CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 22, 2011

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:**
- **INTRODUCTIONS/PRESENTATION:**
- **CONSENT AGENDA:**
  - A. **Approval of Minutes.** CITY CLERK
  - B. **Approval of Realtor and Title Company for CNS.** COMMUNITY & NEIGHBORHOOD SERVICES
  - C. **Budgeted Vehicle Replacement.** PUBLIC WORKS
  - D. **Intergovernmental Agreement for Traffic Signal Maintenance Contract Extension.** PUBLIC WORKS
  - E. **Consideration of Bids/Contract Award for Roof Replacement over Police Department.** ENGINEERING
  - F. **Request to Amend Existing Resolution 2011-69(b) for an Obsolete Property Certificate – J&J Bail Bonds, 41 E Apple Ave.** PLANNING & ECONOMIC DEVELOPMENT
- **PUBLIC HEARINGS:**
  - A. **Request for an Industrial Facilities Exemption Certificate – ADAC Plastics.** PLANNING & ECONOMIC DEVELOPMENT
  - B. **Request for Exemption of New Personal Property (PA 328) – ADAC Plastics.** PLANNING & ECONOMIC DEVELOPMENT
  - C. **Establishment of a Commercial Rehabilitation District – 363 Ottawa Street.** PLANNING & ECONOMIC DEVELOPMENT
- **COMMUNICATIONS:**

- **CITY MANAGER'S REPORT:**
- **UNFINISHED BUSINESS:**
- **NEW BUSINESS:**

A. **Holidays in the City – Resolution of Support.** PLANNING & ECONOMIC DEVELOPMENT

B. **Winter Ice Rink in Downtown Muskegon.** PLANNING & ECONOMIC DEVELOPMENT

- **ANY OTHER BUSINESS:**
- **PUBLIC PARTICIPATION:**

- ***Reminder: Individuals who would like to address the City Commission shall do the following:***
- Fill out a request to speak form attached to the agenda or located in the back of the room.
- Submit the form to the City Clerk.
- Be recognized by the Chair.
- Step forward to the microphone.
- State name and address.
- Limit of 3 minutes to address the Commission.
- (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

- **CLOSED SESSION:**
- **ADJOURNMENT:**

ADA POLICY: The City of Muskegon will provide necessary auxiliary aids and services to individuals who want to attend the meeting upon twenty four hour notice to the City of Muskegon. Please contact Ann Marie Cummings, City Clerk, 933 Terrace Street, Muskegon, MI 49440 or by calling (231) 724-6705 or TTY/TDD: dial 7-1-1 and request a representative to dial (231) 724-6705.

Date: November 22, 2011

To: Honorable Mayor and City Commissioners

From: Ann Marie Cummings, City Clerk

RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the November 7^{th} City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 7, 2011

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, November 7, 2011.

Mayor Warmington opened the meeting with a prayer from George Monroe after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Lawrence Spataro, Sue Wierengo, Steve Wisneski, Chris Carter, and Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2011-80 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the City Commission Meeting that was held on Tuesday, October 25, 2011.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Budgeted Equipment Purchase. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase one 2012 full-size Ford F-150 4x4 pick-up truck for fleet replacement from Vanderhyde Ford who was the lowest responsible bidder. This vehicle will replace Water Department truck #30582 (2003).

FINANCIAL IMPACT: $22,085 Equipment Fund.

BUDGET ACTION REQUIRED: None, the price of this truck is within the amount budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one 2012 Ford F-150 4x4 pick-up from Vanderhyde Ford.

C. **<u>Construction Engineering Agreement with Dixon Engineering for Roberts and Marshall Elevated Tanks (W-730).</u>** ENGINEERING

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Dixon Engineering for a total cost of $30,860 to perform the necessary inspection on the painting of the Marshall and Roberts elevated tanks. Dixon is being recommended since they were designer on this project.

FINANCIAL IMPACT: The contract cost of $30,860.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering service agreement with Dixon Engineering.

Motion by Commissioner Carter, second by Commissioner Wierengo to approve the Consent Agenda as read.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

2011-81 UNFINISHED BUSINESS:

A. **<u>SECOND READING: Vacant Building Registration Ordinance Amendment.</u>** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to amend the Code of Ordinances Chapter 10, Section 107, Annual Registration of Vacant Buildings and Registration Fees, for the purposes of adding a two-year waiver for properties that are in probate, being actively rehabbed so it may be occupied, or while a home appears to be occupied but is vacant by definition with proof of each being supplied by the property owner and the property may not be cited by any City department and all fees owed to the City are paid.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends amendment of Chapter 10, Section 107, Annual Registration of Vacant Buildings and Registration Fees, for the purposes stated.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to adopt the amendment of Chapter 10, Section 107 of the Annual Registration of Vacant Buildings and Registration Fees for the purposes stated.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

2011-82 NEW BUSINESS:

A. **<u>Special Events – "Love Notes".</u>** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Community Foundation, in celebration of its 50th year, provided $3,000 for six, $500 "Love Notes" mini-grants to individuals, businesses and organizations in the community. The idea for "love notes" was generated from a workshop conducted by consultant Peter Kageyama, which was attended by community members, including several representatives from the City of Muskegon. The winners were decided through the Foundation's Facebook page. Since some of the "love notes" may require a Special Event permit, staff is requesting that the permit fee be waived for the first year of the "event", as a gesture of the City's partnership in this creative (and fun) endeavor. However, if any City services are required, there may be a charge for those services.

