

September 5, 2017

Gladwin, Michigan

The Regular Meeting of the Gladwin City Council was called to order by Mayor Darlene Jungman at 5:00 p.m.

Present: Winarski, Mienk, Bodnar, Caffrey, Crawford, Gardner, Smith

Absent: Persky

Staff Present: Administrator Robert Moffit, Clerk Bonnie Klein, Assessor Bernadette Weaver

Also Present: Mayor Dee Jungman, Pastor Dave Amstutz, Doug Jacobson City Attorney, Heather Arnold-DeShano

Mayor Jungman led the Pledge of Allegiance and Pastor Amstutz gave the Invocation.

Motion by Council Member Caffrey, seconded by Council Member Gardner to approve the minutes of August 21, 2017 City Council meeting with the correction of Heather Arnold-DeShano's name from DeShano Development Corporation in others present. All ayes. Motion carried

Motion by Council Member Caffrey, seconded by Council Member Gardner to approve warrant #18-006 in the amount of \$1,205,410.75 and payroll for period ending 8/27/2017 in the amount of \$61,944.66 and warrant #18-007 in the amount of \$106,129.43. All ayes. Motion carried.

Hearing of Delegations:

None

Motion by Council Member Mienk, seconded by Council Member Crawford to establish the agenda. All ayes. Motion carried.

Motion by Council Member Crawford seconded by Council Member Mienk to approve the Consent Agenda: Communications: i.) Water Study ii.) Festival of Lights Parade Sponsor/Entry Form iii.) NADDI Grant iv.) State of Michigan Notice of Hearing – Consumers Energy Case No. U-18241 v.) Notice of Public Hearing – Gladwin County Road Commission – 2017-2018 Road Construction Program Meetings: i.) Fair Board- July 11, 2017 ii.) Safety – August 1, 2017 iii.) Trail Authority – August 26, 2017 iv.) Planning Commission – August 22, 2017 v.) Parks Commission – August 28, 2017 with the addition of Correspondence: vi.) Business After Hours. All ayes. Motion carried.

Old Business:
None

New Business:

RESOLUTION

RESOLUTION APPROVING THE EXECUTION OF THE CONTRACT(S) FOR T-HANGER CONSTRUCTION.

NOW, THEREFORE BE IT RESOLVED, by the members of the Gladwin City Council, of Gladwin County, Michigan:

That the Council Member John Caffrey or Airport Manager Michael Hargrave is hereby authorized to execute the contract(s) acting on behalf of the City of Gladwin and Gladwin Zettel Memorial Airport.

The foregoing resolution was offered by City Council Member Caffrey and seconded by Council Member Crawford.

Roll Call Vote:

Ayes: Winarski, Bodnar, Caffrey, Crawford, Gardner, Mienk Smith
Nays: None
Absent: Persky
Abstain: None

Resolution declared adopted this September 5, 2017.

Bonnie S. Klein, City Clerk

CERTIFICATE

I, Bonnie S. Klein, City Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held September 5, 2017.

CITY OF GLADWIN

ORDINANCE NO. 336

TAX EXEMPTION ORDINANCE VILLAGE NORTH – PHASE II

ADOPTED: _____

THE CITY OF GLADWIN ORDAINS:

An Ordinance to provide for a service charge in lieu of taxes for a multiple family dwelling project for persons of low to moderate income 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”)

Section 1. PURPOSE

This Ordinance shall be known as the “Village North - Phase II Tax Exemption Ordinance”.

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 citizens of low to moderate 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 of low to moderate 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 Sponsor (as defined below) has offered, subject to receipt of an allocation under the Low Income Housing Tax Credit (LIHTC) Program by the Michigan State Housing Development Authority, to construct, own, and operate a housing development identified as Village North Apartments – Phase II on certain property located at 559, 565 and 569 Clendening Road, in the City to serve persons and families of low to moderate income, and that the Sponsor has offered to pay to the City on account of this Housing Development an annual service charge for public services in lieu of all *ad valorem* property taxes.

