit work or issuance of PM's audit report upon resumption of PM's work. The City agrees that in the event PM stops work or terminates this Agreement as a result of the City's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
- 19. Fee Adjustments** – Any fee adjustments for reasons described elsewhere in this agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to PM's invoices related to this engagement. The City acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this agreement.
- 20. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 21. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving the City but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, the City agrees to compensate

Professional Services Agreement – Audit Services

PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.

- 22. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with the City and request cooperation in whatever investigation and modification of the financial statements that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and the City acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.
- 23. Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease and PM's engagement will be deemed to have been completed. The City will be obligated to compensate PM for all time expended and to reimburse PM for all out-of-pocket expenditures through the date of termination of this engagement.
- 24. Entire Agreement** – This engagement agreement is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this agreement, signed by all of the parties.
- 25. Severability** – If any provision of this engagement agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 26. Force Majeure** – Neither party shall be deemed to be in breach of this engagement agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war or other violence, or epidemic (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 27. Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
- 28. Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this agreement, or any dispute arising from or relating to this agreement shall reside exclusively within the State of Michigan.

End of Professional Services Agreement – Audit Services

Professional Services Agreement – Audit Services



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

System Review Report

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
November 18, 2016

8550 United Plaza Blvd., Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4612

Certificate Of Completion

Envelope Id: B0D02910E25C4BB8957EB3DFAD25A281	Status: Delivered
Subject: Sent of behalf of Pamela Hill: Swartz Creek 2109 - EL - Municipal Audit GAO(docusign).pdf	
Source Envelope:	
Document Pages: 9	Signatures: 0
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Elizabeth Crist
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	27400 Northwestern Hwy # 300
	Southfield, MI 48034-4798
	elizabeth.crist@plantemoran.com
	IP Address: 68.41.81.233

Record Tracking

Status: Original	Holder: Elizabeth Crist	Location: DocuSign
Mar 8, 2019 07:56	elizabeth.crist@plantemoran.com	

Signer Events

Signature	Timestamp
Adam Zettel	Sent: Mar 8, 2019 07:58
azettel@cityofswartzcreek.org	Resent: Apr 4, 2019 08:36
City Manager	Resent: Apr 4, 2019 08:37
City of Swartz Creek	Viewed: Apr 4, 2019 08:42
Security Level: Email, Account Authentication (None)	

Electronic Record and Signature Disclosure:

Accepted: Apr 4, 2019 | 08:42
 ID: 899ec942-eeda-423f-bcc7-9ebfefe78bae

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent	Hashed/Encrypted	Apr 4, 2019 08:37
Certified Delivered	Security Checked	Apr 4, 2019 08:42

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Plante & Moran, PLLC (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Plante & Moran, PLLC:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to:

To advise Plante & Moran, PLLC of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from Plante & Moran, PLLC

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Plante & Moran, PLLC

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify Plante & Moran, PLLC as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by Plante & Moran, PLLC during the course of my relationship with you.

Tentative Assessments

Estimated Amounts to Taxes 2019

Mowing

Invoice	Date	Name	Tax ID #	Amount
1800006996	6/15/2018	Consumers Energy Company	58-01-502-082	\$ 4.50
1800007000	6/15/2018	Bradley Petrucha	58-02-528-001	\$ 327.00
4 invoices	5/31/2018	John T & Diane L Green	58-01-100-019	\$ 1,346.95
1800007024	6/30/2018	Amerihome Mortgage Company	58-02-527-023	\$ 342.55
1800007046	7/31/2018	Miller Rd Land Company, LLC	58-36-577-010	\$ 328.60
1800007047	7/31/2018	Miller Rd Land Company, LLC	58-36-577-006	\$ 328.60
1800007048	7/31/2018	Miller Rd Land Company, LLC	58-36-577-008	\$ 328.60
1800007061	8/15/2018	Plaza Street Fund VII, LLC	58-36-576-001	\$ 333.25
Total				\$ 3,340.05

Water & Sewer

Customer Name	Address	Tax ID #	Amount
Donald & Judith White	30 Brookfield Dr	58-35-300-006	\$ 83.07
Monica McNally	7562 Church	58-36-551-010	\$ 318.36
Douglas Sepanak	5014 Ford St	58-02-528-012	\$ 365.23
M S Seelye	7503 Grove St	58-01-100-012	\$ 37.90
Diane Green	7512 Grove St	58-01-100-019	\$ 506.18
Russell Engel	8096 Ingalls St	58-02-527-023	\$ 264.37
Envoy Mortgage LTD	4134 Jennie Ln	58-36-526-014	\$ 107.87
Tayral LLC	8041 Maple	58-02-530-012	\$ 319.75
Donald Morell	5420 Miller Rd	58-29-551-008	\$ 107.87
Jennifer McIntyre	152 Somerset	58-35-300-006	\$ 192.61
Terrance Sheroski	5307 Worchester Dr	58-02-551-016	\$ 34.11
Kari Hajdino	5325 Worchester Dr	58-03-578-009	\$ 10,276.46
Total			\$ 12,613.78

MINUTES OF THE METRO POLICE AUTHORITY OF GENESEE COUNTY
REGULAR BOARD MEETING HELD ON MARCH 27, 2019

METRO POLICE AUTHORITY OF GENESEE COUNTY BUILDING
5420 HILL 23 DRIVE
FLINT, MI 48507

The Regular Meeting of the Metro Police Authority of Genesee County was called to Order by the Board Chair, Kay Doerr on March 27, 2019, at 10:00 a.m. Kay Doerr welcomed everyone and asked Janette MacAinsh to lead the Pledge of Allegiance.