FINANCIAL IMPACT: The special event permit application fee will be waived, resulting in a loss of $50 per permit required (not all "love notes" will require a permit), for the first year of the event.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To allow a fee waiver for any "love notes" that require a special event permit for the first year of the event.

Motion by Commissioner Spataro, second by Commissioner Wierengo to allow a fee waiver for any "love notes" that require a special event permit for the first year of the event to show partnership with this endeavor.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments received.

ADJOURNMENT: The City Commission Meeting adjourned at 5:49 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk

Commission Meeting Date: November 22, 2011

Date: November 8, 2011

To: Honorable Mayor & City Commission

From: Community and Neighborhood Services Department

RE: Approval of Realtor and Title Company for CNS

SUMMARY OF REQUEST: To extend the Procurement Contract to June 30, 2012 for Exit Lakeshore Realty and Midstate Title Agency to be used by the City of Muskegon Community and Neighborhood Services office.

The CNS office put out public notices for a variety of trades. No bids were received for realtors or title companies. We already have a good working relationship with Exit Lakeshore Realty and Midstate Title Agency. We would like to extend their contract until June 30, 2012.

FINANCIAL IMPACT: The funding for any project the realtor or title company would be used for would come out of the funds the house was originally established under: CDBG, HOME or NSP1.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the extension of the Procurement Contracts for Exit Lakeshore Realty and Midstate Title Agency for the Community and Neighborhood Services office.

COMMITTEE RECOMMENDATION: None required.

Date: 11/22/2011

To: Honorable Mayor and City Commission

From: Equipment Division

RE: Budgeted Vehicle Replacement

SUMMARY OF REQUEST: Authorize staff to purchase one(1) 2012 Ford F-450 4X4 Dump Truck. This vehicle will be an addition to the Highway Dept. for alley plowing and cul-de-sac clean up.

FINANCIAL IMPACT: $28,396.00

BUDGET ACTION REQUIRED: None. The price of this vehicle is under what the Equipment Division has budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase 0ne(1) 2012 Ford F-450 4X4 Dump Truck from Vanderhyde Ford who was the lowest responsible bidder.

MUSKEGON

West Michigan's Shoreline City
www.shorelinecity.com

City of Muskegon Telephone Bid Tabulation

Date: **11/16/11**

Requisition: 2012 F-450 4X4 Dump Truck

	Name of Bidder	Name of bidder	Name of Bidder
Vendor	Gorno Ford(State Bid)	Fremont Ford	Vanderhyde Ford
Telephone	(734)676-7647	(231)924-3200	(616)696-1541
Quoted by	Eddie Williams	Doug Blamer	Bernie Beier

Quantity	Description	Price	Price	Price
One(1)	Ford F-450 4X4 Dump Truck	$28,875.00	$28,453.46	$28,396.00
	TOTAL BID	$28,875.00	$28,453.46	$28,396.00

Lowest bid **$28,396.00**

Bid Requested by: Joe Buckingham, Equipment Supervisor

AGENDA ITEM NO._____________

CITY COMMISSION MEETING ____________________

TO: Honorable Mayor and City Commission

FROM: Department of Public Works

DATE: November 22, 2011

SUBJECT: Intergovernmental Agreement for Traffic Signal Maintenance Contract Extension

SUMMARY OF REQUEST:
Authorize Staff to sign an Intergovernmental Agreement for Traffic Signal Maintenance. This is a one year contract extension, from a previous 3-year contract, with the Muskegon County Road Commission, along with other municipalities from March 9, 2012 thru March 9, 2013 with Windemuller Electric Inc as the traffic signal maintenance contractor. The agreement calls for MCRC to administer the project and charge the participating agencies 15% overhead. The local agencies included in the Muskegon County Signal Maintenance Group are Muskegon, Muskegon Heights, Norton Shores, Roosevelt Park and MDOT.

FINANCIAL IMPACT:
Approximate costs for the previous contract including emergency repairs have been $35, 064 in 2009, and $33,982 in 2010.

BUDGET ACTION REQUIRED:
None. Budgeted for in the Highway Majors budget.

STAFF RECOMMENDATION:
Approve request.

COMMITTEE RECOMMENDATION:

WINDEMULLER
1176 Electric Avenue
Wayland, MI 49348
Phone: 616.877.8770
Fax: 616.877.8700
windemuller.us

September 1, 2011

Muskegon County Road Commission
7700 E. Apple Ave.
Muskegon MI 49442
Attn. Managing Director

Re: Traffic signal maintenance contract extension.

