



**PONTIAC CITY COUNCIL
STUDY SESSION
March 27, 2018
Noon
14th 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 20, 2018.

Special Presentation – Kala Webb and McKenna with Neighborhood Revitalization Plan

Public Comment

Agenda Items for Council Consideration

2. Resolution to adopt amended resolution from 3-20-2018 for Council to have Legal Counsel on a temporary basis from Clark Hill.
3. 2nd request to authorize the Mayor and/or Deputy Mayor to sign contract with International Construction for CDBG Demolition Project for Batch 9 in the amount of \$86,927.00 and Batch 11 in the amount of \$91,312.00.
4. Consider a second reading ordinance to approve a PILOT request for Casa Del Ray, 111 Oneida.
5. Resolution approval of the Development agreement between Oneida Limited Dividend Housing Association, LLC and the City of Pontiac.
6. Resolution to adopt the Neighborhood Revitalization Plan for the Study Area Portions of District 1 and 2.
7. Consider a second reading ordinance to approve a PILOT request for Washington Square, 710 Menominee.
8. Resolution approval of the Development Agreement between Venture Washington LDHALP and the City of Pontiac.
9. Consider a second reading ordinance to approve a PILOT for the Hamilton, 5 Carter Street.
10. Resolution approval of the Municipal Service Agreement and the Development Agreement between the Hamilton Limited Housing Dividend Housing Association Limited Partnership and the City of Pontiac.
11. Consider a second reading ordinance to amend PILOT for Arborview Limited Dividend Housing Association LLC, formerly known as Sanford Arms Limited Dividend Housing Association Limited Partnership contingent upon the MSHDA award of the LIHTC housing credits.
12. Resolution approval of the Municipal Services Agreement and the Development Agreement between Arborview Limited Dividend Housing Association LLC, formerly known as Sanford Arms Limited Dividend Housing Association Limited Partnership, and the City of Pontiac.
13. Resolution to authorize Mayor to sign MDOT funding agreement for the Joslyn Road Resurfacing Project.

Adjournment

March 20, 2018

**Official Proceedings
Pontiac City Council
13th Session of the Tenth Council**

A Formal Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, March 20, 2018 at 6:00 p.m. by President Pro Tem Carter.

Call to Order at 6:00 p.m.

Invocation – Pastor Matlock

Pledge of Allegiance

Council President Kermit Williams arrived at 6:02 p.m.

Roll Call

Members Present: Carter, Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

Mayor Waterman was present.

Clerk announced a quorum.

18-79 **Council President ask for a motion to add item #10 (Resolution for City Council Legal Counsel) to the Agenda.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

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

No: None

Motion Carried.

18-80 **Council President ask for a motion to move Deputy Mayor Report after agenda items and approve the agenda.** Moved by Councilperson Taylor-Burks and second by Councilperson Woodward.

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

No: None

Motion Carried.

18-81 **Journal of March 13, 2018.** Moved by Councilperson Woodward and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried.

Recognition of Elected Officials – Melanie Rutherford Secretary of Pontiac Library Board

18-82 **Resolution to authorize Mayor and/or Deputy Mayor to sign contract with International Construction, Inc., for the City's CDBG Demolition project in the amount of \$86,927 for Batch 9 and \$91,312.00 for Batch 11.** Moved by Councilperson Pietila no second, motion dies.

March 20, 2018

18-83 Resolution to authorize Mayor to sign contract with Rehmann Robson for three-year contract with option to renew for two additional years as proposed. Moved by Councilperson Carter and second by Councilperson Waterman.

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 2021; 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.

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

No: None

Resolution Passed.

Councilman Don Woodward was absent during the vote.

18-84 Resolution to authorize Mayor to sign contract with Oakland County Sheriff's for a 2018-2021 Emergency Medical Service Agreement. Moved by Councilperson Taylor-Burks, second by Councilperson Waterman.

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

No: None

Resolution Passed.

18-85 Resolution to approve a Credit Card policy and procedure for the City of Pontiac. Moved by Councilperson Woodward and second by Councilperson Taylor-Burks.

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

March 20, 2018

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 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.

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

No: None

Resolution Passed.

18-86 Suspend the Rules. Moved by Councilperson Taylor-Burks and second by Councilperson Woodward.

Council President stated that they did not have to suspend the rules because they already added item #10 (City Council to have Legal Counsel) at the beginning of the agenda. He asked Councilperson Taylor-Burks to withdraw her motion and ask Councilperson Woodward to withdraw his second and they did. The Mayor asked for point of order to address this action from the attorney. Attorney Chubb indicated that the motion and second has happened so Council need to vote it up or down on the matter. Council kept the same motion and second to proceed with the vote.

Ayes: Pietila,

No: Miller, Taylor-Burks

Councilwoman Waterman asked Attorney Chubb for clarity on how to vote down suspending the rules. Attorney said to vote no is to maintain the rules and to vote yes is not to maintain the rules.

Ayes: Miller, Pietila, Taylor-Burks and Waterman

No: Williams, Woodward and Carter

Motion to vote down Carried.

18-87 Motion to amend provision to include 4.204 as Councilwoman Waterman expressed that there was a typo in the City Charter and wanted the language to include the correct language, which is the option of Council to engage independent council on a temporary basis. Moved by Councilperson Waterman and supported by Councilperson Taylor-Burks.

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

No: Pietila

Motion Carried.

Council President Williams excused himself from the meeting at 7:30 p.m.

Councilwoman Patrice Waterman left the meeting at 7:35 p.m.

Councilwoman Mary Pietila left the meeting at 7:40 p.m.

March 20, 2018

Deputy Mayor Report or Department Head Report- Mayor Waterman and Deputy Mayor Disessa

There were 20 individuals who addressed the body during public comment.

Honorable Mayor Waterman Reported

City Attorney Anthony Chubb, Councilman Don Woodward, Councilwoman Doris Taylor-Burks, Councilwoman Gloria Miller and President Pro-Tem made closing comments. Acting City Clerk Sheila R. Grandison had no closing comments.

President Pro-Tem Randy Carter adjourned the meeting at 9:28 p.m.

SHEILA R. GRANDISON
ACTING CITY CLERK

COMMUNITY DEVELOPMENT SUB-COMMITTEE NOTES

March 20, 2018

RECEIVED
2018 MAR 22 AM 10:47
PONTIAC CITY CLERK

In attendance:

Council members: Chairman Don Woodward, Gloria Miller and Mary Pietila

Deputy Mayor: Jane Bais-DiSessa

Wade Trim : Mike Wilson

Community Development Deputy Director: Garland Doyle

Economic Development Director: Rachel J. Loughrin

City Attorney: Anthony Chubb

Start time: 9:30 a.m.

A. Article IV Parking Standing and Stopping Ordinance

- 114-73 Special Event Parking provides:

(a) The Mayor, with the approval of City Council, may designate certain events as Special Events, which shall include the date, duration, and geographic boundaries thereof. Designated Special Events shall be posted at City Hall at a location accessible to the general public.

(b) During such Special Events, the following conditions apply:

(1) Property owners are not required to obtain a permit to allow for parking upon their property at a fee to be determined by the property owner.

(2) During such Special Events, a residential property owner may allow parking within a front yard, notwithstanding the prohibition set forth in §114-70.

(3) City Hall parking lots shall be available to the public at no cost.

(c) Nothing herein shall permit parking upon the public right of way.

(d) Nothing herein shall impair the Mayor or their designee(s) from making a determination that specific parked vehicles represent a threat to the health, safety, or welfare of the public. Such vehicles shall be removed by means of towing the vehicle to the automobile and vehicle pound. Such removal shall be at the risk of the vehicle owner.

- Provision (a) of the proposed amendment allows the City Council to be put on notice of any special events.
- With the last special event, the City issued permits and worked in conjunction with the Sheriff's Department.
- If an apartment complex has large pick-ups, a call should be placed to the hauler to do a special pick-up.
- On Featherstone St., next to the Silver Dome, there is a new business, a cold storage facility that moved from Auburn Hills to Pontiac that does work for the Water Department and Consumers.
- Block parties would require DPW's involvement.
- The work at the Silver Dome appears to have decreased. However, the contractor is ahead of schedule. The Silver Dome agreement allows for the parking lot to "house" vehicles.

B. Chapter 22 Article VII Building Moving and Demolition

- There are proposed amendments to the ordinance that address permits, requirements to obtain permits, demolition requirements and scheduling, bonds, fencing and protection of the public.

- The City Attorney has been involved in enforcement and recently entered into a stipulated judgment for enforcement.
- C. Blight Court
- The Deputy Mayor has been discussing Blight Court with the attorneys and has been researching Blight Court in both Sterling Heights and Detroit.
 - A determination has to be made about staffing. Whether there will be an attorney or someone experienced, someone with the training, expertise and background facilitating Blight Court. The idea of implementing Blight Court has been received favorably by 50th District Court.
 - A draft should be available next month.
- D. PILOTS
- An annual fee is paid in lieu of taxes.
 - The Arbor View/Sanford Arms agreement is being amended.
 - In order to best address management issues, a development agreement was created which will allow the City to implement guidelines and procedures which will ultimately establish an enforcement mechanism and better oversight.
 - Inspections will be required annually and instead of every three years or when there is a new tenant.
 - Development Agreements are new and will apply to the four (4) PILOTS currently seeking Council's approval.

Adjourned: 10:33 a.m.