Kay Doerr requested Janette MacAinsh to do a roll call of members present.

Present: Kay Doerr, Cory Bostwick, Dennis Cramer, Rae Lynn Hicks, Vane King. David Krueger and Tonya Ketzler were absent.

Also Present: Chief Matt Bade, Lieutenant Joel Grahn, Shawna Farrell, Adam Zettel, and Steven Fisher.

MINUTES

Kay Doerr requested a motion to approve the minutes from the last meeting. Cory Bostwick made a motion to accept the minutes as printed; Dennis Cramer seconded the motion. **MOTION CARRIED**, unanimously.

AGENDA

Kay Doerr presented the agenda for approval and asked if there were any additions to the agenda. Chief Matt Bade requested changing item 1C to 1A. Kay Doerr requested a motion to approve the agenda with the change. Dennis Cramer made a motion change item 1C to 1A and to approve the agenda; Cory Bostwick seconded the motion. **MOTION CARRIED**, unanimously.

1. DEPARTMENT ACTIVITY

Kay Doerr turned the meeting over to Chief Matt Bade and Lt. Joel Grahn regarding department activity.

Chief Bade welcomed Dennis Cramer to his first board meeting.

- A. New Part-Time Officer Swear In – Chief Bade introduced Steven Fisher who is joining Metro Police Authority as a new part-time officer. Chief Bade also reported that Officer Fisher also works for Flushing PD. Steven Fisher was sworn in by Board Chair Kay Doerr and welcomed by the Board.
- B. Traffic Safety Officer Update – Lt. Grahn reported that the program is proving to be very successful, and that the officer has just started with the radar data.

- C. Virtual Academy – Chief Bade reported that the department was enrolled in an online training organization called Virtual Academy for \$1,500, and explained that the officers’ MCOLES training will be kept up-to-date through this system.
- D. Michiana/Grand Beach – Chief Bade reported that he and Adam Zettel and Chad Young had a phone conference with the Chief and City Council Members of Michiana, Michigan which is next to Grand Beach who had heard about the Authority and was exploring the idea of combining resources.

2. GAINES TOWNSHIP

Chief Bade reported that he had informed Mr. Fortino that the Shared Services Agreement had been extended for an additional 6 month period.

3. LEIN AUDIT

Chief Bade reported that there was a LEIN audit scheduled for April 2, 2019. Janette MacAinsh reported that most Board Members had completed their paperwork, and were fingerprinted which gave them unescorted access into the building.

4. BUDGET

Kay Doerr presented the budget item on the Agenda. Shawna Farrell reported that January was a big month for overtime, and budget vs actual is at 16.66% Shawna Farrell also reported that she had been in contact with someone at the Court who could prepare the reports needed to track the ordinance fines and costs. Shawna Farrell also reported that the financial auditors from Plante Moran were on site this week.

David Krueger arrived at the meeting at 10:22 a.m.

Shawna Farrell reported that Plante Moran should be done this week, and will have a report to present in April or May.

Dennis Cramer made a motion to accept the budget report and transaction list; Cory Bostwick seconded the motion. Kay Doerr requested Janette MacAinsh to do a roll call vote:

David Krueger – Yes
 Cory Bostwick – Yes
 Dennis Cramer – Yes

Tonya Ketzler – Absent
 Rae Lynn Hicks – Yes
 Kay Doerr – Yes

MOTION CARRIED, unanimously.

5. FANG/GAIN

Dennis Cramer reported that he had nothing to report for GAIN.

Dennis Cramer reported that he spoke with Jamie in Senator Horn's office regarding Senate Bill 2. Dennis Cramer reported that the bill has left the House Judiciary Committee and is going to the House to be voted on. There was discussion about how this bill will affect law enforcement. Dennis Cramer said he would do a follow up and contact Representative Cherry's office.

Cory Bostwick reported that the fundraising committee had plans to meet next month.

PUBLIC COMMENTS

BOARD COMMENTS

Kay Doerr said she had a text message from Curt that said break a leg.

Rae Lynn Hicks said if the Mayor would allow it, she would like to request Lt. Grahn come and talk to the City Council about the work of the new traffic safety officer.

Cory Bostwick said with spring weather her neighbors have been out doing yard work and reported that Officer Ellis had stopped and talked with residents. She said this was a nice thing to have and asked that Officer Ellis be thanked for taking the time to stop.