To Whom It May Concern:

The current contract for the Muskegon County Signal Maintenance Group (MCSMG) is due to expire on March 9, 2012. We feel that this has been a great working relationship between the MCSMG and Windemuller Electric Inc. and would like to continue serving as the signal maintenance contractor.

As per the contract, we are requesting a contract extension for one year beginning on March 9, 2012 thru March 9, 2013.

If you have any questions or concerns, please feel free to contact me.

Sincerely,

TimVanderPloeg
Project Manager

Date: November 22, 2011

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Consideration of Bids/Contract Award
Roof Replacement over P.D

SUMMARY OF REQUEST:

Authorize staff to enter into agreement with Gale Roofing out of Hart to replace the roofing system over the police department portion of City Hall for (Jefferson Side) for a total cost of $12,223.00. Gale was the lowest responsible bidder with the only other bidder being J. Stevens Construction for $19,600.

FINANCIAL IMPACT:

The construction cost of $12,223.

BUDGET ACTION REQUIRED:

None. This project was budgeted for in the 2011/2012 CIP

STAFF RECOMMENDATION:

Authorize staff to enter into agreement with Gale Roofing to replace the roofing system over P.D.

COMMITTEE RECOMMENDATION:

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Request to amend existing resolution 2011-69(b) for an Obsolete Property Certificate –J&J Bail Bonds– 41 E Apple Ave

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SUMMARY OF REQUEST:

Pursuant to Public Act 146 of the Michigan Public Acts of 2000, J&J Bail Bonds, 41 E Apple Avenue, was approved for an obsolete property certificate on September 27, 2011. The Michigan State Tax Commission has requested that the resolution be amended to include language stating that the City will not allow an extension of additional years, pursuant to the City of Muskegon Obsolete Property Rehabilitation Policy.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends approval.

COMMITTEE RECOMMENDATION:

None

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

RESOLUTION NO. _____

A resolution amending existing resolution number 2011-69(b) passed by the City Commission on September 27, 2011.

The City Commission of the City of Muskegon hereby RESOLVES:

Recitals

A. The City Commission has received an Application for an Obsolete Property Rehabilitation Exemption Certificate from J&J Bail Bonds, to apply to the improvements located in an Obsolete Property Rehabilitation District established by previous resolution.

B. The City of Muskegon is a qualified local governmental unit as determined by STC Bulletin No. 9 of 2000, dated July 12, 2000.

C. An Obsolete Property Rehabilitation District in which the application property is located was established after hearing on September 27, 2011, being the same date that the district was established.

D. The taxable value of the property proposed to be exempt, plus the aggregate taxable value of properties already exempted under PA 146 of 2000 and under PA 198 of 1974, does not exceed five percent (5%) of the total taxable value of the City of Muskegon.

E. In the event it is determined that the said taxable values do exceed five percent (5%), the City Commission determines further that the said excedence will not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of any affected taxing units.

F. This resolution of approval is considered by the City Commission on September 27, 2011, after a public hearing as provided in Section 4(2) of PA 146 of 2000. The hearing was held on this date.

G. The applicant, J&J Bail Bonds, is not delinquent any taxes related to the facility.

H. The exemption to be granted by this resolution is for eight (8) years.

I. The applicant was approved for less than twelve (12) years and the City Commission is not allowing any extension of the exemption.

J. The City Commission finds that the property for which the Obsolete Property Rehabilitation Exemption Certificate is sought is obsolete property within the meaning of Section 2(h) of Public Act 146 of 2000 in that the property, which is commercial, is functionally obsolete. The City has received from the applicant all the items required by Section 9 of the application form, being the general description of the obsolete facility, a general description of the proposed use, a description of the general nature and extent of the rehabilitation to be undertaken, a descriptive list of fixed building equipment that will be part of the rehabilitated facility, a time schedule for undertaking and complete the rehabilitation, and statement of the economic advantages expected from the exemption.

K. Commencement of the rehabilitation has not occurred before the establishment of the district.

L. The application relates to a rehabilitation program that when completed will constitute a rehabilitated within the meaning of PA 146 of 2000 and will be situated within the Obsolete Property Rehabilitation District established by the City under PA 146 of 2000.

M. Completion of the rehabilitated facility is calculated to and will, at the time of the issuance of the Certificate, have the reasonable likelihood to increase commercial activity and create employment; it will revitalize an urban area. The rehabilitation will include improvements aggregating more than ten percent (10%) of the true cash value of the property at the commencement of the rehabilitation.

N. The City Commission determines that the applicant shall have twelve (12) months to complete the rehabilitation. It shall be completed by September 27, 2012, or one year after the Certificate is issued, whichever occurs later.

O. That notice pursuant to statute has been timely given to the applicant, the assessor for the City of Muskegon, representatives of the affected taxing units and the general public.

