



**PONTIAC CITY COUNCIL
STUDY SESSION**

March 13, 2018

6:00 p.m.

12th Session of the 10th Council

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Call to order

Roll Call

Authorization to excuse councilmembers

Amendments to and approve the agenda

Approval of Minutes

1. Meeting of March 6, 2018.

Public Comment

Review of Agenda Items for Council Consideration

2. Resolution approval for Legal Representation of the Pontiac City Council.
3. Resolution to authorize Mayor to sign contract with Rehman Robson for three-year contract with option to renew for two additional years as proposed.
4. Resolution to authorize Mayor to sign contract with Oakland County Sheriff's for a 2018-2021 Emergency Medical Service Agreement.
5. Resolution to approve a Credit Card policy and procedure for the City of Pontiac.
6. Consider an introduction ordinance to approve a PILOT request for Casa Del Ray, 111 Oneida.
7. Consider an introduction ordinance to approve a PILOT request for Washington Square, 710 Menominee.
8. Consider an introduction ordinance to approve a PILOT for the Hamilton, 5 Carter Street.
9. Consider an introduction ordinance to amend PILOT for Sanford Arms Limited Divided Housing Association Limited Partnership.

Adjournment

March 6, 2018

**Official Proceedings
Pontiac City Council
11th Session of the Tenth Council**

A Formal Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, March 6, 2018 at 5:57 p.m. by President Kermit Williams.

Call to Order at 5:57 p.m.

Invocation - Pastor Matlock

Pledge of Allegiance

Roll Call

Members Present: Carter, Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward.
Mayor Waterman was present.
Clerk announced a quorum.

18-61 **Approval of the Agenda.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter
No: None
Motion Carried.

18-62 **Journal of Special Meeting on February 27, 2018.** Moved by Councilperson Woodward and second by Councilperson Carter.

Ayes: Pietila, Taylor-Burks, Waterman, Williams, Woodward, Carter and Miller
No: None
Motion Carried.

18-63 **Journal of Regular Meeting on February 27, 2018.** Moved by Councilperson Taylor-Burks and second by Councilperson Woodward.

Ayes: Taylor-Burks, Waterman, Williams, Woodward, Carter, Miller and Pietila
No: None
Motion Carried.

18-64 **Resolution to go into Closed Session regarding Ottawa Towers vs the City of Pontiac.** Moved by Councilperson Woodward and second by Councilperson Pietila.

Whereas, Section 8 (e), MCL 15.268, permits a public body "[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body": and,

March 6, 2018

Whereas, the Pontiac City Council believes that an open meeting would have a detrimental financial effect on the litigating or settlement position of the City:

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for consulting with its attorney regarding pending litigation in the case of Ottawa Towers vs. The City of Pontiac.

Ayes: Waterman, Williams, Woodward, Carter, Miller, Pietila and Taylor-Burks

No: None

Resolution Passed.

18-65 **Council convene out of Close Session at 6:26 p.m.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Williams, Woodward, Carter, Miller, Pietila, Taylor-Burks and Waterman

No: None

Motion Carried.

18-66 **Council President ask for a motion to suspend the rules.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Woodward, Carter, Miller, Pietila, Taylor-Burks, Waterman and Williams

No: None

Motion Carried.

18-67 **Council President ask to move all agenda items (#4-#9) before the Deputy Mayor Report.** Moved by Councilperson Taylor-Burks and second by Councilperson Woodward.

Ayes: Carter, Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Motion Carried.

18-68 **Resolution for Myra Allen as Interim/Acting City Clerk for one week.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

WHEREAS, Sheila Grandison is the Interim/Acting City Clerk for the City of Pontiac as of November 20, 2017 at 5:00 p.m., and;

WHEREAS, Sheila Grandison, the Interim/Acting City Clerk for the City of Pontiac, will be attending the Michigan Association of Municipal Clerks Institute training in Mt. Pleasant, Michigan from March 11, 2018 to March 16, 2018, and;

WHEREAS, Annette Wesley will also be attending the training, and;

WHEREAS, Myra Allen, retired City of Pontiac Deputy Clerk, will fulfill the duties of the Interim/Acting City Clerk in Sheila Grandison absence, and;

NOW THEREFORE BE IT RESOLVED that the Pontiac City Council does hereby approve Myra Allen to serve as the Interim/Acting City Clerk, performing the required duties and obligations of the City Clerk for one week beginning on March 12, 2018 until March 16, 2018.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward

March 6, 2018

No: Carter

Resolution Passed.

18-69 Resolution to amend Budget Appropriations for FY 2017/2018 as requested by Mayor and Finance Director. Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Whereas, the City of Pontiac timely approved the 2017-2018 budget on June 8, 2017, and;
Whereas, the Mayor and Finance Director after reviewing the current level of expenditures for the General Fund and Cemetery Fund have concluded that the appropriations in the General Fund and Cemetery Fund require an increase of \$45,000 and 130,471 respectively, and;
Whereas, there is a need to reallocate the current amount of \$1,250,000 scheduled as Retiree Fringe benefit to be paid out to VEBA to a Transfer Out to Insurance Fund, therefore increasing the appropriations in Transfer's out by \$1,250,000 and decreasing the appropriations in Personnel Services by \$1,250,000. Therefore this reallocation does not increase overall appropriations in the General Fund,
Whereas, Mayor is proposing to the City Council to increase the appropriations for the current fiscal year 2017-2018 for the General Fund and Cemetery Fund in amounts described above as necessary to fully account for this fiscal year expenditures in these funds ; and,
Whereas, the increased appropriations will not cause the fund balance in the General Fund to go below the policy mandated thresholds; and,
Now Therefore, Be It Resolved, that the City Council of the City of Pontiac approves the budget amendments for the fiscal year 2017-2018 as requested by the Mayor and detailed in the attachment labeled exhibit A.

Ayes: Carter, Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward

No: None

Resolution Passed.

EXHIBIT A- BUDGET AMENDMENT 02/27/18

101 - General Fund	
Revenue	Increase (Decrease)
Charges for Services	
Plan Review Charges	45,000
Total Revenue	45,000
Appropriations	
Department of Public Services - Engineering	
Other Services and Charges	45,000
Retiree Fringes	
Personnel Services	(1,250,000)
Transfers Out	1,250,000
Total Appropriations	45,000
Audited Ending Fund Balance 6/30/2017	17,073,776
Budgeted Revenues - FY 18	34,909,411
Budget Amendment Proposed - FY 18	45,000
Amended Revenues - FY 18	34,954,411
Budgeted Appropriations - FY 18	(37,900,057)
Budget Amendment Proposed - FY 18	45,000
Amended Appropriations - FY 18	(37,855,057)
Projected Fund Balance - FY 18	14,173,130
Fund balance as a percentage of expenditures	37%
Fund balance policy	15%

EXHIBIT A- BUDGET AMENDMENT 02/27/18

209 - Cemetery Fund	
Revenue	Increase (Decrease)
Charges for Services	
Graves	10,000
Total Revenue	10,000
Appropriations	
Cemetery Ottawa Park	
Personnel Services	2,005
Supplies	9,000
Other Services and Charges	60,785
	71,790
Cemetery Oak Hill	
Personnel Services	500
Supplies	6,000
Other Services and Charges	52,181
	58,681
Total Appropriations	130,471
Audited Ending Fund Balance 6/30/2017	179,769
Budgeted Revenues - FY 18	100,000
Budget Amendment Proposed - FY 18	10,000
Amended Revenues - FY 18	110,000
Budgeted Appropriations - FY 18	(132,635)
Budget Amendment Proposed - FY 18	(130,471)
Amended Appropriations - FY 18	(263,106)
Projected Fund Balance - FY 18	26,663
Fund balance as a percentage of expenditures	10%
Fund balance policy	15%

18-70 Resolution to authorize the Mayor to enter into a contract with Cipparrone Contracting for an amount not to exceed \$1,461,588.25 for the Orchard Lake Road concrete repair project. Moved by Councilperson Taylor-Burks and second by Councilperson Woodward.

WHEREAS, The City of Pontiac has advertised and received responses to a request for proposal for the Local Street Improvement Program on February 21, 2018 and publically opened bids, and;
WHEREAS, a bid tabulation was prepared and reviewed, and;
WHEREAS, the City identified the low bidder as Cipparrone Contracting, and;
WHEREAS, the low bid provided by Cipparrone Contracting of \$1,461,588.25 has been found acceptable by the Engineering Division
NOW, THEREFORE, BE IT RESOLVED, that The Pontiac City Council authorized the Mayor to enter into a contract with Cipparrone Contracting for \$1,461,588.25 for the 2018 Orchard Lake Road Concrete Repair Project.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter

No: None

Resolution Passed.

There was discussion about the next agenda item regarding 710 Menominee Rd. Councilperson Waterman stated that it should go back to the Planning Commission to make sure all the facts are in order before Council take action on it. Councilperson Miller agreed with Councilperson Waterman. Councilperson Pietila clarified that this project is not for low-income housing, just senior citizen only. Madame Mayor stated that the Planning Commission has done their due diligence now it is up to council to vote on it. Attorney Chubb recapped the Mayor's statement. Council President asked for a motion to move on it.

18-71 Resolution to consider recommendation from the Planning Commission to approve the Zoning Map Amendment (PF-18-03) request for 710 Menominee Rd, to amend the current zoning from R-1 One Family Dwelling District zoning to R-3 Multi Family Dwelling District recommendation to be conditional and contingent upon the lot split of the subject parcel #64-14-31-127-001. Moved by Councilperson Woodward and second by Councilperson Pietila.

Whereas, The City has received an application for a Zoning Map Amendment for 710 Menominee Road, identified as parcel (64-14-31-127-001) from Venture, Inc., and the applicant's petition is for the rezoning of the aforementioned parcel and the redevelopment of the vacant Washington Middle School building; and

Whereas, The Planning Department has reviewed the applicant's rezoning request and the requirements set forth by Section 6.804 of the Zoning Ordinance, and the Planning Department has determined the aforementioned request and proposed intended use of the property complies with the City of Pontiac Zoning Ordinance; and

Whereas, In accordance with the procedures outlined in the Zoning Ordinance, Sections 6.802 as it relates to Zoning Map Amendments, the request has undergone the required: Technical Review, Public Hearing, and Planning Commission Recommendation; and

Whereas, On February 7, 2018, a Public Hearing was held, and in consideration of public opinion, the Planning Commission conditionally approved the zoning amendment request for the eastern portion of the site, and the Planning Commission recommends City Council approve the Zoning Map Amendment

March 6, 2018

request for 710 Menominee Road, approving the change from the current R-1 One Family Dwelling District zoning to R-3 Multi-Family Dwelling District; and
Whereas, The Planning Commission's conditional approval recommendation of PF 18-03 Zoning Map Amendment, is contingent on the lot split of the subject parcel (64-14-31-127-001); and
Now Therefore, Be It Resolved, That the City Council for the City of Pontiac approve the Planning Commission recommendation for the Zoning Map Amendment (PF-18-03) request for 710 Menominee Road, to amend the current zoning from R-1 One Family Dwelling District zoning to R-3 Multi-Family Dwelling District.

Ayes: Pietila, Waterman, Woodward and Carter
No: Taylor-Burks, Williams and Miller
Resolution Passed.

18-72 Resolution to consider recommendation for the Planning Commission to approve the Zoning Map Amendment (PF-17-30) request for 1416 Joslyn Road to amend the current zoning from C-4 Suburban Business District zoning to C-3 Corridor Commercial District. Moved by Councilperson Woodward and second by Councilperson Taylor-Burks.

Whereas, The City has received an application for a Zoning Map Amendment for 1416 Joslyn Road, identified as parcel (64-14-16-201-024) from Hope Hospitality and Warming Center, Inc., and the applicant's petition is for the rezoning of the aforementioned parcel and the redevelopment of the existing medical office building; and
Whereas, The Planning Department has reviewed the applicants rezoning request and the requirements set forth by Section 6.804 of the Zoning Ordinance, and the Planning Department has determined the aforementioned request and proposed intended use of the property complies with the City of Pontiac Zoning Ordinance; and
Whereas, In accordance with the procedures outlined in the Zoning Ordinance, Sections 6.802 as it relates to Zoning Map Amendments, the request has undergone the required: Technical Review, Public Hearing, and Planning Commission Recommendation; and
Whereas, On February 7, 2018, a Public Hearing was held, and the Planning Commission recommends City Council approve the Zoning Map Amendment request for 1416 Joslyn Road, approving the change from the current C-4 Suburban Business District zoning to C-3 Corridor Commercial District; and
Now Therefore, Be It Resolved, That the City Council for the City of Pontiac approve the Planning Commission recommendation for the Zoning Map Amendment (PF-17-30) request for 1416 Joslyn Road, to amend the current zoning from C-4 Suburban Business District zoning to C-3 Corridor Commercial District.

Ayes: Taylor-Burks, Waterman, Williams, Woodward, Carter, Miller and Pietila
No: None
Resolution Passed.

18-73 Resolution to consider appeal request from Aerostar Holdings Inc., regarding the Planning Commission's denial of a Special Exemption Permit for a Specially Designated Merchant (SDM), a Sunoco Mini Mart. (510 W. Huron) Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

March 6, 2018

Whereas, The City has received an appeal request from Aerostar Holdings, Inc. regarding the denial of an application for a Special Exemption Permit for 510 W. Huron Street; and
Whereas, The Planning Commission held a Public Hearing and considered the applicant's request at its February 7, 2018 meeting; and
Whereas, The Planning Commission denied the applicant's request and the Planning Division received the applicant's request for appeal within the ten day permit; and
Now Therefore, Be It Resolved, That the City Council for the City of Pontiac deny the appeal from Aerostar Holdings, Inc. regarding the Planning Commission denial of special exemption permit, for a specially designated merchant (SOM) liquor license, at 510 W. Huron Street, at a Sunoco Mini-Mart.

Ayes: Waterman, Williams, Woodward, Carter, Miller, Pietila and Taylor-Burks

No: None

Resolution Denial Passed.

Deputy Mayor Report – Mayor Waterman and City Attorney John Clark

Recognition of Elected Officials – Commissioner David Bowman and M. Bill Maxey Library Board Trustee

There were 12 individuals who addressed the body during public comment.

Honorable Mayor Deirdre Waterman Reported

Councilwoman Doris Taylor-Burks, Councilwoman Mary Pietila, Councilman Don Woodward, Councilwoman Patrice Waterman, Councilwoman Gloria Miller, President Pro-Tem Randy Carter and Council President Kermit Williams made closing comments. Attorney Anthony Chubb and Acting City Clerk Sheila Grandison had no closing comments.

President Kermit Williams adjourned the meeting at 9:25 p.m.

SHEILA GRANDISON
ACTING CITY CLERK

CLARK HILL

Reginald M. Turner, Jr.
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F 313.309.6818
Email: rturner@clarkhill.com

Clark Hill PLC
500 Woodward Avenue
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Detroit, MI 48226
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clarkhill.com

March 8, 2018

The Honorable Kermit Williams
President
Pontiac City Council
47450 Woodward Avenue
Pontiac, Michigan 48342

RECEIVED
2018 MAR -9 PM 12:15
PONTIAC CITY CLERK

Re: Legal Representation of the Pontiac City Council

Dear Councilman Williams:

We are pleased that the Pontiac City Council wishes to consider Clark Hill PLC for legal services. Our goal is to provide you with professional and efficient services, and our experience has shown that our relationship will be stronger if we start with a mutual understanding about the engagement, fees and disbursements.

I am enclosing with this letter a copy of Clark Hill's Standard Terms of Engagement for Legal Services, which, along with this letter, you should read and retain in your records, and which will govern the terms of our proposed engagement.

It is anticipated that, Mark McInerney and I will be most directly involved in representing the City Council, at a rate of \$300 per hour. The rate for associates will be \$250. (Our normal partners' rates for private sector clients start at \$350 and run to \$600, and associates' rates for the private sector range up to \$350.)

Invoices generally will be sent monthly. Each invoice will identify the time period represented by the invoice, the date of each activity performed, a detailed description of the work performed, the attorney or legal assistant performing the activity, professional time expended in tenths of hours, the applicable rate, and the total charge for that activity. Payment of all invoices is due within 30 days of receiving our statement. We reserve the right to withdraw our representation for nonpayment of invoices.


The firm's practice is not to bill for ordinary disbursements or expenses for long distance telephone charges, facsimile charges, photocopy costs, U.S. postage charges, secretarial overtime or computer research charges. We will, however, pass on directly such other costs as express delivery charges.

If you have any questions concerning these terms, please contact us; otherwise, please indicate the Pontiac City Council's agreement to these terms by returning to us a signed copy of this letter (keeping a copy for your files).

Thank you for your confidence in selecting us to represent The Pontiac City Council, and we look forward to working with you.

Very truly yours,

CLARK HILL PLC


Reginald M. Turner, Jr.

ACKNOWLEDGMENT

I, _____, hereby acknowledge receipt of a copy of the foregoing letter on behalf of The Pontiac City Council and accept the terms stated therein.

THE PONTIAC CITY COUNCIL

Date: _____

By:

Signed: _____

Title: _____

CLARK HILL, PLC

**Standard Terms of Engagement
for Legal Services**

This statement sets forth the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions. We suggest that you retain this statement in your file.

The Scope of our Work

You should have a clear understanding of the legal services we will provide. Any questions that you have should be dealt with promptly.

We will at all times act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our engagement letter and does not include any affiliates of such person or entity (i.e., if you are a corporation, limited liability company or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the entity, or commonly owned entities; or, if you are a trade association, any members of the trade association).

It is also our policy that the attorney-client relationship will be considered terminated upon our completion of any services that you have retained us to perform. If you later retain us to perform further or additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

Privacy Policy

In the context of representing you in connection with matters involving personal services, including estate planning, tax preparation, tax planning, equity ownership, bankruptcy, debt collection, employee compensation issues, employment benefits issues, immigration work, family and domestic issues and real estate transactions, Clark Hill comes into possession of financial information and other private personal information from you. All of this information, as well as such information of all of our clients, is held in strict confidence, and is not transmitted or released outside Clark Hill, except as you may authorize, or if we are required to disclose such information by a judge, a court or administrative tribunal, or by reason of an applicable law or regulation.

We maintain records relating to professional services which are provided to you. This allows us to assist you in our representation of your interests and to comply with professional guidelines. We have in place a system of protection to assure that your confidential information is safe from unauthorized disclosure. This system protects you, meets the requirements of the Federal law, and is consistent with our professional obligations as your attorneys.

We, as attorneys, are bound by the Rules of Professional Conduct, which include confidentiality obligations which are far stricter than those imposed by the Federal statute. We strive to comply fully with those Rules, and to protect the confidentiality and privacy of your personal information.

Retainer and Trust Deposits

New clients of the firm are commonly asked to deposit a retainer with the firm. Typically, the retainer is equal to the fees and costs likely to be incurred during a two-month period. Unless otherwise agreed, the retainer deposit will not be applied against your first invoice, but instead will be credited toward your unpaid invoices, if any, at the conclusion of services. At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expenses and fees on at least a two-month basis, it may have to be increased.

Deposits which are received to cover specific items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

All trust deposits we receive from you, including retainers, will be placed in a trust account for your material benefit. By court rule, your deposit will be placed in a pooled account if it is not expected to earn a net return, taking into consideration the size and anticipated duration of the deposit and the transaction costs. Other trust deposits will also be placed in the pooled account unless you request a segregated account. By court rule, interest earned on the pooled account is payable to a charitable foundation established in accordance with such court rule. Interest earned on a segregated trust account in your name will be added to the deposit for your benefit and will be includable in your taxable income.

Termination

You may terminate our representation at any time, with or without cause, by notifying us. If such termination occurs, you may request that your papers and property be returned to you promptly upon our receipt of payment for all outstanding fees and costs. Our own files pertaining to the case may be retained and all files and documents, whether yours or ours, may be destroyed without further notice or obligation at any time after 90 days from the termination of our representation. Your termination of our services will not affect your responsibility for payment of legal services rendered and out-of-pocket costs and internal charges incurred before termination and in connection with an orderly transition of the matter.

We may terminate our representation at any time for non-payment of fees after giving you notice and a reasonable opportunity to retain other counsel. If an additional retainer is required by us as a condition of our continued representation, we reserve the right to terminate the representation immediately upon written notice to you if the required additional retainer is not furnished in good funds promptly as required.

We are subject to the rules of professional conduct for the State of Michigan, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: persistence in course of conduct which we reasonably believe to be criminal or fraudulent, insistence upon pursuing an objective which we consider to be repugnant or imprudent, substantial failure to fulfill an obligation after reasonable warning that it will result in our withdrawal, representation that will result in an unreasonable financial burden, or other good cause. We try to identify in advance and discuss with you any situation which may lead to our withdrawal, and if withdrawal ever becomes necessary we immediately give you written notice of our withdrawal.

Your Right to Arbitrate

If you disagree with the amount of our fee, please take up the question with your principal attorney contact or with the firm's managing member. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality. In the event a fee dispute is not readily resolved, you have the right to request arbitration under the auspices of the bar associations for jurisdictions in which we practice, and we agree to participate fully in that process.

File Retention

It is the firm's practice to keep client files for five years following the time the matter is completed. After five years, the client file may be destroyed by us without notice. Michigan law provides that with the exception of documents given to us by you, our file is generally our property. Consistent with our obligations under Michigan law, should you wish copies of materials in the file and assuming they are still available, we will furnish them to you at your cost.

Pontiac City Council Resolution



WHEREAS, Attorney Reginald M. Turner, Jr., of the law firm, Clark Hill, has provided a letter dated March 8, 2018, to the attention of the Pontiac City Council President, Kermit Williams regarding legal representation of the Pontiac City Council; and,

WHEREAS, Pursuant to 3.115 of the Pontiac City Charter, the Pontiac City Council may enter into contracts for professional services.

NOW, THEREFORE BE IT RESOLVED, the Pontiac City Council hereby acknowledges and agrees to the standard terms of the Engagement Agreement for Legal Services dated March 8, 2018, provided by Clark Hill and authorizes the Council President, Kermit Williams to sign the engagement agreement on behalf of the Pontiac City Council.



MEMORANDUM

City of Pontiac
Finance Director
Nevrus P. Nazarko, CPA
47450 Woodward Avenue
Pontiac, Michigan 48342
Phone: 248.758.3118
Fax: 248.758.3197

RECEIVED
2018 MAR -9 PM 12:18
PONTIAC CITY CLERK

DATE: March 8, 2018
TO: Honorable Mayor and City Council
FROM: Nevrus P. Nazarko, CPA, Finance Director *N.N.*
Through: Jane Bais DiSessa, Deputy Mayor
SUBJECT: Independent Auditing Service Contract 2018-2022

Mrs. DiSessa,

City is required to have annual audits of the financial statements conducted by an independent accounting firm that is licensed from the State of Michigan. For the last 5 years, the audit has been conducted by the auditing firm, Rehmann.

That contract expires on June 30, 2018, and the last engagement from Rehmann includes financial statements as of 06/30/2017.

We send RFP for auditing services to 9 accounting firms as well as posted the RFP on our website and MITN (Michigan Inter-Governmental Trade Network).

We received responses from 6 firms and the tabulation is shown on the attached Exhibit.