Section 3. DEFINITIONS

All terms shall be defined as set forth in the State Housing Development Authority Act of 1966, of the State of Michigan, as amended, except as follows:

- A. Authority means the Michigan State Housing Development Authority.
- B. Annual Shelter Rent means the total collections during a calendar year from all occupants of a housing development representing rent for occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.
- C. Utilities means fuel, water, sanitary sewer and electrical service which are paid by the Housing Development.
- 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 improve the quality of the development as it relates to persons of low income. With respect to this ordinance, Housing Development is a forty nine (49) unit project, contained in three 3 buildings, together with associated grounds, parking and related facilities.
- E. Sponsor means DeShano Development Corporation and any entity which have applied to the Authority for an allocation under the Low Income Housing Tax Credit Program to finance the Housing Development.
- F. 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.
- G. Low to Moderate Income Persons and Families means persons and families eligible to move into a housing project.
- H. 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

Section 4. CLASS OF HOUSING DEVELOPMENTS.

It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of taxes shall be housing developments for elderly persons and persons and families of low to moderate income, which are financed or assisted pursuant to the Act. It is further determined that Village North Apartments- Phase II is of this class.

Section 5. ESTABLISHMENT OF ANNUAL SERVICE CHARGE:

The Housing Development identified as Village North Apartments - Phase II and the property on which it shall be constructed shall be exempt from all *ad valorem* property taxes from and after the year the project is placed in service as evidenced by a certificate of occupancy from the appropriate public officials. The City acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for 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, subject to receipt of an allocation under the LIHTC program, to construct, own and operate the Housing Development, the City agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. The annual service charge shall be equal to eight percent (8%) of the Annual Shelter Rents actually collected by the Housing Development during each operating year.

Section 6. CONTRACTUAL EFFECT OF ORDINANCE.

Notwithstanding the provisions of Section 15 (a)(15) of the Act, to the contrary, a contract between the City and the Sponsor with the Authority as a 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 part of the Housing Development which 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 Development if the Housing Development were not tax exempt.

The term "low income persons or families" as herein shall be the same meaning as found in Section 15 (a)(7) of the Act.

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 except that the annual payment shall be paid on or before February 28 of each year. The sponsor shall submit a statement from its independent auditor verifying the amounts used to compute the payment are correct as reported. The statement and supporting documents may be from the sponsor's federal tax return.

Section 9. DURATION

This Ordinance shall remain in effect for a period of fifteen years after the certificate of occupancy is obtained from the appropriate officials, so long as the Housing Development remains subject to income and rent restriction pursuant to Section 42 of the Internal Revenue Code of 1986, as amended.

Section 10. TERMINATION

Notwithstanding anything contained herein to the contrary, should the Sponsor fail to pay the service charge in lieu of taxes granted hereunder or fail to provide the verification of the calculations used to make the payment, the City of Gladwin shall file a certificate of nonpayment upon the Sponsor of the Housing Development and the Authority by certified mail, with the Register of Deeds of Gladwin County. Following the expiration of sixty (60) days after service of a certificate of nonpayment upon the Sponsor and the Authority, if payment and supporting documentation has not been made, the service charge in lieu of taxes granted by this Ordinance shall automatically be terminated, retroactive to January 1 of the year for which the service charge in lieu of taxes applies, and the property shall be subject to ad valorem taxes.

Section 11. SEVERABILITY

The various sections and provisions of this Ordinance shall be deemed to be severable, 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 the 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 12. ACKNOWLEDGMENT

The City hereby acknowledges receipt of documentation from the authority indicating that the authority's participation with the Housing Development is limited solely to the allocation of tax credits under the Low Income Housing Tax Credit Program.

Section 13. INCONSISTENT ORDINANCES *not in Ord 237 but required in state template*

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 14. EFFECTIVE DATE

This Ordinance shall take effect thirty (30) days after publication.

First Reading: September 5, 2017

Second Reading:

Roll Call Vote:

Ayes:

Nays:

Absent:

This Ordinance adopted this 18th day of September, 2017.

Darlene Jungman, Mayor

Bonnie Klein, City Clerk

Discussion: Winarski would like to meet also with Bob Balzer, or someone to understand the housing studies.

RESOLUTION
CITY OF GLADWIN
NEIGHBORHOOD ENTERPRISE ZONE – MATTHEWS-WESSEL, LLC.