NOW, THEREFORE, THE CITY COMMISSION RESOLVES:

1. Based upon the statements set forth in, and incorporating the recitals to this resolution, the City Commission hereby approves the application filed by J&J Bail Bonds., for an Obsolete Property Rehabilitation Exemption Certificate, to be effective for a period of eight (8) years;

2. BE IT FURTHER RESOLVED, that this resolution of approval relates to the property set forth in Attachment A, the legal description containing the facilities to be improved;

3. BE IT FURTHER RESOLVED, that, as further condition of this approval, the applicant shall comply with the representations and conditions set forth in the recitals above and in the application material submitted to the City.

This resolution passed.

Ayes: ______________________________

Nays: ______________________________

CITY OF MUSKEGON

By ______________________
Ann Cummings, City Clerk

CERTIFICATE

This resolution was adopted at a meeting of the City Commission held on September 27, 2011. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By ______________________
Ann Cummings, City Clerk

ATTACHMENT A: PROPERTY DESCRIPTION

CITY OF MUSKEGON REVISED PLAT OF 1903 PART OF LOTS 5-8 & 14 BLK 219 COM AT SE COR LOT 7 TH SWLY ON N LN CONCORD AVE 64 FT FOR POB TH SWLY ON N LN OF CONCORD AVE 137.3 FT TH NWLY 152.89 FT TO A PT 2.35 FT W OF E LN LOT 15 FT TH ELY ON S LN APPLE AVE EX 160 FT M/L TH SELY PAR WITH ELY LN LOT 7 73.05 FT TO BEG

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing - Request for an Industrial Facilities Exemption Certificate – ADAC Plastics

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SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, ADAC Plastics, 1801 E Keating Ave, has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The company will be making an investment of $4,690,000 in real property improvements and plans on creating 130 jobs within two years. They are eligible for a 12 year abatement.

FINANCIAL IMPACT:

The City will capture certain additional property taxes generated by the expansion (see attached Summary Sheet).

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years on real property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
ADAC Plastics

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property owned by ADAC Plastics, 1801 E Keating Ave, Muskegon, Michigan 49442; and

WHEREAS, ADAC Plastics has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to a building expansion within said Industrial Development District ; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on November 22, 2011, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives 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 facility and installation of new machinery and equipment had not begun earlier than six (6) months before November 3, 2011, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, the building expansion is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.

2) The application of ADAC Plastics, for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to the building expansion and installation of new machinery and equipment on the following described parcels of real property situated within the City of Muskegon to wit:

   Parcel number 61-24-691-000-0015-00 and parcel number 61-24-691-000-0015-10 (they will be combined before commencement and retain the same address, 1801 E Keating Ave)

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of 12 years on real property.

Adopted this 22nd Day of November, 2011.

Ayes:

Nays:

Absent:

BY: __________________________________

Stephen J. Warmington
Mayor

ATTEST: __________________________________

Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on November 22, 2011.

____

Ann Cummings
Clerk

Michigan Department of Treasury
1012 (Rev. 5-07)

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) ADAC Plastics, Inc	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3089	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1801 Keating Ave Muskegon, MI 49442	1d. City/Township/Village (indicate which) City of Muskegon	1e. County Muskegon
2. Type of Approval Requested ☒ New (Sec. 2(4)) ☐ Transfer (1 copy only) ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(1)) ☐ Research and Development (Sec. 2(9))	3a. School District where facility is located Orchard View 4. Amount of years requested for exemption (1-12 Years) 12 Years	3b. School Code 61190

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Adding 70,000 square foot addition to house new state-of-art automotive component paint system.

6a. Cost of land and building improvements (excluding cost of land) $4,690,000.00
Real Property Costs
* Attach list of improvements and associated costs.
* Also attach a copy of building permit if project has already begun.

6b. Cost of machinery, equipment, furniture and fixtures .... ______
Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total

6c. Total Project Costs $4,690,000.00
Total of Real & Personal Costs
* Round Costs to Nearest Dollar

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	1/2/12	12/31/13	☒ Owned ☐ Leased
Personal Property Improvements			☐ Owned ☐ Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☐ No

9. No. of existing jobs at this facility that will be retained as a result of this project.	10. No. of new jobs at this facility expected to create within 2 years of completion. 130

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .... ______
b. TV of Personal Property (excluding inventory) .... ______
c. Total TV .... ______

12a. Check the type of District the facility is located in:
☒ Industrial Development District ☐ Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 2/25/97	12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
William J. Powers	(616) 957-0311	(616) 974-0582	bpowers@adacautomotive.co
14a. Name of Contact Person	**14b. Telephone Number**	**14c. Fax Number**	**14d. E-mail Address**
William J.Powers	(616) 957-0311	(616) 974-0582	bpowers@adacautomotive.co
▶ 15a. Name of Company Officer (No Authorized Agents)			
James M. Teets			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
James M. Teets		(616) 974-0582	10/19/11
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address
5920 Tahoe Drive SE Grand Rapids, MI 49546		(616) 957-0311	

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit

☐ Abatement Approved for _______ Yrs Real (1-12), _____ Yrs Pers (1-12)

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit

Check or Indicate N/A if Not Applicable

☐ 1. Notice to the public prior to hearing establishing a district.

☐ 2. Notice to taxing authorities of opportunity for a hearing.

