

AMENDED

ISHPEMING CITY COUNCIL

Wednesday, October 4, 2023 at 6:00 p.m.

Ishpeming City Hall Council Chambers, 100 E. Division Street, Ishpeming MI

City Hall Telephone Number: (906) 485-1091

A ZOOM LINK IS AVAILABLE ON THE CITY'S WEBSITE @ WWW.ISHPEMINGCITY.ORG

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*limit 5 minutes per person*)
5. Approval of Agenda
6. Consent Agenda
 - a. Minutes of Previous Meeting (September 6th and Closed Session September 6th)
 - b. Approval of Disbursements
 - c. Appoint Lisa Thompson to fill vacancy on the Compensation Commission: Term Expires 2/2027
7. Monthly Financial Statement Report
8. Special Event Applications
 - a. Ishpeming Ski Club-Michigan High School State Cross Country Ski Meet: February 9-10, 2024
9. Second Reading of Ordinance #11-2600, Parks and Recreation Commission Ordinance
10. Resolution 16-2023, Establishing Early Voting Location
11. Resolution 17-2023, State Disaster Contingency Fund for 2023
12. Recommendation from Engineer for City Hall Door Replacement – Employee Entrance
13. Schedule Special Council Meeting – Snow Plan Discussion
14. First Reading of Amendment to Ordinance 8-100, Zoning Ordinance
 - a. Ordinance Map Amendment General Commercial (GC) to Multiple Residential (MR) Error Correction
 - b. Ordinance Text Amendment to Sec. 15.3(A) and Sec. 15.4 (I)
15. First Reading of Ordinance 11-2700, Payment in Lieu of Taxes – Anderson Lofts and Peninsula Lofts
16. Request for a temporary over-hire for the Zoning Administrator position
17. Renew Postage Meter Lease with Pitney Bowes
18. Fire Department Apparatus Annual Maintenance and Pump Testing
19. Public Comment (*limit 3 minutes per person*)
20. Mayor and Council Reports
21. Manager's Report
22. Adjournment



Craig H. Cugini
City Manager

UNAUDITED BALANCE SHEET EXCERPT FOR THE CITY OF ISHPEMING

Month Ended: September 30, 2023

Excerpt - Please see full listing of funds attached

GL NUMBER - FUND TITLE	BALANCE AS OF 9/30/2023	BALANCE AS OF 8/31/2023	Change From Prior Month
Fund 101 - GENERAL FUND			
BEG. FUND BALANCE 01/01/2023	1,143,599.51		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	(264,854.12)	59,308.22	
ENDING FUND BALANCE	878,745.39	1,202,907.73	(324,162.34)

\$172k in personnel costs and a 53k interest payment on the pension bond were two major factors driving general fund expenditures September saw no significant revenues for the general fund as would be expected for this time of year.

Fund 202 - MAJOR STREETS			
BEG. FUND BALANCE 01/01/2023	693,666.10		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	(78,991.14)	(46,782.76)	
ENDING FUND BALANCE	614,674.96	646,883.34	(32,208.38)

Personnel costs and vehicle rentals make up the bulk of the September expenditures. \$174k in payments from the state have been warranted for the Major Street Fund but will not be received until October. When the revenue is processed it is expected to put the fund back in the black.

Fund 203 - LOCAL STREETS			
BEG. FUND BALANCE 01/01/2023	901,669.79		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	(285,688.21)	(256,179.71)	
ENDING FUND BALANCE	615,981.58	645,490.08	(29,508.50)

Similar to Major Streets, the bulk of the September expenditures in Local Streets consisted mainly of equipment rentals and personnel costs. \$75k in payments from the state have been warranted for the local street fund but will not be received until October. Winter maintenance in local streets still makes up over half of all YTD expenditures at \$216k in personnel and rental costs.

Fund 248 - DDA			
BEG. FUND BALANCE 01/01/2023	779,444.38		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	50,010.19	51,022.31	
ENDING FUND BALANCE	829,454.57	830,466.69	(1,012.12)

Fund 401 - PUBLIC IMPROVEMENT FUND			
BEG. FUND BALANCE 01/01/2023	547,629.10		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	365,811.11	430,371.58	
ENDING FUND BALANCE	913,440.21	978,000.68	(64,560.47)

There were no new revenues for the Public Improvement Fund as would be expected for this time of year. Notable expenditures include a \$44k payment for the remaining balance on the new Police vehicle (not including equipment) and \$16k to replace the library AC units (approved by council on 6/7/23).