David Krueger said Kay Doerr should text Curt Porath back that under new leadership we've had the fastest meeting ever. Kay Doerr responded that it should be followed with that the problem had been identified.

Dennis Cramer reported seeing patrol in Winchester Village. He also said that the 2020 census is coming up and that he may be involved in that. He said he was inspired to attend the vote in Lansing and if given an opportunity he would voice his concerns about the bill.

Vane King welcomed all new board members and said it was a good thing to see.

Kay Doerr said there had been previous conversation about having evening board meetings and asked that it be put on the agenda for next month.

Chief Bade reported that Det. Diem and Officer Davies had been working a fraud case where the suspect rented multiple hotel rooms in Mundy Township and Flint with a fraudulent credit card and was subletting the rooms. Det. Diem and Officer Davies worked the case and with help from the State Police and the City of Flint, the suspect was arrested. It was reported that the suspect had done \$10,000 in fraudulent transactions in Mundy Township and \$6,000 in Flint before being arrested.

Kay Doerr said it was good to hear what's going on and that when she was given the opportunity to do a ride-a-long it was a good opportunity to set next to the officer and see what they deal with.

Rae Lynn Hicks made a motion to adjourn; Dennis Cramer seconded the motion.

MOTION CARRIED, unanimously.

Meeting adjourned at 10:39 a.m.

REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK
PERIOD ENDING 03/31/2019

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
Fund 101 - General Fund					
000.000 - General	2,293,643.00	2,316,789.17	1,856,892.15	459,897.02	80.15
215.000 - Administration and Clerk	75.00	75.00	40.00	35.00	53.33
253.000 - Treasurer	1,000.00	7,109.07	6,229.07	880.00	87.62
301.000 - Police Dept	5,400.00	5,760.10	5,040.10	720.00	87.50
345.000 - PUBLIC SAFETY BUILDING	18,200.00	18,200.00	21,660.14	(3,460.14)	119.01
410.000 - Building & Zoning & Planning	51,350.00	59,205.00	63,995.50	(4,790.50)	108.09
448.000 - Lighting	8,990.00	8,990.00	5,791.14	3,198.86	64.42
728.005 - Holland Square Streetscape	0.00	90,000.00	90,000.00	0.00	100.00
782.000 - Facilities - Abrams Park	195.00	195.00	0.00	195.00	0.00
783.000 - Facilities - Elms Rd Park	7,600.00	7,600.00	3,680.00	3,920.00	48.42
786.000 - Non-Motorized Trailway	0.00	15,000.00	15,000.00	0.00	100.00
790.000 - Facilities-Senior Center/Libr	8,200.00	8,200.00	5,961.67	2,238.33	72.70
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	0.00	1,724.00	0.00
TOTAL REVENUES	2,396,377.00	2,538,847.34	2,074,289.77	464,557.57	
000.000 - General	1,000.00	350.00	0.00	350.00	0.00
101.000 - Council	16,708.82	16,953.58	15,089.52	1,864.06	89.00
172.000 - Executive	103,388.18	104,680.66	76,829.82	27,850.84	73.39
201.000 - Finance,Budgeting,Accounting	46,874.00	48,658.76	36,571.37	12,087.39	75.16
215.000 - Administration and Clerk	28,262.00	30,457.85	20,585.11	9,872.74	67.59
228.000 - Information Technology	16,300.00	16,300.00	15,717.67	582.33	96.43
247.000 - Board of Review	6,104.00	6,074.00	754.16	5,319.84	12.42

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
253.000 - Treasurer	42,127.00	42,340.57	29,654.92	12,685.65	70.04
257.000 - Assessor	48,198.00	48,383.09	37,013.28	11,369.81	76.50
262.000 - Elections	39,358.40	39,012.68	25,848.24	13,164.44	66.26
266.000 - Legal Council	15,500.00	15,500.00	13,625.50	1,874.50	87.91
301.000 - Police Dept	0.00	8,475.59	8,475.59	0.00	100.00
301.851 - Retiree Employer Health Care PSFY	24,000.00	24,000.00	16,655.98	7,344.02	69.40
334.000 - Metro Police Authority	995,200.00	995,200.00	728,195.25	267,004.75	73.17
336.000 - Fire Department	178,200.00	188,741.45	157,990.54	30,750.91	83.71
345.000 - PUBLIC SAFETY BUILDING	51,632.26	51,632.26	31,783.79	19,848.47	61.56
410.000 - Building & Zoning & Planning	81,648.24	99,723.17	87,885.91	11,837.26	88.13
410.025 - 2017 CDBG 5157 Morrish Demo	375.00	375.00	0.00	375.00	0.00
448.000 - Lighting	140,000.00	140,000.00	70,911.22	69,088.78	50.65
463.000 - Routine Maint - Streets	0.00	15,850.18	15,850.18	0.00	100.00
728.005 - Holland Square Streetscape	0.00	462,770.00	19,840.00	442,930.00	4.29
781.000 - Facilities - Pajtas Amphitheat	2,217.98	2,217.66	775.87	1,441.79	34.99
782.000 - Facilities - Abrams Park	41,629.78	42,009.10	21,647.07	20,362.03	51.53
783.000 - Facilities - Elms Rd Park	62,552.39	63,315.45	41,922.54	21,392.91	66.21
783.016 - Elms Park Brm-Trail Reno RP15-0003	2,710.50	982.85	982.85	0.00	100.00
784.000 - Facilities - Bicentennial Park	1,527.00	1,527.32	1,219.62	307.70	79.85
786.000 - Non-Motorized Trailway	150,000.00	0.00	0.00	0.00	0.00
787.000 - Veterans Memorial Park	3,273.55	3,273.55	2,023.58	1,249.97	61.82
790.000 - Facilities-Senior Center/Libr	36,065.22	35,665.22	24,310.60	11,354.62	68.16
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	0.00	1,724.00	0.00
793.000 - Facilities - New City Hall	19,468.56	19,118.56	12,000.88	7,117.68	62.77