FINANCE SUBCOMMITTEE NOTES

March 13, 2018

In attendance:

Council members: Chair Patrice Waterman, Council President Kermit Williams and Gloria Miller

Mayor: Deirdre Waterman

Finance Director: Nevrus Nazarko

Deputy Mayor: Jane Bais-DiSessa

Start time: 4:02 pm

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2018 MAR 22 AM 10:47
PONTIAC CITY CLERK

AGENDA

1. Financial Report

- The total investments in all funds for the City as of 1-31-2018 was \$50,891,452.58. The general fund portion is \$19,572,512.
- Based on the latest report on the general fund balance as of 6-30-2017, the accumulated amount is \$17.073 million dollars, 3 million has been assigned to be transferred to other funds this fiscal year for various other capital projects; therefore, the un-assigned fund balance is approximately 14 million dollars.
- Income tax reports reflect that for FY 2017 from July 1, 2017 to January 31, 2018, the City has collected \$7,349,474 in income tax revenue vs \$7,697,602 in 2016-2017, \$348,127 less than the previous fiscal year, which can be attributed to HP moving out of the City.
- Property tax collections for the first 7 months of the fiscal year ending January 31, 2018 were 86.33 percent of total amount to be collected for the year.
- Unadjusted expenditures for the first 7 months of fiscal year ending 1-31-2018 are tracking within the budget, with the exception of the Cemetery Fund; however, there are no expected budget overruns on any major funds for the fiscal year.

2. Auditing Services Agreement

- The contract with Rehmann expires June 1, 2018.
- There were six financial audit bids submitted to cover FY's 2018- FY 2022.
- Rehmann was the lowest bidder and has maintained a contract with the City for 7 years.
- There are pros and cons for switching companies. It would take approximately 2 years for a company to bring themselves up to speed.
- Rehmann is completely independent and neutral.
- Rehmann can also provide comprehensive financial reports if necessary.
- Audits are typically done between September and December.

3. Credit Card Policy

- There are state law requirements in addition to other requirements that would be put in place.
- Currently, the City has three credit cards, Home Depot, Staples and Pacific Pride.
- The proposal is to allow both the Mayor and the Finance Director to be the authorized users of the credit card.
- There would be an aggregate limit of \$50,000.

4. Renewal of the Medical Dispatch Contract with Oakland County

- The current agreement with the Oakland County's Sheriff's Office on Emergency Medical Dispatch Services expires on March 31, 2018.
- A new proposed three (3) year contract, from 4-1-2018 to 3-31-2021 has been presented for approval.
- Under the current agreement, the monthly payment is \$16,620.50, the new contract would increase the cost by \$3,085 per month in the first year, \$17,119.12 per month in the 2nd year and \$17,632.69 in the third year.
- The higher cost is a result of the call volume or number of calls increasing and due to the investment in both infrastructure and technology.
- A comparison was made using the contract of both the City and Rochester Hills and the contracts were identical, same terms and cost.
- When the STAR contract is due to expire, the terms should be reviewed.

5. List of City Contracts

- The City is a 2% shareholder in the Strand Theater.
- More information was requested, including commencement and ending dates as well as amounts.

6. Report from Wade Trim

- There are additional questions, answers to be provided.

PILOT Discussion

- Information provided for the four (4) proposed PILOTS:
 1. Arborview Village
 2. Washington Square Apartments
 3. Casa Del Ray
 4. The Hamilton Limited Dividend Housing Association Ltd.
- Only about 22% of the money is received from a PILOT (Schools, Oakland County and the State)
- Document provided reflecting what each would pay with and without a PILOT.
Arborview for example, if no PILOT is given, the Ad Valorem amount would be \$84,156, with a PILOT at 6%, the payment would be \$17,419, for a difference of \$66,737.
- There are three (3) main goals:
 1. Create a policy that will work and provide money for the City,
 2. Not to allow less than a 6% payment and
 3. Create a Development Agreement that will provide the City with some control and that will assure maintenance and good management.
- A benefit is given to businesses that sign the Development Agreement. Instead of the 10% payment required by MSHDA, the payment is reduced to 6% or 8% and a recommendation is given for approval.
- Each of the four (4) PILOT's serves a different need.
- MSHDA cannot undue a deal.
- There must be a review of the demographics for the next 5-15 years in order to determine whether there is an adequate and convenient housing inventory.
- The senior population is increasing and there is a need for affordable housing. West Manor serves as an example. So many of the displaced seniors could not find affordable housing in the area.

Adjourned: 5:00 p.m.

Pontiac City Council Resolution



WHEREAS, Attorney Reginald M. Turner of the law firm Clark Hill has presented a revised engagement letter dated March 20, 2018, to the Pontiac City Council regarding temporary legal representation of the Pontiac City Council with regard to matters pending before said Council; and,

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

WHEREAS, Section 4.204 of the Pontiac City Charter also provides that the Pontiac City Council may engage independent legal counsel on a temporary basis for purposes of obtaining the opinion or advice of independent legal counsel in any matter pending before it, and the revised Clark Hill letter specifically tracks this provision.

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 20, 2018, provided by Clark Hill.



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President and City Council Members

FROM: Jane Bais-DiSessa, Deputy Mayor *Jane Bais-DiSessa*

DATE: March 23, 2018

Cc: Nevrus Nazarko, Finance Director, Anthony Chubb, City Attorney,

RE: **Second Request – Consider Awarding Demolition Contract to International Construction for Batch 9 (\$86,927.00) and Batch 11 (\$91,312.00).**

RECEIVED
2018 MAR 23 PM 12:53
PONTIAC CITY CLERK

It is respectfully requested that my recommendation to award the demolition contract to International Construction for Batch 9 and Batch 11 be reconsidered. Approval of this recommendation will result in a savings of \$78,000.00, which can be used for the demolition of additional properties.

However, as mentioned in an earlier memo to the City Council, should this recommendation not be considered, additional costs to the City would result due to the boarding and potential retesting of the 18 properties ready for demolition. It is estimated that these costs will range between \$10,000 and \$48,000.

Attached is an updated memo from Mr. Francesco Monaco, General Manager for International Construction, which indicates that accepts the project, will maintain his original bid, and will complete it in 30 days.

Also, with regards to the required use of "sand" as fill material for demolished properties, I have reviewed the City Charter and have spoken with both the DPW Director and Building Official to address this matter fully. Please know that the City Charter does not require the use of "sand." Section 22-549 (a) of the City's Demolition Ordinance states:

- (a) **Backfill.** When site conditions permit, as determined by the Community Development Director or his designee, on-site soil may be used as backfill material. The top nine to 12 inches of topsoil shall be stripped and stockpiled on site for use as final topsoil and grading material. If adequate topsoil is not available on site, the contractor shall bring in enough topsoil from off site to place a minimum four-inch cover on the entire site. Excess excavation materials shall be removed from the site. Topsoil material shall not be permitted as deep fill material.

Memorandum – Second Request RE: Demolition Contract

March 23, 2018

Page 2 of 2.

Any borrow or fill material shall be approved by the Community Development Director or his designee or an approved third party engineer before and during the placing of the material. All depressions on the property shall be filled, compacted to 95 percent capacity, and graded to a uniform slope with adequate drainage.

For your information, as required by HUD regulations, attached is a copy of the signed sworn statement to confirm that a contractor has used "clean fill material meeting or exceeding contract specifications."

Lastly, please know that on December 5, 2017, Milford Salvage was given a 60-day extension for Batch 9 and Batch 11. Unfortunately, due to management and fiscal concerns, Milford was unable to meet their completion deadline.

The City's Demolition program is vital to the elimination of blight in our neighborhoods; to delay its implementation for even a few months would be detrimental. Again, I respectfully request your favorable support of this item.

Thank you.

Attachment



53618 Cherrywood
Shelby Township, MI 48315
Phone: (586) 749-9895
Fax: (586) 749-9896

3/22/2018

Good Day Mr. Belyue,

In regards to Pontiac Demolition Batch 9, our original bid price still stands with the elimination of 623 Arthur, 409 Bloomfield , & 502 Bloomfield. The remaining homes will retain their original bid price for a total of seven homes at a cost of \$86,927.00. We would be able to start this project immediately and have it completed within 30 days weather permitting.

In regards to Pontiac Demolition Batch 11, our original bid price still stands with the elimination of 488 Bloomfield & 896 Sarasota. The remaining homes will retain their original bid price for a total of eleven homes at a cost of \$91,312.00. We would be able to start this project immediately and have it completed within 30 days weather permitting.

Both Batch 9 & Batch 11 take high priority and will begin immediately following permit acquisition. Thank you for this opportunity!

Regards,

Francesco Monaco
General Manager

[illegible]

Francesco Monaco.

The following 14 properties located in Pontiac MI:

37 N FRANCIS 92 S FRANCIS 33 S MIDLAND
79 S MIDLAND 22 N EASTWAY 500 RAEBURN
296 CRYSTAL LAKE 314 E WILSON 312 RAEBURN
272 S SANFORD 350 E JUDSON 32 S PADDOCK
385 UNIVERSITY 398 JORDON

[illegible]

SUB TOTALS								
Name of Subcontractor, Supplier, or Laborer	Type of Improvement Furnished	Total Contract Price	Amount Already Paid	Amount Currently Owning	Balance to Complete	Amount of Laborer Wages Due But Unpaid	Retention	Amount of Laborer Fringe Benefits and Withholdings Due But Unpaid
TOTALS		0.00	W/A					

That the contractor has not procured material from, or subcontracted with, any person other than those set forth on the reverse side and owes no money for the improvement other than the sums set forth on the reverse side.

Deponent further says that he or she makes the foregoing statement as the (contractor)(subcontractor)(supplier) or as _____ of the (contractor)(subcontractor)(supplier) for the purposes of representing to the owner or lessee of the premises described on the reverse side and his or her agents that the property described on the reverse side is free from claims of construction liens, or the possibility of construction liens, except as specially set forth on the reverse side hereof and except for claims of construction liens by laborers which may be provided pursuant to Section 109 of the Construction Lien Act, Act No. 497 of the Public Acts of 1980, as amended, being Section 570.1109 of the Michigan Compiled Laws.