Fund 590 - SEWER FUND			
BEG. FUND BALANCE 01/01/2023	10,108,849.81		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	(372,484.22)	245,179.28	
ENDING FUND BALANCE	9,736,365.59	10,354,029.09	(617,663.50)

Revenues for the Sewer Fund came in just shy of \$156k. Major expenditures driving the large decrease in fund balance month over month are a product of a reallocation of CWSRF project engineering and bond issuance costs from the Sewer Project Fund which is no longer being used. Although funding has been approved, no monies relating to the bond or grant have been received, hence the sharp decrease to ending fund balance for September. Additionally the Sewer Fund paid \$110k for slip lining performed which goes towards satisfying the non-participating cost requirements for the Category B funding the City is pursuing. Lastly, \$51k for treatment costs covering the October 2023 period were paid in September.

Fund 591 - WATER FUND			
BEG. FUND BALANCE 01/01/2023	9,594,638.54		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	682,696.68	623,530.57	
ENDING FUND BALANCE	10,277,335.22	10,218,169.11	59,166.11

September revenues for the Water Fund came in just under \$227k. The City paid \$43k for 17.5 million gallons of water supplied in August. Despite a biannual interest payment of 18k for the pension bond and insurance allocations of \$35k the Water Fund still picked up \$59k in September

GL NUMBER - FUND TITLE	BALANCE AS OF 9/30/2023	BALANCE AS OF 8/31/2023	Change From Prior Month
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Fund 596 - GARBAGE/RECYCLE

BEG. FUND BALANCE 01/01/2023 (See footnote)	425,847.69		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	22,783.02	31,099.92	
ENDING FUND BALANCE	448,630.71	456,947.61	(8,316.90)

In September the City paid 30k for curbside service for September and 50k for August landfill fees. Revenues for the month were less than normal at \$56k with some income relating to non-curbside user fees from September Services being pushed into October (timing).

Fund 661 - MOTOR POOL EQUIPMENT FUND

BEG. FUND BALANCE 01/01/2023	1,045,607.99		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	262,292.37	274,422.13	
ENDING FUND BALANCE	1,307,900.36	1,320,030.12	(12,129.76)

Rental revenues of \$29k were recorded in September and are not uncharacteristic for a month with no plowing or snow removal. One notable expense was the repair bill for the wheel loader (#305) approved by council on 7/12 for \$9.8k

Fund 732 - POLICE & FIRE RETIREMENT

BEG. FUND BALANCE 01/01/2023	4,270,170.17		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	317,389.05	599,730.53	
ENDING FUND BALANCE	4,587,559.22	4,869,900.70	(282,341.48)

Unfavorable market conditions resulted in a \$265k unrealized loss in the Police and Fire Retirement Fund investment accounts over August and September, a sharp turnaround from the 289k unrealized gain shown in June and July.

YEAR TO DATE SUMMARY OF FUNDS DISPLAYED ABOVE

BEGINNING FUND BALANCE	29,511,123.08		
NET OF REVENUES & EXPENDITURES YEAR TO DATE	436,672.36	1,737,279.94	
FUND BALANCE	30,210,087.81	31,522,825.15	

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ORDINANCE NO. 11-2600

**CITY OF ISHPEMING
PARKS AND RECREATION COMMISSION ORDINANCE**

THE CITY OF ISHPEMING ORDAINS:

Section 11-2601. There is hereby created a Parks and Recreation Commission in the City of Ishpeming.

Section 11-2602. The Parks and Recreation Commission shall consist of Seven (7) members. Six members shall be appointed by the Mayor with approval of the City Council, including one member who shall be a member of the City Council. The seventh member shall be appointed by the Ishpeming Public School Board. Each member shall be a resident of the City of Ishpeming. The member appointed to represent the Ishpeming Schools who may or may not be a resident of the City of Ishpeming.