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
794.000 - Community Promotions Program	32,056.05	34,426.55	26,552.41	7,874.14	77.13
796.000 - Facilities - Cemetary	2,535.77	2,485.77	3,770.10	(1,284.33)	151.67
797.000 - Facilities - City Parking Lots	105,825.60	12,375.60	14,416.99	(2,041.39)	116.50
851.000 - Retired Employee Health Care	26,800.00	26,800.00	11,438.43	15,361.57	42.68
852.000 - Insurance Claims Assessmernt (Tax)	110.00	110.00	17.20	92.80	15.64
965.000 - Transfers Out	168,730.00	278,730.00	219,930.00	58,800.00	78.90
TOTAL EXPENDITURES	2,492,102.30	2,880,240.47	1,790,286.19	1,089,954.28	
Fund 101 - General Fund:					
TOTAL REVENUES	2,396,377.00	2,538,847.34	2,074,289.77	464,557.57	81.70
TOTAL EXPENDITURES	2,492,102.30	2,880,240.47	1,790,286.19	1,089,954.28	62.16
NET OF REVENUES & EXPENDITURES	(95,725.30)	(341,393.13)	284,003.58	(625,396.71)	
Fund 202 - Major Street Fund					
000.000 - General	419,300.00	419,300.00	298,382.40	120,917.60	71.16
441.000 - Miller Rd Park & Ride	5,200.00	5,200.00	3,263.87	1,936.13	62.77
449.500 - Right of Way - General	0.00	1,250.00	1,250.00	0.00	100.00
453.105 - Fairchild-Cappy to Miller TIP	230,601.00	75,663.00	19,463.83	56,199.17	25.72
463.000 - Routine Maint - Streets	0.00	287.50	287.50	0.00	100.00
474.000 - Traffic Services	0.00	0.00	4,855.75	(4,855.75)	100.00
478.000 - Snow & Ice Removal	500.00	2,350.00	3,620.04	(1,270.04)	154.04
TOTAL REVENUES	655,601.00	504,050.50	331,123.39	172,927.11	
228.000 - Information Technology	825.00	825.00	1,436.34	(611.34)	174.10
429.000 - Occupational Safety	26.91	26.91	0.00	26.91	0.00
441.000 - Miller Rd Park & Ride	6,787.80	6,787.80	4,664.81	2,122.99	68.72
449.500 - Right of Way - General	10,000.00	10,000.00	9,712.98	287.02	97.13
449.501 - Right of Way - Storms	200.00	15,920.00	0.00	15,920.00	0.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
453.105 - Fairchild-Cappy to Miller TIP	288,251.00	92,330.71	14,055.59	78,275.12	15.22
463.000 - Routine Maint - Streets	104,333.87	146,058.87	71,019.73	75,039.14	48.62
463.104 - Winston Drive Reconstruction	1,200.00	1,200.00	299.88	900.12	24.99
463.307 - Oakview - Seymour to Chelmsford	0.00	22,500.00	7,360.00	15,140.00	32.71
463.308 - Winstron - Oakview to Chesterfield	0.00	5,000.00	0.00	5,000.00	0.00
473.000 - Routine Maint - Bridges	400.00	400.00	0.00	400.00	0.00
474.000 - Traffic Services	39,708.00	39,683.00	24,217.52	15,465.48	61.03
478.000 - Snow & Ice Removal	41,544.80	81,066.20	38,030.19	43,036.01	46.91
482.000 - Administrative	18,887.00	18,885.00	6,428.92	12,456.08	34.04
538.500 - Intercommunity storm drains	7,000.00	7,000.00	3,279.48	3,720.52	46.85
786.000 - Non-Motorized Trailway	20,000.00	20,000.00	0.00	20,000.00	0.00
965.000 - Transfers Out	85,000.00	85,000.00	85,000.00	0.00	100.00
TOTAL EXPENDITURES	624,164.38	552,683.49	265,505.44	287,178.05	
Fund 202 - Major Street Fund:					
TOTAL REVENUES	655,601.00	504,050.50	331,123.39	172,927.11	65.69
TOTAL EXPENDITURES	624,164.38	552,683.49	265,505.44	287,178.05	48.04
NET OF REVENUES & EXPENDITURES	31,436.62	(48,632.99)	65,617.95	(114,250.94)	
Fund 203 - Local Street Fund					
000.000 - General	133,125.00	133,125.00	123,502.37	9,622.63	92.77
449.000 - Right of Way Telecomm	15,000.00	15,000.00	0.00	15,000.00	0.00
449.500 - Right of Way - General	0.00	1,250.00	1,250.00	0.00	100.00
463.000 - Routine Maint - Streets	475.00	475.00	287.50	187.50	60.53
478.000 - Snow & Ice Removal	300.00	1,600.00	2,466.76	(866.76)	154.17
931.000 - Transfers IN	596,500.00	596,500.00	596,500.00	0.00	100.00
TOTAL REVENUES	745,400.00	747,950.00	724,006.63	23,943.37	
228.000 - Information Technology	825.00	825.00	1,436.35	(611.35)	174.10