Based on our review of the responses we recommend awarding the auditing services contract to the Independent Accounting firm of Rehmann, our current auditors for a period of 3 years, with option to extend for an additional 2 years at the City's choosing.

If the council agrees with the recommendation, here is a resolution needed to pass:

Whereas, the Independent accounting firm of Rehmann , has presented the City with proposal for auditing services for the period beginning in Fiscal year 2018 and ending in FY 2022; and,

Whereas, the Deputy Mayor and Finance Director have reviewed the proposals, and are recommending that the proposal from Rehmann be accepted;

Now Therefore, Be It Resolved, that the City Council approves the proposal from the Independent accounting firm of Rehmann for a three year contract with an option to renew for two additional years, with the amounts indicated in the proposal.



MEMORANDUM

City of Pontiac
Finance Director
Nevrus P. Nazarko, CPA
47450 Woodward Avenue
Pontiac, Michigan 48342
Phone: 248.758.3118
Fax: 248.758.3197

RECEIVED
2018 MAR -9 PM 12:18
PONTIAC CITY CLERK

DATE: March 8, 2018
TO: Honorable Mayor and City Council
FROM: Nevrus P. Nazarko, CPA, Finance Director N.N.
Through: Jane Bais DiSessa-Deputy Mayor
SUBJECT: Emergency Medical Dispatch Service Agreement with OCSO

The current agreement with Oakland County's Sheriff's Office on Emergency Medical Dispatch Services is expiring on March 31, 2018. Our office has been in contact to the OCSO for the past month and were provided with a draft on a new 3-year agreement that extends from 04/01/2018 to 03/31/2021.

The current three year agreement requires a monthly payment of \$16,620.50 in the first year which reflects a \$3,085 per month increase in the first year from the April 1, 2018 to March 31, 2019. Increases are scheduled for the remaining time from 2019-2021, respectively, \$17,119.12 per month on the second year and \$17,632.69 in the third and final year of the agreement.

I have talked to other municipalities that have contracted with OCSO for these services and the agreement contains identical terms and conditions. Furthermore, the method of allocating the charges across municipalities remains consistent.

I am attaching a letter from Captain Mel Maier that provides more details on their operations and latest improvements to the system as well as some statistics about the calls dispatched.

If Council agrees with the terms and conditions as described in the attached draft agreement, then the following resolution would be in order:

WHEREAS, the CITY is authorized by law to provide EMERGENCY MEDICAL SERVICE, as defined in this Agreement, for its residents; and

WHEREAS, in order to provide effective EMERGENCY MEDICAL SERVICE for its residents, the CITY must also provide emergency medical communication and dispatch functions; and

WHEREAS, the O.C.S.O. provides emergency medical communication and dispatch functions and has the capability to provide emergency medical dispatch but, absent this Agreement, is not obligated to provide "EMERGENCY MEDICAL DISPATCH SERVICE", as defined in this Agreement, for the CITY; and

WHEREAS, the COUNTY and the CITY may enter into an agreement by which the O.C.S.O. would provide EMERGENCY MEDICAL DISPATCH SERVICE for the CITY; and

WHEREAS, the CITY has concluded that it is more cost effective to contract for EMERGENCY MEDICAL DISPATCH SERVICE with the O.C.S.O. than to equip and staff its own emergency medical communication and dispatch center; and

WHEREAS, the O.C.S.O. agrees to provide EMERGENCY MEDICAL DISPATCH SERVICE for the CITY under the following terms and conditions;

NOW, THEREFORE, Be It Resolved that the City Council, upon the recommendation of the Mayor and Finance Director accepts the Oakland County Sheriff's Office 2018-2021 Emergency Medical Dispatch Services Agreement with the City of Pontiac and authorizes the Mayor to sign document as presented;

AYES:

NAYS:

**2018-2021 EMERGENCY MEDICAL DISPATCH SERVICE AGREEMENT BETWEEN
THE COUNTY OF OAKLAND
AND
THE CITY OF PONTIAC**

This Agreement is made and entered into between the COUNTY OF OAKLAND, a Michigan Constitutional and Municipal Corporation, whose address is 1200 North Telegraph Road, Pontiac, Michigan 48341 (the "COUNTY"), and the CITY OF PONTIAC, whose address is 47450 Woodward Avenue, Pontiac, Michigan, 48342-2271 (the "CITY"). In this AGREEMENT, the COUNTY and/or the City may also be referred to as a "PARTY" or the "PARTIES." In this Agreement, the COUNTY shall be represented by the OAKLAND COUNTY SHERIFF, in his official capacity as a Michigan Constitutional Officer, whose address is 1200 North Telegraph Road, Bldg. 38 E., Pontiac, Michigan 48341 (the "SHERIFF"). In this Agreement, whenever the COUNTY and the SHERIFF are intended to be referred to jointly, they shall collectively be referred to as the "OAKLAND COUNTY SHERIFF'S OFFICE" ("O.C.S.O.").

WITNESSETH

WHEREAS, the CITY is authorized by law to provide EMERGENCY MEDICAL SERVICE, as defined in this Agreement, for its residents; and

WHEREAS, in order to provide effective EMERGENCY MEDICAL SERVICE for its residents, the CITY must also provide emergency medical communication and dispatch functions; and

WHEREAS, the O.C.S.O. provides emergency medical communication and dispatch functions and has the capability to provide emergency medical dispatch but, absent this Agreement, is not obligated to provide "EMERGENCY MEDICAL DISPATCH SERVICE", as defined in this Agreement, for the CITY; and

WHEREAS, the COUNTY and the CITY may enter into an agreement by which the O.C.S.O. would provide EMERGENCY MEDICAL DISPATCH SERVICE for the CITY; and

WHEREAS, the CITY has concluded that it is more cost effective to contract for EMERGENCY MEDICAL DISPATCH SERVICE with the O.C.S.O. than to equip and staff its own emergency medical communication and dispatch center; and

WHEREAS, the O.C.S.O. agrees to provide EMERGENCY MEDICAL DISPATCH SERVICE for the CITY under the following terms and conditions;

NOW, THEREFORE, it is mutually agreed as follows:

1. The COUNTY, with the cooperation and approval of the SHERIFF, shall, in conjunction with its existing O.C.S.O. emergency medical dispatch policies and procedures provide EMERGENCY MEDICAL DISPATCH SERVICE to the CITY.
2. Except as expressly provided for in this Agreement, the Parties agree that this Agreement does not, and is not intended to, transfer, delegate, or assign to the other Party any civil or legal responsibility, duty, obligation, duty of care, cost, legal obligation, or liability associated with any governmental function delegated and/or entrusted to either Party under any existing law or regulations.
3. For all purposes and as used throughout this Agreement, the words and expressions listed below, whether used in the singular or plural, within or without quotation marks, or possessive or nonpossessive, shall be defined, read, and interpreted as follows:
 - 3.1 "EMERGENCY MEDICAL SERVICE(S)" means the emergency medical services

personnel, ambulances, vehicles and equipment required for transport or treatment of an individual requiring medical first response life support, basic life support, limited advanced life support, or advanced life support.

- 3.2 "EMERGENCY MEDICAL DISPATCH SERVICE(S)" means any emergency or non-emergency communication of any kind received by the O.C.S.O. which, in the sole judgment of the O.C.S.O., requests or requires EMERGENCY MEDICAL SERVICE by the CITY'S DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER and all subsequent O.C.S.O. or COUNTY AGENT communications or attempted communications designed or intended to effectuate delivery of EMERGENCY MEDICAL SERVICES within the CITY.
- 3.3 "DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER" shall be defined as the agency, corporation or entity designated by the CITY to provide EMERGENCY MEDICAL SERVICES within the CITY including, but not limited to, all uniformed, non-uniformed, civilian, command, volunteer, administrative, and/or supervisory personnel employed by this agency, corporation or entity and any persons acting by, through, under, or in concert with any of them.
- 3.4 "COUNTY AGENT(S)" shall be defined to include the SHERIFF and all COUNTY elected and appointed officials, commissioners, officers, boards, committees, commissions, departments, divisions, employees (including any SHERIFF'S DEPUTY), agents, predecessors, successors, or assigns, (whether such persons act or acted in their personal, representative, or official capacities), and all persons acting by, through, under, or in concert with any of them. COUNTY AGENT as defined in this Agreement shall also include any person who was a COUNTY AGENT at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in his/her previous capacity.
- 3.5 "CITY AGENT(S)" shall be defined to include any and all CITY officers, elected officials, appointed official, directors, board members, Commission members, authorities, authority board members, boards, committees, commissions, employees, police officers, managers, departments, divisions, volunteers, agents, and representatives of the CITY, and/or any such persons' successors or predecessors, agents, employees, attorneys, or auditors (whether such persons act or acted in their personal, representative, or official capacities), and/or any and all persons acting by, through, under, or in concert with any of them and/or the CITY. CITY AGENT(S) as defined in this CONTRACT shall also include any person who was a CITY AGENT(S) at any time during the term of this CONTRACT but, for any reason, is no longer employed, appointed, or elected in their previous capacity.
- 3.6 "CLAIM(S)" shall be defined to include any and all losses, complaints, demands for relief, damages, lawsuits, causes of action, proceedings, judgments, deficiencies, penalties, costs and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation, litigation expenses, amounts paid in settlement, and/or any other amount for which the COUNTY or COUNTY AGENT becomes legally and/or contractually obligated to pay, whether direct, indirect, or consequential, whether based upon any alleged violation of the constitution (federal or state), any statute, rule, regulation, or the common law, whether in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
4. Except for the EMERGENCY MEDICAL DISPATCH SERVICE expressly contracted for herein, the O.C.S.O. and/or any COUNTY AGENT shall not be obligated to provide or assist the CITY or any DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER with any EMERGENCY MEDICAL SERVICES or any other direct, indirect, backup, or supplemental support or emergency medical-related service or protection, of any kind or nature, or be obligated to send any COUNTY AGENT to respond, in any way, to any call for EMERGENCY MEDICAL

SERVICES.

5. Under all circumstances, the CITY shall remain solely and exclusively responsible for all costs and/or liabilities associated with screening, choosing, and contracting with a DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER for the provision of EMERGENCY MEDICAL SERVICE within the CITY.
6. This Agreement does not, and is not intended to, obligate or require the O.C.S.O. to change, alter, modify, or develop any different O.C.S.O. dispatch related procedures, policies, and/or standards; purchase or use any special or additional equipment; or, alternatively, prohibit the O.C.S.O. from implementing any future communication-related changes that the O.C.S.O., in its sole judgment and discretion, believes to be in its best interest.
7. The CITY shall be solely and exclusively responsible, during the term of this Agreement, for guaranteeing that: (a) all DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER communication equipment will be properly set, adjusted, and maintained to receive any EMERGENCY MEDICAL DISPATCH SERVICE from the O.C.S.O. and/or COUNTY AGENT and will comply with all current and future applicable O.C.S.O. dispatching procedures, policies, standards, technical specifications, and/or any applicable state or federal communication requirements, including, but not limited, to all Federal Communications Commission orders, regulations, and policies; (b) the DESIGNATED EMERGENCY MEDICAL SERVICE PROVIDER will be adequately trained and will comply with all current and future applicable O.C.S.O. dispatching procedures, policies, standards, technical specifications and/or any applicable state or federal communication requirements, including, but not limited, to all Federal Communications Commission orders, regulations, and policies; and (c) the CITY shall, at all times, promptly and properly notify the designated COUNTY AGENT of any availability or unavailability of DESIGNATED EMERGENCY SERVICE PROVIDER to receive EMERGENCY MEDICAL DISPATCH SERVICE from the O.C.S.O.
8. The CITY shall be solely and exclusively responsible for all costs, expenses and liabilities associated with the purchase, lease, operation, and/or use of any DESIGNATED EMERGENCY SERVICE PROVIDER communication equipment. The O.C.S.O. shall not be obligated to provide the DESIGNATED EMERGENCY SERVICE PROVIDER with any radio or other communication equipment of any kind. Similarly, the CITY shall not be obligated under the terms of this Agreement to supply or provide the O.C.S.O. with any additional telephones, telephone lines, radios, other communications equipment, or property.
9. The O.C.S.O. may, at its sole discretion and expense, inspect any DESIGNATED EMERGENCY SERVICE PROVIDER communication equipment to ensure that it conforms to applicable O.C.S.O. dispatching procedures, policies, standards, technical specifications, and/or state and federal law. If the inspection reveals a lack of conformance, the O.C.S.O. shall notify the CITY in writing of the specific violations. The CITY shall address and correct such violations at its own expense within thirty (30) calendar days of receiving the written notice or present a written plan to O.C.S.O. within 15 calendar days setting forth a procedure for correcting the violations. If the CITY fails to address and/or correct such violations within the time period set forth in this paragraph, the O.C.S.O. may terminate and/or cancel the Agreement.
10. In consideration of the COUNTY'S promises and efforts under this Agreement, the CITY shall pay the COUNTY \$16,620.50 per month for services for the months of April 1, 2018 to March 31, 2019. The CITY shall pay the rate of \$17,119.12 per month for services for the months of April 1, 2019 to March 31, 2020. The CITY shall pay the rate of \$17,632.69 per month for services for the months of April 1, 2020 to March 31, 2021. Said payments shall be made as follows:
 - 10.1 The COUNTY shall send an invoice to the MUNICIPALITY on the first calendar day of each month for services rendered the previous month. The MUNICIPALITY shall have 30 days from the date of each invoice to make payment. For example, for services

rendered in July of 2019, the COUNTY will bill the MUNICIPALITY on August 1, 2019 and the MUNICIPALITY shall pay the invoice within 30 days of the invoice date.

- 10.2 All Monthly payments shall be due and payable by the MUNICIPALITY without any further notice or demand from the COUNTY.
 - 10.3 Each monthly payment shall be made by a check drawn on a MUNICIPALITY account and shall be made payable to the County of Oakland and delivered to the attention of: Mr. Andy Meisner, Oakland County Treasurer, 1200 N. Telegraph Road, Pontiac, MI 48341-0479 (or such other person as the COUNTY may from time to time designate in writing).
 - 10.4 Each payment shall clearly identify that it is a monthly payment being made pursuant to this Agreement and identify the calendar month for which the MUNICIPALITY intended the payment to apply. The COUNTY, in its discretion, may apply any monthly payment received from the MUNICIPALITY to any past due amount or monthly payment then due and owing to the COUNTY pursuant to this Agreement.
11. If the CITY, for any reason, fails to pay the COUNTY any monies when and as due under this Agreement the CITY agrees that the COUNTY or the County Treasurer, at their sole option, shall be entitled to set off from any other CITY funds that are in the COUNTY'S possession for any reason without further notice to the CITY in order to satisfy the CITY's obligations under this Agreement. Funds include but are not limited to the Delinquent Tax Revolving Fund ("DTRF") and any other source of funds due to the CITY in the possession of the COUNTY. Any setoff or retention of funds by the COUNTY shall be deemed a voluntary assignment of the amount by the CITY to the COUNTY. The CITY waives any CLAIMS against the COUNTY or its Officials for any acts related specifically to the COUNTY'S offsetting or retaining such amounts. This paragraph shall not limit the CITY's legal right to dispute whether the underlying amount retained by the COUNTY was actually due and owing under this Agreement.
 12. In addition to any right of setoff or recoupment provided by applicable law, all amounts due to the CITY shall be considered net of indebtedness to the CITY to the COUNTY and the COUNTY shall have the right to setoff against or recoup from any amounts due to the CITY at any time and without further notice to the CITY.
 13. If the COUNTY chooses not to exercise its right to setoff or if any setoff is insufficient to fully pay the COUNTY any amounts due and owing the COUNTY under this Agreement, the COUNTY shall have the right to charge up to the then-maximum legal interest on any unpaid amount. Interest charges shall be in addition to any other amounts due to the County under this Agreement. Interest charges shall be calculated using the daily unpaid balance method and accumulate until all outstanding amounts and accumulated interest are fully paid.
 14. Nothing in this paragraph shall operate to limit the COUNTY'S right to pursue or exercise any other legal rights or remedies under this Agreement against the CITY to secure reimbursement of amounts due to the COUNTY under this Agreement. The remedies in this Paragraph shall be available to the COUNTY on an ongoing and successive basis if the CITY at any time becomes delinquent in its payments. Notwithstanding any other terms and conditions in this Agreement, if the COUNTY pursues any legal action in any court to secure its payment under this Agreement, the CITY agrees to pay all costs and expenses, including attorney's fees and court costs, incurred by the COUNTY in the collection of any amount owed by the CITY.
 15. If the CITY fails for any reason to (1) timely pay the COUNTY any amount due under this Agreement, (2) perform any other obligation required under this Agreement or (3) seeks authority from the governor and state treasurer to proceed under title 11 of the United States Code, 11 USC 101 to 1532 as provided for in section 23 of Public Act 4 of 2011; the CITY shall be in default of this Agreement. The COUNTY will send written notice of any default via first class mail to the CITY. If the default is not cured within thirty (30) days from the date of the notice, the

COUNTY may:

- 15.1 Terminate this Agreement sixty (60) days from the date written notice of termination is provided to the CITY by the COUNTY;
 - 15.2 Declare all unpaid amounts owed under the Agreement immediately due and payable without further presentment, demand, protest or other notice of any kind, all of which are expressly waived by the CITY.
 - 15.3 Exercise any and all rights and remedies available to it under the Agreement or applicable law.
16. Each Party shall be responsible for any CLAIMS made against that Party and for the acts of its employees or AGENTS. Further, the CITY agrees that it shall remain solely and completely liable for any and all CLAIMS that either arose or have their basis in circumstances or events occurring before the effective date of this Agreement, including but not limited to, any wage or benefit issues, any collective bargaining obligations, or any other related employment rights or obligations such as worker or unemployment compensation based upon any person's employment by the CITY prior to the effective date of this Agreement.
 17. In any CLAIMS that may arise from the performance of this Agreement, each Party shall seek its own legal representation and bear the costs associated with such representation including any attorney fees.
 18. Except as otherwise provided in this Agreement, neither Party shall have any right under any legal principle to be indemnified by the other Party or any of its employees or AGENTS in connection with any CLAIM.
 19. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
 20. This Agreement does not, and is not intended to, create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, and/or right to be indemnified, or any other right of any kind in favor of any person, organization, alleged third party beneficiary, or any right to be contractually, legally, equitably or otherwise subrogated to any indemnification or any other rights provided under the terms of this Agreement.
 21. Neither the COUNTY nor any COUNTY AGENT, by virtue of this Agreement or otherwise, shall be considered employees of the CITY or the CITY's DESIGNATED EMERGENCY SERVICE PROVIDER. The COUNTY and/or any COUNTY AGENTS legal status and relationship to the CITY shall be that of an Independent Contractor. No CITY, CITY AGENT or CITY DESIGNATED EMERGENCY SERVICE PROVIDER employee shall, by virtue of this Agreement or otherwise, be considered an employee, agent, or working under the supervision and control of the COUNTY and/or any COUNTY AGENT.
 22. The CITY and the O.C.S.O. shall each remain the sole and exclusive employer of each of their respective employees. The CITY and COUNTY each agree to remain solely and exclusively responsible for the payment of each of their respective employees' wages, compensation, overtime wages, expenses, fringe benefits, pension, retirement benefits, training expenses, or other allowances or reimbursements of any kind, including, but not limited to, workers' disability compensation, unemployment compensation, Social Security Act protection and benefits, employment taxes, or any other statutory or contractual right or benefit based, in any way, upon employment.
 23. This Agreement does not, and is not it intended to, create, change, modify, supplement, supersede, or otherwise affect or control, in any manner, any term or condition of employment of

any COUNTY AGENT, or any applicable O.C.S.O. employment and/or union contract, any level or amount of supervision, any standard of performance, any sequence or manner of performance, and/or any O.C.S.O. rule, regulation, training and education standard, hours of work, shift assignment, order, policy, procedure, directive, ethical guideline, etc., which shall solely and exclusively, govern and control the employment relationship between the O.C.S.O. and/or all conduct and actions of any COUNTY AGENT.

24. Neither the CITY nor any DESIGNATED EMERGENCY SERVICE PROVIDER shall provide, furnish or assign any COUNTY AGENT with any job instructions, job descriptions, job specifications, or job duties, or, in any manner, attempt to control, supervise, train, or direct any COUNTY AGENT in the performance of any COUNTY duty or obligation under the terms of this Agreement.
25. The CITY shall promptly deliver to the O.C.S.O. written notice and copies of any CLAIM, accusation or allegation of negligence or other wrongdoing, whether civil or criminal in nature, that the CITY becomes aware of which involves, in any way, the O.C.S.O. or any COUNTY AGENT. The CITY and its DESIGNATED EMERGENCY SERVICE PROVIDER shall cooperate with the O.C.S.O. in any investigation conducted by the SHERIFF of any act or performance of any duties by any COUNTY AGENT.
26. This Agreement shall become effective on April 1, 2018 and shall remain in effect continuously until it expires, without any further act or notice being required of any Party at 11:59 PM on March 31, 2021. This Agreement may be cancelled for any reason, including the convenience of any Party, and without any penalty, before its March 31, 2021 expiration by delivering a written notice of the cancellation to the other signatories to this Agreement, or their successors in office. Such written notice shall provide at least sixty (60) calendar days notice of the effective date of cancellation, and such cancellation of this Agreement shall be effective at 11:59 P.M. on the last calendar day of the calendar month following the expiration of the 60 calendar day notice period. If this Agreement is terminated for any reason, the CITY will fully reimburse the COUNTY for all direct and indirect labor costs incurred by the COUNTY as a result of the Agreement's termination. Such costs include, but are not limited to, unemployment compensation claims made by COUNTY employees hired by the COUNTY to fulfill the terms of this Agreement.
27. This Agreement, and any subsequent amendments, shall not become effective prior to the approval by concurrent resolutions of the COUNTY Board of Commissioners and the CITY's Governing Body. The approval and terms of this Agreement shall be entered into the official minutes and proceedings of the COUNTY Board of Commissioners and the CITY's Governing Body and shall also be filed with the Office of the Clerk for the COUNTY and the CITY. In addition, this Agreement, and any subsequent amendments, shall be filed by a designated COUNTY AGENT with the Secretary of State for the State of Michigan and shall not become effective prior to the filing of this Agreement with the Secretary of State.
28. Any signatory or any signatories' successor in office to this Agreement shall send, by first class mail, any correspondence and written notices required or permitted by this Agreement to each of the signatories of this Agreement, or any signatories' successor in office, to the addresses shown in this Agreement. Any written notice required or permitted under this Agreement shall be considered delivered to a Party as of the date that such notice is deposited, with sufficient postage, with the U.S. Postal Service.
29. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan. The language of all parts of this Agreement is intended to and, in all cases, shall be construed as a whole, according to its fair meaning, and not construed strictly for or against any Party. As used in this Agreement, the singular or plural number, possessive or non-possessive, shall be deemed to include the other whenever the context so suggests or requires.