Section 11-2603. The term of office of each Commission member, other than the School member and the City Council member, shall be three (3) years or until their successor is appointed. The School member shall serve at the pleasure of the Ishpeming Public Schools Board. The City Council member shall serve until his or her term on the City Council expires. The Parks and Recreation Commission members currently serving at the time of adoption of this Ordinance shall continue to hold their positions until the expiration of the term for which each was originally appointed.

Section 11-2604. The Parks and Recreation Commission shall meet at least every other month (6 meetings per year). A quorum for the conduct of business shall be four (4) members. The Commission shall adopt a set of By-laws for its operation.

Section 11-2605. The Commission shall be considered a Public Body under the Michigan Open Meetings Act and shall conduct business at open, public meetings.

Section 11-2606. The Parks and Recreation Commission is created for the purpose of advising the City Council and the City Manager regarding the planning, operations and maintenance of all Park and Recreation areas and facilities within the City which may include, but is not limited to, the following:

- (1) To make recommendations to the City Council for the creation and implementation of plans for the establishment, development, re-development and maintenance of current and future parks and recreational facilities;
- (2) To recommend to the City Council policies, rules and regulations, and fees as necessary or desirable with respect to the use of public park, recreation and athletic facilities;

(3) To supervise, oversee and coordinate the use and operation of public park, recreational and athletic facilities, and to schedule the use thereof.

Section 11-2607. This Ordinance shall be effective upon publication.

Adopted by the Ishpeming City Council:

First Reading: Sept. 6, 2023

Second Reading: _____

Date Published: _____

CITY OF ISHPEMING
Resolution 16 - 2023
Establishing Early Voting Location

WHEREAS, the voters in Michigan on November 8, 2022, approved the passage of Proposal 22-2, which in part, entitles voters the right, once registered, to vote in each statewide and Federal election in person at an early voting site prior to election day, open for nine (9) consecutive days beginning on the second Saturday before the election and ending on the Sunday before the election, for at least eight hours each day; and

WHEREAS, the City of Ishpeming's Early Voting Precinct for State and Federal Elections will be open for nine (9) consecutive days beginning the second Saturday before election day through the Sunday before election day during the hours of 10:00 a.m. to 6:00 p.m.; and

WHEREAS, the Early Voting Precinct may also be utilized, operating with different hours as may be set by the Clerk, for local and countywide elections; and

WHEREAS, the City of Ishpeming will enter into an Early Voting Site Agreement with Marquette County and it has been determined that the Negaunee Township Community Center located at 42 M-35 in Negaunee meets all polling location requirements established by state law, and will be the Early Voting Precinct for all registered voters in the City of Ishpeming; and

WHEREAS, all Early Voting dates and times will be posted sufficiently forty-five (45) days prior to every election to notify voters;

NOW THEREFORE BE IT RESOLVED, that the Ishpeming City Council, in accordance with MCL 168.662, hereby approves the establishment of the Negaunee Township Community Center located at 42 M-35 in Negaunee, as a City of Ishpeming polling location, and the Early Voting Precinct for the City of Ishpeming's registered voters.

Ayes:
Nays:
Absent:

RESOLUTION DECLARED ADOPTED.

I, Cathy Smith, City Clerk, do hereby certify that the foregoing is a true and original copy of a resolution duly made and passed by the Ishpeming City Council at their Regular Meeting held on October 4, 2023, at 6:00 pm, with a quorum present.

Cathy Smith, Clerk
City of Ishpeming, County of Marquette

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**CITY OF ISHPEMING
RESOLUTION 17-2023**

**STATE DISASTER CONTINGENCY FUND GRANT
RESOLUTION**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ISHPEMING,

WHEREAS, the City of Ishpeming, Michigan, is a political subdivision within the State of Michigan with an official Emergency Operations Plan in compliance with Section 19 of the Emergency Management Act, Act 390, Public Acts of 1976, as amended.

WHEREAS, the City of Ishpeming, sustained severe losses of major proportions brought on by a snow event followed by rapid melt occurring between April 30 and May 5, 2023. The resulting conditions included the already saturated ground (ground water table) significantly increased the ground water infiltration into the city sanitary sewer and stormwater infrastructure. Subsequently flooding of many low-lying areas occurred throughout town. The most extensive damage was to the 7-foot concrete storm pipe located at the Partridge Creek outflow. This damage has contributed to a depression having formed, washing the gradient base materials along with the restricted flow (carrying capacity of the system – no known total blockage).