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
429.000 - Occupational Safety	0.00	174.70	174.70	0.00	100.00
449.500 - Right of Way - General	8,800.00	15,558.84	17,033.84	(1,475.00)	109.48
449.501 - Right of Way - Storms	1,500.00	1,100.00	0.00	1,100.00	0.00
463.000 - Routine Maint - Streets	261,810.47	271,095.47	192,530.41	78,565.06	71.02
463.103 - Worcester/Chesterfield Reconstructio	0.00	4,312.78	4,312.78	0.00	100.00
463.105 - Daval Reconcstruction	96,386.78	96,386.78	56,458.26	39,928.52	58.57
463.106 - Hemsley Reconstruction	0.00	63,635.00	18,094.00	45,541.00	28.43
463.107 - Chelmsford - Seymour to Oakview	0.00	19,790.00	7,925.50	11,864.50	40.05
463.108 - Oxford Court	0.00	10,000.00	175.50	9,824.50	1.76
474.000 - Traffic Services	8,990.20	13,385.54	13,992.58	(607.04)	104.54
478.000 - Snow & Ice Removal	50,206.02	72,335.85	37,508.16	34,827.69	51.85
482.000 - Administrative	19,538.64	18,801.08	7,173.55	11,627.53	38.15
538.500 - Intercommunity storm drains	6,800.00	5,070.45	3,279.48	1,790.97	64.68
TOTAL EXPENDITURES	454,857.11	592,471.49	360,095.11	232,376.38	
Fund 203 - Local Street Fund:					
TOTAL REVENUES	745,400.00	747,950.00	724,006.63	23,943.37	96.80
TOTAL EXPENDITURES	454,857.11	592,471.49	360,095.11	232,376.38	60.78
NET OF REVENUES & EXPENDITURES	290,542.89	155,478.51	363,911.52	(208,433.01)	
Fund 204 - MUNICIPAL STREET FUND					
000.000 - General	628,290.00	628,290.00	613,323.09	14,966.91	97.62
TOTAL REVENUES	628,290.00	628,290.00	613,323.09	14,966.91	
905.000 - Debt Service	164,444.40	164,444.40	14,843.03	149,601.37	9.03
965.000 - Transfers Out	462,000.00	462,000.00	461,500.00	500.00	99.89
TOTAL EXPENDITURES	626,444.40	626,444.40	476,343.03	150,101.37	
Fund 204 - MUNICIPAL STREET FUND:					
TOTAL REVENUES	628,290.00	628,290.00	613,323.09	14,966.91	97.62

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
TOTAL EXPENDITURES	626,444.40	626,444.40	476,343.03	150,101.37	76.04
NET OF REVENUES & EXPENDITURES	1,845.60	1,845.60	136,980.06	(135,134.46)	
Fund 226 - Garbage Fund					
000.000 - General	393,465.00	393,465.00	383,154.80	10,310.20	97.38
TOTAL REVENUES	393,465.00	393,465.00	383,154.80	10,310.20	
000.000 - General	10,373.00	10,373.00	0.00	10,373.00	0.00
101.000 - Council	5,865.88	5,865.88	2,722.95	3,142.93	46.42
172.000 - Executive	8,937.06	8,937.06	5,567.17	3,369.89	62.29
201.000 - Finance,Budgeting,Accounting	6,497.00	6,781.03	5,945.84	835.19	87.68
215.000 - Aministration and Clerk	4,587.00	4,801.76	3,039.11	1,762.65	63.29
228.000 - Information Technology	2,200.00	2,200.00	1,656.35	543.65	75.29
253.000 - Treasurer	7,993.00	8,044.19	5,527.65	2,516.54	68.72
257.000 - Assessor	3,000.00	2,805.97	0.00	2,805.97	0.00
528.000 - Sanitation Collection	282,905.90	282,394.36	212,707.84	69,686.52	75.32
530.000 - Wood Chipping	41,993.60	40,730.44	23,182.35	17,548.09	56.92
782.000 - Facilities - Abrams Park	3,366.80	4,875.00	4,937.51	(62.51)	101.28
783.000 - Facilities - Elms Rd Park	5,384.54	5,800.84	5,901.92	(101.08)	101.74
793.000 - Facilities - New City Hall	3,904.49	3,754.69	2,811.01	943.68	74.87
TOTAL EXPENDITURES	387,008.27	387,364.22	273,999.70	113,364.52	
Fund 226 - Garbage Fund:					
TOTAL REVENUES	393,465.00	393,465.00	383,154.80	10,310.20	97.38
TOTAL EXPENDITURES	387,008.27	387,364.22	273,999.70	113,364.52	70.73
NET OF REVENUES & EXPENDITURES	6,456.73	6,100.78	109,155.10	(103,054.32)	
Fund 248 - Downtown Development Fund					
000.000 - General	49,600.00	54,603.98	54,581.19	22.79	99.96
728.004 - Family Movie Night	1,000.00	1,000.00	500.00	500.00	50.00
TOTAL REVENUES	50,600.00	55,603.98	55,081.19	522.79	