WHEREAS, the City Council of the City of Gladwin recognizes the need to halt the deterioration of existing residential properties within designated areas known as Neighborhood Enterprise Zones, and existing tax abatement programs provide incentives to property owners to rehabilitate and construct said structures within the zones and,

WHEREAS, the City Council on November 17, 2008 established an Enterprise Zone known as NEZ 2008-1 within which the applicant’s multi-use property is located, described as Gladwin City, Plat of Cedar, Block 4, the West 44 feet of Lot 4 and,

WHEREAS, the applicants, Matthews-Wessel, LLC wish to avail themselves of such incentives for a period of 15 years, commencing with the completion of rehabilitating the second story for apartments located on the above described premises and the City Council deems this project a positive step to revitalize the downtown area and provide attractive, affordable residential units,

THEREFORE BE IT RESOLVED, that the City of Gladwin by this Resolution approves the application for rehabilitation for residential units on the second floor located at the aforementioned legal description for a period of 15 years, with current owners of record being Matthews-Wessel, LLC.

The foregoing resolution was offered by Council Member Gardner and supported by Council Member Smith.

ROLL CALL VOTE:

Ayes: Bodnar, Caffrey, Crawford, Gardner, Mienk, Smith, Winarski
Nays: None
Absent: Persky
Abstain: None

Resolution declared adopted this 5th day of September, 2017.

Bonnie Klein, City Clerk

CERTIFICATE

I, Bonnie S. Klein, City Clerk of the City of Gladwin, do hereby certify the foregoing to be a true and correct copy of the resolution adopted by the Gladwin City Council at a regular meeting held September 5, 2017.

Bonnie Klein, City Clerk

Minutes of a regular meeting of the Gladwin City Council, held on September 5, 2017, at Gladwin City Hall, in Gladwin, Michigan, at 5:00 p.m.

PRESENT:

ABSENT:

The following preamble and resolution were offered by Council Member Gardner and supported by Council Member Mienk .

RESOLUTION APPROVING APPLICATION OF

**C.A.M. PACKAGING, LLC. FOR INDUSTRIAL FACILITIES EXEMPTION
CERTIFICATE FOR A NEW FACILITY**

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on November 20, 2006, this City Council by resolution established the City of Gladwin Industrial Development District; and

WHEREAS, C.A.M. Packaging, LLC has filed an application for an Industrial Facilities Exemption Certificate with respect to new facilities (real property) within the Industrial Development District; and

WHEREAS, before acting on said application, the City Council held a hearing on August 21, 2017, at the Gladwin City Hall, in Gladwin, Michigan, at 5:00 p.m., at which hearing the applicant, the Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the new facility had not begun earlier than six (6) months before July 17, 2017, the date of the acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, construction of the new, additional facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Gladwin; and

WHEREAS, the aggregate SEV of personal property exempt from ad valorem taxes within the City of Gladwin, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Gladwin that:

1. **The City Council finds and determines that the granting of the Industrial Facilities Exemption Certificate** considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, **shall not have the effect of substantially impeding the operation of the City of Gladwin, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Gladwin.**
2. The application of C.A.M. Packaging, LLC for an Industrial Facilities Exemption Certificate with respect to new real property to be constructed on the following described parcel of real property situated within the Gladwin City Industrial Development District, to wit:

GLADWIN CITY Canham Industrial Park Lot 8

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of 12 years after completion.

AYES: Caffrey, Crawford, Gardner, Mienk, Smith, Winarski, Bodnar

NAYS: None

ABSENT: Persky

RESOLUTION DECLARED ADOPTED.

Bonnie S. Klein, City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Gladwin, County of Gladwin, Michigan, at a regular meeting held on September 5, 2017.

Bonnie S. Klein, City Clerk

Motion by Council Member Winarski, seconded by Council Member Caffrey to approve the sidewalk bid for 628 Riverview Court by JP Contracting in the amount of \$ homeowner to pay the first \$1,000.00. Roll Call 4 Ayes: Caffrey, Crawford, Mienk, Winarski 3 Nays: Bodnar, Gardner, Smith. Motion carried.

Motion by Council Member Mienk, seconded by Council Member Bodnar to approve the Indemnity Agreement for the Festival of Lights Parade to be held December 2, 2017 between the City of Gladwin, Consumers Energy, & Dynamic Displays. All ayes. Motion carried

Motion by Council Member Crawford, seconded by Council Member Mienk to approve the proposal from Triple M Collision for recoating of the Waste Water Treatment Plant Clarifier for the amount of \$8,000.00. All ayes. Motion carried.