WARNING TO OWNER: AN OWNER OR LESSEE OF THE PROPERTY DESCRIBED ON THE REVERSE SIDE HEREOF MAY NOT RELY ON THIS SWORN STATEMENT TO AVOID THE CLAIM OF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING OR A LABORER WHO MAY PROVIDE A NOTICE OF FURNISHING PURSUANT TO SECTION 109 OF THE CONSTRUCTION LIEN ACT TO THE DESIGNEE OR TO THE OWNER OR LESSEE IF THE DESIGNEE IS NOT NAMED OR HAS DIED.

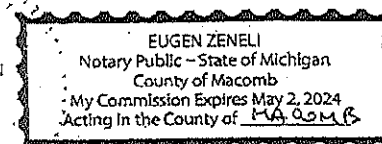
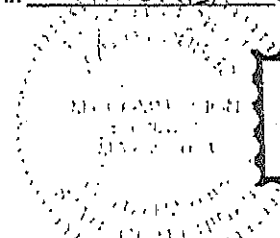
"IF THIS SWORN STATEMENT IS IN REGARD TO A RESIDENTIAL STRUCTURE, ON RECEIPT OF THE SWORN STATEMENT, THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S DESIGNEE, MUST GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, BY TELEPHONE, OR PERSONALLY, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSED UNDER SECTION 108 OR 108A, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT. IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO IS ENTITLED TO NOTICE OF RECEIPT OF THE SWORN STATEMENT MAKES A REQUEST, THE OWNER, LESSEE, OR DESIGNEE SHALL PROVIDE THE REQUESTER A COPY OF THE SWORN STATEMENT WITHIN 10 BUSINESS DAYS AFTER RECEIVING THE REQUEST."

WARNING TO DEPONENT: A PERSON, WHO WITH INTENT TO DEFRAUD, GIVES A FALSE SWORN STATEMENT IS SUBJECT TO CRIMINAL PENALTIES AS PROVIDED IN SECTION 110 OF THE CONSTRUCTION LIEN ACT, ACT NO. 497 OF THE PUBLIC ACTS OF 1980, AS AMENDED,

BEING SECTION 570.1110 OF THE MICHIGAN COMPILED LAWS.

Francisco Moraco, General Manager (Deponent)
 Subscribed and sworn to before me this 20th day of
FEBRUARY, 2018.

EUGEN ZENELI, Notary Public
MACOMB County, Michigan
 My commission expires: MAY 24 2024
 Acting in MACOMB County





March 14, 2018

Ms. Jane Bais Disessa, Deputy Mayor
City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

RE: DEMOLITION CONTRACTOR RECOMMENDATION

Dear Jane:

I have requested on several occasions, a written schedule from Milford Salvage an Iron, to complete their contract for the demolition of the houses in Batch 9 and Batch 11. I have not received a schedule of completion, the progress is well behind the Contract time frame has expired. Therefore, I recommend that the City of Pontiac deny an extension of the current contract, based on their progress to date. As of this letter, Milford has only demolished four (4) houses and has been issued permits for three additional houses.

Property Demolished

488 Bloomfield (Batch 11)
409 Bloomfield (Batch 9)
502 Bloomfield (Batch 9)
623 Arthur (Batch 9)

Property Permitted

62 Murray (Batch 9)
1017 Cherrylawn (Batch 11)
1083 Cherrylawn (Batch 11)

Property Permit Requested

84 Matthews (Batch 9)
74 Ogemaw (Batch 9)
810 Melrose (Batch 11)
82 Princeton (Batch 11)
69 Waldo (Batch 11)

I would recommend awarding the remaining properties to International Construction who has completed Batch 8 and 10. Attached is a letter from International agreeing to honor the pricing originally submitted with their Bid. This option would save the City of Pontiac approximately \$54,000.00 on Batch 11 and \$24,000.00 for Batch 9.

If you have any questions or require any clarification, please contact me.

Best Regards,

Dwight E. Belyue
CEO

DCR Services & Construction, Inc. 828 South Dix Street, Detroit, MI 48217
SBA Certified: 8(A), HUBZone and Small Disadvantaged Business

Memorandum

To: Honorable Mayor, Council President and City Council Members

From: Michelle L. McKenzie, Purchasing Agent

Through: Jane Bais-DiSessa, Deputy Mayor

Date: March 15, 2018

Re: Home Demolitions Contractor Recommendation Batch 9 & 11

The City advertised for bids for Home Demolitions. The proposals were accepted on October 2, 2017 at 2:00 pm in the office of the City Clerk and publically opened at that time.

The award for Home Demolition Batches 9 & 11 went to Milford Salvage & Metal Co. Inc. Although Milford was not the low bidder on Group 9 & 11 the award was recommended to Milford in an attempt to speed up the schedule of completion to meet Oakland County's spending timelines with HUD. Since the inception of the contract Milford Salvage has failed to perform the services in the timeframe outlined in the contracts and amendments, therefore Milford Salvage is in default of their contractual duties and obligations.

In an effort to continue the demolition process for Batch 9 & Batch 11, International Construction, Inc. was contacted about the demolition of the remaining houses in Batch 9 and Batch 11. International received the contract awards for Home Demolition Batch 8 & 10. International has completed demolition of Batch 8 and currently are in the process of finishing demolition for Batch 10. International Construction has proven their ability to meet the demands of a strict demolition schedule.

International has agreed to hold their original prices they submitted with their bids. By allowing International Construction, Inc. to finish the demolition batches 9 & 11, this action will save approximately \$ 75,000 in construction costs. Future demolition projects will benefit from the incurred savings.

Any delay in approving these contracts will hinder the completion of demolition batches 9 & 11. The contracts will be paid with Community Development Block Grant (CDBG) funds. International's contract bid amount for Batch 9 is \$ 86,927.00. International's contract bid amount for Batch 11 is \$ 91,312.00.

As such, it is recommended that the City authorize the Mayor or Deputy Mayor to enter into a contract with the above-mentioned contractor, International Construction, Inc.:

WHEREAS, the City of Pontiac advertised and received responses to a request for proposals for Home Demolition for Batches 9 & 11 on October 2, 2017 and publically opened bids; and,

WHEREAS, the original contractor has defaulted on their contracts and the remaining homes in Batch 9 & 11 need to be demolished; and,

WHEREAS, in an attempt to finish demolition of the remaining homes in Batch 9 & 11, International Construction, Inc. was contacted; and,

WHEREAS, International Construction, Inc. has agreed to hold their original bid prices, for Batch 9 in the amount of \$ 86,927.00 and Batch 11 in the amount of \$ 91,312.00; and,

WHEREAS, the contracts will be granted to International Construction, Inc. The total funding for all work performed, by the contractor, under this agreement and will be funded by CDBG dollars;

NOW, THEREFORE, BE IT RESOLVED that the Pontiac City Council authorize the Mayor and/or Deputy Mayor to sign a contract with; International Construction, Inc. for Home Demolitions for Batch 9 in the amount of \$ 86,927.00 and Batch 11 in the amount of \$ 91,312.00.

REVISED BID TAB

BATCH # 9A
 DATE: 10/2/2017
 # OF HOUSES: 10
 ACTIVITY: DEMOLITION

ADDRESS:	Milford Salvage Iron & Metal Co. Inc	Able Demolition	Salenbien Trucking & Excavating Inc.	International Construction Inc.	Blue Star, Inc.	Homrich	
623 ARTHUR AVE							
409 BLOOMFIELD AVE							
502 BLOOMFIELD AVE							
65 GILLESPIE	\$ 22,728.12	\$ 24,442.00	\$ 24,800.00	\$ 20,338.00	\$ 22,300.00	\$ 23,467.00	
113 LINCOLN	\$ 16,145.41	\$ 17,372.00	\$ 19,224.00	\$ 13,080.00	\$ 17,200.00	\$ 19,191.00	
111 MARY DAY AVE	\$ 14,560.95	\$ 15,150.00	\$ 18,048.00	\$ 10,829.00	\$ 14,600.00	\$ 18,394.00	
64 MATTHEWS	\$ 16,245.68	\$ 16,564.00	\$ 20,280.00	\$ 12,168.00	\$ 14,900.00	\$ 17,881.00	
62 MURRAY	\$ 13,180.22	\$ 14,443.00	\$ 16,032.00	\$ 9,619.00	\$ 13,800.00	\$ 14,702.00	
74 OGEMAW	\$ 16,592.43	\$ 15,958.00	\$ 16,740.00	\$ 11,590.00	\$ 14,800.00	\$ 15,497.00	
15 SHORT	\$ 13,281.56	\$ 14,140.00	\$ 15,504.00	\$ 9,303.00	\$ 14,300.00	\$ 16,030.00	

BID TOTAL \$ 112,734.37 \$ 118,069.00 \$ 130,628.00 \$ 86,927.00 \$ 111,900.00 \$ 125,162.00

Name/Work Activity of RFP:

HOME DEMOLITION 9A

Witness:

Michelle McKenzie Sheila Grandison

Witness:

Jane Bais-DiSessa

Opened by City Clerk:

Sherikia Hawkins

Date:

10/2/17 @ 2:00 pm

REVISED BID TAB

BATCH # 11A
 DATE: 10/2/2017
 # OF HOUSES: 12
 ACTIVITY: DEMOLITION

ADDRESS:	Milford Salvage Iron & Metal Co. Inc	Able Demolition	Salenbien Trucking & Excavating Inc.	International Construction Inc.	Blue Star, Inc.	Homrich	
488 BLOOMFIELD AVE							
1017 CHERRYLAWN DR	\$ 7,948.68	\$ 9,090.00	\$ 10,000.00	\$ 2,940.00	\$ 11,600.00	\$ 9,208.00	
1083 CHERRYLAWN DR	\$ 15,253.43	\$ 17,271.00	\$ 20,940.00	\$ 12,215.00	\$ 14,200.00	\$ 16,971.00	
15 HOWARD E	\$ 18,238.66	\$ 17,372.00	\$ 19,308.00	\$ 11,332.00	\$ 18,300.00	\$ 18,159.00	
703 MANSFIELD E	\$ 11,594.72	\$ 11,716.00	\$ 11,102.00	\$ 5,620.00	\$ 14,800.00	\$ 14,545.00	
810 MELROSE ST	\$ 10,397.66	\$ 11,817.00	\$ 11,160.00	\$ 6,510.00	\$ 11,600.00	\$ 13,394.00	
912 MELROSE ST	\$ 12,404.36	\$ 14,544.00	\$ 14,340.00	\$ 8,435.00	\$ 13,500.00	\$ 15,756.00	
36 ORTON	\$ 10,544.39	\$ 12,423.00	\$ 13,584.00	\$ 5,943.00	\$ 14,300.00	\$ 14,217.00	
82 PRINCETON E	\$ 12,461.36	\$ 11,716.00	\$ 15,680.00	\$ 5,529.00	\$ 12,200.00	\$ 13,412.00	
896 SARASOTA							
19 STOWELL ST	\$ 15,010.63	\$ 15,857.00	\$ 18,840.00	\$ 10,990.00	\$ 15,600.00	\$ 16,182.00	
69 WALDO	\$ 18,009.60	\$ 20,200.00	\$ 23,400.00	\$ 13,720.00	\$ 19,700.00	\$ 20,524.00	
171 WALL	\$ 13,978.26	\$ 15,554.00	\$ 13,728.00	\$ 8,078.00	\$ 14,900.00	\$ 14,851.00	
BID TOTAL	\$ 145,841.75	\$ 157,560.00	\$ 172,082.00	\$ 91,312.00	\$ 160,700.00	\$ 167,219.00	

Name/Work Activity of RFP:

HOME DEMOLITION 11A

Witness:

Michelle McKenzie Sheila Grandison

Witness:

Jane Bais-DiSessa

Opened by City Clerk:

Sherikia Hawkins

Date:

10/2/17 @ 2:00 pm

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 22, 2018

RE: The Development Agreement for JGH Consulting, LLC Request for a PILOT

RECEIVED
2018 MAR 23 PM 12:44
PONTIAC CITY CLERK

On March 13, 2018, we introduced the Oneida Limited Dividend Housing Association, LLC payment in lieu of taxes (PILOT) ordinance for Casa del Rey located at 111 Oneida.

The Executive Office recommends adoption of the ordinance contingent upon the MSHDA award of the LIHTC housing credits for this project.

In addition, we are requesting approval of the Development Agreement that is a part of this project. The agreement is attached for your review and consideration.

Since the agreement is crucial to the success of the PILOT ordinance, we are recommending that the Council adopt the following resolution.

Resolution for the Approval of the Development Agreement between Oneida Limited Dividend Housing Association, LLC and the City of Pontiac

WHEREAS, the Pontiac City Council adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the Oneida Limited Dividend Housing Association, LLC (Casa del Rey) from property taxes in lieu of a service charge, commonly referred to as "Payment in Lieu of Taxes" ("PILOT"); and

WHEREAS, the City and Casa del Rey have entered into a Development Agreement for the project;

NOW THEREFORE BE IT RESOLVED THAT, the Pontiac City Council approves the Development Agreement between the Oneida Limited Dividend Housing Association, LLC and the City of Pontiac.

Be it further resolved that the Pontiac City Council authorize the Mayor to execute the agreement on behalf of the City.

Development Agreement
(111 Oneida – Casa del Rey)

This Development Agreement (the "Agreement") is executed and effective this ____ Day of March, 2018, between the CITY OF PONTIAC (the "City"), a Michigan municipal corporation, and *Oneida Limited Dividend Housing Association, LLC, a Michigan limited liability company* (the "Owner"), a Michigan limited liability company.

WHEREAS, Casa del Rey, an existing apartment building in the Seminole Hills neighborhood of the City of Pontiac, is a historic 51-unit 4.5 story apartment complex that has sat vacant for over a decade; and

WHEREAS, the Owner wishes to redevelop the apartment building into an age-restricted senior housing complex using Historic Tax Credits and the MSHDA LIHTC program; and

WHEREAS, the Owner has requested a Payment In Lieu of Taxes (PILOT) from the City and other considerations, which the City is willing to provide so long as the following terms and conditions are agreed upon and adhered to for the length of the PILOT;

Terms

In consideration for the foregoing, Owners hereby agree as follows:

1. No Preemption. Unless otherwise provided for specifically herein, this Agreement shall not be deemed to waive, preempt or make unnecessary any applicable municipal or governmental process, including but not limited to zoning, variances, brownfield and economic incentives, assessments or fees and that Owners and/or any user will be required to submit and participate in any appropriate process as provided in the City's ordinances, rules and/or regulations, including all applicable commissions and City Council matters and processes.
2. Jobs. Owner shall make all reasonable efforts to use Pontiac contractors and subcontractors, as well as hire Pontiac residents whenever possible. Owner shall also establish an internship or apprenticeship program focused on the education of Pontiac residents.
3. Notification of Transfer. Owner must notify City in the event of a transfer of general partnership or of ownership of the building.
4. Management Notification. The City shall be notified of the management company and the Building Safety department shall be provided with direct contact information to the Manager. Any management company that falls into poor standing with the City will be required to provide a monthly report to the Mayor's office outlining each violation and the timeline and

process for amending said violations. Poor standing will be defined but not limited to the following;

- a. Three or more citations written for the same issue with no action taken to rectify the violation
5. Annual Review. Rental Inspection Certification shall be completed on a yearly basis, within the second quarter of the year. City Building Safety division shall hold an Annual Review of all ordinance violations with management company.
6. Vacancy. Vacancy rate shall be reported to City, for the preceding year and on a monthly basis, at time of Annual Review.
7. Security. Management company must maintain a municipally approved security plan. At the time of Annual Review, an incident report from the Sheriff's office must be provided to the City. The City shall decide whether or not the security plan shall be amended.
8. Maintenance Reserve. Owner will maintain a reasonable maintenance reserve, and will provide a pro forma of that account at Annual Review.
9. Resident Council. The management company is to assist renters with the creation of a Resident Council.
10. Compliance with Applicable Regulations. Owner hereby agrees to cause its respective Property to comply with all local, State and Federal regulations applicable to such Property, as may be amended.
11. Term. This Agreement shall correspond to the term of the PILOT agreement as approved by Pontiac City Council.
12. Notices. All notices or communications required by this Agreement to be given shall be sufficiently given in writing and shall be deemed delivered when personally served or when mailed by express courier or registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties listed below:

To the City:

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Building Official

With Copy To:

47450 Woodward Avenue
Pontiac, MI 48342
Attention: Deputy Mayor

To the Owner:

120 S. Leroy St.
Fenton, MI 48430
Attn: Robert Beale

13. Binding Effect. This Agreement shall be binding upon the parties hereto and upon their respective permitted successors and assigns.
14. Conditions of Breach and Costs. Upon finding of breach pursuant to legal action, the Owner shall be responsible for all costs and fees associated with such action, including all actual attorney's fees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

OWNER

A Michigan limited liability company

By: _____

Name:

Title:

CITY

CITY OF PONTIAC

A Michigan municipal corporation

Hon. Deirdre Waterman
Mayor



CITY OF PONTIAC
Department of Building Safety & Planning

RECEIVED
2018 MAR 23 PM 12:44
PONTIAC CITY CLERK

Mayor Deirdre Waterman

MEMORANDUM

TO: Honorable Mayor, Council President, and City Council

FROM: Arthur F. Mullen, AICP – Interim City Planner
Through the Office of Deputy Mayor – Jane Bais-Disessa

SUBJECT: Neighborhood Revitalization Plan – For the Study Area Including Portions of
Districts 1 and 2
Planning Commission Recommendation

DATE: March 23, 2018

Analysis of Request

The City has received a request from the developers of the Casa del Ray apartment redevelopment project to facilitate the development of a Neighborhood Revitalization Plan that covers portions of City Council Districts 1 and 2. Communities of Hope and Morgan Development have engaged the urban planning firm McKenna to develop a revitalization plan for the broader neighborhood around their proposed development.

The Michigan State Housing Development Authority (MSHDA) is the federally appointed conduit for housing funds within the State. MSHDA provides numerous funding programs to support the development of low and moderate income housing statewide. One of their programs is the nine percent Low Income Housing Tax Credit program, and as a part of the review of applications, applicants are able to gain review points by having their developments included within adopted Neighborhood Revitalization Plan areas.

This proposed Neighborhood Revitalization Plan covers much of the Pontiac's west side, which includes parts of City Council Districts 1 and 2. The boundaries of the plan area are generally Elizabeth Lake Road and Johnson Street on the north; Southbound Woodward Avenue and Bagley Street on the east; Crystal Lake and Orchard Lake Road on the south; and Telegraph Road on the west.

The Neighborhood Revitalization Plan builds upon the recommendations that are found within Pontiac's 2014 Master Plan and the City's revised Parks and Recreation Plan.

The Neighborhood Revitalization Plan was drafted with public input from: three roundtable discussions with city leaders, elected officials, business leaders, and residents; respondents to online surveys; and

input from attendees at two community meetings. Concepts of the plan were shared with the Planning Commission at its March 7, 2018 meeting.

A special meeting of the Planning Commission will be held on March 26, 2018 so that the draft plan may be presented to the commission members and that they may consider the recommendations found within the plan. The Planning Commission will be asked at this meeting to make a recommendation regarding if City Council should adopt a resolution endorsing the plan.

Adoption of this Neighborhood Revitalization Plan will not affect the goals or objectives found within the City's 2014 Master Plan or other regulatory documents. The goals and objectives outlined within the plan are non-binding upon the City, but the plan may serve as a guide to encourage development on the City's west side. The recommendations found within the plan have merit, and they may be utilized to inform a future revision to the City's Master Plan.