☐ 3. List of taxing authorities notified for district and application action.

☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

Check or Indicate N/A if Not Applicable

☐ 1. Original Application plus attachments, and one complete copy

☐ 2. Resolution establishing district

☐ 3. Resolution approving/denying application.

☐ 4. Letter of Agreement (Signed by local unit and applicant)

☐ 5. Affidavit of Fees (Signed by local unit and applicant)

☐ 6. Building Permit for real improvements if project has already begun

☐ 7. Equipment List with dates of beginning of installation

☐ 8. Form 3222 (if applicable)

☐ 9. Speculative building resolution and affidavits (if applicable)

16c. LUCI Code	16d. School Code
17. Name of Local Government Body	**▶ 18. Date of Resolution Approving/Denying this Application**

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

RECEIVED

NOV 14 2011

CITY OF MUSKEGON
PLANNING DEPARTMENT

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and ADAC Plastics ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate.

1.3 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of $4,690,000 in the improvements as shown in the application.

1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.6 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.7 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.8 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.9 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.10 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

> 4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.
>
> 4.1.2 <u>Immediate Revocation</u>. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 <u>Failure to Expend the Funds Represented</u>. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 <u>Job Creation and Retention</u>. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 <u>Affirmative Action Goals</u>. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By ______________________
Steve Warmington, Mayor

Date ______________________

and ______________________
Ann Cummings, Clerk

Date ______________________

By ______________________

Its Secy/Treas

Date 11/11/11

MUSKEGON

West Michigan's Shoreline City

City of Muskegon
Industrial Development District
Summary Sheet

Project Summary:

ADAC Plastics will be investing $4,690,000 in real property and are expecting to create 130 new jobs.

Employment Information:

Racial Characteristics:

White	408 (69%)
Minority	184 (31%)
Total	592

Gender Characteristics:

Male	279 (47%)
Female	313 (53%)
Total	259

Total No. of Anticipated New Jobs: 130

Investment Information:

Real Property Total $4,600,000

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	$ 131,482	$ 25,468
Value of Abatement	$ 65,741	$ 12,734
Total New Taxes Collected	$ 65,741	$ 12,734

Income Tax Information: (Annual)
Total Additional Income Tax Generated: $ 20,821

Company Requirements:

Adopted Affirmative Action Policy	Yes	No
Meeting w/ City Affirmative Action Director	Yes	No
Signed Tax Abatement Contract	Yes	No
Taxes Paid In Full	Yes	No
Zoning Conflicts	Yes	No

Mike Franzak
Planner III

Dwana Thompson
Dwana Thompson
Affirmative Action Director

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing - Request for Exemption of New Personal Property (PA 328) – ADAC Plastics

---

SUMMARY OF REQUEST:

Pursuant to Public Act 328 of 1998, as amended, ADAC Plastics, Inc, 1801 E Keating Ave, has requested an exemption of new personal property. The company plans on investing $15,780,000 in personal property improvements and is seeking a 12 year exemption on personal property. The exemption would include all new personal property investments during the duration of the exemption.

FINANCIAL IMPACT:

The City will forgo 100% of the personal property taxes for the length of the abatement.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the exemption of new personal property for a duration on twelve (12) years.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR EXEMPTION OF NEW PERSONAL PROPERTY UNDER PA 328 OF 1998
ADAC Plastics

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property owned by ADAC Plastics, 1801 E Keating Ave, Muskegon, Michigan 49442; and

WHEREAS, ADAC Plastics has filed an application for Exemption of New Personal Property with respect to new personal property to be installed within said Industrial Development District ; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on November 22, 2011, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, installation of new machinery and equipment had not begun earlier than six (6) months before November 3, 2011, the date of acceptance of the application for the Exemption of New Personal Property; and

WHEREAS, the installation of machinery and equipment is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

1) The Muskegon City Commission finds and determines that the Exemption considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 328 of the Public Act of 1998 as amended and Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.

2) The application of ADAC Plastics, for the Exemption of New Personal Property with respect to the personal property expansion on the following described parcels of real property situated within the City of Muskegon to wit:

    Parcel number 61-24-691-000-0015-00 and parcel number 61-24-691-000-0015-10 (they will be combined before commencement and retain the same address, 1801 E Keating Ave)

3) The Exemption of New Personal Property is issued and shall be and remain in force and effect for a period of twelve (12) years on personal property.

Adopted this 22nd Day of November 2011.

Ayes:

Nays:

Absent:

BY: ______________________________

Stephen J. Warmington
Mayor

ATTEST: ______________________________

Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on November 22, 2011.

____

Ann Cummings
Clerk

Michigan Department of Treasury
3427 (Rev. 5-06)

Application for Exemption of New Personal Property

Issued under P.A. 328 of 1998. An exemption will not be effective until approved by the State Tax Commission.

INSTRUCTIONS: Read instructions on page 2 of this form before completing this application. File the original and two copies of this form and the required attachments (resolution approving, copy of legal description and a detailed description of the business operations) with the clerk of the local government unit. The State Tax Commission requires two complete sets.