30. Absent an express written waiver, the failure of any Party to pursue any right granted under this Agreement shall not be deemed a waiver of that right regarding any existing or subsequent breach or default under this Agreement. No failure or delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.
31. The COUNTY and the CITY acknowledge that this Agreement shall be binding upon them and, to the extent permitted by law, upon their administrators, representatives, executors, successors and assigns, and all persons acting by, through, under, or in concert with any of them.
32. This Agreement sets forth the entire contract and understanding between the COUNTY and the CITY and fully supersedes any and all prior contracts, agreements or understandings between them in any way related to the subject matter hereof after the effective date of this Agreement shall remain effective and enforceable for any CLAIM arising or occurring during any prior contract period. This Agreement shall not be changed or supplemented orally. This Agreement may be amended only by concurrent resolutions of the COUNTY Board of Commissioners and the CITY's Governing Body in accordance with the procedures set forth herein.
33. Each Party shall comply with all federal, state, and local statutes, ordinances, regulations, administrative rules, requirements applicable to its activities performed under this Agreement.
34. If a court of competent jurisdiction finds a term, or condition, of this Agreement to be illegal or invalid, then the term, or condition, shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
35. For and in consideration of the mutual promises, acknowledgments, representations, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the COUNTY and the CITY hereby agree and promise to be bound by the terms and provisions of this Agreement.

CONTINUED ONTO NEXT PAGE

IN WITNESS WHEREOF, Dr. Deidre Waterman, Mayor of the City of Pontiac, hereby acknowledges that he or she has been authorized by a resolution of the CITY's Governing Body (a certified copy of which is attached) to execute this Agreement on behalf of the CITY and hereby accepts and binds the CITY to the terms and conditions of this Agreement on this _____ day of _____, 2018.

WITNESS:

CITY OF PONTIAC,
a Michigan Municipal Corporation

BY: _____

Dr. Deidre Waterman
Mayor

Name:
Title:

IN WITNESS WHEREOF, Michael J. Gingell, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners (a certified copy of which is attached) to execute this Agreement on behalf of the COUNTY and hereby accepts and binds the COUNTY to the terms and conditions of this Agreement on this _____ day of _____, 2018.

WITNESS:

COUNTY OF OAKLAND,
a Michigan Municipal Corporation

BY: _____

Michael J. Gingell
Chairperson, Oakland County Board of
Commissioners

Name:
Title:

IN WITNESS WHEREOF, Michael J. Bouchard, in his official capacity as SHERIFF, hereby concurs and accepts the terms and conditions of this Agreement on this _____ day of _____, 2018.

WITNESS:

OAKLAND COUNTY SHERIFF,
a Michigan Constitutional Officer

BY: _____

Michael J. Bouchard,
Oakland County Sheriff

Name:
Title:

EMERGENCY COMMUNICATIONS & OPERATIONS DIVISION

COMMANDER: *Captain Mel Maier*

The Sheriff's Operations Center members underwent 1,166 hours of training in 2017 and were trained in a wide range of topics including how to manage domestic violence and suicidal callers as well as training in Homeland Security and the utilization of emerging communications technologies. Their customer service ratings are reflective of the outstanding and rigorous training they undergo and the team members' commitment to excellence. The Division answers all 911 emergency as well as non-emergency calls for the Oakland County Sheriff's Office and 10 local law enforcement agencies. Additionally, they dispatch for 19 local fire departments. All call takers are fully trained and certified by the International Emergency Academies of Dispatch (IAED) in Emergency Medical Dispatch (EMD), Emergency Fire Dispatch (EFD), and Emergency Police Dispatch (EPD). The Oakland County Sheriff's Office was the first and one of the few agencies in Michigan certified in all three dispatch protocols Operations Center.

The Oakland County Sheriff's Office operates one of the largest police/fire/EMS dispatch 911 centers in Michigan. The Operations Center is comprised of one division Captain, one Lieutenant, two quality assurance supervisors, five dispatch specialist shift leaders, 66 dispatch specialists, and one office assistant. Five sergeants are assigned to assist in a supervisory capacity and to provide assistance to local agencies in need of special units; K-9, Arson Investigators, Traffic Crash Reconstruction, Forensic Lab, SWAT Team, Aviation Unit, Dive/Rescue Team, or other Sheriff's Office special teams.

2017 EMERGENCY MEDICAL DISPATCH CALL STATISTICS

Total Number of EMD Calls 23,153
Technical Protocol Quality Rating 94.53%

2017 EMERGENCY FIRE DISPATCH CALL STATISTICS

Total Number of EFD Calls 2,643
Technical Protocol Quality Rating 93.52%

2017 EMERGENCY POLICE DISPATCH CALL STATISTICS

Total Number of EPD Calls 26,899
Technical Protocol Quality Rating 92.71%

2017 CUSTOMER SERVICE PROTOCOL QUALITY

All Disciplines (EMD, EPD, EFD) 93.90%

In 2017, the Oakland County Sheriff's Office converted traditional 911 telephone service into a dedicated fiber Emergency Services IP Network (ESI Net) for our Next Generation 911 system. This new platform provides a more ready solution to accurately locate callers and route Text to 911 requests. As technology and innovation in communications continues, the Sheriff's Operations Center will be better prepared to adopt new messaging and location based services for their callers.

The Sheriff's Operations Center has developed a strong multi-path redundant communications system for its telephone and radio systems. However, in the event of disaster, a new fully

equipped Backup Operations Center has been established within Oakland County. This Backup Operations Center has 911 telephone, traditional telephone, digital trunked radio, and Computer Aided Dispatch (CAD) system capability. It has also been configured for use as an alternate route for any by local 911 center in Oakland County.

2017 DISPATCHED INCIDENT STATISTICS

Sheriff's Office	238,909
Other Police Agencies	89,615
Fire/EMS Departments	46,968
Total Incidents	375,492

In 2017, the Operations Center managed **537,719 telephone calls**. 238,168 911 telephone calls were answered, with cellular calls now constituting 82% of the total 911 calls received.

2017 CALL VOLUME STATISTICS

911 Landline	31,098
911 VOIP	12,879
911 Cellular	194,191
10 Digit Emergency	109,903
Administrative Calls	76,373
Outbound Calls	113,275
TOTAL CALLS	537,719

In 2015, Sheriff Michael J. Bouchard brought Text-to-911 services to Oakland County. The Sheriff's Operations Center continues to receive all Text-to-911 calls for the entire county. Dispatch Specialists are able to receive text messages that are sent to 911 and communicate back and forth with the sender. In 2017, the Operations Center handled 675 emergency texting sessions.

The Warrant Clerks for the Sheriff's Operations Center are responsible for the research, entry, and confirmation of warrants from the 15 District Courts in Oakland County and the 6th Circuit Court.

2017 Operations Center Warrant Clerk Statistics

WARRANT ENTRIES

Felony – 729
Misd – 1,969
Other – 3,489 (including Bench Warrants)
TOTAL – 6,187

WARRANT CANCELLATIONS

Felony – 775
Misd – 1,792
Other – 3,322
TOTAL – 5,889

Additionally, the Sheriff's Operations Center has fully deployed an integrated Michigan Public Safety Communication System (MPSCS) statewide radio console system into the Oakland County OpenSky radio system. By bringing the two largest radio networks in Michigan into one dispatch center, we are able to bridge the communications gap where public safety first responder could not talk to each other at the scene of incidents. We have also partnered regionally with Macomb County, Genesee County, Livingston County, Washtenaw County, Lapeer County, Wayne County (partial), and the City of Detroit in which we have set procedures and policies on how we will manage the communications during major incidents and natural disasters.

Memorandum

RECEIVED
2018 MAR -9 PM 12:18
PONTIAC CITY CLERK

Date: 3/6/2018
To: Pontiac City Council
From: Jane Bais-DiSessa, Deputy Mayor
Nevrus Nazarko, Finance Director
Cc: Mayor Waterman
Re: Credit Card Policy and Procedures

This council letter serves as a request for approval of a new procurement/credit card policy. MCL 129.243 of Act 266 of 1995 provides that a local unit of government shall not be a party to a credit card arrangement unless the governing body of the local unit has adopted by resolution a written policy that provides all of the following:

1. An officer or the employee designate by the credit card policy is responsible for the local unit's credit card issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with the credit card policy.
2. A credit card may be used only by an officer or employee of the local unit for the purchase of goods or services for the official business of the local unit. In addition, the credit card policy may limit the specific official business for which credit cards be used.
3. An officer or employee using credit cards issued by the local unit shall submit to the local unit documentation described in the credit card policy detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.
4. An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the local unit if the credit card is lost or stolen.
5. An officer or employee issued a credit card shall return the credit card upon the termination of his or her employment or service in the office with the local unit.
6. A system of internal accounting controls to monitor the use of credit cards.
7. Approval of credit card invoices before payment.
8. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than 60 days of the initial statement date.
9. Disciplinary measures consistent with law for the unauthorized use of a credit card by an officer or employee of the local unit and
10. Any other matters the governing body considers advisable.

It is recommended the following resolution be approved by the City Council to approve a procurement/credit card policy.

Whereas, MCL 129.243 of Act 266 of 1995 provides that a local unit of government shall not be a party to a credit card arrangement unless the governing body of the local unit has adopted by resolution a written policy that provides certain criteria, and

Whereas, on August 12, 2013 the EM issued and the City Council approved the Credit Card Policy that is still in effect, and

Whereas, the current policy can be amended by a resolution of the City Council, and

Whereas, the existing policy limits the credit cards issued to the City and the there is a need to update the policy and procedures, and

Whereas, the City's Mayor and Finance Director recommend adopting a new policy and procedures to allow more efficient and timely response to City's needs to make purchases and utilize the credit cards, and

Be It Resolved the city council hereby approves the enclosed procurement/credit card policies and procedures.

City of Pontiac

Procurement/Credit Card Policies and Procedures

Purpose

The purpose of this policy is to establish the provisions of a city issued procurement/credit card process that improves upon the efficiency of the city's purchasing process and that is in compliance with city charter and the State of Michigan's credit card transactions laws for local government.

Policies

This policy applies to all individuals who are authorized to conduct official business on behalf of the City of Pontiac and who have been given authorization for the use of credit cards by the city.

The city's Finance Director and in his absence the Senior Financial Analyst are responsible for the city's procurement/credit card issuance, accounting, monitoring, and general compliance of the procurement/credit card procedure and policy

Only the following credit cards are authorized to be issued and used: Home Depot credit card (under the custody of the DPW director or his/her designee), Staples credit card (under the custody of finance director or his/her designee), Pacific Pride fuel card (under the custody of DPW director or his/her designee) and two general credit cards from a US banking institution under the name and custody of the City's Finance Director and the Mayor of the City.

The total combined authorized credit limit for all credit cards issued by the city can not exceed \$50,000 or 1% of the General Fund's budget for the city for the current fiscal year, whichever is less.

A procurement/credit card may be used only by an officer or employee of the city for the purchase of goods or services for the official business of the City of Pontiac. The credit card may not be used to purchase any expenditures determined unlawful by the State of Michigan Treasury Department. Any city officer or employee found to intentionally use the procurement/ credit card for personal or unrelated city business will be subject to disciplinary measures and subject to reimburse the city for the unauthorized charges.

Expenses must be for approved budget items only. Any items not budgeted must be authorized by the Finance Director.

No alcoholic beverages may be purchased with the city procurement/credit card.

Employees may NOT take cash advances on procurement/credit cards.

A city officer or employee using credit cards issued by the city of Pontiac must submit to the finance department documentation (such as paid receipt) detailing the goods or

services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.

A city officer or city employee issued a credit card is responsible for its protection and custody and shall immediately notify the city's finance director if the credit card is lost or stolen.

A city officer or employee issued a credit card shall return the credit card to the city's Finance Director upon the termination of his or her service, contract or employment with the city.

The city's Finance Director will prepare the documentation for the issuance of city officer or employee procurement/credit cards. The Finance Director will authorize each issuance and authorize credit limits for each cardholder. The accounts payable personnel will confirm the reconciliation of the bank reports with cardholder receipts. The cardholder, the cardholder's department head and the Finance Director will authorize each purchase by signing or initialing each receipt.

The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than 60 days of the initial statement date. However, it is intended that any current balances will be paid within the required timeframe as to not incur interest costs.

Failure to follow this policy or unauthorized use of the credit card by an officer or employee of the city is subject to discharge and or prosecution.

All amendments to this policy shall be approved by the City Council of the City of Pontiac.

Procedures

1. The Finance Director is responsible for authorizing the use of corporate credit cards and assigning the credit limit, if applicable.
2. Upon receiving a city credit card, the employee should call (from a City of Pontiac telephone) the number on the card to activate it and sign the back of the card.
3. Before any purchase is made, the employee should verify that the funds are available in his or her budget to cover the expense.
4. The employee must obtain a receipt for the purchase and include a brief description of the business purpose or the general ledger account code on the receipt. In the case of meals, each receipt should include the names of all persons involved in the purchase, in accordance with Internal Revenue Service regulations.
5. The original receipt is to be submitted with the department head approval to the finance department within a week of card use or immediately upon return from business outside of the city hall. Other arrangements may be made, upon Finance Director approval, to submit receipts.
6. Any items that do not have a original receipt will be the personal responsibility of the cardholder (unless the expense in an authorized monthly deduction). Copy of the receipt is not allowed unless authorized by the finance director.
7. The employee must notify the finance director immediately in the event a card is lost or stolen.
8. When using the city credit card, the cardholder should inform the vendor that the purchase is for official use of the City of Pontiac, and therefore, may not subject to **MI state and local sales tax**. It's the responsibility of the cardholder to make certain that sales tax is not inappropriately charged to the city credit card. If sales tax is erroneously charged by the vendor, cardholder should make every effort to obtain a credit directly from the vendor.
9. If a cardholder has made a transaction with their city credit card, but believes that they were charged the incorrect amount or not properly credited then they have a transaction dispute with the merchant. In the event of a transaction dispute, the cardholder should immediately attempt to resolve the dispute directly with the vendor involved. If this does not resolve the dispute, or if the cardholder is unable to contact the vendor notify the Finance Director within a week of the transaction's cycle closing date.
10. City Credit Card transactions that were not authorized by the cardholder are possible fraudulent transactions and the cardholder should call the merchant in question to attempt to resolve questions about a particular purchase. If the transaction is still unrecognized, the transaction is now considered fraud and

Cardholder needs to report it to the Finance Director. Finance director or his designee will contact the bank and have the card cancelled and reissued.

11. The City of Pontiac procurement/credit card is the property of City of Pontiac. An employee leaving the employment of City of Pontiac must surrender the credit card to the finance director who will then notify the issuing authority to cancel the employee's account.

CARDHOLDER AGREEMENT

I, _____, hereby acknowledge receipt of the _____
procurement/credit Card / XXXX -XXXX - XXXX - _____. (credit card number -- last 4 digits
only)

I understand that improper use of this card may result in disciplinary action as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement and the Credit Card Policies and Procedures for City of Pontiac.

I acknowledge receipt of the Procurement/Credit Card Policies and Procedures and confirm that I understand the terms and conditions.

As a holder of this procurement/credit card, I agree to accept the responsibility and accountability for the protection and proper use of the card. I will return the card to the finance director upon demand during the period of my employment. I understand that the card is not to be used for personal purchases and that I must provide a receipt for every purchase except for authorized monthly charges. If the card is used for personal purchases or for purchases for any other entity or if I fail to provide a receipt substantiating a legitimate business expense by the end of the current month, City of Pontiac will be entitled to reimbursement from me of such purchases (through deduction of my paycheck). City of Pontiac shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.

Signature _____ Date _____ (Cardholder)

Signature _____ Date _____ (Finance Director)

Accounting Department use only:
Date _____ Amount approved \$ _____

City of Pontiac Credit Card Policy

In accordance with Public Act 266 of 1995, the following policy is hereby adopted:

The City of Pontiac shall be permitted to use credit cards only in accordance with this policy:

- a) The Finance Director is responsible for the City's credit card issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with the credit card policy.
- b) A credit card may be used only by an officer or employee of the City for the purchase of goods or services for the official business of the City. Credit cards are issued and used only as follows:
 1. **Home Depot** – Larry Robinson and Terry King to be used only for purchases at Home Depot;
 2. **Pacific Pride** - One card shall be issued per vehicle to be used only for fuel purchases at Pacific Pride. The vendor has established a system to monitor fill-ups and advises City when usage is abnormally high.
 3. **Staples** – Under custody of Finance Director and be used only at Staples when an emergency purchase or copy job is required to be made at Staples by either a City employee.
- c) An officer or employee using credit cards issued by the City shall submit to the Payables and Receivables Manager documentation described herein, including the receipt obtained at point of purchase, detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.
- d) An officer or employee issued a credit card is responsible for its protection and custody and shall immediately notify the Finance Director if the credit card is lost or stolen.
- e) An officer or employee issued a credit card shall return to the Finance Director the credit card upon the termination of his or her employment or service in office with the City.
- f) Immediately upon making a purchase with the credit card, the officer or employee shall present the original store receipt to the Finance Director, which has been signed by the department head. If the Finance Director authorizes the purchase, then the receipt shall be presented to the Deputy Finance Director.
- g) The department head and the Finance Director shall approve all credit card invoices before payment.
- h) The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than 60 days of the initial statement date.
- i) Failure to follow this policy or unauthorized use of a credit card by an officer or employee of the City is subject to discharge.
- j) The total combined authorized credit limit of all credit cards issued by the City shall not exceed \$50,000 or 5% of the total budget of the City for the current fiscal year, whichever is less.
- k) All amendments to this policy shall be approved by the City Council.
- l) Employees shall sign a copy acknowledging the reading and understanding of this policy, and such documentation shall be kept in their personnel file.



CITY OF PONTIAC
OFFICE OF THE EMERGENCY MANAGER
LOUIS H. SCHIMMEL

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: August 12, 2013

ORDER NO. S-318

RE: Credit Card Policy

TO: Sherikia Hawkins, City Clerk
John Naglick, Finance Director

The Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) in Section 10 empowers an Emergency Manager to issue orders to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom they are issued.

Section 12(1) of the Act provides that "[a]n emergency manager may take 1 or more of the following additional actions with respect to a local government that is in receivership, notwithstanding any charter provision to the contrary: (ee) [t]ake any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities."

Whereas, Public Act 266 of 1995 requires the governing body to adopt a written policy regarding the use of a credit card before the City may enter into any arrangement,

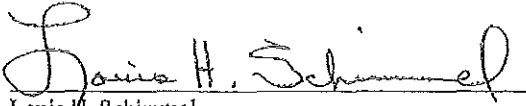
It is hereby ordered:

1. The attached "City of Pontiac Credit Card Policy" is adopted.
2. All other credit card policies adopted by the City of Pontiac are hereby repealed.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This order is effective as indicated and is necessary to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.

A handwritten signature in black ink, reading "Louis H. Schimmel". The signature is written in a cursive style with a large initial "L".

Louis H. Schimmel
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



DEPARTMENT OF ECONOMIC DEVELOPMENT

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development Department

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 9, 2018

RE: JGH Consulting LLC Request for a PILOT
Casa Del Rey- 111 Oneida

RECEIVED
2018 MAR -9 PM 12:58
PONTIAC CITY CLERK

JGH Consulting, LLC has requested a payment in lieu of taxes (PILOT) ordinance for the proposed Casa Del Rey located at 111 Oneida from the City. This PILOT request is at 6% of contract rents. The duration of the PILOT is equal to the duration of the mortgage.

Casa Del Ray is located in the Seminole Hills neighborhood. It is an abandoned, obsolete 52,750 square foot apartment building that was originally constructed in 1929. The building is 4.5 stories in height, is equipped with 16 garage storage spaces and was listed on the National Register of Historic Places in 1989.

The developer proposes to set aside all of the units for residents earning 30, 40, or 60 percent or less of the Oakland County Area Median Income (AMI) using the MSHDA LIHTC Program. The division is planned to be allocated as follows:

- 10 units at 30% AMI
- 8 units at 40% AMI
- 32 units at 60% AMI

The project will be financed through a combination of Historic Tax Credits, Low Income Housing Tax Credits, and a small amount of permanent financing to fill the gap. HUD, Section 8 project based housing vouchers will also be applied to the project, allowing very low income tenants to have a percentage of their rent subsidized.

This building will be an age-restricted (62 years or older) senior housing project and is slated to open in May of 2019.

Should the Council vote to approve this PILOT request, the approval should be contingent upon the MSHDA award of the LIHTC housing credit.

In addition, the City Attorney will need to draft an ordinance for your consideration. The ordinance will require both a first and second reading prior to its adoption.

Please find attached a copy of redevelopment strategy summary for 111 Oneida.

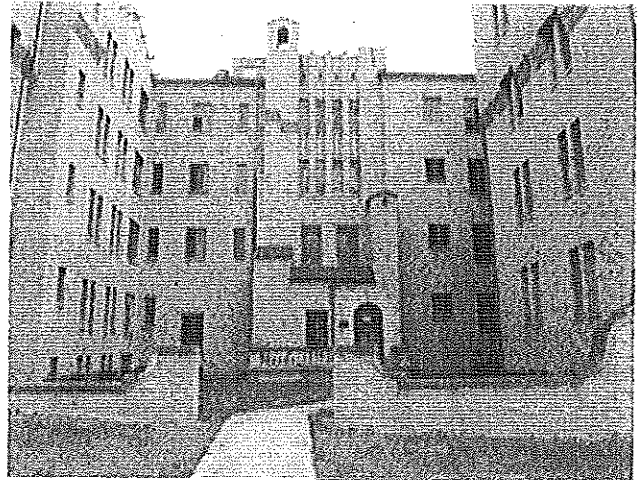
111 Oneida, Pontiac, MI

REDEVELOPMENT STRATEGY SUMMARY

PROJECT OVERVIEW

**111 Oneida
Pontiac, MI**

**51 Residential Units
Building Size: 52,606 SF
Property Type: Multifamily
Property Sub-type: Mid/High-Rise
Property Use Type: Investment
Lot Size: 51,750 SF**



The Spanish Eclectic Casa Del Rey Apartment building, situated in the Seminole Hills neighborhood is a historic 51-unit apartment complex with a 51,750+/- lot size. Casa Del Rey was constructed in 1929 and is a 4.5 story building. The property has a concrete foundation with a brick veneer exterior. Unit types will consist of studio, one bedroom & two bedroom apartments. The building is approximately 52,606+/- square feet and the property has frontage on Oneida Street and Algonquin Street with off-street parking and space for expanding the parking lot. The complex is equipped with approximately 16 storage garage spaces and was listed on the Historic National Register of Historic Places in 1989.

The developer proposes to set aside all of the units for residents earning 30, 40, or 60 percent or less of the Oakland County Area Median Income (AMI) using the MSHDA LIHTC Program. The division is planned to be allocated as follows: ten of the units at 30% AMI; eight of the units at 40% AMI; thirty two of the units at 60% AMI. The project will be financed through a combination of Historic Tax Credits, Low-Income Housing Tax Credits and a small amount of permanent financing to fill the gap. Additionally, we are anticipating HUD Housing Vouchers to be applied to this project, allowing for very low income tenants to have a percentage of their rent subsidized.

The re-developed building will be marketed toward lower income senior citizens who live within Oakland County. We anticipate attracting a variety of tenants, as we will place no restriction on tenancy other than the maximum income and age requirements set forth by MSHDA and the Low-Income Housing Tax Credit Program. We project to submit for the funding of this project on the

April 1, 2018 LIHTC submission deadline. An award of funding notice will be available sometime in July of 2018. An anticipated closing time of 5 months will give us an approximate construction start date sometime in the late spring, or early summer of 2018. Given a 12 month construction period, the building will be complete and ready for lease-up around May of 2019.