Motion by Council Member Gardner, seconded by Caffrey to table the Johnson Outdoor Digital extended warranty proposal. Motion withdrawn.

Motion by Council Member Caffrey, seconded by Council Member Crawford to approve the Extended Warranty with Johnson Outdoor Digital for the City Hall digital sign for the amount of \$2,000 for five (5) years due October 1, 2017. With the stipulation of holding check until representative of Johnson Outdoor Digital can be scheduled to speak to the warranty, asking for a reduction. All ayes. Motion carried.

Motion by Council Member Crawford, seconded by Council Member Gardner to approve the purchase of parts for the Waste Water Treatment Truck from Diesel Truck Sales Inc. in the amount of \$2,632.18. All ayes. Motion carried.

Comments:

Mayor Dee Jungman – Stated she and Nancy Bodnar worked on the list of households for potential tree plantings. She noticed there were many houses without house numbers. She ask that an article be put in city newsletter encouraging citizens to place house numbers on their homes for safety reasons. It was suggested also to have the blight officer Tim Yuergens to look at house number issue as well.

Mike Smith – Asked if there is a size requirements for the house numbers.

Pastor Amstutz – Asked if there is an ordinance for house numbers? Yes, there is. What is the penalty if any for not having house numbers?

Hazardous Waste Day and second City Clean-up was very busy. There were 281 vehicles and 218 tires brought in, the dumpster was also filled. At the Council of Local Government. Many of the townships officials asked if they could also participate in the Clean-Up day? They would be willing to help cover the cost of additional dumpsters.
Dave Crawford – Left 5:32

Doug Jacobson – Left 5:35

Linda Winarski – Thanked Dave for making the water study easier to read. She stated the penalty for not paying your water bill is really small. So much so that it really is not a penalty. An analysis of why water bills are not being paid should be done. Who is chronically passed due. Bigger penalties should be discussed.

Nancy Bodnar – Stated there are still many dead trees. She is wondering if letter was sent by Doug Jacobson, City Attorney to those household you have dead trees in their yard. Robert Moffit stated they were sent but so far not there has not been any

response. Nancy stated there is a large tree in the Cemetery on west side that is dead. It is a large pine. Zoning ordinance state it is the homeowners responsibility to remove dead trees.

John Caffrey – Asked if we get a notice from Davy’s on when tree trimming will occur? Robert Moffit stated we do not get specific dates only a general notice, they work for Consumers Energy. John stated the crimson maple in his yard received a horrible trimming.

Roger Gardner – Stated that the Odd Fellows Hall has weeds six foot tall. He has been approached by several neighbors about the trailer across from Elementary school has a lot of toys all around trailer. Blight office Yuergens has stopped several times then it gets cleaned up then it is back. Motor bike on north Spring still running up and down, always disappears when police are around.

Mayor Dee Jungman – Stated when she and Robert Moffit met with U.S. Senator Debbie Stabenow she was approached by Ray Stover from the hospital to meet about trees for the park. She met with Ray and walked the former Helen DeBois property. They found a great pond surrounded with spruce trees. Ray Stover would like to create a wellness trail around pond. He is donating 14 trees, (Blue spruce). Dee is asking for \$50 donations to cover the cost for the tree spade. Kyle Grove, and Scott Hawblitzel will volunteer to get the trees and bring them to the park. Dee also stated that the Park is flooded with flowers. Citizens think it is great to have Community Park garden. Roger Gardner stated Mrs. DeShano had donated 3 stone birdhouses and a large planter.

Robert Moffit – Stated that the City Tree planting will be Sept 14 at 9:00 am and he is in need of volunteers to help plant trees. He has a meeting with Brandon, who is Deb Stabenow’s. Assistant about getting funding from USDA for our iron filtration plant. Robert stated he is in the process of the EDA Review, with a lot of reading to do. He thanked everyone for the sidewalk bid tonight. He will be working on bids from list from the last Council meeting. He said he is glad to be home from Kentucky.

Motion by Council Member Caffrey, seconded by Council Member Mienk to adjourn. All ayes. Motion carried.

Meeting adjourned at 5:50 p.m.

Darlene Jungman, Mayor

Bonnie S. Klein, City Clerk