PART 1: APPLICANT INFORMATION

1a. Applicant/Company Name (Applicant must be an ELIGIBLE BUSINESS) ADAC Plastics, Inc		2. County Muskegon
1b. Company Mailing Address (No. and Street, P.O. Box, City, State, ZIP Code) PO Box 888375 Grand Rapids, MI 49588-8375		3. City/Township/Village (indicate which) City
1c. Location of Eligible Business (No. and Street, City, State, ZIP Code) 1801 Keating Ave Muskegon, MI 49442	4a. Local School District Orchard View	4b. School Code 61190

5. Check below the type of business in which you are engaged and provide a detailed description of the business operation on a separate sheet

- [x] Manufacturing
- [ ] Research & Development
- [ ] Office Operations
- [ ] Mining
- [ ] Wholesale Trade

6a. Identify type of ELIGIBLE DISTRICT where Eligible Business and New Personal Property will be located Industrial Development District	6b. Governing Unit that Established ELIGIBLE DISTRICT City of Muskegon	6c. Date ELIGIBLE DISTRICT was Established 2/25/1997
7. Name of Person in the Eligible Business to Contact for Further Information William J. Powers		8. Telephone Number (616) 957-0311
9. Mailing Address PO Box 888375 Grand Rapids, MI 49588-8375		

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which application is being made. The undersigned, authorized officer further certifies that the applicant is an Eligible Business as defined in P.A. 328 of 1998.

11. Name of Company Official James M. Teets		12. Title President and CEO
13. Signature (No Authorized Agents) James M. Teets		14. Date 10/19/11
15. Mailing Address (include City, State and ZIP Code) PO Box 888375 Grand Rapids, MI 49588-8375		
16. Email Address	17. Telephone Number (616) 957-0311	18. Fax Number (616) 974-0582

PART 2: LOCAL GOVERNMENT UNIT CLERK VERIFICATION

19. Name of Local Governmental Unit Which Passed Resolution for Exemption of New Personal Property	20. Date of Resolution **(Attach Copy)**	21. Expiration Date of Exemption
22. Name of Clerk	23. Date application was received by Local Unit	
24. Clerk's Signature	25. Clerk's Mailing Address	
26. Telephone Number	27. Fax Number	28. Email Address
29. LUCI Code	30. School Code	31. Date District was Established

STATE TAX COMMISSION USE			
Application No.	Date Received	LUCI Code	School Code

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 328 Public Acts of 1998

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and ADAC Plastics ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 328 of the Public Acts of 1998, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for exemption of new personal property.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for application for exemption of new personal property.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and exemption benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the exemption.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the exemption by the State Tax Commission.

1.2 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the exemption by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the exemption.

1.3 The Company, by the end of two (2) years from the date of the grant of the exemption by the State Tax Commission shall have completed the investment of $15,780,000 in the equipment improvements as shown in the application.

1.4 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the exemption by the State Tax Commission.

1.5 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.6 The Company shall not appeal the valuation of any real or personal property at the facility to the Michigan Tax Tribunal or the State Tax Commission.

1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the abatement.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve exemption of new personal property have been properly filed, the City shall, in a timely manner, determine in a public meeting to create the district and receive, process, and approve thereafter the Company's application for exemption of new personal property. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and approval of the application for exemption. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

> 4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the exemption was in effect.
>
> 4.1.2 Immediate Revocation. The Company hereby consents to revocation to the exemption of new personal property before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll.

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the exemption by the State Tax Commission, the abatement shall be proportionately reduced.

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the exemption by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the exemption.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. Effective Date. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company an exemption of new personal property.

CITY OF MUSKEGON

By ______________________
Steve Warmington, Mayor

Date ______________________

and ______________________
Ann Marie Becker, Clerk

Date ______________________

By ______________________

Its Secy / Ness

Date 11/11/11

MUSKEGON

West Michigan's Shoreline City

City of Muskegon
Exemption of New Personal Property (PA 328) Summary Sheet

Project Summary:

ADAC Plastics will be investing $15,780,000 in real property and are expecting to create 130 new jobs. The issuance of 328, would give a 100% exemption on all personal property investments made within the duration of the certificate.

Employment Information:

Racial Characteristics:

White	408 (69%)
Minority	184 (31%)
Total	592

Gender Characteristics:

Male	279 (47%)
Female	313 (53%)
Total	259

Total No. of Anticipated New Jobs: 130

Investment Information:

Personal Property Total $15,780,000

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	$ 261,679	$ 87,366
Value of Abatement	$ 261,679	$ 87,366
Total New Taxes Collected	$ 0	$ 0

NOTE: Values are only listed for the initial $15,780,000 investment. However, all personal property purchased during the duration of the certificate will also be exempt.