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
173.000 - DDA Administration	3,365.00	3,365.00	2,507.95	857.05	74.53
728.000 - Economic Development	10,125.00	11,625.00	11,383.75	241.25	97.92
728.002 - Streetscape	101,200.00	101,200.00	90,000.00	11,200.00	88.93
728.003 - Facade Program	10,000.00	29,150.50	4,750.50	24,400.00	16.30
728.004 - Family Movie Night	3,900.00	3,900.00	2,329.00	1,571.00	59.72
TOTAL EXPENDITURES	128,590.00	149,240.50	110,971.20	38,269.30	
Fund 248 - Downtown Development Fund:					
TOTAL REVENUES	50,600.00	55,603.98	55,081.19	522.79	99.06
TOTAL EXPENDITURES	128,590.00	149,240.50	110,971.20	38,269.30	74.36
NET OF REVENUES & EXPENDITURES	(77,990.00)	(93,636.52)	(55,890.01)	(37,746.51)	
Fund 350 - City Hall Debt Fund					
000.000 - General	14.50	14.50	13.97	0.53	96.34
931.000 - Transfers IN	88,730.00	88,730.00	88,730.00	0.00	100.00
TOTAL REVENUES	88,744.50	88,744.50	88,743.97	0.53	
905.000 - Debt Service	89,480.00	89,480.00	7,240.00	82,240.00	8.09
TOTAL EXPENDITURES	89,480.00	89,480.00	7,240.00	82,240.00	
Fund 350 - City Hall Debt Fund:					
TOTAL REVENUES	88,744.50	88,744.50	88,743.97	0.53	100.00
TOTAL EXPENDITURES	89,480.00	89,480.00	7,240.00	82,240.00	8.09
NET OF REVENUES & EXPENDITURES	(735.50)	(735.50)	81,503.97	(82,239.47)	
Fund 402 - Fire Equip Replacement Fund					
000.000 - General	70.00	0.00	(226.85)	226.85	100.00
931.000 - Transfers IN	30,000.00	140,000.00	81,200.00	58,800.00	58.00
TOTAL REVENUES	30,070.00	140,000.00	80,973.15	59,026.85	
336.000 - Fire Department	0.00	250,000.00	191,187.48	58,812.52	76.47
TOTAL EXPENDITURES	0.00	250,000.00	191,187.48	58,812.52	
Fund 402 - Fire Equip Replacement Fund:					
TOTAL REVENUES	30,070.00	140,000.00	80,973.15	59,026.85	57.84