The rehabilitated building will adhere to the latest standards in energy efficiency and green design. Each residential unit, along with the ground floor laundry, will be furnished with high efficiency appliances. Units will be easily accessible and step-free on the lower level and a new elevator will be installed for barrier free access to all units. Parking will be provided to the tenants by a well-lit surface lot adjacent to the building. The entire lot will be surrounded by rod iron fencing and feature a remote keyless entry system to insure the security of the tenants. This will allow tenants to park in the rear of the building and have a secure walk to the building. The current building design contains 16 garage spaces, however, these spaces will be removed to create laundry space, additional units and a walk out community room for use by the residents. This will be a focal point of the development. The community space will feature glass, garage door style walls that can be opened during the warmer months allowing for a community space that includes an outdoor area. The current pavement will be removed and will be replaced with a garden/picnic outdoor park area.

In accordance with maintaining and restoring the historical beauty of the building we are planning a substantial rehabilitation of the exterior of the building by repairing or replacing all the deteriorated and/or damaged brick and stone. Particular attention will be given to preservation of the historic nature of the property by ensuring the damaged decorative details will be replaced with material consistent with the current profile, finish and color.

Operationally, the entire building will feature new high performance, energy efficient HVAC, electrical and plumbing systems and fixtures. The improvements and fixtures selected will provide the necessary energy efficiency, durability and aesthetics to attract today's conscientious dweller. These improvements will be constructed in a manner as to obtain maximum operational efficiency and increase profitability. The benefits of an energy efficient building are as follows:

Environmental benefits:

- Improved comfort for the tenancy, air and water quality
- Reduction of solid waste
- Conservation of natural resources

Economic benefits:

- Reduction of operating costs
- Enhancement of asset value and profits
- Improvement of resident satisfaction
- Optimization of life-cycle economic performance

AREA AMENITIES

The proposed project is excellently situated in that there are many nearby amenities including restaurants, grocery stores, employment centers, shopping outlets and recreation areas for the convenience of the residents of the development.

AMENITY/ESTABLISHMENT	DESCRIPTION	DISTANCE FROM PROJECT
The Resource Network	Employment Center	.9 Miles
Escobedo Jr Elias	Employment Center	1 Mile
Hertz Schram PC	Employment Center	1.4 Miles
Labor Ready	Employment Center	1.8 Miles
Express Employment Prof.	Employment Center	2.6 Miles
Doctors Hospital of Michigan	Employment Center	.06 Miles
McLaren Oakland	Employment Center	1 Mile
Special Way Food Store	Grocery	.3 Miles
Big Lots	Shopping	.9 Miles
	DESCRIPTION	DISTANCE FROM PROJECT
Baldwin Market	Grocery	1.2 Miles
Huron Market Food Inc	Grocery	1.2 Miles
Latino American Market	Grocery	1.2 Miles
Franklin Market	Grocery	1.2 Miles
D' Antons Coney Island	Restaurant	.2 Miles
Happy's Pizza	Restaurant	.3 Miles
Soul Food Express	Restaurant	.6 Miles
Fifth Third Bank	Financial Institution/Employment	.2 Miles
Omega pharmacy	Errands	.2 Miles
PNC Bank	Financial Institution/Employment	.9 Miles
Rotary Park	Recreation	.4 Miles
Indian Village Park	Recreation	.6 Miles
Beaudette Park	Recreation	.8 Miles
Forman Mills	Shopping	.8 Miles
More Food For Less	Grocery	1.4 Miles
Rotary Park	Recreation	3.0 Miles

DEVELOPMENT TEAM

This project requires the skill set of professionals that have a proven track record of successfully completing affordable housing projects and real estate transactions. All of the principals of the team are experienced in the construction, redevelopment and development of residential real estate. The Project Manager is JGH Consulting LLC. JGH is a full service advisory firm located in Detroit, MI. JGH is currently working as the development consultant and project manager. Fusco, Shaffer & Pappas are the Architects planned for the building design and West Construction is the General Contractor for the project. The property manager and leasing agent we will be using is Premier Property Management. Premier is located in Fenton, Michigan and is a full service management firm that has a successful track record in managing and leasing affordable housing apartment communities, particularly in urban areas. Examples of communities managed by Premier in Detroit are Woodbridge Estates and Gardenvue Estates. ASTI will perform all required environmental research and testing.

DEVELOPMENT TEAM PROFILES

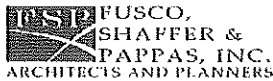


COMMUNITIES OF HOPE INC

Communities of Hope is focused on meeting the health, educational, employment, and entrepreneurial development challenges we face today. Through initiatives like our 'Spending With Purpose' program we have created lasting success and sustainability without relying on the usage of grant money or donations to foster change. We do this, through the recirculation of revenue in each targeted community. We strategically leverage the community's purchase power while forming effective partnerships with local socially responsible businesses, then apply those profits to the areas of need identified through case studies, and surveys obtained prior to each collaboration.



Jerome Morgan is president and CEO of Morgan Development, which is one of the largest multi-faceted construction and land development firms in the state of Michigan. He is also the principal of Jermor Plumbing and Heating Inc. (a wholly owned subsidiary) which was established in the fall of 1981 and has become one of the largest minority owned plumbing and heating companies in the state of Michigan, located within the City of Detroit. Jermor Plumbing has completed some of the largest projects, not only in the City of Detroit, but also the State of Michigan. These projects include: Copper Beech Townhomes in Mt. Pleasant, MI; total contract amount \$1,020,000; Broderick Tower, Detroit MI; total contract amount \$2,142,824; The NSO Bell Building, located in Detroit, MI; total contract amount \$2,660,000.



Fusco, Shaffer and Pappas, Inc. was founded in 1963 upon the principle that the firm provides each client with the highest level of service and principal contact through each stage of a project. The firm has extensive experience in design of urban residential apartment communities, particularly layered financing and energy efficient communities.



JGH Consulting is a full governmental funding consulting firm, with vast knowledge of several funding sources such as The Neighborhood Stabilization Program, The HOME Program, New Market tax credits, Low income housing tax credits, Historic tax credits and both private and federal grants.



ASTI Environmental (ASTI) has provided environmental and engineering services to industry and government since 1985. ASTI maintains two locations to easily assist our clients throughout the Great Lakes region. Our corporate headquarters are located in Brighton, Michigan, with a second office located in Grand Rapids, Michigan. Both locations provide ASTI's full array of services.



Founded in 1999 by Robert Beale, Premier Property Management is a full service property management, marketing and consulting firm serving the conventional and affordable multi-family housing industry. Premier Property Management (PPM) was developed in response to the rising demand of owners, government agencies, and mortgage lenders for experienced real estate professionals who will apply state of the art technology, in depth knowledge and high quality service in order to maximize the return on their real estate investment.



SULLIVAN, WARD, ASHER & PATTON, P.C.
ATTORNEYS AT LAW

H. William Freeman has more than 30 years of experience in business law and all aspects of real estate law and business law. He is recognized as an authority in real estate development and condominium law. Bill has prepared over one hundred Master Deeds, and assisted in the acquisition and development of hundreds of real estate projects, both market rate and affordable. He has also worked with the formation of the related entities, and has litigated or resolved various real estate and business disputes as required.



West Construction Services is a premier general contracting and development firm dedicated to providing exceptional solutions to our clients, forming long-term partnerships and a commitment to preserving and enhancing the community. Based on family values and a deep sense of social responsibility, we aspire to be the recognized leader in the construction industry by being committed to organizational diversity and growth; cutting-edge construction techniques; efficient use of resources and exceptional architectural design. Founded in 1992 and incorporated in 1995, West Construction Services provides comprehensive general contracting, building, and development services throughout

Michigan. Kyle and Brent Westberg are the principals that have guided this company for the past 20 years, but it takes an entire team of well-trained professionals that truly bring it all together. Today, we have over 20 dedicated employees that serve the individual construction needs of our clients. Our interest is in providing exceptional solutions to our clients, forming longterm partnerships and a commitment to preserving and enhancing the communities we serve.



What differentiates our firm? We focus on people, our clients and our staff. We believe that our clients are the center of all we do and their satisfaction is our primary concern which is why we are focused on our staff. We strive to create an environment that the Partners and staff enjoy. As a result, our clients are served by people who enjoy what they do.

Clients who work with us quickly recognize that we are committed to their success, and they receive great service and solutions as a result. Expertise in each client's industry, individualized attention, and client service team members who are committed to quality, integrity, and professionalism are key elements in how we serve each client.



Cinnaire is a full-service community development financial partner that supports community stabilization and economic development by developing and nurturing partnerships with investors and mission-focused organizations. We provide creative loans, investments, and best-in-class services to partners.

Property Management Strategy

The owners of the development entity redeveloping the property at 111 Oneida, in Pontiac, Michigan will engage Premier Property Management to market, lease and manage 111 Oneida upon completion of the construction of the improvements. Premier's experience and successful track record managing and leasing market rate and affordable apartment communities makes the company well suited to manage the re-developed Casa Del Ray Apartments.

Project Owner will ensure the appropriate management and operational policies are established to ensure the property is professional managed and operated at the highest level. Premier will manage market, lease, maintain, and operate the building in compliance with the following:

- A. All laws, orders, rules and regulations of all federal, state, county, municipal, and other governmental entities having jurisdiction over the property, including but not limited to Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), The Act as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with

- parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.
- B. The provision(s) of any mortgage(s) as the same shall affect the use, occupancy and maintenance of the Property;
- C. The provision of all insurance policies as the same shall affect the property;
- D. All leases, subleases, licenses, concession, tenancy and other agreements affecting the use or occupancy of the property; and
- E. All applicable partnership agreements, joint venture agreements, trust agreements, loan agreement, and participation agreements.

Premier shall develop a start-up program to assume control of the building operations upon completion of construction and obtaining the necessary approvals for the City, State and Federal Authorities. Premier shall hire, direct, train and control in-house employees and subcontractors in performance of their duties.

Premier shall negotiate service contracts as necessary and agreed upon by East Florentine Apartments LLC. Contracts will include:

- A. Custodial services including equipment and supplies
- B. Lawn and ground services
- C. Trash removal
- D. Building maintenance operation services
 - 1. Equipment preventive maintenance/emergency services
 - 2. Labor and materials for mechanical, trades and HVAC
 - 3. Snowplowing and salting, snow removal from walks
 - 4. Waste Removal
 - 5. Labor and miscellaneous materials for electrical services in the building
 - 6. Electrical Services
 - 7. Plumbing Services
 - 8. Lawns and tree fertilization and maintenance
 - 9. Pest Control
 - 10. Preventive Maintenance
 - 11. Window Washing

Premier shall be responsible for the following:

- A. Provide the required number of building engineers, janitors and supervision for support and service levels to maintain an apartment building operation and meet required life safety codes and federal and state and local ordinances.
- B. In addition to routine walk-throughs, make periodic formal inspections of the property for the purpose of maintenance planning, improvement planning, equipment inspection and loss prevention.
- C. Continually evaluate the level of services and provide 111 Oneida with cost reduction opportunity assessments.

- D. Procure all equipment and supplies, check all invoices for accuracy, and approve authorized invoices for payment.
- E. Prepare an annual operating and capital budget for approval by Ownership Entity (OE) of 111 Oneida.
- F. Monitor and provide monthly accounting and operating reports to (OE) and supply explanations of variances on a monthly basis.
- G. Provide expertise for proper maintenance and review of all life safety systems. Maintain and update building records as alterations occur. Document requested testing and information relative to changes in codes and ordinances. Establish and maintain relationships with local governmental agencies such as local fire departments and law enforcement agencies.
- H. Develop and maintain a building operation and procedures manual.
- I. Analyze, evaluate and recommend measures for the best use of energy resources.
- J. Manage building key process.
- K. Develop and implement a work order system. The system shall record the status of required maintenance and repair.
- L. Work with suppliers for parking equipment repairs. Also manage and operate the reset of the parking lot exit codes, to be changed appropriately.
- M. Ensure property taxes and personal property taxes are paid. Premier will participate in (OE)'s tax review program and assist in appeals.
- N. Ensure appropriate insurance coverages are in place. Notify (OE)'s general liability insurance carrier of any personal injury or property damage occurring to or claimed by any a tenant or third party with respect to the premises;
- O. Maintain a trust account for the payment of operating expenses and a security deposit account for deposits.

Preventative Maintenance and Capital Improvement Plan

Premier shall provide the following:

- A. Develop an annual PM Program which will include records and documentation. The PM program should protect the value of the real estate and its equipment, and provide the Tenant with the highest standards for an office building.
- B. Develop a Capital Improvement Program
- C. Energy Management

1. Monitor utility usage and provide reports to Ownership Entity of 111 Oneida
2. Make recommendations for energy conservation

Reporting Requirements

111 Oneida Ownership Entity shall be provided the following reports on a monthly basis.

- A. Financial Review
 1. Income/expense report & Balance Sheet
 2. Operating budget report
 3. Capital budget report
 4. Various analyses/explanations

- B. Operating Review
 1. Repair and maintenance report
 2. Service request report
 3. Staffing report
 4. Contract/purchase order activity report

- C. Administrative Review
 1. Executive summary report
 2. Management recommendations

Management of Unit Turns

Premier Property Management shall oversee the management of unit turns and evictions for non-payment of rent.

- A. Unit Turns
 1. Maintain Unit Turn Board/Report in Management Office
 2. Units turns will be start within 24-48 hours after tenant vacates
 3. Strategic scheduling of maintenance and subcontractors

Evictions

- A. Evictions for General LIHTC Tenants
 1. Strict policy of rent due dates and consistent issuance of 7 day notices, followed by filing of eviction notice with courts in a timely fashion
 2. Strict policy against payment plans

PROJECT/PROPERTY INFORMATION AND FEASIBILITY

We will be approaching Fusco, Shafer & Pappas to be the architects of record (ARCH). JGH Consulting has used this organization on a number of previous projects and finds them to be extremely adept and proficient in developing similar projects. We have also planned to have West Construction (WC) as the General Contractor to complete the project. JGH Consulting LLC. (JGH) was selected as the Project Manager and Development Consultant. WC, ARCH & JGH will work together from the outset to value engineer that project to ensure the proposed design is achievable within budgetary constraints.

WC is charged with setting the project schedule and has provided estimates of construction costs during the design process. WC will manage the bidding process and separate the project into multiple contracts to encourage competition. WC is also responsible for ensuring that the bids cover all of the work required. During construction, they will coordinate the efforts of the multiple contractors and monitor the progress of the work. Having the project professionally managed and estimated allows the construction schedule to be planned and compressed from the outset so the overall project delivery time can be reduced in comparison to a traditional model.

WC will assume the entire responsibility for delivering the project as it was defined by the 111 Oneida Ownership Entity and ARCH. WC provides (OE) with a guaranteed maximum price developed halfway through the design process. Effective and timely communication among the ARCH, WC and OE will define the project outcome and contribute significantly to its success. ARCH and Project Manager will both be responsible for ensuring the terms and conditions contained in WC's contract are adhered to and satisfied. Both the Project Manager and ARCH will review and approve draw requests and change order requests, conduct draw package inspections and oversee contract management. Weekly construction meetings will be held to ensure effective communication between team members, review construction progress, review timetables as well as ensure budgetary, Section 3 and schedule compliance.

JGH formulated a financial model for the project in which its rental revenue schedule was based on affordable 1 and 2 bedroom units in apartment communities within the primary market area and secondary market area. A formal, MSHDA approved, market study will be completed shortly.

LOCATION AND MARKET INFORMATION

As previously mentioned, the developer is seeking to redevelop The Spanish Eclectic Casa Del Rey Apartment building, situated in the Seminole Hills neighborhood is a historic 49-unit (40 after re-design) apartment complex with 51,750+/- gross square feet. The developer proposes to set aside all of the units for residents earning 30, 40, or 60 percent or less of the Oakland County Area Median Income (AMI) using the MSHDA LIHTC Program. The division is planned to be allocated as follows: eight of the units at 30% AMI; six of the units at 40% AMI; twenty-six of the units at 60% AMI. The residential housing component will be mostly financed through equity brought to the project from low-income housing tax credits (LIHTC) with a small gap that will be filled by a conventional loan.

The building will offer affordable apartment units to the residents in and around Pontiac Michigan.

The redeveloped apartment building will have a positive impact on surrounding areas, create additional density, remove a vacant building and attract more residential development to the immediate area.

PROJECT EMPLOYMENT GOALS

The proposed development will create one permanent position and approximately 83 project related jobs during construction. The permanent position will be related to the management of the property. The estimation of project related jobs was determined by analyzing the scope of rehab of the building and determining the number of people involved in key components of the construction, design, environmental needs, and consulting expertise.

West Construction, as the general contractor is committed to comply with the Section 3 Act, the Section 3 regulations, and the City of Detroit-Planning and Development Department Section 3 Guidelines. It is the Ownership Entities' desire to work together with Planning and Development to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 companies, and to provide employment and training to Section 3 residents. The Project Owner commits to include the Section 3 clause in the construction contracts with its general contractor. All subcontractors interested in submitting bids for contracts will be informed of their responsibility to meet Section 3 requirements and goals.

West Construction agrees to provide copies of all bids received in response to the invitation to bid and copies of all contracts awarded in excess of \$100,000.00.

HAP SECTION 3 GOALS

Contracting:

To demonstrate compliance with Section 3 regulations, the contractor will award at least 20 percent (20%) of the total dollar amount of all Section 3 covered contracts for building trades work.

Construction Hard Cost:

\$7,700,000 20%: \$1,540,000

Outreach:

Project Owner is committed to conduct an aggressive outreach campaign to make Section 3 Businesses and Section 3 Residents aware of contracting and possible hiring opportunities. Efforts will include, but not be limited to, publication of opportunities in the local newspapers, use of signage at the project site, flyers posted in the neighborhood and surrounding areas, notification of local housing authorities, contractor and trade organizations, employment and labor training agencies, career centers and a data base of employees compiled by West Construction.

Section 3 Coordinator:

Name: *To Be Determined*

Contact Information:

Phone:

Reporting:

Owner agrees to submit a Master Subcontractor and Employee List on the 20th day of each month after Construction commences. Owner also agrees to submit a final report to the Planning and Development Department on HUD Form 60002 at completion of construction. Additionally, owner agrees to immediately report any changes in this plan, including but not limited to, changes in the dollar amount of contracts awarded and staffing needs of the subcontractors.

MUNICIPAL SERVICES AGREEMENT

This MUNICIPAL SERVICES AGREEMENT ("Agreement") is entered into this ____ day of _____, 2018 between THE HAMILTON LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership, whose address is 500 South Front Street, 10th Floor, Columbus, Ohio 43215, (the "OWNER") and the CITY OF PONTIAC, a Michigan municipal corporation, of 47450 Woodward Avenue, Pontiac, Michigan 48342 (the "CITY" and the OWNER and CITY may be collectively referred to as the "Parties").

RECITALS:

- A. The OWNER intends to purchase and develop a housing project for low to moderate income families, to be known as *The Hamilton Apartments*, financed in part by Low Income Housing Tax Credits ("LIHTC"), administered by the Michigan State Housing Development Authority ("MSHDA") on land legally described on Exhibit "A" (the "PROJECT").
- B. The CITY has adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the PROJECT from property taxes in lieu of a service charge, commonly referred to as Payment in Lieu of Taxes ("PILOT").
- C. OWNER has agreed to pay to the City an annual municipal services fee to defray the City's costs of providing certain municipal services (as hereafter defined).
- D. The OWNER desires to assure that certain municipal services will be provided to the PROJECT during the term that the PILOT Ordinance for this PROJECT is in place, such municipal services to exclude normal water, sewer, and other utility charges as well as special assessment charges (which must be paid separately and at duly established rates) and similar charges and to include only:
 - 1. Emergency services, including police and ambulance (at normal published rates) and fire service specifically administered through the CITY;
 - 2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the PROJECT;
 - 3. Said municipal services shall be provided in the customary way, in a competent and workmanlike manner, and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Oakland, and City of Pontiac or other applicable jurisdictions or bodies (all of the above are collectively referred to as "Municipal Services").
- E. The CITY and OWNER wish to set forth the understandings with respect to the imposition and payment of a municipal services fee to defray the cost of the CITY providing Municipal Services to the PROJECT.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt of which is acknowledged by the parties, it is agreed as follows:

1. The above Recitals are incorporated by reference as an integral part of this Agreement.
2. The CITY shall provide the Municipal Services to the PROJECT consistent with services then provided to similar multiple family residential housing developments within the CITY. The nature, extent and delivery of such services shall be in the final, sole and absolute discretion of the CITY. This Agreement shall not be construed to impose any additional obligations upon the CITY to provide such services than otherwise required by law.
3. OWNER'S payment for Municipal Services provided by the CITY shall be computed as follows: the sum of Ten Thousand Dollars (\$10,000) will be paid concurrently with the first annual PILOT payment for *The Hamilton Apartments*. Each year thereafter, and for the duration the PILOT Program remains in existence for the Project, the annual payment from the OWNER to the CITY for the Municipal Services provided hereunder shall be increased annually (but not decreased) per the published annual increase Consumer Price Index for all products Midwest region. Notwithstanding anything to the contrary contained in this Agreement, the maximum annual increase in the payment for Municipal Services shall not exceed three percent (3%).
4. If OWNER does not pay the CITY for the Municipal Charges by September 1st of the year in which it was due, such service charge shall be considered in arrears and the CITY is entitled to all rights and means to collect the arrearage, subject to the PILOT Ordinance, this Agreement, and applicable law.
5. This Agreement sets forth the complete agreement of the Parties regarding the provision of Municipal Services from the CITY to the OWNER for the PROJECT. All prior understandings or agreements between the Parties, either written or oral, are merged into and replaced by this Agreement.
6. The Parties warrant and represent that each understands that the Agreement is a legally binding contract; that each has read and understood this Agreement; that each intends to be bound by each provision of this Agreement; and that each has the authority to execute this Agreement.
7. This Agreement applies only to the PROJECT and to OWNER and its approved successors and assigns.

8. This Agreement, which has been negotiated by and between the Parties, shall be deemed drafted by each of the Parties and shall not be construed against any single party.
9. This Agreement may not be varied or modified in any manner, except in a subsequent writing executed by an authorized representative of both parties.
10. No breach of any provision of this Agreement can be waived unless in writing. The waiver of a breach of any provision of this Agreement shall not be deemed a waiver of the breach of any other provision.
11. If any provision of this Agreement shall be held invalid by operation of law or by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect, and may be independently enforced to the fullest extent permitted by law.
12. A default with respect to performance of any obligation owed by OWNER to the CITY under the PILOT Ordinance shall constitute a default under the terms of this Agreement and vice-versa, entitling the CITY to take any enforcement action authorized by law.
13. In the event of any breach of any provision of this Agreement resulting in litigation, the prevailing party shall be entitled to be reimbursed by the non-prevailing party for all of its actual attorney fees and costs incurred in such litigation, in addition to all other remedies available under this Agreement or at law.
14. The Parties agree that this Agreement shall be governed by the laws of the State of Michigan, without reference to Michigan's conflict of law principles.
15. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement. All signatures required under this Agreement need not appear in the same document. This Agreement may be executed by facsimile or .pdf signature, with original signatures to be thereafter delivered.
16. All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally or by registered or certified mail or by overnight courier with tracking capability addressed to the Parties at their respective addresses set forth on Page 1 of this Agreement.