WHEREAS, the Ishpeming City Council certifies that the County Emergency Operations Plan was implemented at the onset of the disaster on the morning of May 1, 2023 and all applicable disaster relief forces identified therein were exhausted.

WHEREAS, as a direct result of the disaster, public damage and expenditures were extraordinary and place an unreasonably great financial burden on the City of Ishpeming totaling more than \$250,000.

NOW THEREFORE BE IT RESOLVED THAT the Ishpeming City Council requests the Governor authorize a grant to the City of Ishpeming from the State Disaster Contingency Fund pursuant to Section 19, Act 390, Public Acts of 1976, as amended.

FURTHERMORE, Craig H. Cugini, is authorized to execute for and in behalf of the City of Ishpeming the application for financial assistance and to provide to the State any information required for that purpose.

Action taken and incorporated in the minutes of a meeting of the Ishpeming City Council on Wednesday, October 4, 2023.

I certify that the above Resolution was adopted by The City of Ishpeming on October 4, 2023.

BY: Cathy Smith, City Clerk

Name and Title (please print or type)

Signature



100 Portage Street Houghton, MI 49931

906-482-4810 • 800-562-7684 • Fax: 906-482-9799

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[119-03468]

September 22, 2023

City of Ishpeming
100 E. Division Street
Ishpeming, MI 49849

Attn: Mr. Craig Cugini, City Manager

RE: CITY HALL EMPLOYEE ENTRANCE DOOR REPLACEMENT

Dear Mr. Cugini:

We have reviewed the above referenced door repair work at City Hall on September 13, 2023, along with the two (2) competitive quotes the City received, and offer the following:

1. We confirm that the existing door, transom, door frame and non-load bearing wall surrounding the door need to be replaced.
2. We requested "The Window Store" adjust their quote to add in a few needed items to be comparable "apples to apples" with the other quote from "Stonehouse Window and Door".
3. After reviewing the two (2) on an "apples to apples" basis:
The Window Store quote = \$7,817.00*
Stonehouse Window & Door quote = \$9,843.55
*The Window Store does not have finish painting in their quote, which is an approximate \$400 to \$500 value.

Based on the above information, we recommend accepting the 9/19/23 quote from "The Window Store" for \$7,817.00 to replace the existing employee entrance door and surrounding wall and framing. (Even with an additional \$500 for finish painting, The Window Store's quote is almost 20% less than the other quote.)

If you have any questions, please call me at our Houghton office.

Sincerely,

George Kiiskila, Jr., P.E.
Principal/Structural Engineer

cc: Mr. Bill Anderson, Jr. (City of Ishpeming)
Mr. Chris Holmes, P.E. (UPEA, Houghton)

Offices also in:
Iron Mountain
Ishpeming
Marinette
Sault Ste Marie

U.P. Engineers & Architects, Inc.

www.UPEA.com

Stonehouse Window & Door
 212 Front Street
 Ishpeming, MI 49849 US
 9064864000
 Stonehouse49849@gmail.com

Estimate 1875



ADDRESS	SHIP TO	DATE	TOTAL	EXPIRATION DATE
City of Ishpeming Ishpeming City Hall 100 E Division Ishpeming, MI 49849	City of Ishpeming City of Ishpeming Public Works Department 100 S. Lake St Ishpeming, MI 49849	08/23/2023	\$9,843.55	09/30/2023