Income Tax Information: (Annual)

Total Additional Income Tax Generated: $ 20,821

Company Requirements:

Adopted Affirmative Action Policy	Yes	No
Meeting w/ City Affirmative Action Director	Yes	No
Signed Tax Abatement Contract	Yes	No
Taxes Paid In Full	Yes	No
Zoning Conflicts	Yes	No

Mike Franzak
Planner III

Dwana Thompson
Dwana Thompson
Affirmative Action Director

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Public Hearing – Establishment of a Commercial Rehabilitation District – 363 Ottawa St

---

SUMMARY OF REQUEST:

Pursuant to Public Act 210 of 2005, as amended, Lake Welding Supply has requested the establishment of a Commercial Rehabilitation District. The creation of the district will allow the building owner to apply for a Commercial Rehabilitation Certificate, which will freeze the taxable value of the building and exempt the new real property investment from local taxes. The school operating tax and the State Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Establishment of the Commercial Rehabilitation District at 363 Ottawa St.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING THE CREATION OF A COMMERCIAL REHABILITATION DISTRICT
363 Ottawa St.

WHEREAS, Lake Welding Supply has requested in writing for the City to establish a Commercial Rehabilitation District at 363 Ottawa St in a letter dated October 21, 2011; and

WHEREAS, the creation of this district is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHERAS, the building at this location is at least 15 years old and is located in a downtown district; and

WHEREAS, a Public Hearing was held on November 22, 2011 at which the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard;

NOW, THEREFORE, BE IT RESOLVED, the City Commission of Muskegon does hereby establish a "Commercial Rehabilitation District" for the property at 363 Ottawa St on the following described parcel of real property

CITY OF MUSKEGON REVISED PLAT OF 1903 LOTS 1-7 BLK 144 ALSO N 1/2 VAC JACKSON AVE

Adopted this 22nd Day of November 2011.

Ayes:

Nays:

Absent:

BY: ________________________________
Stephen J. Warmington
Mayor

ATTEST: ________________________________
Ann Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on November 22, 2011.

Ann Cummings
Clerk

Staff Notes

1. The project includes a rehab and expansion of the building. The total real property investment is $1,400,000.
2. A Commercial Rehab Certificate would freeze the real property taxes at their current rate for a duration of 5-10 years.
3. The City must first establish a Commercial Rehab District.
4. The City must then send the resolution to the County. The County has 28 days to reject the resolution.
5. After 28 days, the applicant must come back to City Commission to request a Commercial Rehab Certificate.

Project Notes from Application

2a. The original building was constructed in 1953. Subsequent additions and expansions have occurred with the final addition taking place in July, 1996. We are a producer of industrial, medical, carbonic and specialty gases and a distributor of welding and industrial supplies to customers throughout western lower Michigan. The use of our facility has changed little over our 58 year history and the building has grown to meet the increased needs of our customers. We occupy a single story facility with an area of 23,195 square feet.

2b. The new addition and upgrading of our current facility will compliment our current building use, while improving customer service and room to grow our business.

2c. We will be adding approximately 6,735 square feet of space in a two story addition to accommodate a new, larger customer showroom to nearly triple our merchandise display area. Additional warehouse and employee meeting space will be created as well. As part of the building addition, our entire facility will be brought up to code with the greatest requirement being a full sprinklering of our facility. We will be updating our cylinder filling equipment, adding efficiencies to our gas cylinder handling, and automating processes where available to keep our company as competitive and efficient as possible.

2d. We will be installing new storage rack materials, new cryogenic storage tanks, new automated cylinder filling equipment, new showroom display equipment, new signage, dock levelers, dock seals and showroom exhaust fan (for demonstration booth).

2e. First phase, estimated occupancy in February, 2012. Phase two will consist of a 2,100 square foot addition and rebuilding of 400 square foot connector building. Estimated occupancy of phase two is July, 2012.

2f. Increased process efficiencies, improved customer service and expanded showroom to accommodate larger display of merchandise items.

2g. City of Muskegon revised plat of 1903, lots 1-7 Block 144, also north ½ vacation of Jackson Avenue.

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor and City Commissioners

From: Planning & Economic Development

RE: Holidays in the City – Resolution of Support

SUMMARY OF REQUEST:

A request to sign the resolution in support of Holidays in the City, an event starting this Saturday in downtown Muskegon that will showcase the holiday events and unique retail destinations of downtown Muskegon. Everyone is encouraged to come downtown for the Teddy Bear Breakfast, Festival of Trees, the lighting of Hackley Park, shopping and dinning, a window decorating contest with prizes for voters and a movie showing at the Frauenthal Theatre.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the resolution

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

HOLIDAYS IN THE CITY
RESOLUTION OF SUPPORT

WHEREAS, Holidays in the City will begin this Saturday, November 26 and continue through the holiday season. This event will showcase the holiday gatherings and unique retail shopping destinations of downtown Muskegon.

WHEREAS, Saturday's events will kick off with the Teddy Bear Breakfast and Festival of Trees at the Muskegon Museum of Art, continuing with downtown holiday shopping and a store window decorating contest, followed by the lighting of Hackley Park, and wrapping up with a showing of "Like There's No Tomorrow" at the Frauenthal Theatre.