Neighborhood Revitalization Plan –
For A Study Area Including Portions of Districts 1 and 2

Resolution

Whereas, The City has received a request from the developers of the Casa del Ray redevelopment to support their efforts by backing the drafting of a Neighborhood Revitalization Plan per the standards of the Michigan State Housing Development Authority for its Low Income Housing Tax Credit program; and

Whereas, The Planning Division and City Administration have supported the efforts of planning consultant McKenna to prepare the development of the proposed Neighborhood Revitalization Plan; and

Whereas, The draft Neighborhood Revitalization Plan - For the Study Area Including Portions of Districts 1 and 2 has been prepared for the area generally bounded Elizabeth Lake Road and Johnson Street on the north; Southbound Woodward Avenue and Bagley Street on the east; Crystal Lake and Orchard Lake Road on the south; and Telegraph Road on the west; and

Whereas, The recommendations within the draft Neighborhood Revitalization Plan are non-binding upon the City of Pontiac, but they outline underlying redevelopment and investment goals for the study area including the rehabilitation of the Casa del Ray building; and

Whereas, On March 26, 2018, the Planning Commission reviewed the draft Neighborhood Revitalization Plan - For the Study Area Including Portions of District 1 and 2; and

Whereas, The Planning Commission's at its March 26, 2018 meeting passed a resolution that recommends that City Council adopt the draft Neighborhood Revitalization Plan and supports the goals and objectives outlined in the plan that boost investment and residential redevelopment on the City's west side; and

Now Therefore, Be It Resolved, That City Council adopts the Neighborhood Revitalization Plan - For the Study Area Including Portions of Districts 1 and 2 that has been prepared and presented to the City and the redevelopment goals included within the plan.

Neighborhood Revitalization Plan Study Area Boundaries



MCKENNA

March 16, 2018

Hon. Council President Kermit Williams
Attention: Acting City Clerk Sheila Grandison
City of Pontiac
47450 Woodward Ave.
Pontiac, MI 48342

RECEIVED
2018 MAR 16 PM 5:03
PONTIAC CITY CLERK
Sent via email

Subject: REVISED Agenda Item Request, City Council Meeting March 27, 2018

Dear Hon. Council President Williams:

Per our discussion on March 15, 2018, we understand that the City Council agenda on March 20, 2018, may be too full for a presentation of the Draft Neighborhood Revitalization Plan for a Study Area Including Portions of Districts 1 and 2. We appreciate your consideration of our request, and your allowing us to place the draft plan on the agenda for the March 27th meeting, during which time the Council will consider adoption of the plan. As you know, we have been working with Pontiac elected and appointed officials (and City Administration), residents, and business / non-profit stakeholders on this plan, which covers an area in the southwest portion of the City (study area map attached).

Request

For clarity and confirmation, we respectfully ask that you place the following on the agenda for March 27th:

- Consideration of draft Neighborhood Revitalization Plan for a Study Area Including Portions of Districts 1 and 2.


We understand that the 27th is a Study Session; we humbly request that we be able to present during the meeting and that the City Council consider adoption of the plan during the meeting on the 27th (i.e. that Council take action during the Study Session).

Conclusion

Our team has been collaborating with the Mayor's Office, City Administration, Councilmembers, the Planning Commission, and neighborhood groups on this effort. We are very excited by the assets and opportunities that are present in the Study Area, and feel that our plan will support the great work already being done by the City and its partners. Thank you for your consideration; please contact me at (248)596-0920 with any questions.

Respectfully submitted,

MCKENNA



Sarah Traxler, AICP, NCI
Vice President



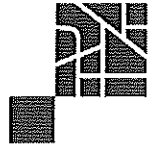
Molly Redigan
Assistant Planner

Cc: Hon. Mayor Deirdre Waterman
Rachel Loughrin, Economic Development Director
Arthur Mullen, AICP, Interim City Planner

HEADQUARTERS
235 East Main Street
Suite 105
Northville, Michigan 48167

O 248.596.0920
F 248.596.0930
MCKA.COM

Communities for real life.



Neighborhood Revitalization Plan

Pontiac, Michigan

Items to be Investigated for Inclusion in Plan

Introduction to Neighborhood Plans

Neighborhood Plans address the areas that many people feel most passionately about, and therefore have most concern for – the neighborhoods around their homes (whether they live in a single-family home or apartment). Therefore, neighborhood planning is a very personal exercise and process, and requires meaningful conversations with the residents of the areas for which you are preparing a plan.

At McKenna, we believe that a neighborhood should fulfill three important “duties” to be functioning at its best for residents:

- 1** Set the stage for memorable human interactions to occur. This requires a network of pedestrian-friendly streets connecting great civic spaces such as plazas, squares, greens, and parks. Both the streets and the civic spaces should be enclosed as outdoor rooms by a fabric of buildings appropriate to the region in which they are built, and interspersed occasionally (especially at civic spaces) with memorable civic buildings.
- 2** Provide a baseline of predictability. No matter how good the physical environment, visitors and investors won't often come to a neighborhood where basic services don't work. Nor will they often come to a neighborhood where their personal safety is too much in doubt. When services and safety get bad enough for long enough, residents will begin to move elsewhere.
- 3** Provide a broad selection of opportunities to thrive and prosper. Once, financial opportunities dominated this discussion, but today thriving includes the quality of life, not just the standard of living. In other words, the neighborhood's “cool factor” is growing in importance.

Keeping these imperatives in mind, communities approach our team to prepare Neighborhood Plans for one or more neighborhoods. In Pontiac, we have prepared a planning boundary / study area (attached) based on the following elements:

- The neighborhood planning boundary was drawn to include two properties that are planned for rehabilitation in the short- and mid-term: 111 Oneida (1st priority) and 94 Dwight (2nd priority).
- The boundaries are mostly major corridors, not minor roads.
- The City encouraged us to include the peninsula on the north side of Crystal Lake, as well as to extend the boundary over to Woodward.
- We assess both sides of a street, and don't “stop” our boundary or plan in the centerline of a road.

The proposed study area includes portions of Pontiac's 1st and 2nd districts.

What's Typically Included in a Neighborhood Revitalization Plan?

The following are typical elements in a Neighborhood Plan, including Neighborhood Revitalization Plans. McKenna has prepared a number of Neighborhood Plans over our almost 40 years serving Michigan's local units of government, and include many of these components – dependent on the local needs, conditions, and desire or elected and appointed officials.

EXISTING CONDITIONS AND INVESTIGATION:

1. Community Profile and Analysis of Existing Conditions: We establish a baseline of current conditions against which to compare projected and recommended changes. Also, during the introductory process, we review historic development patterns and previously prepared studies to help identify this baseline, including:
 - a. Evaluation of Current and Past Studies and Plans of City of Pontiac.
 - b. Regional Context.
 - c. Local Context:
 - Existing Land Use Survey.
 - Civic and Cultural Assets and Facilities.
 - Transportation Infrastructure, including non-motorized and motorized.
 - Natural Features.
 - d. Results in a Neighborhood Profile.
2. Strategic Issues Investigation: Following the introductory planning tasks, we often conduct a strategic issues investigation – this identifies specific issues of strategic importance to City leaders and Pontiac residents / stakeholders that may have an impact on the community.

Stakeholder Focus Groups – On March 1st, 2018, we conducted three Roundtable Discussions with key stakeholders in the study area. The first group was a handful of City leaders, including Council members (two) and staff. The second roundtable involved residents and investors in the proposed study area. Finally, we invited institutional stakeholders to the third roundtable. The purpose of the Roundtable Discussions is to allow us to conduct a targeted discussion of issues that are important to “like groups” of stakeholders. We will be conducting additional meetings, phone interviews, and conversations to bring about a successful plan for Pontiac.

CREATE A VISION:

1. Vision Statement: Based upon the input received from engaging the stakeholders, we typically prepare a vision statement for the Neighborhood Revitalization Plan.
2. Goals and Objectives: Following the strategic issues investigation, we formulate specific goals and objectives relative to the various components of the Plan. We then work with the City elected and appointed officials to further refine, as necessary.
3. Graphics: Our plans include sketches, graphic images, and/or photographs to clearly illustrate the concepts of the Neighborhood Revitalization Plan.



THE PLAN

Neighborhood Revitalization Plan text and maps typically include proposals for the location, character, extent, and relationship of future land uses including market-rate and assisted housing, circulation, and other public and private improvements based upon trend analysis, development and redevelopment needs, public infrastructure, and goals and objectives of the area.

Neighborhood Revitalization Plans also often include recommendations for location and development of a diversity of land use categories and mixed uses to address the following components of a sustainable urban neighborhood:

1. Statement of purpose and a community vision: This section of the plan often builds upon the results of the public engagement activities and the Vision Statement preparation resulting from the public and Roundtable Discussion meetings.
2. Plan Process: We document the planning process employed.
3. General Existing Conditions: Building on the 2nd step in the Planning process (strategic issues investigation, described above), we often prepare a chapter that outlines the existing conditions of the area, including:
 - Housing
 - Economy
 - Demographics
 - Land use
 - Zoning
 - Transportation
 - Parks and open space
 - Utilities, as made available by others
 - Existing sustainability assets
 - Environmental features
4. Current Land Use Analysis and Future Land Use Plan: Next, we prepare a Future Concepts Plan that describes strategies and goals for both new and redevelopment projects with a focus on sustainable development – economically, environmentally and socially. The Future Concepts Plan typically contains recommendations for building design and site placement, opening the possibility for future zoning improvements.
5. Transportation Assessment: We often include an assessment of the existing and future transportation infrastructure in the study area. The Plan will provide options for future improvements, including thoroughfares and non-motorized routes for cyclists and pedestrians.
6. Recreation, Open Space and Environmental Assessment and Placemaking Plan: Additionally, we typically catalog the study area's recreation, open space and environmental assets and infrastructure. From these analyses, we prepare a plan for the future placemaking, modification or disposition of recreation and placemaking for the area.