	DESCRIPTION	QTY	RATE	AMOUNT
Exterior Door	3/0 x 8/0 Steel Flush Single Door Kit w/Transom: Right Hand Reverse Outswing - 16ga Frame Jamb Depth 5.5" - 24 x 30 Clear Tempered Glass Kit Installed - Integrated Sill Anchor - Prepared Opening Anchor - Aluminum 2711 Closer with Hold Open - Single Bore - Hinges Ball Bearing Brushed Chrome - 30 Sweeps - Weatherstrip - Threshold - Closer Reinforcement - No Prefinish - Primer Only	1	5,657.12	5,657.12T
Door Installation	Door Installation Includes Removal and Disposal of Existing Door - Materials, Fasteners, Sealants, and Spray Foam Around Door Opening - Exterior: New Brickmould & Paneling Above Door - Interior: Reuse Existing Handle Install Closer - Set Glass - Does Not Include Any Unforeseen Damages.	1	2,100.00	2,100.00
General Contracting	Repairs to Rotted Wall - This is a Budget Price Subject to Change Upon Time & Materials Used - Scope of Work to Include: Remove Paneling on Inside Both Side of Door - Replace Rotted Framing - Inspect for Further Damages - Replace Framing as Necessary - Install New Paneling - Paint & Trim - Budget Set: Materials \$547 Labor \$1,200	1	1,747.00	1,747.00

Agree to facilitation first, then arbitration. Any alteration or deviation from the above summary involving extra cost of material/labor will only be executed upon change orders by sales representative and will result in extra charge over the sum of the agreed on contracted price. This includes unforeseen

SUBTOTAL	9,504.12
TAX	339.43
TOTAL	\$9,843.55

3% Processing fee will apply for all credit card transaction.

A FINANCE CHARGE OF 1.5% (18% PER ANNUM) will be charged to accounts past 30 days.



621 West Washington Street • Marquette, MI 49855 • 1-906-226-6858

Date: 9/19/23

City of Ishpeming

Proposal

Re: City Hall Employee Entrance Door

Thank you for your inquiry. We are pleased to propose the supply and install for the **City Hall Employee Entrance Door**:

- Remove and dispose of existing door and frame
- Repair adjacent walls.
- Drywall adjacent walls as needed. Finish drywall up to ready for primer and paint.

(Note: Repairing adjacent walls does not include any electrical work. If electrical work is needed, electrical contracting work is by others)

We propose to furnish and install the following material per:

- 1 – 3'0" x 8'0" 16GA 5-3/4" transom hollow metal door frames, existing wall anchors
- 1 – 3'0" x 8'0" 18GA insulated hollow metal door w/ 24" x 36" x 1" insulated glass lite kit
- 4 – Ball bearing hinges
- 1 – Aluminum body door closer
- 1 – Sets weatherstripping, sweeps, and threshold

**** Customer to re-use existing lockset****

Notes:

1. Hollow metal products to be primed only, finish paint to be by others.
2. Glass and glazing of doors and frame to be included in pricing.

Total price is **\$7,817.00** (includes all applicable taxes) and is valid for 30 days.

Note: Price does not include any drywall, painting, electrical, security systems or flooring work.

Additional insurance requirements beyond our standard will result in additional costs

Thank you for your consideration.

Signature: _____ Date: _____

Terms:
Pat Healy



CITY OF ISHPERING, MICHIGAN

100 East Division Street • Ishpeming, Michigan 49849 • 906-485-1091

14(a)(b)

October 03, 2023

To: City of Ishpeming Council

The Planning Commission conducted 2 Public Hearings on October 02, 2023 affecting the Zoning Map and the Zoning Ordinance as follows:

Re: Ishpeming Planning Commission's Recommendations from October 02, 2023 Public Hearings:

(A) RZ 2023-02 Rezoning from GC (General Commercial) to MR (Multiple Residential)

This was determined to be a mapping error carried over from the 1984 Zoning Map to the current 2017 Zoning Map.

The Planning Commission recommends to the Council that Lots 56, 57, & 58 of U.S. Steel Corporation Assessor's Plat No. 1 of the Hard Ore Extension be rezoned from the GC (General Commercial) Zoning District to the MR (Multiple Residential) Zoning District.

(B) ZTA 2023-01 Zoning Ordinance Text Amendments

The Planning Commission recommends to the Council to remove the strikethrough text and replace it with the **bolded** Zoning Ordinance text amendments:

Section 15.3 A to amend parking requirements to require ... ~~Two (2)~~ **One (1)** Off-Street Parking Space Per Unit and to add to Section 15.4 Conditional Uses Item I:

I. Owner or rental residentially occupied units located on the First Floor which must have One (1) Off-Street Parking Space Per Unit.