SIGNATURE PAGE FOLLOWS:

This Municipal Services Agreement is executed as of the day and year first written above.

OWNER:

THE HAMILTON LIMITED DIVIDEND
HOUSING ASSOCIATION LIMITED
PARTNERSHIP, a Michigan limited partnership

By: THE HAMILTON GP, LLC, an Ohio limited
liability company

Its: General Partner

By: Woda Cooper General Partner, LLC, an
Ohio limited liability company

Its: Sole Member

By: Woda Cooper Communities, LLC,
an Ohio limited liability company

Its: Sole Member

By: _____
David Cooper Jr.

Its: Vice President & Associate
General Counsel

CITY:

CITY OF PONTIAC

By: _____

Its: City Manager

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

Real estate situated in the City of Pontiac, Oakland County, Michigan described as follows:

(to be inserted)

Commonly known as: (insert street address of PROJECT)

Tax Parcel No. _____

EXHIBIT "B"
PILOT ORDINANCE
(ATTACHED)

City of Pontiac

ORDINANCE NO. _____

TAX EXEMPTION ORDINANCE

ADOPTED: _____, 2018

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq.*, the "Act").

THE CITY OF PONTIAC ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "*City of Pontiac Tax Exemption Ordinance- Oneida Limited Dividend Housing Association, LLC*"

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to construct and rehabilitate, own and operate a housing project identified as *Oneida Limited Dividend Housing Association, LLC, a Michigan limited liability company*, on certain property located at 111 Oneida Pontiac, MI 48341 in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

- A. "Authority" means the Michigan State Housing Development Authority.
- B. "Contract Rents" means the total Contract Rents (as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended) received in connection with the operation of a housing project during an agreed annual period, exclusive of Utilities.
- C. "LIHTC Program" means the Low-Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

D. "Low Income Persons and Families" means persons and families eligible to move into a housing project.

E. "Mortgage Loan" means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project and secured by a mortgage on the housing project.

F. "Sponsor" means *Robert Beale, Oneida Limited Dividend Housing Association, LLC, a Michigan limited liability company* and/or any entity that receives or assumes a Mortgage Loan.

G. "Utilities" means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan or Low Income Housing Tax Credits. It is further determined that *Oneida Limited Dividend Housing Association, LLC, a Michigan limited liability company* is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as *Oneida Limited Dividend Housing Association, LLC, a Michigan limited liability company* and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to **six percent (6%)** of the Contract Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt, but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in

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

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid and the housing project remains subject to income and rent restrictions under the LIHTC Program

SECTION 10. Severability.

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

SECTION 11. Inconsistent Ordinances.

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

SECTION 12. Effective Date.

This Ordinance shall become effective on _____, 2018, as provided in the City Charter.

CITY CLERK



DEPARTMENT OF ECONOMIC DEVELOPMENT

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 9, 2018

RE: Venture, Inc. Request for a PILOT
Washington Square - 710 Menominee

RECEIVED
2018 MAR -9 PM 1:06
PONTIAC CITY CLERK

Venture, Inc. has requested a payment in lieu of taxes (PILOT) ordinance for the proposed Washington Square located at 710 Menominee from the City. This PILOT request is at \$10,000 or 10% of shelter rents, whichever is greater. The duration of the PILOT is 30 years.

Venture, Inc., a subsidiary of the Oakland Livingston Human Services Agency, a nonprofit organization proposes to renovate the closed Washington Middle School into Washington Square.

The Washington Square development proposes the adaptive reuse of a vacant, obsolete former elementary school in the Ottawa Hills neighborhood. The development will be restricted to seniors, 55 years of age or older and will consist of the following make up of its 41 units;

- 9 units at 30% AMI
- 4 units at 40% AMI
- 3 units at 50% AMI
- 19 units at 60% AMI
- 6 units at Market Rate

Should the Council vote to approve this PILOT request, the approval should be contingent upon the MSHDA award of the LIHTC housing credit.

In addition, the City Attorney will need to draft an ordinance for your consideration. The ordinance will require both a first and second reading prior to its adoption.

Please find attached a copy of Venture, Inc. request, development drawings and lot split.



A housing subsidiary of OLHSA
A Community Action Agency

February 22, 2018

City of Pontiac
ATTN: Jane Bais-DiSessa/Rachel Loughrin
47450 Woodward Ave
Pontiac, MI 48342

RE: PILOT request for Washington Square (the previous Washington Middle School) at 710 Menominee

Dear Ms. Bais-DiSessa and Ms. Loughrin;

Attached please find the documentation we believe may be helpful in processing our request for the review and adoption of an ordinance allowing for a Payment in Lieu of Taxes (PILOT) on the above listed property. As the City of Pontiac does not have a posted application for this process we have submitted the application and attachment currently used by the City of Lansing, where a formal process has been developed, in hopes this would provide you what you would need as well.

As previously discussed, we are planning to submit an application to the Michigan State Housing Development Authority (MSHDA) on April 2, 2018 for the award of Low Income Housing Tax Credits on this property. The issuance of the enclosed PILOT Ordinance will allow Venture, Inc. enough points to be competitive in this application. In order for the PILOT to be acceptable to MSHDA the ordinance must have been adopted by City Council prior to our submission.

We are requesting the placement of our request on the City Council work session agenda for next Tuesday, February 27, 2018 with the hopes that we can answer questions and that a public posting could follow the meeting, allowing for the 15 day public notice period we believe is required before council the ordinance can be adopted at a meeting. If this posting occurs following the February 27, 2018 meeting it would be possible to include the ordinance on the March 27, 2018 City Council meeting, making its adoption possible prior to our April 2, 2018 deadline.

We are excited by the prospect of working with the City of Pontiac to provide housing that would allow seniors a safe, decent, affordable place to live in their community. If you have questions or need further information, please feel free to contact me (248) 895-2133 or via e-mail at bradm@venturehousing.com.

Sincerely,

Brad Michaud
President
Venture, Inc.

This application is to be filled out completely by all applicants for a payment in lieu of taxes (PILOT) requested pursuant to the State Housing Development Authority Act, Public Act 346 of 1966, as amended.

The City requires all PILOTS be implemented by ordinance. *The City does not provide PILOTS for terms greater than required.* This application is provided to the Department of Planning and Neighborhood Development, and the information contained herein is circulated to other departments so that they may fulfill their role in the process.

1. Name of project sponsor: _____ Venture, Inc, _____

2. Primary sponsor contact:

Name: _____ Brad Michaud, President _____
Address: _____ 196 Cesar E Chavez _____
_____ Pontiac, MI 48343 _____
Phone: _____ 248.209.2637 _____
Cell: _____ 248.895.2133 _____
Email: _____ bradm@venturehousing.org _____

3. Attorney for sponsor:

Name: _____ Tom Lapka _____
Firm: _____ Mallory, Lapka, Scott & Selin _____
Address: _____ 601 N Capitol _____
_____ Lansing, MI 48933 _____
Phone: _____ 517.482.0222 _____
Cell: _____ _____
Email: _____ toml@mclpc _____

4. The project is: ☒ Elderly
_____ Multi-family

5. The legal description of the property is: _____ See attached – lot split in process.
Address attached is expected final legal description

6. Describe the program for which the project needs the PILOT (e.g., LIHTC):
Low Income Housing Tax Credits; Historic Tax Credits

7. Duration of contract or mortgage: _____ 30 years

8. This PILOT will be: ☒ New
_____ Extension

9. Percentage of shelter rents requested: 6 %

If different from existing PILOT, please explain:

n/a

10. The project is: New Construction x Adaptive Reuse of Vacant Building
 Rehabilitation of Existing Project

If rehabilitation of existing project, please describe improvements to be made. Provide as much detail as possible.

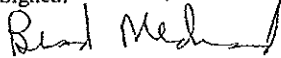
n/a

11. Is MSHDA supporting your project? x Yes
 No

12. Please attach:

- a. Project pro forma - enclosed
- b. Organizational documents (e.g., articles of organization) - LDHA LP formation documents enclosed
- c. Calculation of PILOT - enclosed
- d. Scope of work (if applicable) -- preliminary plans enclosed
- e. Capital needs assessment (if available) - n/a
- f. Proposed ordinance - enclosed

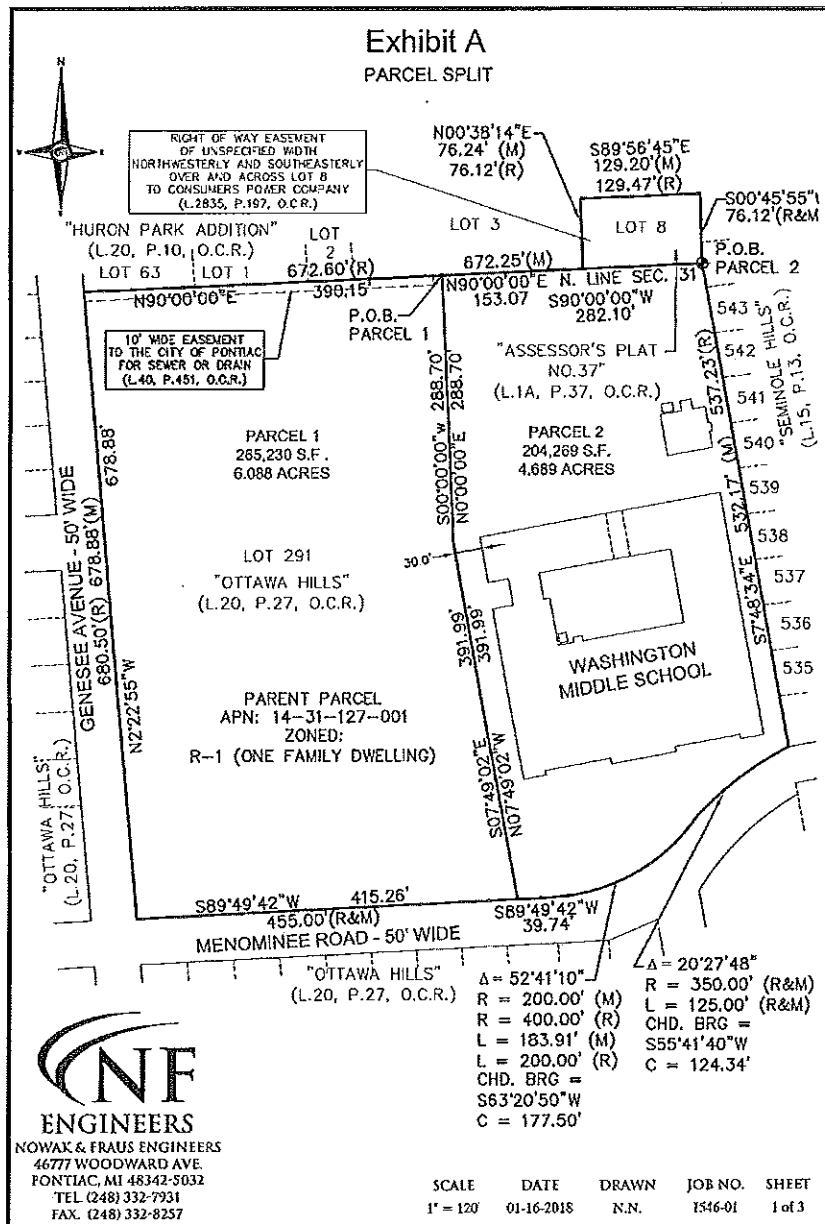
Signed:

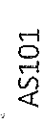


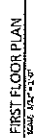
Name: Brad Michaud

Title: President

Exhibit A PARCEL SPLIT







Kierulff & Associates
 1000 Broadway, Suite 1000
 New York, NY 10018
 Tel: (212) 512-1000
 Fax: (212) 512-1001
 Email: info@kierulff.com

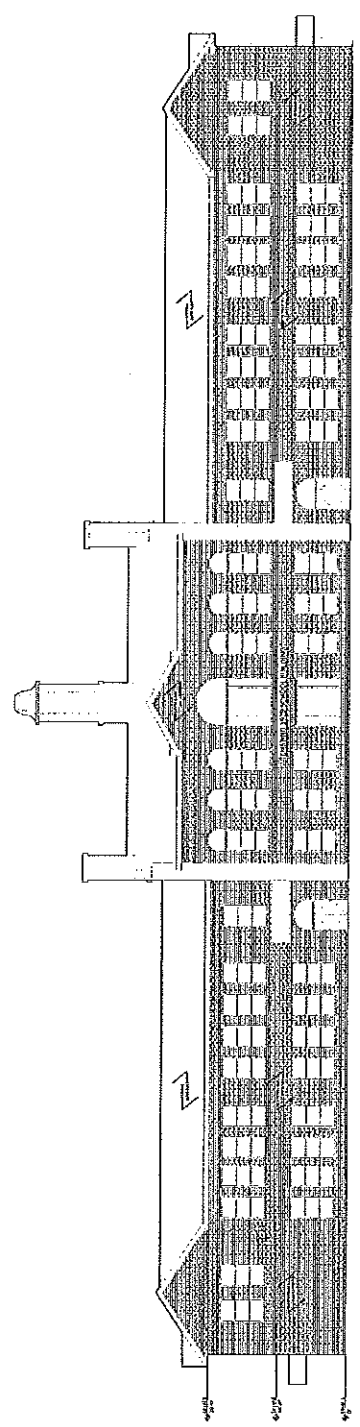
VENTURE, INC.
 1000 Broadway, Suite 1000
 New York, NY 10018
 Tel: (212) 512-1000
 Fax: (212) 512-1001
 Email: info@venture.com

WASHINGTON SQUARE
 1000 Broadway, Suite 1000
 New York, NY 10018
 Tel: (212) 512-1000
 Fax: (212) 512-1001
 Email: info@washingtonsquare.com

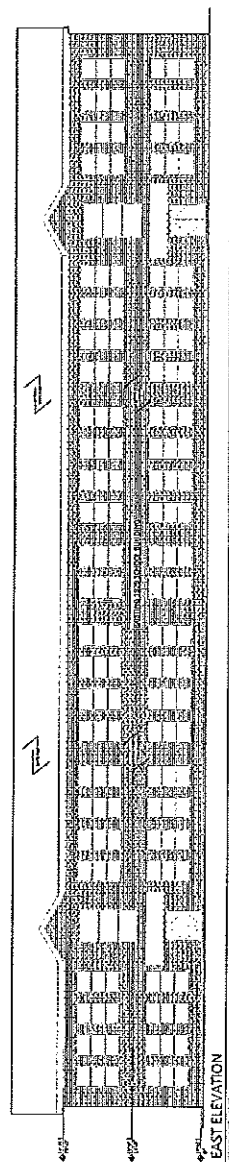


Project: _____
 Date: _____
 Drawn by: _____
 Checked by: _____
 Project Number: _____
 Sheet Title: _____
 Exterior Elevations
 Sheet Number: _____

A202



SOUTH ELEVATION



EAST ELEVATION

KraemerDesignGroup
ARCHITECTS
1000 West 10th Street, Suite 100
Portland, Oregon 97204
503.228.1111
www.kraemerdesigngroup.com

VENTURE, INC.

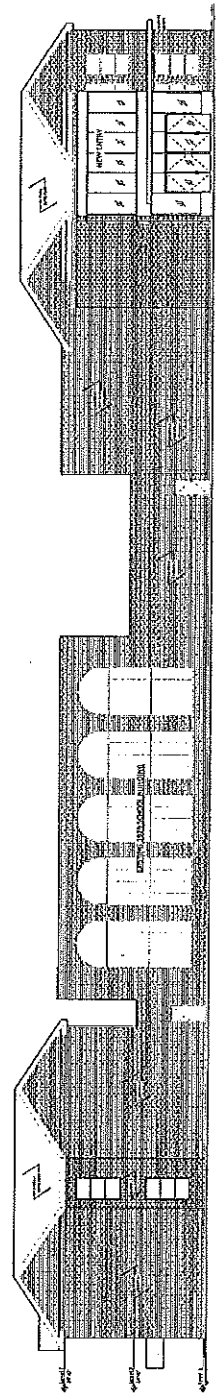
WASHINGTON SQUARE
1000 West 10th Street
Portland, Oregon 97204



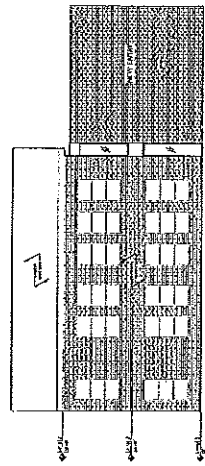
Project	WASHINGTON SQUARE
Location	1000 West 10th Street, Portland, Oregon
Date	12/15/2017
Drawn By	John Doe
Checked By	John Doe
Scale	AS SHOWN
Notes	1. All elevations are to be constructed in accordance with the attached specifications.
	2. All materials to be used shall be of the highest quality and shall be approved by the architect.
	3. All work shall be completed within the specified time frame.
	4. All costs shall be as shown on the attached cost schedule.
	5. All payments shall be made in accordance with the attached payment schedule.
	6. All disputes shall be resolved by arbitration.
	7. All other terms and conditions shall be as set forth in the attached contract.

EXTERIOR ELEVATIONS

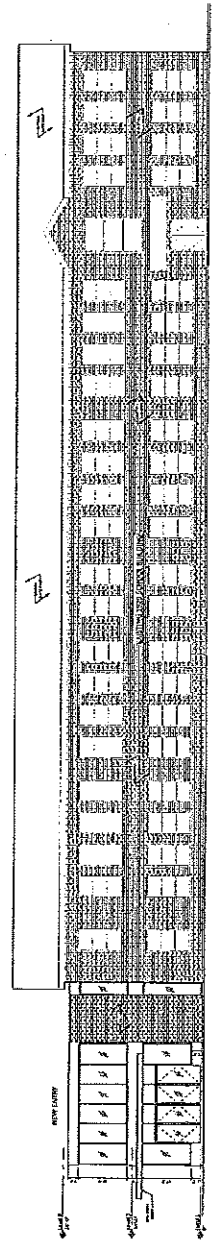
A201



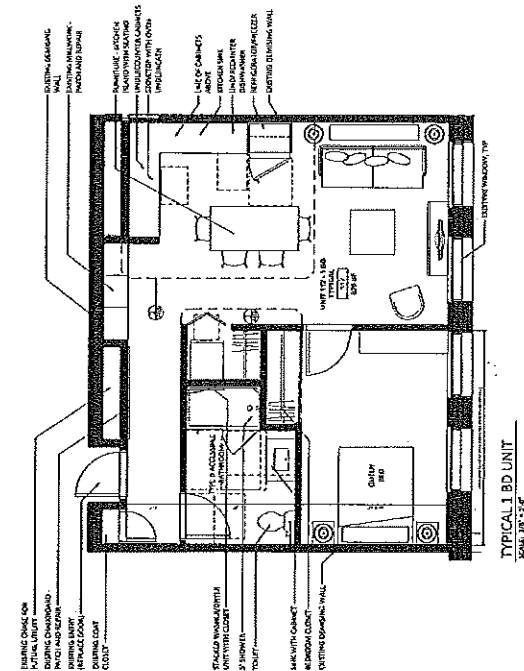
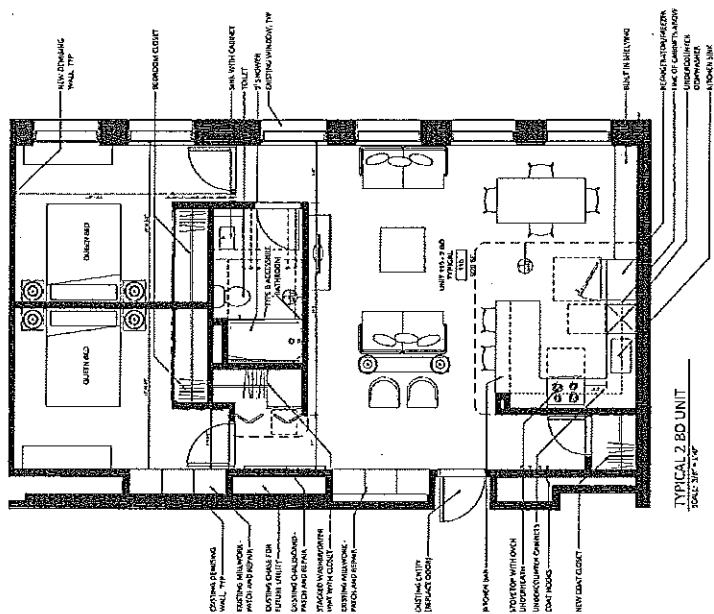
NORTH ELEVATION
SCALE: 1/8" = 1'-0"

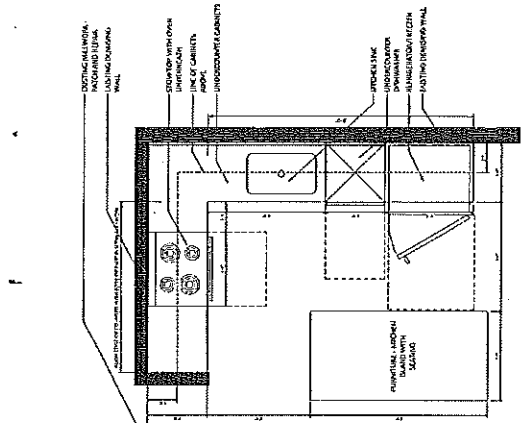


EAST ELEVATION - COURTYARD
SCALE: 1/8" = 1'-0"

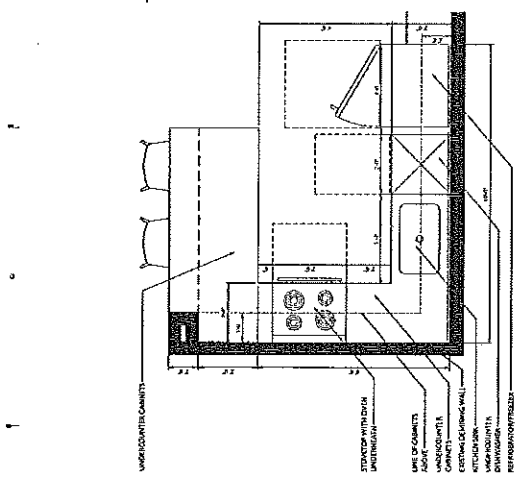


WEST ELEVATION
SCALE: 1/8" = 1'-0"





ENLARGED KITCHEN TYPE 1
SCALE 3/4" = 1'-0"



ENLARGED KITCHEN TYP 2
SCALE: 3/4" = 1'-0"

City of Pontiac

ORDINANCE NO. _____

TAX EXEMPTION ORDINANCE

ADOPTED: _____, 2018

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with an Authority-Aided Mortgage Loan or an advance or grant from the Authority pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq.*, the "Act").

THE CITY OF PONTIAC ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "City of Pontiac Tax Exemption Ordinance-Venture Washington Limited Dividend Housing Association Limited Partnership."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low-income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor (as defined below) has offered, subject to receipt of a Authority-Aided Mortgage from the Michigan State Housing Development Authority, to construct, own and operate a housing project identified as Washington Square Apartments on certain property located at: 710 Menominee Pontiac, Michigan in the City to serve low income persons and families, and that the Sponsor has offered to pay the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

- A. "Authority" means the Michigan State Housing Development Authority.
- B. "Annual Shelter Rent" means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- C. "Authority-Aided Mortgage means any of the following: (i) a mortgage insured, purchased or held by the Secretary of the Department of Housing and Urban Development ("HUD"); (ii) a mortgage receiving interest credit reduction payments provided by HUD; (iii) a Housing Development to which the

Authority allocates low income housing tax credits under Section 22b of the Act; or (iv) a mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.