7. Plan for Priority Areas – Economic Development and Residential Growth: Next, we utilize the data assembled in the above-listed project activities and identify areas for priority attention and future focus of public and private resources; we also typically prepare recommendations for non-residential economic development activities. Finally, we provide redevelopment or new development recommendations, depending on the existing conditions of the priority neighborhoods, that encompass leading / best practice in a number of categories.
8. Project Matrix: We include an implementation matrix as a easy-to use, concise list of implementation-ready projects that can be pursued over the life of the Plan.
- The matrix will describe:
- Each project element and location
 - Possible methods for implementing each element.
 - Potential performance measures to know if / when tasks are accomplished.
 - Possible funding opportunities and partners for the project.

Why Would a Developer Pay for a Neighborhood Revitalization Plan for a Local Unit of Government?

For low-income housing tax credits at the state level, applicants receive 10 extra points on their application scoring if a Neighborhood Revitalization Plan is in place. Thus, to strengthen the tax credit application for the 111 Oneida, the developer contracted with McKenna to prepare this plan, present it to the City, and hopefully develop enough buy-in and value to City of Pontiac leaders and residents that the City adopts the plan.

Conclusion

We look forward to working with Pontiac's elected and appointed officials to prepare a plan that helps your team accomplish its goals. Please contact Sarah Traxler, AICP, at straxler@mcka.com or (248)596-0920 for more information. Thank you.



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 22, 2018

RE: The Development Agreement for the Venture, Inc. Request for a PILOT

RECEIVED
2018 MAR 23 PM 1:36
PONTIAC CITY CLERK

On March 13, 2018, we introduced the Venture Washington LDHALP payment in lieu of taxes (PILOT) ordinance for Washington Square located at 710 Menominee.

The Executive Office recommends adoption of the ordinance contingent upon the MSHDA award of the LIHTC housing credits for this project.

In addition, we are requesting approval of the Development Agreement that is a part of this project. The agreement is attached for your review and consideration.

Since the agreement is crucial to the success of the PILOT ordinance, we are recommending that the Council adopt the following resolution.

Resolution for the Approval of the Development Agreement between Venture Washington LDHALP and the City of Pontiac

WHEREAS, the Pontiac City Council adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the Venture Washington LDHALP (Washington Square) from property taxes in lieu of a service charge, commonly referred to as "Payment in Lieu of Taxes" ("PILOT"); and

WHEREAS, the City and Washington Square have entered into a Development Agreement for the project;

NOW THEREFORE BE IT RESOLVED THAT, the Pontiac City Council approves the Development Agreement between the Venture Washington LDHALP and the City of Pontiac.

Be it further resolved that the Pontiac City Council authorize the Mayor to execute the agreement on behalf of the City.

Development Agreement (710 Menominee – Washington School)

This Development Agreement (the "Agreement") is executed and effective this ____ Day of March 2018, between the CITY OF PONTIAC (the "City"), a Michigan municipal corporation, and Venture Washington LDHALP (the "Owner"), a Michigan limited liability company.

WHEREAS, the Owner is reconstructing the Washington Middle School in the Ottawa Hills neighborhood of the City of Pontiac that was built in the 1920s; and

WHEREAS, the Owner wishes to redevelop the apartment building into a two story affordable senior housing complex using Historic Tax Credits and the MSHDA LIHTC program;

NOW THEREFORE, the Owner has requested a Payment In Lieu of Taxes (PILOT) from the City and other considerations, which the City is willing to provide so long as the following terms and conditions as noted below are agreed upon and adhered to for the length of the PILOT.

Terms & Conditions

In consideration for the foregoing, Owner hereby agrees as follows:

1. **No Preemption.** Unless otherwise provided for specifically herein, this Agreement shall not be deemed to waive, preempt or make unnecessary any applicable municipal or governmental processes. This includes, but is not limited to zoning, variances, brownfield and economic incentives, assessments or fees and that Owners and/or Users are required to submit and participate for any appropriate process as provided in the City's ordinances, City Charter, including any applicable City Commission(s) and City Council matters and processes.
2. **Jobs.** Owner shall make all reasonable efforts to use Pontiac contractors and subcontractors, as well as hire Pontiac residents whenever reasonably and economically possible. Owner shall also establish an internship or apprenticeship program focused on the education of Pontiac residents.
3. **Notification of Transfer.** Within a 48-hour period of its occurrence, Owner must notify City in the event of a transfer of general partnership or of ownership of the building.
4. **Management Notification.** The Owner shall provide the City and the Building Official with the name and address of the Management Company and the name and direct contact information (phone and email) of the Management Company's primary Manager. Should Management company fall into poor standing with the City, Operator will be required to provide a monthly report to the Mayor's office outlining each violation and the timeline and process for amending said violations. Poor

City of Pontiac
Development Agreement

standing is defined, but not limited as three or more code enforcement citations written for the same violation, with no action taken to rectify matter.

5. **Annual Review.** Rental Inspection Certification shall be conducted on an annual basis. The City's Building Safety division shall hold an Annual Review of all ordinance violations with the Management Company.
6. **Vacancy.** Vacancy rate shall be reported to City, for the preceding year and on a monthly basis, at time of Annual Review.
7. **Security.** Management Company must develop and maintain a municipally approved security plan. At the time of Annual Review, Owner must also provide the City with the latest Incident report from the Sheriff's office. The City shall decide whether the security plan shall be amended.
8. **Maintenance Reserve.** Owner will maintain a reasonable maintenance reserve, and will provide a pro forma of that account at Annual Review.
9. **Resident Council.** The management company is to assist renters with the establishment of a Resident Council.
10. **Compliance with Applicable Regulations.** Owner hereby agrees to cause its respective Property to comply with all local, State and Federal regulations applicable to such Property, as may be amended.
11. **Term.** This Agreement shall correspond to the term of the PILOT agreement as approved by the Pontiac City Council.
12. **Notices.** All notices or communications required by this Agreement may be delivered either in-person, or by registered mail to parties listed below:

To the City:

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Deputy Mayor

City of Pontiac
Development Agreement

With Copy To:

City of Pontiac
Attention: Building Official
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Building Official

To the Owner:

Venture INC.
196 Cesar E. Chavez Avenue
P.O. Box 430598
Pontiac, MI 48343-0598
Attn: Brad Michaud

13. **Binding Effect.** This Agreement shall be binding upon the parties hereto and upon their respective permitted successors and assigns.

14. **Conditions of Breach and Costs.** Upon finding of breach pursuant to legal action, the Owner shall be responsible for all costs and fees associated with such action, including all actual attorney's fees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

OWNER:

A Michigan Limited Liability company

By: _____

Name:

Title:

CITY:

CITY OF PONTIAC

A Michigan municipal corporation

Hon. Deirdre Waterman Mayor

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 23 PM 1:50
PONTIAC CITY CLERK

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 22, 2018

RE: The Municipal Services and Development Agreements for the Woda Group Request for a PILOT

On March 13, 2018, we introduced the The Hamilton Limited Dividend Housing Association Limited Partnership payment in lieu of taxes (PILOT) ordinance for 5 Carter Street- The Hamilton.

The Executive Office recommends adoption of the ordinance contingent upon the MSHDA award of the LIHTC housing credits for this project.

In addition, we are requesting approval of the Municipal Services Agreement and Development Agreement that are a part of this project. The agreements are attached for your review and consideration.

Since the agreements are crucial to the success of the PILOT ordinance, we are recommending that the Council adopt the following resolution.

Resolution for the Approval of the Municipal Services Agreement and Development Agreement between The Hamilton Limited Dividend Housing Association Limited Partnership and the City of Pontiac

WHEREAS, the Pontiac City Council adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the The Hamilton Limited Dividend Housing Association Limited Partnership (The Hamilton) from property taxes in lieu of a service charge, commonly referred to as "Payment in Lieu of Taxes" ("PILOT"); and

WHEREAS, The Hamilton has agreed to pay to the City and annual municipal services fee to defray the City's cost of providing police, fire and EMS services; and

WHEREAS, the City and The Hamilton have entered into a Municipal Services Agreement; and

WHEREAS, the City and The Hamilton also have entered into a Development Agreement regarding the PILOT

NOW THEREFORE BE IT RESOLVED THAT, the Pontiac City Council approves the Municipal Services Agreement and Development Agreement between the The Hamilton Limited Divided Housing Association Limited Partnership and the City of Pontiac.

Be it further resolved that the Pontiac City Council authorize the Mayor to execute the agreements on behalf of the City.

Development Agreement (5 Carter Street – The Hamilton)

This Development Agreement (the "Agreement") is executed and effective this ____ Day of March 2018, between the CITY OF PONTIAC (the "City"), a Michigan municipal corporation, and The Hamilton Limited Dividend Housing Association Limited Partnership (the "Owner"), a Michigan limited partnership.

WHEREAS, the Owner is constructing a 42 unit, 4 story multi-family affordable housing development at 5 Carter Street, in the City of Pontiac; and

WHEREAS, the Owner wishes to utilize Payment in Lieu of Taxes as well as the MSHDA LIHTC program;

NOW THEREFORE, the Owner has requested a Payment In Lieu of Taxes (PILOT) from the City and other considerations, which the City is willing to provide so long as the following terms and conditions as noted below are agreed upon and adhered to for the length of the PILOT.