These revisions are anticipated to result in increased development flexibility and opportunities in the CBD (Central Business District).

Alan K. Pierce, Zoning Administrator

Akp:akp

City Manager, City Clerk



*The City of Ishpeming is an equal opportunity provider/employer.
Auxiliary aids and service are available upon request to individuals with disabilities.*

HOME OF THE U.S. SKI AND SNOWBOARD HALL OF FAME

Proposed Zoning District Change from GC to MR

to correct 1984 mapping error

(A)

S Lake St

S Lake St

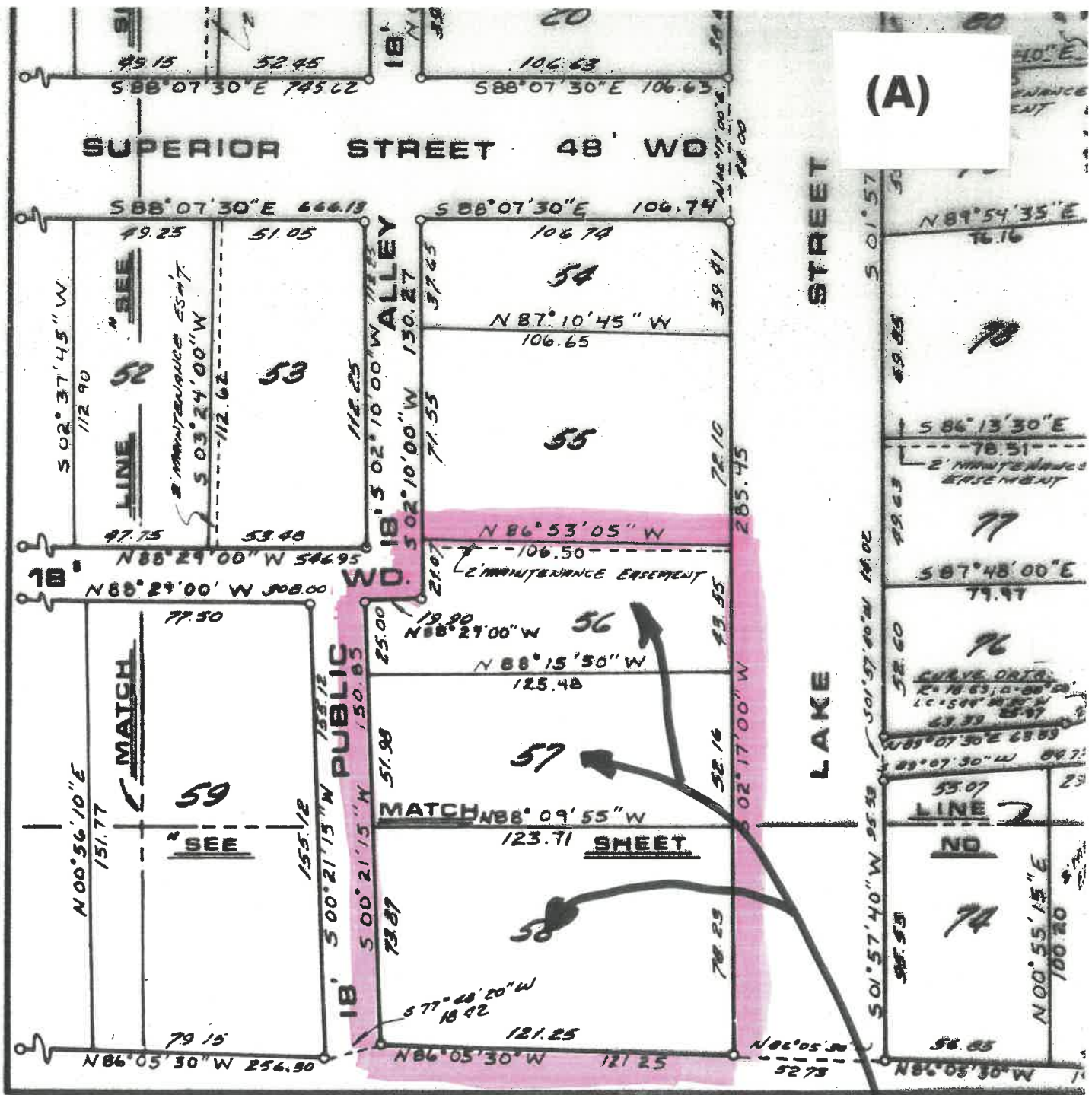
W Johnson St

Google Earth

200 ft

W Johnson St

(A)