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
TOTAL EXPENDITURES	0.00	250,000.00	191,187.48	58,812.52	76.47
NET OF REVENUES & EXPENDITURES	30,070.00	(110,000.00)	(110,214.33)	214.33	
Fund 590 - Water Supply Fund					
000.000 - General	1,100.00	1,100.00	(2,177.53)	3,277.53	(197.96)
540.000 - Water System	2,164,550.00	2,164,570.00	1,585,315.35	579,254.65	73.24
TOTAL REVENUES	2,165,650.00	2,165,670.00	1,583,137.82	582,532.18	
000.000 - General	71,858.10	71,858.10	0.00	71,858.10	0.00
101.000 - Council	8,736.44	8,736.44	6,851.48	1,884.96	78.42
172.000 - Executive	28,347.05	28,649.55	20,939.59	7,709.96	73.09
201.000 - Finance,Budgeting,Accounting	20,581.00	21,780.27	17,997.46	3,782.81	82.63
215.000 - Aministration and Clerk	17,209.00	18,439.23	11,943.43	6,495.80	64.77
228.000 - Information Technology	6,855.00	6,855.00	5,747.83	1,107.17	83.85
253.000 - Treasurer	28,629.00	28,751.38	21,237.54	7,513.84	73.87
540.000 - Water System	1,974,615.10	2,113,615.10	1,241,603.51	872,011.59	58.74
542.000 - Read and Bill	53,243.20	53,243.20	34,268.75	18,974.45	64.36
543.230 - Water Main Repair USDA Grant	0.00	215,918.00	155,953.25	59,964.75	72.23
793.000 - Facilities - New City Hall	9,588.51	9,588.51	7,009.37	2,579.14	73.10
850.000 - Other Functions	12,000.00	12,000.00	0.00	12,000.00	0.00
905.000 - Debt Service	49,115.60	49,115.60	4,433.63	44,681.97	9.03
TOTAL EXPENDITURES	2,280,778.00	2,638,550.38	1,527,985.84	1,110,564.54	
Fund 590 - Water Supply Fund:					
TOTAL REVENUES	2,165,650.00	2,165,670.00	1,583,137.82	582,532.18	73.10
TOTAL EXPENDITURES	2,280,778.00	2,638,550.38	1,527,985.84	1,110,564.54	57.91
NET OF REVENUES & EXPENDITURES	(115,128.00)	(472,880.38)	55,151.98	(528,032.36)	
Fund 591 - Sanitary Sewer Fund					
000.000 - General	1,080.00	1,080.00	3,267.55	(2,187.55)	302.55
536.000 - Sewer System	1,287,485.00	1,287,485.00	938,962.72	348,522.28	72.93

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
TOTAL REVENUES	1,288,565.00	1,288,565.00	942,230.27	346,334.73	
000.000 - General	23,582.50	23,582.50	0.00	23,582.50	0.00
101.000 - Council	8,336.44	8,336.44	6,851.55	1,484.89	82.19
172.000 - Executive	29,315.89	29,013.39	20,824.37	8,189.02	71.78
201.000 - Finance,Budgeting,Accounting	19,646.00	21,745.27	17,996.89	3,748.38	82.76
215.000 - Aministration and Clerk	15,744.00	16,954.23	11,939.67	5,014.56	70.42
228.000 - Information Technology	6,900.00	6,900.00	5,747.83	1,152.17	83.30
253.000 - Treasurer	29,730.00	29,857.44	21,237.88	8,619.56	71.13
536.000 - Sewer System	950,565.12	952,784.42	381,370.47	571,413.95	40.03
537.000 - Sewer Lift Stations	14,257.20	14,022.90	9,293.11	4,729.79	66.27
542.000 - Read and Bill	59,561.04	58,836.04	42,435.99	16,400.05	72.13
543.401 - Flush & TV Sewers	30,904.00	30,054.00	0.00	30,054.00	0.00
543.408 - Sewer Rehab Phase 8	220,000.00	220,000.00	0.00	220,000.00	0.00
793.000 - Facilities - New City Hall	10,861.55	10,451.55	6,991.97	3,459.58	66.90
850.000 - Other Functions	10,000.00	10,000.00	0.00	10,000.00	0.00
TOTAL EXPENDITURES	1,429,403.74	1,432,538.18	524,689.73	907,848.45	
Fund 591 - Sanitary Sewer Fund:					
TOTAL REVENUES	1,288,565.00	1,288,565.00	942,230.27	346,334.73	73.12
TOTAL EXPENDITURES	1,429,403.74	1,432,538.18	524,689.73	907,848.45	36.63
NET OF REVENUES & EXPENDITURES	(140,838.74)	(143,973.18)	417,540.54	(561,513.72)	
Fund 661 - Motor Pool Fund					
000.000 - General	161,750.00	158,200.00	97,406.41	60,793.59	61.57
TOTAL REVENUES	161,750.00	158,200.00	97,406.41	60,793.59	
172.000 - Executive	11,424.12	9,434.62	9,409.30	25.32	99.73
201.000 - Finance,Budgeting,Accounting	7,602.00	7,602.00	5,487.05	2,114.95	72.18