WHERAS, everyone is encouraged to enjoy the holiday events in downtown Muskegon and participate in the window decorating contest, where voters will be eligible to win gift baskets from local retailers.

WHEREAS, the City Commission of Muskegon encourages everyone shop locally this holiday season and to enjoy all of the festivities taking place in downtown Muskegon.

Adopted this 22nd Day of November 2011.

Ayes:

Nays:

Absent:

BY: ______________________________
Stephen J. Warmington
Mayor

ATTEST: ______________________________
Ann Marie Cummings
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on November 22, 2011.

____
Ann Marie Cummings
Clerk

Commission Meeting Date: November 22, 2011

Date: November 16, 2011

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: Winter Ice Rink in Downtown Muskegon

SUMMARY OF REQUEST: Downtown Muskegon Now (DMN) is planning an outdoor ice rink in downtown Muskegon, from mid-January to mid-February. The ice rink will be a located on the vacant lot owned by Parkland Properties. The ice rink will provide another opportunity for the public to enjoy the downtown during the winter season (free of charge), in addition to shopping, restaurant and entertainment venues. Andrew Haan, DMN Director, has been working with City staff to develop a plan for installation of the rink. Since they are unable to use the fire hydrant, a separate water service must be installed. The costs for the installation are attached. DMN is requesting that the costs associated with establishing this service be waived (see letter attached). Other partners in this venture include Parkland Properties (Jon Rooks), the Muskegon Lumberjacks and the Muskegon Winter Sports Complex.

FINANCIAL IMPACT: If the Commission chooses to waive the entire fee (which includes materials, equipment and labor), the total is estimated to be $1,964.07. Of this amount, the cost for materials (which must be purchased) is $611.69.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To consider the request from DMN and partner with the organization on some level to ensure the ice rink is established in downtown Muskegon for the benefit of the public.

DOWNTOWN MUSKEGON NOW

November 1, 2011

Dear Bryon,

Please take the time to consider our request for assistance with the installation and maintenance of an outdoor ice rink to be located at 255 W. Western Avenue, directly adjacent to the former Hackley Bank Building. It has been suggested for some time that downtown could use additional recreation facilities, particularly during the winter months when there are few options. Based on the input of a broad range of groups and individuals, we believe the proposed rink would appeal to both residents and visitors of downtown Muskegon.

Our planning for the rink has brought together a diverse group of participants and sponsors; Parkland Properties has offered the use of their property for the rink, the Muskegon Winter Sports Complex will be assisting with rink construction and maintenance, and the Muskegon Lumberjacks have offered assistance in promoting the rink and plan to conduct a "learn to skate" or similar type event with the team. Additionally, some of the local youth hockey organizations have expressed interest in practicing and playing games at the rink. The timing of the rink (weather permitting) from mid-January to mid-February will coincide with the Muskegon Jaycees Winterfest and they also have plans in the works to utilize the rink.

Initially, we had hoped to utilize a fire hydrant as a water supply, but in discussions with the department of public works, it has become apparent that a separate water service will have to be established on site as the freeze/thaw cycle could be damaging to a hydrant. Our planning did not anticipate this and as such, we do not have a budget for this. Consequently, we are humbly requesting that the city waive the cost of establishing this service. The rink will be free of charge for anyone that wishes to use it and we are confident that this effort fits many of the goals set forth in the city's vision statement, providing a positive activity for area youth, and fostering economic growth and development through creative placemaking.

Thank you for taking the time to consider this request, please feel free to contact me with any questions or details necessary to make this decision.

Respectfully,
Andrew Haan, Director
Downtown Muskegon Now

Andrew Haan

p: 231.724.3180
f: 231.728.7251
380 W. Western Ave, Ste 202
Muskegon, MI 49440
downtownmuskegon.org

Muskegon Area First

Ice Rink Western Ave

10/31/2011

1" Water Service / Meter Pit

Materials	Desription	Quanity	Unit Price	Total Price
1	1" Corp	1	$42.00	$42.00
2	Meter Pit Complete	1	$215.00	$215.00
3	1" copper tubing	10	$4.16	$41.60
4	Angle Valve	1	$33.25	$33.25
5	Meter Yoke	1	$22.42	$22.42
6	Stop and Waste Valve	1	$22.42	$22.42
7	3/4 Meter / Radio	1	$235.00	$235.00
	Total MaterialsCost			$611.69

WATER AND SEWER MAINTANCE	$18.20	16	$291.20
HIGHWAY MAINTANCE	$18.20	8	$145.60
SUPERVISOR	$27.07	2	$54.14
Sub Total			$490.94
	FRINGE	53%	$260.20
TOTAL LABOR COST			$751.14

EQUIPMENT

	DISCRIPTION	RATE	HOURS	TOTAL
1	PICK UP TRUCK	$9.53	8	$76.24
2	BACKHOE	$56.25	8	$450.00
4	COMPACTOR	$10.22	0	$0.00
5	BARRICADES	$75.00	1	$75.00
	TOTAL EQUIPMENT COST			$601.24
	TOTAL ESTIMATE			**$1,964.07**