City of Ishpeming

ORDINANCE NO. 11-2700

TAX EXEMPTION ORDINANCE

ADOPTED: _____

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 ISHPERING ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the City of Ishpeming Tax Exemption Ordinance No. 11-2700 – Anderson Lofts and Peninsula Lofts

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 of Ishpeming 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 of Ishpeming 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 of Ishpeming 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 acquire, rehabilitate, own and operate a housing project identified as Anderson Lofts and Peninsula Lofts on certain property located at 100 S Main, 105 S Main St, 203 S Main St, 114 W Pearl St and 112 E Pearl St (further described in Exhibit A) in the City of Ishpeming 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. 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 CHN Anderson Peninsula Limited Dividend Housing Association 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 Anderson Lofts and Peninsula Lofts is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Anderson Lofts and Peninsula Lofts and the property on which it 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/rehabilitate Anderson Lofts and Peninsula Lofts 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 4% of the Annual Shelter Rents actually collected by the housing project during each operating year, exclusive of charges for gas, electric,

water, sanitary sewer, and other utilities furnished to the occupants that are paid by the housing project.

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 previous calendar year, except that the annual service charge shall be paid in one (1) annual payment, which annual payment shall be paid to the City on or before May 1 of each year for the previous calendar 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, the housing project remains subject to income and rent restrictions under the LIHTC Program, or a land use restriction for affordable housing remains on the property; provided that construction of the Housing Development identified as Anderson Lofts and Peninsula Lofts commences within three years from the effective date of this Ordinance; and provided further that in no event shall the exemption granted under Section 5 of this Ordinance continue for more than 30 years. In the event that Anderson Lofts and Peninsula Lofts fails to meet the requirements in this section, then this Ordinance may be amended in the sole discretion of the Ishpeming City Council.

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. *[this section is required]*

Section 12. Effective Date.

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

ORDINANCE DECLARED ADOPTED

Cathy Smith, City Clerk

Adopted:
Published:

I hereby certify that the foregoing is a true and complete copy of an Ordinance No. 11-2700 adopted by the City Council of the City of Ishpeming, County of Marquette, Michigan at a _____ meeting held on _____ and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Cathy Smith, City Clerk

EXHIBIT A

PARCELS

Address: 100 S. Main Street

Tax ID: 52-51-050-075-00

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING LOT 75

Address: 100 S. Main Street

Tax ID: 52-51-050-071-50

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING PART OF LOT 71 BEG AT NE COR THEREOF TH S 90' TH W 30' TH N 71.66' TH N58DEG34'E 35.16' TO POB

Address: 100 S. Main Street

Tax ID: 52-51-050-071-00

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING LOT 72 & LOT 71 EXC THAT PART BEG AT NE COR THEREOF TH S 90' TH W 30' TH N 71.66' TH N58DEG34'E 35.16' TO POB

Address: 105 S. Main Street

Tax ID: 52-51-050-076-00

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING LOT 76 AND N. 10' OF LOT 77

Address: 114 W. Pearl Street

Tax ID: 52-51-050-073-00

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING LOTS 73 AND 74

Address: 203 S. Main Street

Tax ID: 52-51-050-040-00

Legal Description: ORIGINAL PLAT, CITY OF ISHPEMING LOT 40 & PART OF LOT 41 BEG AT NW COR THEREOF TH S'LY ALG W LINE THEREOF 3.5' TH E'LY PAR TO N LINE THEREOF 21.25' TH S 3.5' TH E'LY PAR WITH N LINE THEREOF TO E LINE THEREOF TH N TO NE COR THEREOF TH W'LY ALG N LINE OF L

Address: 112 E. Pearl Street

Tax ID: 52-51-050-046-00

Legal Description: ORIGINAL PLAT CITY OF ISHPEMING LOT 46