Terms & Conditions

In consideration for the foregoing, Owner hereby agrees as follows:

1. **No Preemption.** Unless otherwise provided for specifically herein, this Agreement shall not be deemed to waive, preempt or make unnecessary any applicable municipal or governmental processes. This includes, but is not limited to zoning, variances, brownfield and economic incentives, assessments or fees and that Owners and/or Users are required to submit and participate for any appropriate process as provided in the City's ordinances, City Charter, including any applicable City Commission(s) and City Council matters and processes.
2. **Jobs.** Owner shall make all reasonable efforts to use Pontiac contractors and subcontractors, as well as hire Pontiac residents. Owner shall also establish an internship or apprenticeship program focused on the education of Pontiac residents.
3. **Notification of Transfer.** Within a 48-hour period of its occurrence, Owner must notify City in the event of a transfer of general partnership or of ownership of the building.
4. **Management Notification.** The Owner shall provide the City and the Building Official with the name and address of the Management Company and the name and direct contact information (phone and email) of the Management Company's primary Manager. Should Management company fall into poor standing with the City, Operator will be required to provide a monthly report to the Mayor's office outlining each violation and the timeline and process for amending said violations. Poor standing is defined, but not limited as three or more code enforcement citations written for the same violation, with no action taken to rectify matter.

City of Pontiac
Development Agreement

5. **Annual Review.** Rental Inspection Certification shall be conducted on an annual basis. The City's Building Safety division shall hold an Annual Review of all ordinance violations with the Management Company.
6. **Vacancy.** Vacancy rate shall be reported to City, for the preceding year and on a monthly basis, at time of Annual Review.
7. **Security.** Management Company must develop and maintain a municipally approved security plan. At the time of Annual Review, Owner must also provide the City with the latest incident report from the Sheriff's office. The City shall decide whether the security plan shall be amended.
8. **Maintenance Reserve.** Owner will maintain a reasonable maintenance reserve, and will provide a pro forma of that account at Annual Review.
9. **Resident Council.** The management company is to assist renters with the establishment of a Resident Council.
10. **Compliance with Applicable Regulations.** Owner hereby agrees to cause its respective Property to comply with all local, State and Federal regulations applicable to such Property, as may be amended.
11. **Term.** This Agreement shall correspond to the term of the PILOT agreement as approved by the Pontiac City Council.
12. **Notices.** All notices or communications required by this Agreement may be delivered either in-person, or by registered mail to parties listed below:

To the City:

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Deputy Mayor

With Copy To:

City of Pontiac
Attention: Building Official

City of Pontiac
Development Agreement

47450 Woodward Avenue
Pontiac, MI 48342
Attention: Building Official

To the Owner:

500 Front Street, 10th Floor
Columbus, OH 43215
Attn: Vice President and Associate General Counsel

13. **Binding Effect.** This Agreement shall be binding upon the parties hereto and upon their respective permitted successors and assigns.

14. **Conditions of Breach and Costs.** Upon finding of breach pursuant to legal action, the Owner shall be responsible for all costs and fees associated with such action, including all actual attorney's fees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

OWNER:

A Michigan Limited Liability company

By: _____

Name:

Title:

CITY:

CITY OF PONTIAC

A Michigan municipal corporation

Hon. Deirdre Waterman

Mayor

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
A Michigan municipal corporation

By: _____
Hon. Deirdre Waterman

Its: Mayor

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:

Tax Parcel No. To be inserted

EXHIBIT "B"
PILOT ORDINANCE
(ATTACHED)

RECEIVED

2018 MAR 20 PM 1:55

PONTIAC 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.

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 6% 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



DEPARTMENT OF ECONOMIC DEVELOPMENT

MEMORANDUM

TO: Honorable City Council

FR: Rachel Loughrin
Director, Economic Development

THRU: Jane Bais DiSessa
Deputy Mayor

DA: March 22, 2018

RE: The Municipal Services and Development Agreements for Sanford Arms Limited
Dividend Housing Association Limited Partnership Request to Amend PILOT
Ordinance 2110

RECEIVED
2018 MAR 23 PM 1:36
PONTIAC CITY CLERK

On March 13, 2018, the amendment request to Ordinance 2110 from Arborview Limited Dividend Housing Association, LLC for their payment in lieu of taxes (PILOT) ordinance for Arborview Apartments (formerly the Sanford Arms) was introduced.

The Executive Office recommends adoption of the ordinance contingent upon the MSHDA award of the LIHTC housing credits for this project.

In addition, we are requesting approval of the Municipal Services Agreement and Development Agreement that are a part of this project. The agreements are attached for your review and consideration.

Since the agreements are crucial to the success of the PILOT ordinance, we are recommending that the Council adopt the following resolution;

Resolution for the Approval of the Municipal Services Agreement and Development Agreement between Arborview Limited Dividend Housing Association, LLC and the City of Pontiac

WHEREAS, the Pontiac City Council adopted a Low Income Housing Tax Exemption Ordinance, effective _____, that exempts the Arborview Limited Dividend Housing Association, LLC (Arborview Apartments) from property taxes in lieu of a service charge, commonly referred to as "Payment in Lieu of Taxes" ("PILOT"); and

WHEREAS, Arborview Apartments has agreed to pay to the City and annual municipal services fee to defray the City's cost of providing police, fire and EMS services; and

WHEREAS, the City and Arborview Apartments have entered into a Municipal Services Agreement; and

WHEREAS, the City and Arborview Apartments also have entered into a Development Agreement regarding the PILOT

NOW THEREFORE BE IT RESOLVED THAT, the Pontiac City Council approves the Municipal Services Agreement and Development Agreement between the Arborview Limited Dividend Housing Association, LLC and the City of Pontiac.

Be it further resolved that the Pontiac City Council authorize the Mayor to execute the agreements on behalf of the City.

Development Agreement
(Arborview Limited Dividend Housing Association LLC)

This Development Agreement (the "Agreement") is executed and effective this ____ Day of March 2018, between the CITY OF PONTIAC (the "City"), a Michigan municipal corporation, and Arborview Limited Dividend Housing Association LLC (the "Owner"), a Michigan limited liability company.

WHEREAS, Owner is acquiring, rehabilitating, renovating, improving and owning a housing development to be known as Arborview Apartments, located at 100-167 Fiddis, 1-139 Leonard Court and 121-129 N. Sanford, within the City of Pontiac (the "Project"); and

WHEREAS, the Owner wishes to redevelop the Project using nine (9%) percent Tax Credits and the MSHDA LIHTC program.

NOW THEREFORE, the Owner has requested a Payment In Lieu of Taxes (PILOT) from the City and other considerations, which the City is willing to provide so long as the following terms and conditions as noted below are agreed upon and adhered to for the length of the PILOT.

Terms & Conditions

In consideration for the foregoing, Owners hereby agree as follows:

1. **No Preemption.** Unless otherwise provided for specifically herein, this Agreement shall not be deemed to waive, preempt or make unnecessary any applicable municipal or governmental processes. This includes, but is not limited to zoning, variances, brownfield and economic incentives, assessments or fees and that Owners and/or Users are required to submit and participate for any appropriate process as provided in the City's ordinances, City Charter, including any applicable City Commission(s) and City Council matters and processes.
2. **Jobs.** Owner shall make all reasonable efforts to use Pontiac contractors and subcontractors, as well as hire Pontiac residents whenever possible. Owner shall also establish an internship or apprenticeship program focused on the education of Pontiac residents.
3. **Notification of Transfer.** Within a 48-hour period of its occurrence, Owner must notify City in the event of a transfer of ownership of the Project.
4. **Management Notification.** The Owner shall provide the City and the Building Department Director with the name and address of the property manager engaged by Owner to manage the day to day operations of the Project (the "Management Company") and the name and direct contact information (phone and email) of the Management Company's primary Manager. If the City notifies Owner in writing that the Management Company falls into poor standing with the

City of Pontiac
Development Agreement

City, which notice shall identify the violations that have not been addressed by the Management Company with respect to the Project, the Owner will be required to provide a monthly report to the Mayor's office outlining the timeline and process for remedying said violations, until such time as such outstanding violations have been remedied. Poor standing is defined as three or more code enforcement citations written for the same violation at the Project, with no action taken to rectify matter.

5. **Annual Review.** Rental Inspection Certification shall be conducted in accordance with the City's ordinances. The City's Building Safety division shall hold an Annual Review of all ordinance violations with the Management Company.
6. **Vacancy.** Vacancy rate shall be reported to City, for the preceding year and on a monthly basis, at time of Annual Review.
7. **Security.** A security plan for the Project dated December 1, 2017 has been submitted to the City and such security plan has been approved by the City. On an annual basis, Owner must provide the City with the latest incident report from the Sheriff's office. At the City's request on an annual basis, Owner and the City shall meet to mutually decide whether the security plan needs to be modified.
8. **Maintenance Reserve.** Owner will maintain a reasonable maintenance reserve, and will provide a pro forma of that account at Annual Review.
9. **Resident Council.** The Management Company will assist renters with the establishment of a Resident Council.
10. **Compliance with Applicable Regulations.** Owner hereby agrees to cause its respective Property to comply with all local, State and Federal regulations applicable to such Property, as may be amended.
11. **Term.** The term of this Agreement shall commence on the date on which Owner acquires title to the Project and shall correspond to the term of the PILOT Ordinance as approved by the Pontiac City Council for the Owner and the Project. Unless and until the Owner acquires title to the Project, the existing PILOT Ordinance for the Project adopted on June 29, 2000 and effective July 09, 2000 (Ordinance No. 2110) shall remain in effect in accordance with its terms.
12. **Notices.** All notices or communications required by this Agreement may be delivered either in-person, or by registered mail to parties listed below:

City of Pontiac
Development Agreement

To the City:

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Building Official

With Copy To:

City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342
Attention: Deputy Mayor

To the Owner:

Arborview Limited Dividend Housing Association LLC
Attention: Laurence S. Tisdale
26711 Northwestern Highway, Suite 250
Southfield, MI 48033

13. **Binding Effect.** This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns. Owner may assign this Agreement to its successor in title to the Project and, upon the assignment and assumption of Owner's obligations under this Agreement, the Owner named below shall have no further liability under this Agreement.
14. **Conditions of Breach and Costs.** In the event Owner breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days from Owner's receipt of written notice from the City which reasonably identifies that nature and scope of the breach (and provided that if applicable breach cannot reasonably be remedied within such 30 day period, Owner shall have such additional time as is reasonably necessary to remedy such breach, provided that Owner has commenced and is diligently pursuing such remedial actions within the foregoing 30 day period), and the City takes legal action to enforce its rights and remedies under this Agreement and prevails in such action, the Owner shall be responsible for reimbursing the City for its costs and fees associated with such action, including reasonable attorney's fees.
15. **Counterparts; Signatures.** This Agreement may be executed in counterparts. Facsimile and electronic copies of signatures shall have the same force and effect as original signatures.