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 03/31/2019	AVAILABLE BALANCE	% BDGT USED
228.000 - Information Technology	865.00	865.00	729.45	135.55	84.33
795.000 - Facilities - City Garage	153,877.11	214,227.11	112,589.91	101,637.20	52.56
TOTAL EXPENDITURES	173,768.23	232,128.73	128,215.71	103,913.02	
Fund 661 - Motor Pool Fund:					
TOTAL REVENUES	161,750.00	158,200.00	97,406.41	60,793.59	61.57
TOTAL EXPENDITURES	173,768.23	232,128.73	128,215.71	103,913.02	55.23
NET OF REVENUES & EXPENDITURES	(12,018.23)	(73,928.73)	(30,809.30)	(43,119.43)	
Fund 865 - Sidewalks					
478.000 - Snow & Ice Removal	1,400.00	1,400.00	2,345.00	(945.00)	167.50
TOTAL REVENUES	1,400.00	1,400.00	2,345.00	(945.00)	
478.000 - Snow & Ice Removal	1,950.00	1,950.00	2,345.00	(395.00)	120.26
TOTAL EXPENDITURES	1,950.00	1,950.00	2,345.00	(395.00)	
Fund 865 - Sidewalks:					
TOTAL REVENUES	1,400.00	1,400.00	2,345.00	(945.00)	167.50
TOTAL EXPENDITURES	1,950.00	1,950.00	2,345.00	(395.00)	120.26
NET OF REVENUES & EXPENDITURES	(550.00)	(550.00)	0.00	(550.00)	
Fund 866 - Weed Fund					
000.000 - General	7,000.00	7,000.00	4,050.00	2,950.00	57.86
TOTAL REVENUES	7,000.00	7,000.00	4,050.00	2,950.00	
000.000 - General	1,000.00	1,125.00	1,125.00	0.00	100.00
TOTAL EXPENDITURES	1,000.00	1,125.00	1,125.00	0.00	
Fund 866 - Weed Fund:					
TOTAL REVENUES	7,000.00	7,000.00	4,050.00	2,950.00	57.86
TOTAL EXPENDITURES	1,000.00	1,125.00	1,125.00	0.00	100.00
NET OF REVENUES & EXPENDITURES	6,000.00	5,875.00	2,925.00	2,950.00	

CALL
810-618-0181

RESOLUTION # _____

CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
STREET CLOSURE/USE APPLICATION

DATE OF REQUEST: 3-8-2019
SPONSOR ORGANIZATION: Swartz Creek High School
AUTHORIZED REPRESENTATIVE: Jim Kitchen
WORK ADDRESS: 1 Dragon Dr. SW. Creek HOME ADDRESS: _____
PHONE NO: WORK (810) 591-1801 HOME: (517) 468-1030 CELL: (517) 348-7940

TYPE OF EVENT: (check box)

PARADE ** (Draw Route on Attached Map) CARNIVAL
FOOT/BIKE RACE CRAFT SHOW
CONCERT OTHER: _____

DATE OF EVENT: 5/18/2019
TIME OF EVENT: FROM: 5:00 pm TO: 7:00 pm

ESTIMATED NUMBER OF PARTICIPANTS: _____

DESCRIPTION OF EVENT; NOTE STREETS REQUESTED TO BE CLOSED/USED:
Student Council 5K color run ; Dragon Dr., Fairchild, Cappy, Winshall, Whitney, Greenleaf, Oakview, Don shenk, Daval, Chesterfield

The applicant agrees, as a condition of the granting of this permit, to hold the City of Swartz Creek, its officers, employees, and agents harmless from any liability from any injuries caused to persons or property in connection with this event. To that end, the applicant shall provide the City with evidence of insurance for such liability in an amount determined adequate by the City Attorney, but in no case less than \$ 1,000,000/2,000,000 aggregate and the City of Swartz Creek shall be named as an insured party on said policy. The policy shall also contain a provision providing the City with ten (10) days written notice of cancellation.

FOR: [Signature] (Organization) BY: [Signature] (Authorized Representative)

APPROVED BY: _____ (Chief of Police) _____ (Street Administrator)

* The throwing of any item(s) from any vehicle during the course of a parade is strictly prohibited and violations may result in criminal prosecution and/or the denial of future permit applications.

**The Chief of Police reserves the right to determine the length of time that any street(s) remain(s) closed to traffic.

THIS REQUEST AND ALL REQUIRED ASSOCIATED DOCUMENTS MUST BE SUBMITTED TO THE CITY HALL NO LATER THAN THIRTY (30) DAYS PRIOR TO EVENT DATE

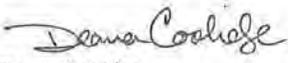
CERTIFICATE OF INSURANCE

Producer SET SEG 415 W. Kalamazoo Street Lansing, MI 48933	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
COMPANIES AFFORDING COVERAGE	
Insured Swartz Creek Community Schools 8354 Cappy Lane Swartz Creek, MI 48473-1299	A MASB-SEG Property/Casualty Pool, Inc.

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> Comprehensive Form <input checked="" type="checkbox"/> Premises/Operations <input checked="" type="checkbox"/> Incidental Medical Malpractice Coverage <input checked="" type="checkbox"/> Products/Completed Operations <input checked="" type="checkbox"/> Contractual <input checked="" type="checkbox"/> Independent Contractors <input checked="" type="checkbox"/> Broad Form Property Damage <input checked="" type="checkbox"/> Personal Injury	PC-0000188	7/1/18	7/1/19	BI & PD COMBINED OCCURRENCE	\$1,000,000
					BI & PD COMBINED AGGREGATE	N/A
					PERSONAL INJURY OCCURRENCE	\$1,000,000
					PERSONAL INJURY AGGREGATE	N/A

CERTIFICATE HOLDER City of Swartz Creek 8083 Civic Drive Swartz Creek, MI 48473	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.
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AUTHORIZED REPRESENTATIVE  Deana Coolidge PROPERTY/CASUALTY DEPARTMENT	Date March 14, 2019
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