D. "Housing Development" means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines to improve the quality of the development as it relates to housing for persons of low income. For the purposes of this Ordinance, "Housing Development" means Washington Square Apartments located at 710 Menominee Pontiac, Michigan which will occupy the previous Washington Middle School building on the north side of Menominee between Genesee and Chippewa Streets and is included in the current parcel ID number: 14-31-127-001. This description will be further supported by survey information as an attachment when available.

E. "Low Income Persons and Families" means persons and families eligible to move into a Housing Development.

F. "Sponsor" means Venture Washington Limited Dividend Housing Association Limited Partnership and any entity that receives or assumes an Authority-Aided Mortgage Loan.

G. "Tax Credits" means the low income housing tax credits made available by the Authority to the Sponsor for rehabilitation of the Housing Development by the Sponsor in accordance with the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

H. "Utilities" means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Federally Aided Mortgage by the Authority. It is further determined that Washington Square Apartments is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Washington Square Apartments and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct/rehabilitate and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Federally Aided Mortgage Loan, the annual service charge shall be the greater of Ten Thousand and No/100 (\$10,000) Dollars or 10% of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between

the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

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

SECTION 9. Duration.

This Ordinance shall remain in effect and shall remain in effect for a period of thirty (30) years from the effective date of this Ordinance.

SECTION 10. Severability.

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

SECTION 11. Inconsistent Ordinances.

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

SECTION 12. Effective Date.

This Ordinance shall become effective on _____, 2018, as provided in the City Charter.

CITY CLERK



DEPARTMENT OF ECONOMIC DEVELOPMENT

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 9, 2018

RE: The Woda Group Request for a PILOT
The Hamilton - 5 Carter Street

RECEIVED
2018 MAR -9 PM 1:07
PONTIAC CITY CLERK

The Woda Group has requested a payment in lieu of taxes (PILOT) ordinance from the City for the proposed 5 Carter Street development, "The Hamilton". This PILOT request is at 6% of shelter rents and is in combination with a Municipal Services Agreement for \$10,000 per year with an annual increase in line with the consumer price index, which is around approximately 3% per year. The duration of the PILOT will be for the duration of the mortgage but in no case for longer than 16 years.

The proposed 42-unit, 4 story, multi-family development will provide affordable housing to Pontiac residents and will be the first new building to be built in Downtown Pontiac in over a decade. The building is slated for general occupancy, marketed toward working singles, families and seniors. The 42 units will add approximately 80 to 100 new residents to our downtown. The proposed breakdown of units is as follows;

- 8 units at 30% AMI
- 1 unit at 40% AMI
- 7 units at 50% AMI
- 26 units at 60% AMI

Should the Council vote to approve this PILOT request, the approval should be contingent upon the MSHDA award of the LIHTC housing credit.

In addition, the City Attorney will need to draft an ordinance for your consideration. The ordinance will require both a first and second reading prior to its adoption.

Please find attached a copy of the Woda Group request, development drawings and site plan.



DEVELOPMENT
CONSTRUCTION
MANAGEMENT

The Woda Group, Inc.
115 North Huron Avenue
P.O. Box 369
Mackinaw City, Michigan 49701

www.wodagroup.com

January 31, 2018

Ms. Rachel Loughrin
Economic Development Director
City of Pontiac
47450 Woodward Avenue
Pontiac, Michigan 48342

Re: PILOT Request; 42-unit Family Development

Ms. Loughrin

The Woda Group, Inc. (Woda) would like to formally request a Payment in Lieu of Taxes (PILOT) for a proposed 42-unit multi-family development to be located at 5 Carter Street. Once completed, this development will have affordable rents to help working singles, families and seniors obtain quality, safe, and energy efficient housing in Pontiac. We believe this development with 42 residential units near your downtown will be welcomed by your business owners and service providers.

The Woda construction plan proposes the development of a 4-story residential building on the current parcel. We will prep the site and construct our building to fully comply with your zoning ordinance. A large community room will be located on the first-floor and will be used primarily by tenants and their guests.

Once completed, the new residential units will have Energy Star appliances, water-saving faucets/toilets, abundant insulation and contain other "green" features which will help the finished community qualify for Enterprise Green Communities or LEED certification.

To fund the construction, Woda will seek housing tax credits from MSHDA. As part of the application process, MSHDA requests that developers seek a PILOT from the local municipality. The PILOT helps ensure the long-term financial stability of the property plus helps the developer increase their chances of receiving funding from National investors for the project. Woda (developer) plans to submit a funding application to MSHDA on April 2nd.

The Woda Group, Inc. is requesting a 6% PILOT for 16 years be adopted for the proposed development at 5 Carter Street. In addition, The Woda Group proposes to enter a Municipal

Services Agreement (MSA) that will pay the City an annual MSA fee of \$10,000 in addition to the PILOT. The MSA fee will be paid directly to the City and can cover possible City funded services (eg. fire, EMS) that may be needed at the site. Each year the MSA can increase up to 3% based on CPI. Both the annual PILOT and MSA payment will be paid simultaneously but can be made at any date the City prefers. The Woda Group estimates that the annual value of the 6% PILOT will approximate \$15,100 assuming 93% occupancy. The combined value of the MSA and PILOT will exceed \$25,000.

As you may know, the PILOT payment will be determined each year based on collected rents plus other income less common utilities. Each year in late March, Woda can provide a third party financial audit to the City to verify income and utilities.

Without a PILOT, it will be highly improbable for Woda to receive funding for this downtown residential project. Each developer competes against other developers in the state to win funding. Historically for new construction projects, only the projects that receive a local PILOT receive MSHDA funding.

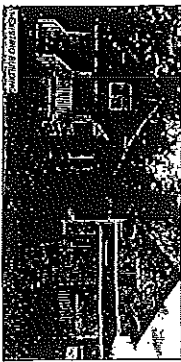
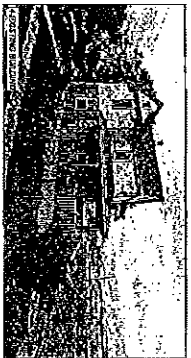
I appreciate you considering this request and I look forward to making a formal presentation to City leadership at an upcoming Council meeting.

Sincerely

A handwritten signature in dark ink, appearing to read "P. Craig Patterson", written over a horizontal line.

P. Craig Patterson,
Senior Vice President

cc. D. Waterman, F. Fugate



THE HAMILTON

Sheet Number	Sheet Name	Current Issuance	Current Description
1	1ST FLOOR	1ST FLOOR	1ST FLOOR
2	2ND FLOOR	2ND FLOOR	2ND FLOOR
3	3RD FLOOR	3RD FLOOR	3RD FLOOR
4	4TH FLOOR	4TH FLOOR	4TH FLOOR
5	5TH FLOOR	5TH FLOOR	5TH FLOOR
6	6TH FLOOR	6TH FLOOR	6TH FLOOR
7	7TH FLOOR	7TH FLOOR	7TH FLOOR
8	8TH FLOOR	8TH FLOOR	8TH FLOOR
9	9TH FLOOR	9TH FLOOR	9TH FLOOR
10	10TH FLOOR	10TH FLOOR	10TH FLOOR

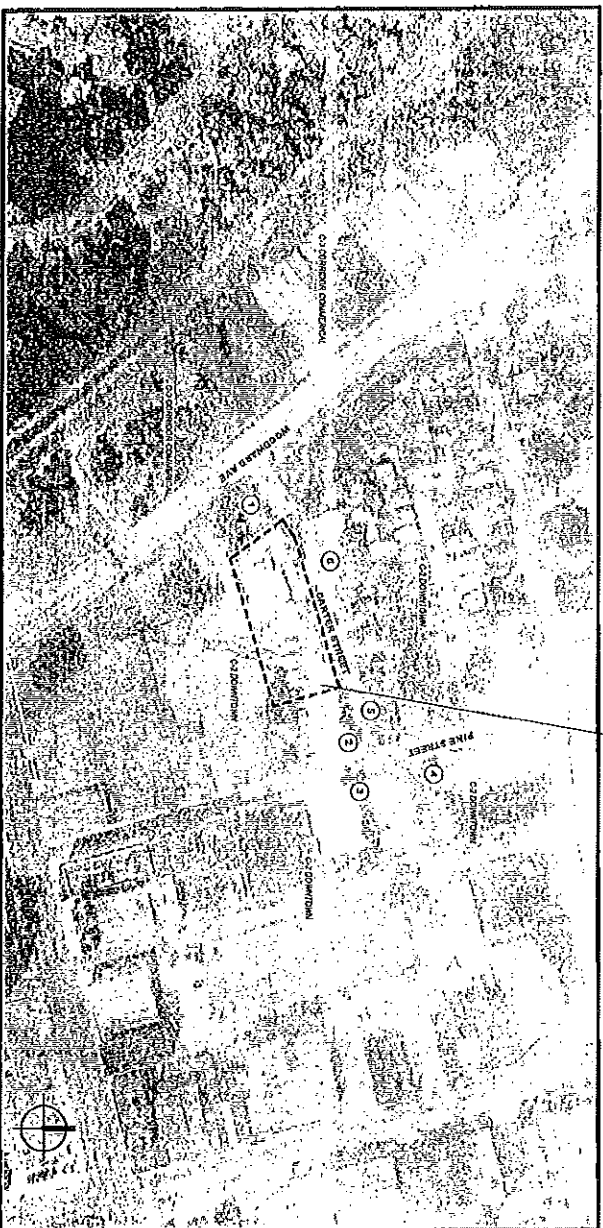
PROJECT SUMMARY

PROPOSED SITE LAYOUT

44 TOTAL UNITS
48 PROVIDED PARKING SPACES ON-SITE
3 ACCESSIBLE PARKING SPACES
3 ACCESSIBLE VAN PARKING SPACES
PROPOSED BUILDING HEIGHT: 46'-0"

MIN LOT AREA: 1,000 SF
FRONT SETBACK: 5' MAX
SIDE SETBACK: 5' MAX
REAR SETBACK: 5' MAX
MIN UNIT SIZE: 1 BED MIN - 280 SF
2 BED MIN - 1,000 SF

MIN GREEN SPACE: 5.2% OF GROSS SITE AREA
ACCESSIBLE PARKING: 1 PER 25 PARKING SPACES
1 VAN PER 25 SPACES
9 SPACES PER REGION
28 WALKWAY



THE HAMILTON PRO.0

THE HAMILTON

500 NORTH STREET
ANN ARBOR, MI 48106
313-467-0000

H. B. HOOKER & DEJONG
ARCHITECTS & ENGINEERS
11000 WOODLAND AVE
ANN ARBOR, MI 48106
313-467-0000

Hold

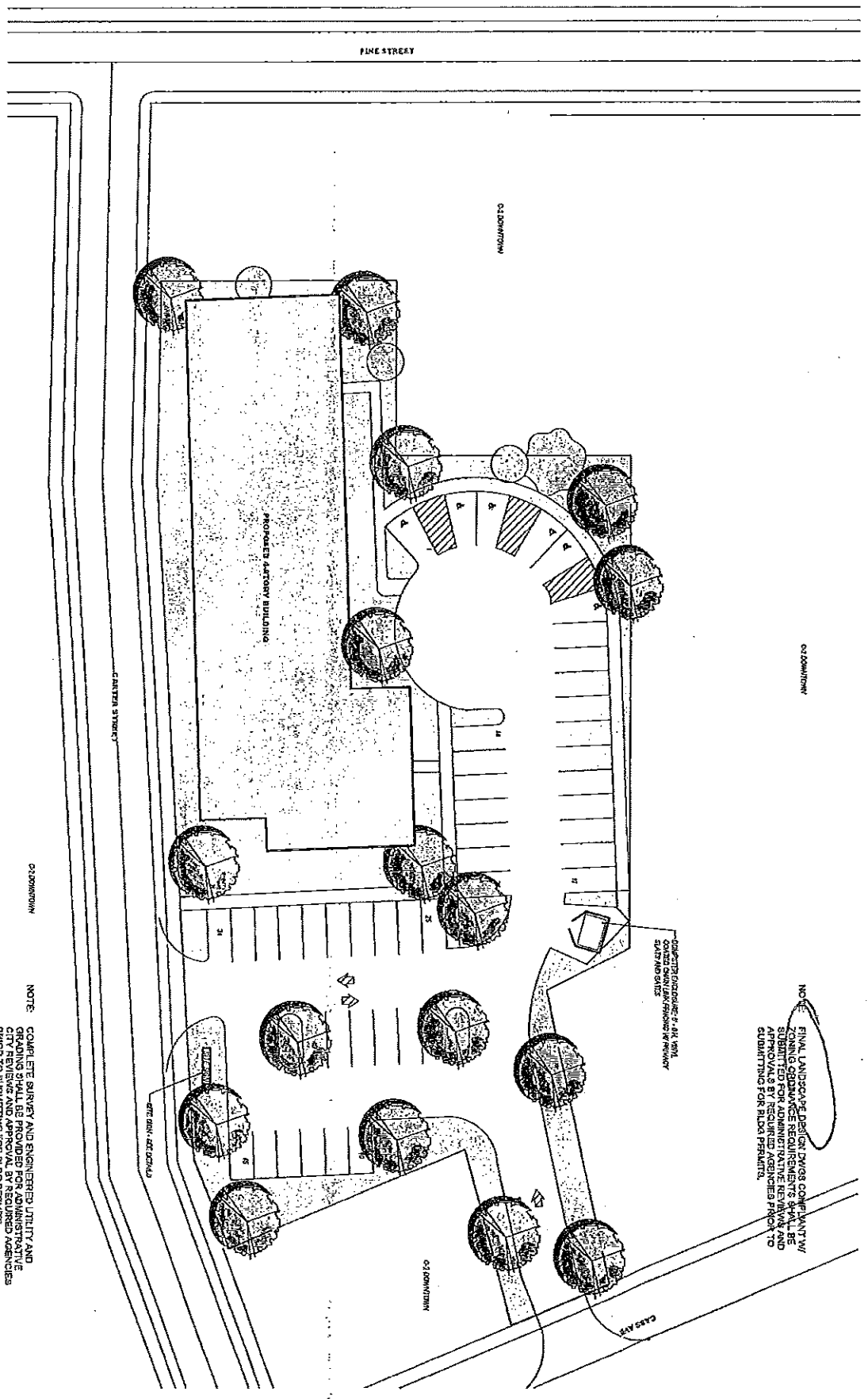
H. D. HOOKER & DEJONG
ENGINEERS



NOTE: COMPLETE SURVEY AND ENGINEERED UTILITY AND
GRADING SHALL BE PROVIDED FOR ADMINISTRATIVE
CITY REVIEW AND APPROVAL PRIOR TO SUBMITTING FOR PLATS PERMITS.

SITE LAYOUT | PR0.1

THE HAMILTON
5 CENTER STREET
PORTLAND, ME 04101



NO FINAL LANDSCAPE DESIGN DwgS COMPLIANT W/
ZONING ORDINANCE REQUIREMENTS SHALL BE
APPROVED BY REQUIRED AGENCIES PRIOR TO
SUBMITTING FOR PLATS PERMITS.

CONCRETE FOUNDATION 4' x 4' x 10'
SLAB AND WALLS

C-2 CONCRETE

C-2 CONCRETE

SEE PLAN - SEE DETAILS

SEE PLAN - SEE DETAILS

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SITE DATA

REMAINING LOT AREA 154,630 SF = 3.55 AC
 CURRENT ZONING C-2 (DOWNTOWN)
 BUILDING AREA ±75,000 SF*

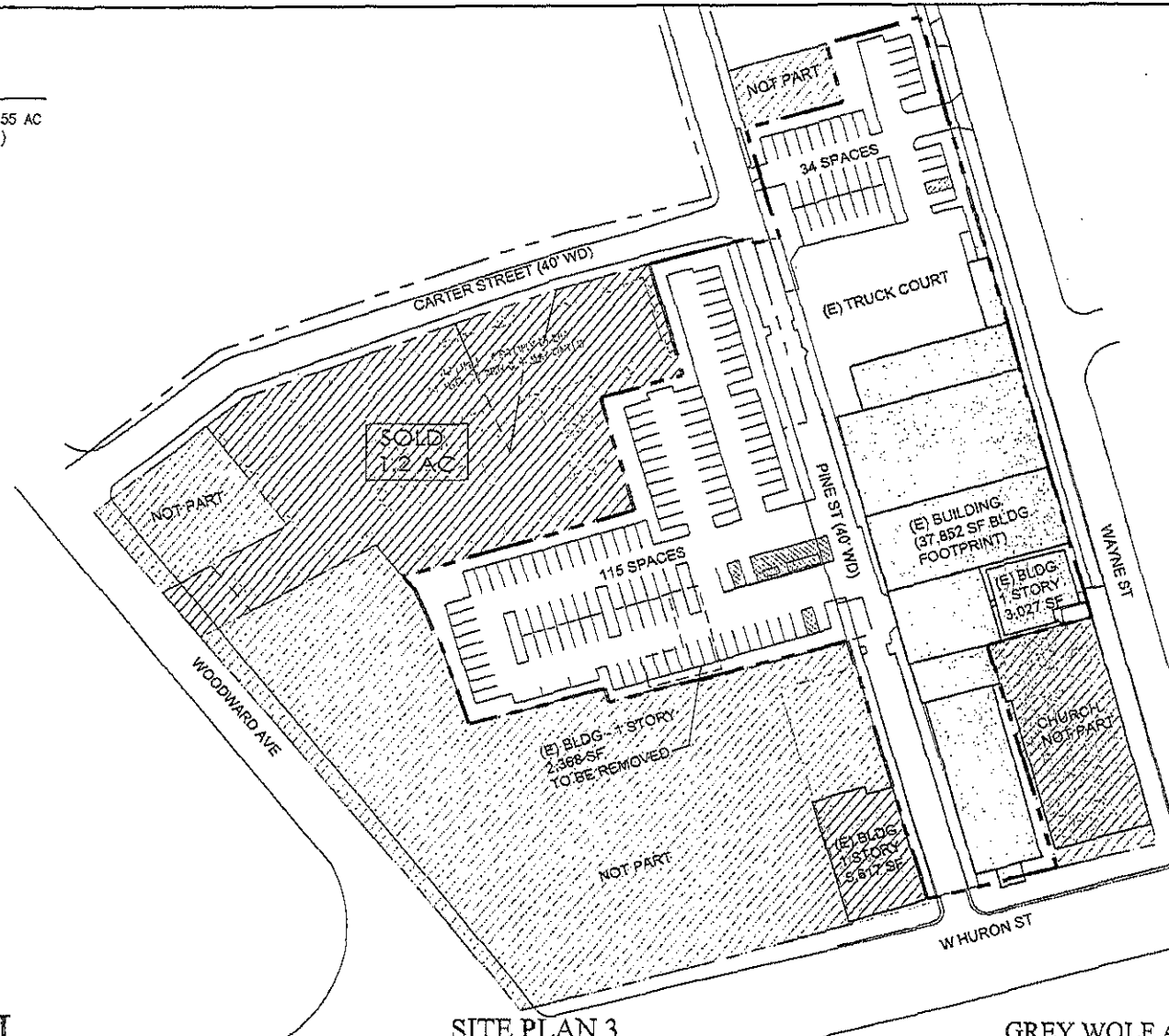
PARKING REQUIREMENTS:

GENERAL OFFICE 1 / 300
 WAREHOUSE PARKING 1 / 2,000

PARKING PROVIDED:

50% WHS (37,500 SF) 19 SPACES
 50% OFFICE (37,500 SF) 125 SPACES
 TOTAL REQ'D 144 SPACES
 TOTAL PROVIDED 149 SPACES

*BUILDING SF WAS PROVIDED BY OWNER

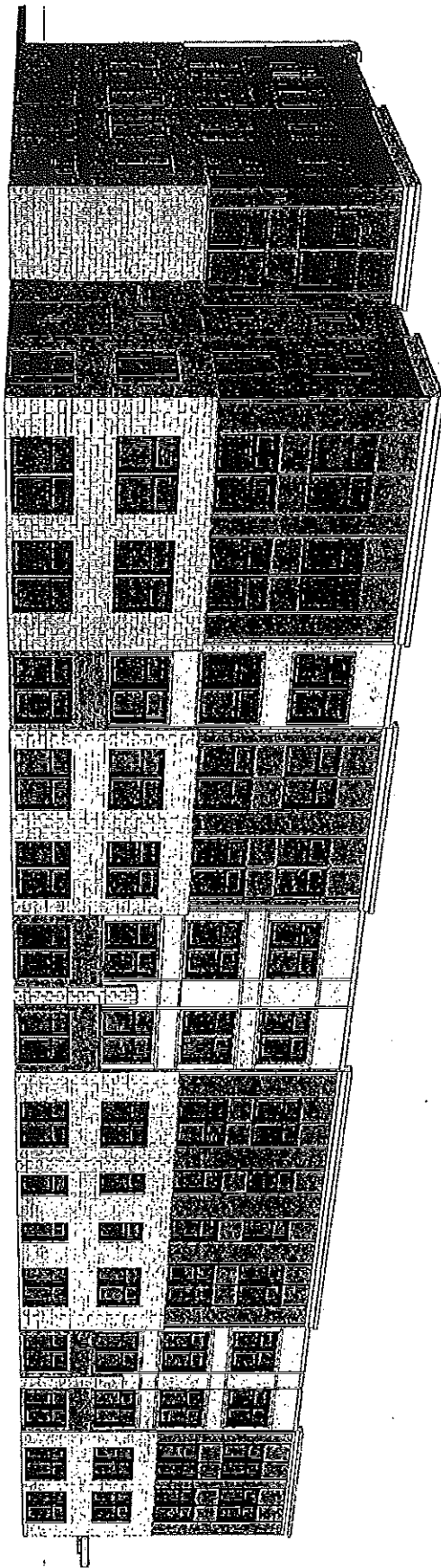


48 HURON ST
 PONTIAC, MI

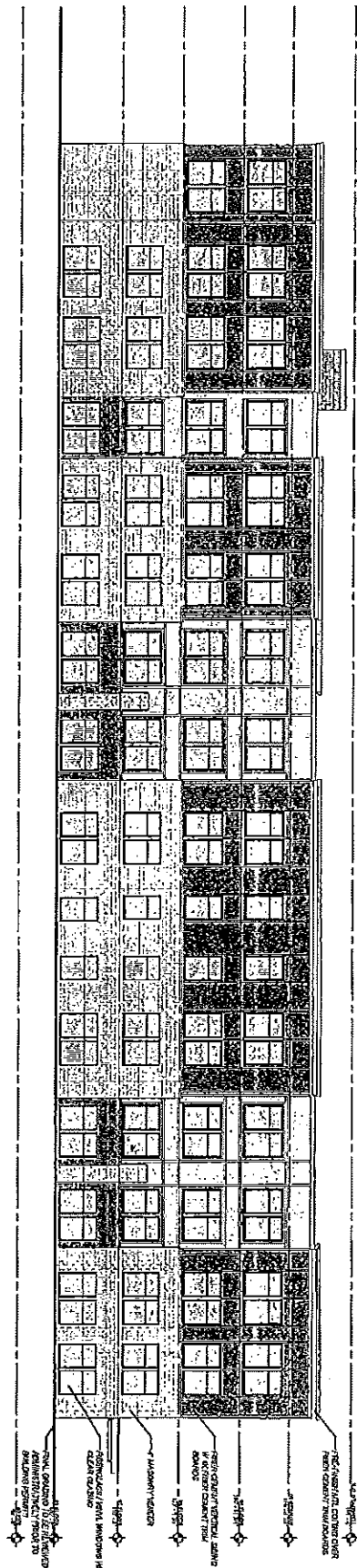
SITE PLAN 3

02.14.18
 GREY WOLF ARCHITECTURE





EXTERIOR PERSPECTIVE



MAIN STREET ELEVATION

BUILDING VIEWS | PR1.5

HOLDER
H. D. HOOKER & DEJONG
ARCHITECTS & ENGINEERS

THE HAMILTON
500 WEST 10TH STREET
SALT LAKE CITY
UTAH 84111

Pontiac, Michigan

ORDINANCE NO.