Signatures on following page

City of Pontiac
Development Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

OWNER:

Arborview Limited Dividend Housing
Association LLC,
A Michigan Limited Liability company

By: _____

Name: Laurence S. Tisdale

Title:

CITY:

CITY OF PONTIAC
A Michigan municipal corporation

Hon. Deirdre Waterman
Mayor

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 *Arbortree 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 as follows: During the Payment Period provided for below, Arborview shall pay the City the sum of Twenty Five Thousand (\$25,000) Dollars annually, payable in equal quarterly installments of Six Thousand Two Hundred Fifty (\$6,250) Dollars each March 1, June 1, September 1 and December 1, for the duration the PILOT Program remains in existence for the Project.
4. If OWNER does not pay the CITY for the Municipal Charges by due dates established in the above Paragraph, 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
A Michigan municipal corporation

By: _____
Hon. Deirdre Waterman

Its: Mayor

W:\Clients\City of Pontiac\PILOT Ordinances MSHDA Housing\Arborview - draft MSA GMH V02 03-09-2018.docx

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

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

T3N, R10E, SEC 28 ASSESSOR'S PLAT NO 16 PART OF LOTS 8 & 24, ALSO PART OF LOTS 16 & 17 OF 'ASSESSOR'S PLAT NO 17' ALL DESC AS BEG AT PT DIST S 89-08-30 W 937.60 FT FROM E 1/4 COR, TH S 89-08-30 W 866.36 FT TO SW COR OF SD LOT 16, TH N 01-04-00 W 470.35 FT, TH N 89-26-10 W 173.0 FT, TH N 01-02-20 W 108.91 FT TO SLY LINE OF M-59 HWY, TH N 79-51-03 E 89.35 FT, TH S 88-52-46 E 614.53 FT, TH S 77-02-01 E 348.13 FT, TH S 02-13-57 W 552.91 FT TO BEG EXC THAT PART TAKEN FOR ROAD

Commonly known as: 100-187 Fiddis; 1-139 Leonard Court; 121-129 N. Sanford Street

Tax Parcel No. 14-28-277-012

EXHIBIT "B"
PILOT ORDINANCE
(ATTACHED)

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/AAC
CITY CLERK

City of Pontiac
Financial Audit Bid Comparison

Date: 02-26-18

	Auditors for FY 2017 and Five Prior Years - Rehman	Yeo & Yeo	UHY LLP	Martin, Arrington, Desi Meyers, P.C.
Experience		Auditors for many comparable and bigger Cities - Ann Arbor, Utica, City of Flint, City of Saginaw	20 years of govt audit experience. Member of State of Michigan Local Government Task Force - Audited Bloomfield Township, City of Hazel Park, City of River Rouge etc.	40 years of Govt. Audit Experience Auditors for many comparable and bigger Cities - Ann Arbor, Harper Detroit, City of Pontiac, City of Sa etc.
Firm Demographic		9 offices in Michigan - 27 Principals - 200 professionals, Nine offices in Michigan - Govt audit staffs 50 auditors of which 31 are CPAs	17 Offices - 4 in Michigan - 400 michigan based employees	Minority owned company. 4 offi them in Michigan. 26 employees them have govt exp
Audit team		2 Principals, 1 Manager and 1 Senior - from Auburn Hill Office	1 Partner, 1 Principal, 1 Senior Manager, 1 Senior Staff and 1 Staff	1 Project Director, 1 Project Manager, 1 Senior Auditor, and 2 Quality Control Personnel
Timeline		August thru November	August thru November	August thru November

Cost:

FY 2018

Financial Audit & CAFR	\$	60,000	\$	69,000	\$	57,000
Single Audit	\$	5,000	\$	7,500		Not given
GAFR	\$					
2018 Total		\$	65,000	\$	76,500	\$

FY 2019

Financial Audit	\$	62,100	\$	69,000	\$	53,000
Single Audit	\$	5,000	\$	7,500		
GAFR	\$					
2019 Total		\$	67,100	\$	76,500	\$

FY 2020

Financial Audit	\$	64,275	\$	69,000	\$	53,000
Single Audit	\$	5,000	\$	7,500		
GAFR	\$					
2020 Total		\$	69,275	\$	76,500	\$

FY 2021

Financial Audit	\$	66,525	\$	69,000	\$	55,000
Single Audit	\$	5,000	\$	7,500		
CAFR	\$					
2021 Total		\$	71,525	\$	76,500	\$

FY 2022

Financial Audit	\$	66,525	\$	69,000	\$	55,000
Single Audit	\$	5,000	\$	7,500		
GAFR	\$					
2022 Total		\$	71,525	\$	76,500	\$

Total Cost FY 2018 thru 2022

	\$	344,425	\$	382,500	\$	275,000
Average Cost /Per year	\$	68,885.00	\$	76,500.00	\$	54,900.00

(FY 2017 fees)

Rehman	Gabridge & Co	Clark Schaefer Hackett
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Established in 1941. 50 professionals in Govt and Non-Profit clients in Michigan. 150 Govt and Non-Profit clients in Michigan. 15 Established in 1938. One of hundred largest CPA firms in U.S.A. 400 shareholders and Staffs. 20
 35, 300 non-profit clients. Performed 118 audit professionals. Have audited smaller Cities, advisors specialized in governmental accounting.
 1 single audits in 2016 - Clients include Townships, Villages and Counties Clients mainly in Ohio and Kentucky. Only
 City of Troy, Royal Oak, Pontiac etc. Michigan client is City of Adrian

of 18 Offices; 11 of them in Michigan, 60 Office in Grand Rapids. 7 offices in Ohio and Kentucky. One office in
 partners and 800 employees Lambertville, Michigan.

2 2 Principals, 1 Senior Manager, 1 senior 1 Principal, 2 Audit Managers, 1 Senior Auditor Team of five professionals including firm President
 auditor and 2 staff auditors. and 2 Staff Auditors.

August thru November

July thru November

July thru November

\$ 47,000

\$ 71,020

\$ 49,375

\$ 5,000

\$ 71,020

\$ 49,375

\$

\$ 71,020

\$ 49,375

\$ 52,000

\$ 71,020

\$ 49,375

\$ 47,500

\$ 71,020

\$ 50,850

\$ 5,100

\$ 71,020

\$ 50,850

\$

\$ 71,020

\$ 50,850

\$ 52,600

\$ 71,020

\$ 50,850

\$ 48,000

\$ 71,020

\$ 52,375

\$ 5,200

\$ 71,020

\$ 52,375

\$

\$ 71,020

\$ 52,375

\$ 53,200

\$ 71,020

\$ 52,375

Not quoted - Estimated for comparison

\$ 48,500

\$ 72,000

\$ 54,000

\$ 5,300

\$ 72,000

\$ 54,000

\$

\$ 72,000

\$ 54,000

\$ 53,800

\$ 72,000

\$ 54,000

\$ 49,000

\$ 74,000

Not quoted - Estimated for comparison

\$ 5,400

\$ 74,000

\$ 55,400

\$

\$ 74,000

\$ 55,400

\$ 54,400

\$ 74,000

\$ 55,400

\$ 266,000

\$ 359,060

\$ 262,000

\$ 53,200.00

\$ 71,812.00

\$ 52,400.00



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President and City Council Members

FROM: Jane Bais-DiSessa, Deputy Mayor, at the request of
John V. Balint, City Engineer

DATE: March 23, 2018

RE: MDOT Joslyn Road Resurfacing Funding Agreement

RECEIVED
2018 MAR 23 PM 1:57
PONTIAC CITY CLERK

The Michigan Department of Transportation has prepared and delivered the attached funding agreement for the Joslyn Road Resurfacing project. This project is partially funded through Federal National Highway Performance Program funds totaling \$436,590.00. The total estimated cost of the project is \$2,971,500. With the total estimate of \$2,971,500, the City's portion of the project is \$2,534,910.00. This project is budgeted in fiscal year 2017/18.

The project work includes milling and resurfacing Joslyn Road from Perry to Walton Boulevard, along with traffic signal removal and modernization as well as some sidewalk and ADA ramp replacement.

The MDOT bid letting for this project is scheduled for Friday, August 6th, 2018. The project will begin within 60 days of the bid letting, potentially sooner. The project will take up to 4 months to complete.

It is the recommendation of the Department of Public Works, Engineering Division that the City sign the attached MDOT funding agreement for the Joslyn Road Resurfacing project.

WHEREAS, The City of Pontiac has received the funding agreement from the Michigan Department of Transportation, and;

WHEREAS, The Department of Public Works, Engineering Division has reviewed the subject agreement, and;

WHEREAS, The project is budgeted in the 2017/18 Major Street budget,

NOW, THEREFORE,
BE IT RESOLVED, The Pontiac City Council authorized the Mayor or Deputy Mayor to sign the MDOT funding agreement for the North Saginaw Water Main Replacement and Reconstruction.

JVB

attachments