TAX EXEMPTION ORDINANCE

ADOPTED: [insert date of adoption]

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, et seq.; the "Act").

THE CITY OF PONTIAC

ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "Tax Exemption Ordinance-The Hamilton."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all ad valorem taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing project that is constructed with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor: *The Hamilton Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership*, has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to construct, own and operate a housing project identified as *The Hamilton* on certain property located at 5 Carter Street in the City to serve low income persons and families, and that the Sponsor has offered to pay the City, on account of this housing project, an annual service charge for public services in lieu of all ad valorem property taxes.

SECTION 3. Definitions.

A. "Authority" means the Michigan State Housing Development Authority.

B. "Annual Shelter Rent" means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities (as hereafter defined).

C. "LIHTC Program" means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

D. "Low Income Persons and Families" means persons and families eligible to move into a housing project.

E. "Mortgage Loan" means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. "Sponsor" means *The Hamilton Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership*, and any entity that receives or assumes a Mortgage Loan.

G. "Utilities" means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that *The Hamilton* is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as *The Hamilton* and the property on which will be located shall be exempt from all ad valorem property taxes from and after the commencement of construction or rehabilitation. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all ad valorem property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to construct and operate the housing project, the City agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes. Subject to receipt of a Mortgage Loan or IRS Section 42 Low Income Housing Tax Credits (LIHTC), the annual service charge shall be equal to 6 % of the Annual Shelter Rent actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

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

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid and the housing project remains subject to income and rent restrictions under the LIHTC Program but in no case longer than sixteen (16) years from the date of the certificate of occupancy issued by the City for the housing project.

SECTION 10. Severability.

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

SECTION 11. Inconsistent Ordinances.

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

Section 12. Effective Date.

This Ordinance shall become effective on [insert effective date], as provided in the City Charter.

By: _____

CITY CLERK



DEPARTMENT OF ECONOMIC DEVELOPMENT

RECEIVED
2018 MAR -9 PM 1:10
PONTIAC CITY CLERK

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 9, 2018

RE: Sanford Arms Limited Divided Housing Association Limited Partnership Request to
Extend a PILOT

Sanford Arms Limited Divided Housing Association Limited Partnership has requested an extension of its current payment in lieu of taxes (PILOT) ordinance for Arborview Apartments from the City. This PILOT request is at 4% of contract rents in combination with a Municipal Services Agreement for \$155.00 in addition paid to the city for each apartment for a total of \$24,955 per year. The duration of the PILOT is equal to the duration of the mortgage.

Sanford Arms, also known as Arborview Apartments, is a 161 unit general occupancy low income housing development located at 121 Fiddis Avenue. The apartment development was originally constructed over 18 years ago and is in need of updating.

Attached is the letter explaining the reason for the extension and the proposed improvements to Arborview. Also, I have attached the proposed security plan for the apartments.

Should the Council vote to approve this PILOT request, the approval should be contingent upon the MSHDA award of the LIHTC housing credit.

In addition, the City Attorney will need to draft an ordinance for your consideration. The ordinance will require both a first and second reading prior to its adoption.

SANDFORD ARMS LIMITED DIVIDEND HOUSING
ASSOCIATION LIMITED PARTNERSHIP
26711 NORTHWESTERN HWY., SUITE 250
SOUTHFIELD, MI 48033
248-304-2000

January 18, 2018

Ms. Jane Bais-DiSessa
Deputy Mayor – City of Pontiac
47450 Woodward Ave.
Pontiac, MI 48342

RE: Request for Amendment of PILOT for Arborview Apartments

Dear Deputy Mayor Bais-DiSessa:

As per our meeting on December 22nd, please consider this our formal request for an Amendment to the existing PILOT Ordinance No. 2110 to allow Arborview to compete for an award of 9% Low Income Housing Tax Credits in the upcoming April round. A copy of the proposed amendment is enclosed.

Sanford Arms LDHA LP purchased Arborview Apartments back in 2000. At the time we purchased Arborview it was in "fair" condition, both from a physical and reputation standpoint. A rehabilitation of the property was completed in 2002. The rehabilitation combined with professional management has improved the property's reputation over the years. Crime and security issues have generally been better than those of surrounding properties.

It is now over 15 years since the previous rehabilitation was completed, and Arborview is in need of physical improvements as well as security enhancements which we were unable to do with the first rehab. These enhancements will include expansion of the electrical system to accommodate the installation of building and site lighting as well as security cameras. With the proper electrical in place, we will have professional lighting and security camera plans designed so as to offer a higher level of security for our residents.

The key to upgrading the property and resident security is receiving an award of 9% Low Income Housing Tax Credits (the "LIHTC's") for Arborview and refinancing the existing debt with a new HUD loan. In order to score the award of LIHTC's and size the debt to a level to allow for the planned rehabilitation, we will need an amendment to our current PILOT agreement to reduce the annual service charge from its current rate of 6% down to a rate of 4%. Assuming this scenario, we would be able to do a total rehab of approximately \$5.3 million.

Arborview currently operates under a PILOT ordinance at a rate of 6%. The reduction to a 4% PILOT would result in a reduction of Arborview's current annual PILOT payment of about \$20,000. The City's share of that reduction, excluding school operating, would be about one third or \$6,700. The reduction in the PILOT rate generates another \$400,000 of much needed HUD mortgage proceeds that can be used to improve both the physical and security needs of the property.

The timing of completion of the rehab and the additional security enhancements would be about 24 months from today, assuming we are awarded 9% LIHTC's in the upcoming round which will be announced in July. In the interim, we have met with both you and Mayor Waterman to get your input on security concerns at Arborview, and as you know, we have put in place a coordinated security plan between the Oakland County Sheriff's office, the security patrol contractor, ownership and management. We are confident that this plan will address the current concerns of residents.

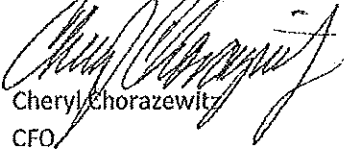
Sanford Arms LDHA LP is an affiliate of Larc Properties, Inc. which owns 29 affordable properties comprised of approximately 3700 units. Larc has been in the business of affordable housing since 1991. Larc's goal for Arborview is to contribute to the ongoing investment in the City of Pontiac by bringing in equity investment from the sale of the LIHTC's combined with HUD financing to rehab and secure Arborview for the next 15 years.

The City has been amazingly successful in bringing both public and private investment to the City in recent years. This is another means by which the City can add to that investment. Without an investment utilizing 9% LIHTC's, there would not be enough funds to do what is needed at Arborview, and we cannot guarantee the viability of the project going forward.

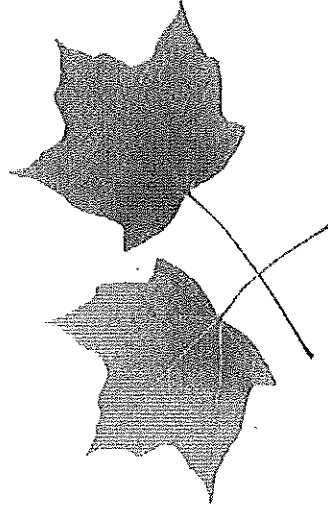
We will contact you shortly to discuss our request and the proposed amendment. Please do not hesitate to contact us if you have any questions. Thank you for your consideration of our request.

Very truly yours,

Sanford Arms LDHA LP


Cheryl Chorazewitz
CFO

Cc: Mayor Deirdre Waterman
Council President Kermit Williams
Laurence S. Tisdale
James R. Gromer, Esq.



Arborview Apartments

Security Plan

Effective December 1, 2017

Contents

- The Team
- Where we are Today
 - May 1, 2017 – November 14, 2017 – 33 Incidents on the property
 - Incidents Stats Breakdown
- Security Plan
 - Law Enforcement and Professional Security Services
 - Management Policies and Management Personnel
 - Property Improvements Completed During the Rehab
- Summary
- Attachments

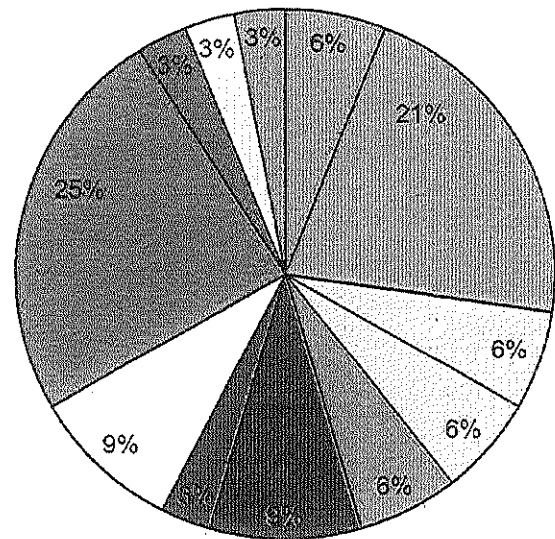
The Team

- **Larc Community Development Group**, (“Larc”) has been developing and rehabilitating affordable housing since 1991. Larc has been involved in the production of over 6,000 units of affordable housing utilizing its extensive knowledge of affordable housing financing programs including 236 decoupling transactions, tax exempt bond transactions, preservation of Project B, Section 8 Contracts, 4% and 9% Low Income Housing Tax Credits, and FHA, MSHDA, FNML, Freddie Mac and HOME loan executions.
- **Lockwood Management, LLC**, (“Lockwood”) is the Management Agent for Arborview Apartments, (“Arborview”) and has managed the property since 2011. Lockwood was founded 2000 and its executive staff has nearly 250 years of combined experience in the affordable housing industry. Currently, managing over 4,300 apartment units. Lockwood currently manages more than 1,800 units for Larc throughout Michigan.
- **James Gromer from Gromer PLLC**, (“Attorney”) will begin representing Arborview Apartments in January 2018. James is General Counsel for MHT and was the author of the security plan for Newman Court. James efforts are a key component of Newman Court’s Security plan. The change in legal representation will allow us to collaborate with area apartment communities to improve housing throughout Pontiac.

Where We Are Today

- ❑ Arborview Apartments is a 161-unit family apartment community located at 121 Fiddis Ave., in Pontiac, Michigan. All of the units are covered by a Project Based Section 8 Contract.
- ❑ The property has maintained security during the summer months, (May – September) for the past years. Over the past 6 ½ months there have been 33 incidents, (information provided by the Oakland County Sheriff department) at the property. Law enforcement has informed us that most of the disturbances are by guests and relatives of the residents.

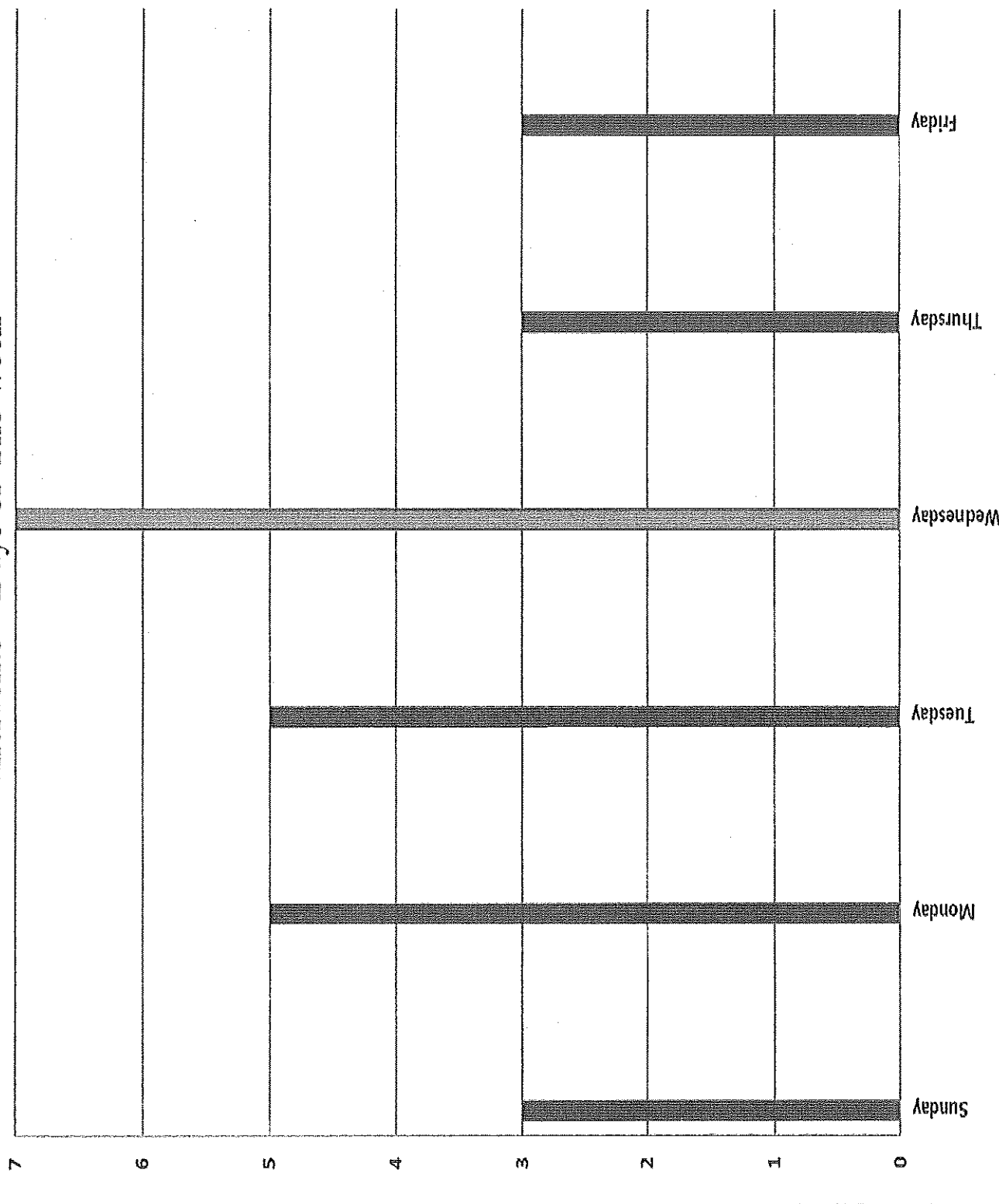
Incident Chart – 33 Total



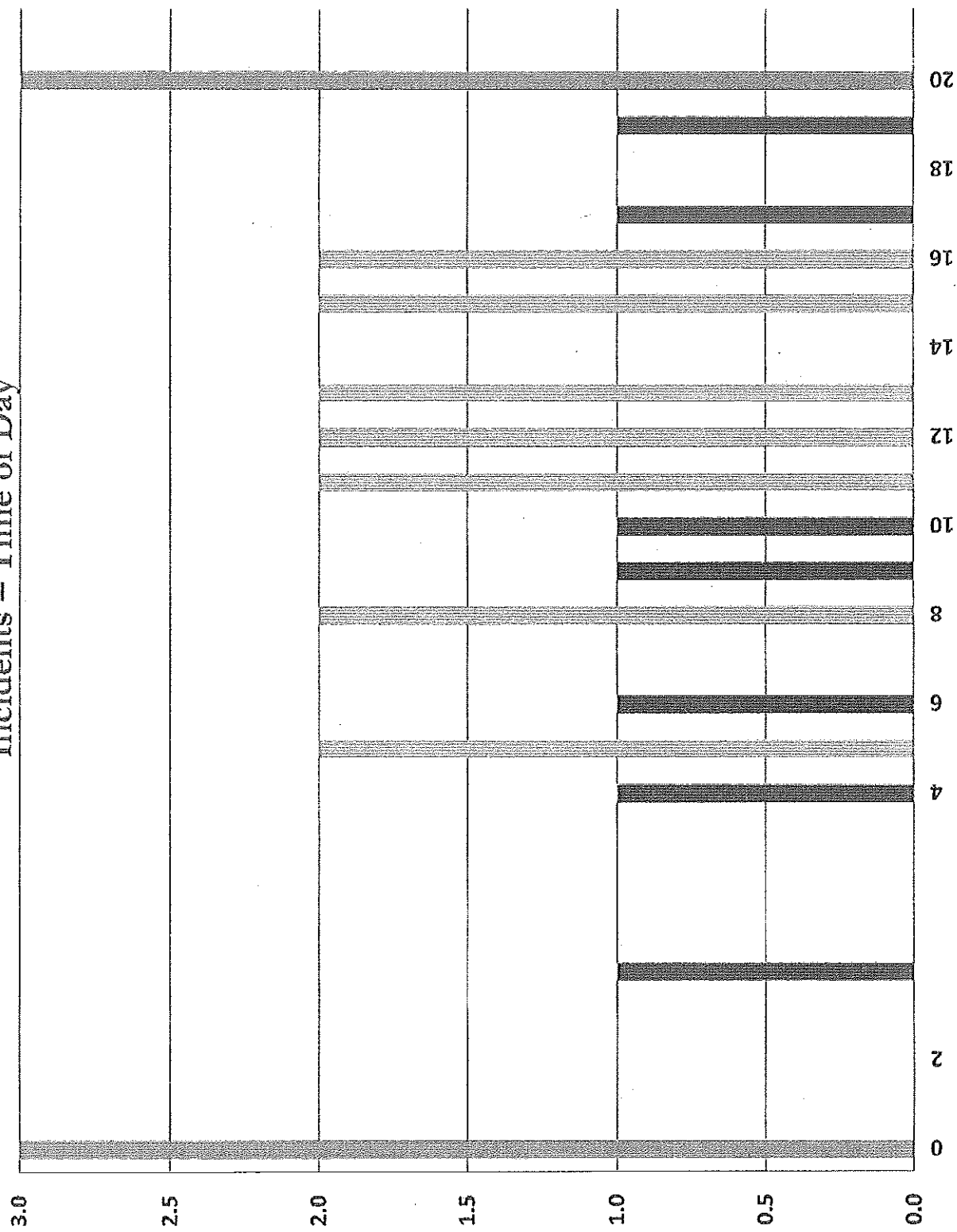
Legend

- Obstructing Justice
- Damage To Property
- Sex Offenses - CSC
- Intimidation/Stalking
- Larceny - All Other
- Assault - Aggravated
- Arson
- Burglary - Residential
- Assault - Simple
- Obstructing Police
- Public Peace
- Fraud

Incidents – Days of The Week



Incidents - Time of Day



Arborview Apartments Security Plan

Since its purchase of the property in 2000, we have continued to work with residents, government officials & law enforcement to tackle ongoing security concerns at Arborview. Pursuant to data provided by the Oakland County Sheriff Department, we have seen a decrease in the number of incidents at the property over the past year. However, we know from past experience that we must remain vigilant as far as security goes and continue to search for effective ways to secure Arborview. A systemic addressing of the situation is needed, if the property is to have long-term success. Our plan is comprised of three (3) sections that we believe are necessary to effect change.

- **Law Enforcement and Professional Security Services – Effective December 1, 2017**
 - Increased Presence, Communication & Cooperation between:
 - Oakland County Sheriff
 - Daren Carey - Security Chief
 - John Wood - Statewide Security Services
- **Management Policies and Management Personnel – Effective December 1, 2017**
 - Tenant Selection – criminal background checks on new & existing residents
 - Revised Landlord Tenant Policy orchestrated by Attorney James Gromer
 - Attorney review of all incident reports for tenant termination
 - Annual Evaluation for Renewal for all Residents
 - Zero Tolerance for Criminal Activity / Incident Reports/ Evictions
 - Tenant relationships – Residents Rights and Responsibilities
 - Training
- **Property Improvements Completed During the Rehab. – (Conditioned on award of 9% LIHTC's)**
 - Lighting Upgrades
 - Landscaping
 - Camera Upgrades

Law Enforcement and Professional Security Ser

To coordinate safety and law enforcement Arborview Apartment will utilize the services of Daran Carey a retired po the Detroit Police Department. Former Sgt. Carey has orchestrated the turnaround of other Pontiac properties such Villas, Colonial Meadows and most recently Newman Court Apartments. Sgt. Carey will be working closely with Stat to ensure proper reporting of crime or other activities on the property lead to prosecution and evictions of problem

In fact, Arborview Apartments will be teaming with Newman Court to have a joint program between the two proper a more secure overall community. Lockwood in conjunction with Former Sgt. Carey, are committed to a fresh look a procedures at the property in order to maintain effective security for all residents. Our plan will include both profess year-round and local law enforcement. That means regular security assessments and meetings with the Oakland Cou office will occur so that the following exists:

- Oakland Sheriff is making regular and direct communications with Lockwood and Former Sgt. Carey to report proble guests who have been involved in crimes.
- In-house security periodically patrolling the site providing Lockwood and law enforcement incident reports.
- Professional security regularly patrolling the site providing Lockwood and law enforcement reports on illegal activities
- Bi-weekly meetings coordinated by Former Sgt. Carey between Arborview Apartments and Newman Court.

To ensure this occurs Sgt. Carey has coordinated the following:

- Statewide Security Services will continue to patrol Arborview Apartments. Statewide Security Services was previously warmer months of May- August. That has been extended to year-round.
- A meeting with representatives of the Oakland County Sheriff's offices will be scheduled as soon as Sheriff can accor
- An all site resident's meeting specifically on security will be scheduled after Sheriff's meeting so as to implement Sheri recommendations.

Management Policies and Personnel

- **Tenant Selection** – Attached is the tenant selection criteria Lockwood will use to screen new applicants. Tenant Selection Criteria is one of the most essential policies needed to turn the tenant profile around. It should be noted that 100% of applicants undergo criminal background checks. Criteria for denying applicants based on their previous records is called out in the plan. Effective immediately, criminal background checks will be conducted on existing residents at annual recertification. (Attachment 1 & 1A)
- **Zero Tolerance for Criminal Activity / Incident Reports/ Evictions** – Management can attest that often criminal activity is caused by the unauthorized people living and visiting the site. Lockwood works to immediately identify the source of the problem and incident reports are prepared by site and security staff. Lockwood has zero tolerance for any crime committed on or about the property by residents or their guests.

Starting immediately all Residents will be required to have a meeting following any lease violation or alleged criminal activity. Residents will be told that failure to agree to work to resolve issues will result in terminations. Incident reports are critical to building the file necessary to remove problem residents through the legal system. The attached sample Incident Report is forwarded to the attorney for lease violation follow-up. (Attachment 2, 2A & 2B)
- **Tenant Relationships** – Lockwood will meet residents and tenant organizations on security programs specifically for the site. Residents will be outlining their rights and responsibilities including formal resident organization.
- **Training** – Lockwood is a leader in the industry training its onsite staff. Lockwood has retained J programs to assist with safety on the property. Some he has created include “Crime at Apartments” (at Situations and De-Escalation Techniques. A sample attached. (Attachment 3)
- **Problem Resolution** – Lockwood will continue through better tenant selection and removal of residents who commit crimes to be committed at the property. Reporting and resident support are key.

Property Improvements

Larc Community Development Group will apply for 9% LIHTC's for Arborview Apartments in the April round. Proceeds from the sale of these LIHTC's will fund a full rehabilitation of the property using federal credits offered through the Michigan State Housing Development Authority ("MSHDA") starting in 2019.

The rehabilitation will include repair and or replacement of certain building systems and unit improvements. More specifically the following physical improvements will significantly improve on-site security:

- **Lighting** – An upgrade to site lighting is planned. A full survey will be undertaken prior to the "Scope of Work" being completed.
- **Landscaping** – Ownership and Lockwood staff will work to incorporate improvements designed to deter crime.
- **Cameras** – A professional security evaluation will be conducted to determine the needs at the property. The evaluation will be completed prior to the "Scope of Work" being finalized. Ownership will communicate with the Sheriff department as part of this process.

Summary

The entire security plan became effective December 1st, specific changes include:

1. Increased Security Patrol from four months to year-round.
2. Background checks conducted on every resident over 18 years of age, (at recertification). New applicants will be informed during their initial certification beginning Dec. 1st and current residents will begin with annual recertification's beginning January 1st.
3. Sgt. Daran Carey is now the Security Oversight Coordinator.
4. James Gromer is now the Landlord/Tenant attorney.

In addition to the boots on the ground provided by both Lockwood and the security service, the staff communicates with the Oakland County Sheriff department regularly.

Communication with residents regarding the security patrol is restricted to minimize the potential for someone to identify a pattern. I am sure that some residents are unaware that security has not stopped since it began in mid-April.

We have consistently stated that security patrols are a deterrence, not a solution to the end of inappropriate behavior. The security patrols are the eyes on the ground that contacts the police when necessary. The police responding to an incident is not the result of not having security to respond to incidents. It is the result of having boots on the ground to notice and advise the police. The idea that security will take action when faced with inappropriate/criminal behavior is a misnomer that residents often do not understand.

There were 33 incidents over the past 6 ½ months, (May – September). Of course, one incident is too many but the reduction of incidents is directly related to management's aggressive stance on inappropriate behavior. Law enforcement has reported on more than one occasion that many of the incidents at the property are attributed to the guests of the residents. As we know, resident involvement and cooperation is critical to every initiative to improve safety.

Lockwood has worked very hard to maintain an open line of communication with the Resident Council : residents at-large, and continually requests the assistance of the residents as part of their effort to reduce unwanted activities.

Lockwood has made every effort to be receptive to requests from the Resident Council. For more than : years we have supported community efforts both financially and with staff participation to ensure that as that strengthen the community continue.

- ✓ The Annual Summer Picnic.
- ✓ Annual Back Pack & School Supplies, (a back pack for every child)
- ✓ Holiday parties.
- ✓ Refreshments for the monthly Resident Council meetings

We will continue to work with the Resident Council, residents and community leaders as we work to maintain effective security for all residents at Arborview Apartments.

MUNICIPAL SERVICES AGREEMENT

This MUNICIPAL SERVICES AGREEMENT ("Agreement") is entered into this ____ day of _____, 2018 between ARBORVIEW LIMITED DIVIDEND HOUSING ASSOCIATION LLC, a Michigan limited liability company, whose address is 26711 Northwestern Highway, Suite 250, Southfield, Michigan 48033 ("OWNER"), and the CITY OF PONTIAC, a Michigan municipal corporation, whose address is 47450 Woodward Avenue, Pontiac, Michigan 48342 (hereinafter referred to as the "CITY" and the OWNER and CITY may be collectively referred to as the "Parties").

RECITALS:

- A. OWNER intends to renovate and preserve a 161 unit multifamily housing project for low income persons, known as *Arborview Apartments* financed in part by Low Income Housing Tax Credits ("LIHTC"), administered by the Michigan State Housing Development Authority ("MSHDA") on land legally described on the attached Exhibit "A" (the "PROJECT").
- B. The CITY has adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the PROJECT from property taxes in lieu of a service charge, commonly referred to as Payment in Lieu of Taxes ("PILOT"), a copy of which Ordinance is on the attached Exhibit "B."
- C. OWNER has agreed to pay to the CITY an annual municipal services fee to defray the CITY's costs of providing certain municipal services (as hereafter defined).
- D. The OWNER desires to assure that certain municipal services will be provided to the PROJECT during the term that the PILOT Ordinance for this PROJECT is in place, such municipal services to exclude normal water, sewer, and other utility charges as well as special assessment charges (which must be paid separately and at duly established rates) and similar charges and to include only:
 - 1. Emergency services, including police and ambulance (at normal published rates) and fire service specifically administered through the CITY;
 - 2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the PROJECT;
 - 3. Said municipal services shall be provided in the customary way, in a competent and workmanlike manner, and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Oakland, and City of Pontiac or other applicable jurisdictions or bodies (all of the above are collectively referred to as "Municipal Services").

- E. The CITY and OWNER wish to set forth the understandings with respect to the imposition and payment of a municipal services fee to defray the cost of the CITY providing Municipal Services to the PROJECT.

AGREEMENT

Now, therefore, for good and valuable consideration, the receipt of which is acknowledged by the parties, it is agreed as follows:

1. The above Recitals are incorporated by reference as an integral part of this Agreement.
2. The CITY shall provide the Municipal Services to the PROJECT consistent with services then provided to similar multiple family residential housing developments within the CITY. The nature, extent and delivery of such services shall be in the final, sole and absolute discretion of the CITY. This Agreement shall not be construed to impose any additional obligations upon the CITY to provide such services than otherwise required by law
3. OWNER'S payment for Municipal Services provided by the CITY shall be computed as follows: the sum of One Hundred Fifty-Five Dollars (\$155.00) will be paid concurrently with the first annual PILOT payment for the *Arborview Apartments*. Each year thereafter, and for the duration the PILOT Program remains in existence for the Project, the annual payment from the OWNER to the CITY for the Municipal Services provided hereunder shall be increased annually (but not decreased) per the published annual increase Consumer Price Index for all products Midwest region. Notwithstanding anything to the contrary contained in this Agreement, the maximum annual increase in the payment for Municipal Services shall not exceed three percent (3%).
4. If OWNER does not pay the CITY for the Municipal Charges by September 1st of the year in which it was due, such service charge shall be considered in arrears and the CITY is entitled to all rights and means to collect the arrearage, subject to the PILOT Ordinance, this Agreement, and applicable law.
5. This Agreement sets forth the complete agreement of the Parties regarding the provision of Municipal Services from the CITY to the OWNER for the PROJECT. All prior understandings or agreements between the Parties, either written or oral, are merged into and replaced by this Agreement.
6. The Parties warrant and represent that each understands that the Agreement is a legally binding contract; that each has read and understood this Agreement; that each intends to be bound by each provision of this Agreement; and that each has the authority to execute this Agreement.

7. This Agreement only applies to the PROJECT and to OWNER and its approved successors and assigns.
8. This Agreement, which has been negotiated by and between the Parties, shall be deemed drafted by each of the Parties and shall not be construed against any single party.
9. This Agreement may not be varied or modified in any manner, except in a subsequent writing executed by an authorized representative of both parties.
10. No breach of any provision of this Agreement can be waived unless in writing. The waiver of a breach of any provision of this Agreement shall not be deemed a waiver of the breach of any other provision.
11. If any provision of this Agreement shall be held invalid by operation of law or by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect, and may be independently enforced to the fullest extent permitted by law.
12. A default with respect to performance of any obligation owed by OWNER to the CITY under the PILOT Ordinance shall constitute a default under the terms of this Agreement and vice-versa, entitling the CITY to take any enforcement action authorized by law.
13. In the event of any breach of any provision of this Agreement resulting in litigation, the prevailing party shall be entitled to be reimbursed by the non-prevailing party for all of its actual attorney fees and costs incurred in such litigation, in addition to all other remedies available under this Agreement or at law.
14. The Parties agree that this Agreement shall be governed by the laws of the State of Michigan, without reference to Michigan's conflict of law principles.
15. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement. All signatures required under this Agreement need not appear in the same document. This Agreement may be executed by facsimile or .pdf signature, with original signatures to be thereafter delivered.
16. All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally or by registered or certified mail or by overnight courier with tracking capability addressed to the Parties at their respective addresses set forth on Page 1 of this Agreement.

SIGNATURE PAGE FOLLOWS:

This Municipal Services Agreement is executed as of the day and year first written above.

OWNER:

**ARBORVIEW LIMITED DIVIDEND
HOUSING ASSOCIATION, LLC**, a Michigan
limited liability company

By: _____, a Michigan
limited liability company
Its: Managing Member

By: _____
Name: _____
Its: Managing Member

CITY:

CITY OF PONTIAC

By: _____

Its: City Manager

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EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

Real estate situated in the City of Pontiac, Oakland County, Michigan described as follows:

(to be inserted)

Commonly known as: (insert street address of PROJECT)

Tax Parcel No. _____

EXHIBIT "B"
PILOT ORDINANCE
(ATTACHED)

City of Pontiac

ORDINANCE NO. _____

TAX EXEMPTION ORDINANCE

ADOPTED: _____, 2018

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq.*, the "Act").

THE CITY OF PONTIAC ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "*City of Pontiac Tax Exemption Ordinance-Sanford Arms Apartments.*"

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor: *Sanford Arms Limited Dividend Housing Association Limited Partnership* (as defined below) has previously received an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project identified as Sanford Arms Apartments on certain property located at: 100-187 Fiddis; 1-139 Leonard Court; and 121-129 N. Sanford in the City of Pontiac to serve low income persons and families, and that the Sponsor has been paying to the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes as outlined in Ordinance No 2110 and the agreement titled *Payment in Lieu of Taxes Agreement between the City of Pontiac and Sanford Arms Limited Dividend Housing Association Limited Partnership* (hereinafter "PILOT Agreement") dated July 9, 2000.

SECTION 3. Definitions.

- A. "Authority" means the Michigan State Housing Development Authority.
- B. "Annual Shelter Rent" means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- C. "LIHTC Program" means the Low Income Housing Tax Credit program administered by

the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

D. "Low Income Persons and Families" means persons and families eligible to move into a housing project as defined in the Act.

E. "Mortgage Loan" means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. "Sponsor" means *Sanford Limited Dividend Housing Association, Limited Partnership, a Michigan limited partnership*, and any successor entity that receives or assumes a Mortgage Loan, or initiates or assumes the property restrictions under a LIHTC Program regulatory agreement.

G. "Utilities" means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan or regulated in accordance with the LIHTC Program. It is further determined that *Sanford Arms Apartments* is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as *Sanford Arms Apartments* and the property on which it is located is currently exempt from all *ad valorem* property taxes pursuant to Ordinance 2110 and PILOT Agreement. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. The City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Effective immediately the annual service charge shall be equal to 8% of the Contract Rents actually collected by the housing project during each operating year. This Ordinance will replace the PILOT Agreement. If for any reason this Ordinance is found to be invalid then the PILOT Agreement would continue to remain in effect.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in

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

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid or the housing project remains subject to income and rent restrictions under the LIHTC Program.

SECTION 10. Severability.

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

SECTION 11. Inconsistent Ordinances.

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

SECTION 12. Effective Date.

This Ordinance shall become effective on _____, 2018 as provided in the City Charter.

CITY CLERK

City of Pontiac

ORDINANCE NO. _____

TAX EXEMPTION ORDINANCE

ADOPTED: _____, 2018

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq.*, the "Act").

THE CITY OF PONTIAC ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "*City of Pontiac Tax Exemption Ordinance-Sanford Arms Apartments.*"

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City acknowledges that the Sponsor: *Sanford Arms Limited Dividend Housing Association Limited Partnership* (as defined below) has previously received an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project identified as Sanford Arms Apartments on certain property located at: 100-187 Fiddis; 1-139 Leonard Court; and 121-129 N. Sanford in the City of Pontiac to serve low income persons and families, and that the Sponsor has been paying to the City on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes as outlined in Ordinance No 2110 and the agreement titled *Payment in Lieu of Taxes Agreement between the City of Pontiac and Sanford Arms Limited Dividend Housing Association Limited Partnership* (hereinafter "PILOT Agreement") dated July 9, 2000.

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- C. "LIHTC Program" means the Low Income Housing Tax Credit program administered by

the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

D. "Low Income Persons and Families" means persons and families eligible to move into a housing project as defined in the Act.

E. "Mortgage Loan" means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.

F. "Sponsor" means *Sanford Limited Dividend Housing Association, Limited Partnership, a Michigan limited partnership*, and any successor entity that receives or assumes a Mortgage Loan, or initiates or assumes the property restrictions under a LIHTC Program regulatory agreement.

G. "Utilities" means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan or regulated in accordance with the LIHTC Program. It is further determined that *Sanford Arms Apartments* is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as *Sanford Arms Apartments* and the property on which it is located is currently exempt from all *ad valorem* property taxes pursuant to Ordinance 2110 and PILOT Agreement. The City acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. The City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Effective immediately the annual service charge shall be equal to 8% of the Contract Rents actually collected by the housing project during each operating year. This Ordinance will replace the PILOT Agreement. If for any reason this Ordinance is found to be invalid then the PILOT Agreement would continue to remain in effect.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in

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

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid or the housing project remains subject to income and rent restrictions under the LIHTC Program.

SECTION 10. Severability.

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

SECTION 11. Inconsistent Ordinances.

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

SECTION 12. Effective Date.

This Ordinance shall become effective on _____, 2018 as provided in the City Charter.

CITY CLERK

ORDINANCE NO. 2110

An ordinance to amend the Municipal Code of the City of Pontiac by amending Chapter 110 entitled Taxation, Article II entitled Property Tax, Division 2 entitled Tax Exemption for Certain Housing Projects by the addition of a new Section 110-49 which provides that the Sanford Arms Apartments shall be afforded the tax benefits of paying a service charge in lieu of taxes and renumbering the existing Section 110-49 to 110-50 which provides for severability of the sections comprising Division 2 of Chapter 110, Article II.

Adopted: June 29, 2000

Effective: July 9, 2000

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF PONTIAC:

Section 1. That the Municipal Code of the City of Pontiac shall be amended by revising Chapter 110 by adding a new Section 110-49 to read as follows:

Section 110-49 Same – Mortgage loans to finance housing development for low to moderate-income persons (Sanford Arms Apartments).

(a) PREAMBLE

(1) It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its citizens of low and moderate income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (Act No. 346 of the Public Acts of Michigan of 1966 (MCLA 125.1401 et seq.; MSA 16.114 (1) et seq.)), as amended. The city is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low or moderate income persons is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemptions for such housing is a valid public purpose; further, that the continuance of the provisions of this section for tax exemption and the service charge in lieu of taxes during the period contemplated in this section are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

(2) The City acknowledges that the Sanford Arms Limited Dividend Housing Association Limited Partnership (the "Sponsor") has offered, subject to receipt of a mortgage loan and/or Low Income Housing Tax Credits from the Michigan State Housing Development Authority, to acquire, rehabilitate, reconstruct, improve, and own and operate a housing development identified as the Sanford Arms Apartments on certain property located in Assessor's Plat No. 16, Part of Lots 8 and 24 and Assessor's Plat No. 17, Part of Lots 16 and 17 commonly known as 100-167 Fiddis, 1-139 Leonard Court and 121-129 N. Sanford, Pontiac, Michigan 48342 to serve low or moderate income persons, and that the Sponsor has offered to pay the city on account of this housing development an annual service charge for

public services in lieu of all taxes.

(3) It is further recognized that the area described in Paragraph (a) (2) above is presently in an extremely blighted condition, and in its present condition has a detrimental effect on the nearby neighborhoods and on the city as a whole, and that there is an intense need in the city for said area to be rehabilitated, and that it does not appear possible for such area to be rehabilitated unless a tax exemption is provided pursuant to the statute set forth above, in order to enable the area to be redeveloped pursuant to the proposal made by the Sponsor.

(b) DEFINITIONS

For purposes of Section 110-49 hereof, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

ACT - The State Housing Development Act, being Public Act 346 of 1966, of the State of Michigan, MCLA 125.1401 et seq.; MSA 16.114 (1).

AUTHORITY - The Michigan State Housing Development Authority.

CONTRACT RENTS - As defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

HOUSING DEVELOPMENT - A development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.

HUD - The United States Department of Housing and Urban Development.

SPONSOR - Person or entities which have applied to the Authority or HUD for a mortgage loan, low income housing tax credits or contract rents to finance a housing development.

UTILITIES - fuel, water, sanitary sewer service, and/or electrical service, which are paid by the development.

(RESERVED FOR DEFINITION OF CLASS). Elderly, family, handicapped, etc. to which Section 110-49 hereof shall apply.

(c) The City acknowledges that the Sanford Arms Limited Dividend Housing Association Limited Partnership subject to receipt of a federal aided mortgage and/or the Authority providing low income housing tax credits, will duly organize a Limited Dividend Housing Association Limited Dividend Partnership ("Limited Partnership") to purchase, own, rehabilitate and operate a housing development identified as the Sanford Arms Apartments on certain property located at 100-167 Fiddis, 1-139 Leonard Court and 121-129

N. Sanford, located in the City to serve persons of low income and that the Limited Partnership has offered to pay the City on account of the housing development an annual service charge for public services in lieu of taxes. The City acknowledges that the Sanford Arms Apartments fit within the class as described in Section (e) below. The annual service charge for the class of persons of low income shall be equal to:

Year	Percentage
1 through 20	6%
21	10%
22	10%
23	20%
24	20%
25	30%
26	30%
27	50%
28	50%
29	70%
30	100%

of the difference between the contract rents actually collected and utilities; however, the service charge shall not exceed taxes, which would be paid absent this tax exemption. Provided, however, that the subject development will not be entitled to solid waste collection and disposal services and all costs of solid waste collection and disposal shall be the responsibility of the Sponsor.

(d) PAYMENT OF SERVICE CHARGE

The service charge in lieu of taxes as determined under this section shall be payable in the same manner as general property taxes are payable to the City, except that the annual payment shall be made on July 1 of each year.

(e) CLASS OF HOUSING DEVELOPMENT

It is determined that the class of housing development to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing developments of multiple dwellings for elderly persons of low income and persons of low income:

- (i) Which are financed or assisted pursuant to Act No. 346 of the Public Acts of Michigan of 1966 (MCLA 125.1401 et seq.; MSA 16.1141 (1) et seq.), as amended or by HUD.
- (ii) Which are located in economically depressed urban renewal project areas;
- (iii) Which are not economically feasible absent the City's allowing a service charge in lieu of taxes;

- (iv) Which the authority or HUD will not finance absent the City providing this tax benefit;
- (v) Which will not provide new jobs; and
- (vi) Whose sponsor negotiates a service charge with the City when the housing development is in the planning stage, prior to the start of construction.

(f) NEGOTIATION AND ESTABLISHMENT OF ANNUAL SERVICE CHARGE.

The housing development described in Section (a) (2) above shall be exempt from all property taxes from and after commencement of construction/rehabilitation of the buildings/structures. The City, acknowledging that the Sponsor and the Authority or HUD have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of Section 110-49 hereof and the qualification of the housing development for exemption from all property taxes and payment of a service charge in lieu of taxes as established herein, and in consideration of the Sponsor's offer, subject to receipt of a mortgage loan from the Authority and/or Low Income Housing Tax Credits and/or a federally aided mortgage to construct, own and operate the housing development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge for the housing development has been negotiated between the City and the sponsor and has been set at a rate, which will make the housing development economically feasible, and the rate is embodied in this ordinance.

(g) CONTRACTUAL EFFECT

Notwithstanding the provisions of Section 15(a)(5) of the Act, to the contrary, a contract between the City and the Sponsor with the Authority or HUD, as third party beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described is in effect by enactment of Section 110-49 hereof. Provided, however, the City shall have the right to repeal Section 110-49 and the tax exemption provided for in Section 110-49 if the subject housing development is not operated as a project for low and moderate income citizens, or if such project is not maintained in compliance with the codes and ordinances of the City.

(h) DURATION

Section 110-49 hereof shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or HUD mortgage insurance is still operative or the Authority or HUD have any interest in the property; provided, that construction/rehabilitation of the Sanford Arms Apartments commences within one year from the effective date of Section 110-49 (i.e., _____, 200 ____). This tax exemption and acceptance of payments in lieu thereof is personal to the Sanford Arms Limited Dividend Housing Association Limited Partnership and may not otherwise be assigned by the Limited Partnership. Any purported assignment shall be void, shall terminate the Limited Partnership's right to the tax exemption and the City's acceptance of payments in lieu thereof. In addition, should the Limited Partnership, assign, convey, sell or transfer ownership of the housing development and/or real property described in Section (a) (2) above the tax exemption

and acceptance of payments in lieu thereof shall automatically terminate and no longer be of any effect.

Section 2. That the Municipal Code of the City of Pontiac shall be amended by revising Chapter 110 by the addition of a new Section 110-50 to read as follows:

Section 110-50. SEVERABILITY.

The sections comprising this division shall be deemed to be severable, and should any section or provision of this division be declared by any court of competent jurisdiction to be unconstitutional or invalid, the same shall not effect the validity of any section or provision of this division other than the section or provision so declared to be unconstitutional or invalid; provided, however, if the effect of any decision of any court of competent jurisdiction is to cause the availability of payments of a service charge in lieu of ad valorem taxes to be extended beyond the limitations set forth in sections 110-42, 110-43, 110-44, 110-45, 110-46, 110-47, 110-48 and 110-49 then and in that event, except for the continuation of the provisions for payments of a service charge in lieu of ad valorem taxes set forth in sections 110-42, 110-43, 110-44, 110-45, 110-46, 110-47, 110-48 and 110-49 on behalf of the class of housing development specified in sections 110-42, 110-43, 110-44, 110-45, 110-46, 110-47, 110-48 and 110-49 which continuation is expressly intended, the specific ordinance amending this division shall be null and void and the provisions of this division which were in effect immediately prior to the adoption of the amendatory ordinance shall be again effective as if not amended.

Section 5. Effective Date.

This ordinance shall take effect ten (10) days from the date of the passage by the City Council of the City of Pontiac, Michigan.

MADE AND PASSED BY THE CITY COUNCIL OF THE CITY OF PONTIAC, MICHIGAN, THIS 29th DAY OF June, 2000.

I, Mary H. Williams, Clerk of the City of Pontiac, Michigan do hereby testify that the foregoing Ordinance was published in the Oakland Press, a newspaper published and circulated on the 29th day of June, 2000.

MARY H. WILLIAMS, CMC/AAE
CITY CLERK