

7:00 p.m. Call to Order.

Invocation: Pastor Paul R. Naumann from St. Michael Lutheran Church.

Pledge of Allegiance.

Roll Call.

Proclamations:

A. Consent Agenda:

1. Approval of City Council Meeting Minutes:
 - a. Regular Meeting of March 27, 2018.
 - b. Pre-Council of April 9, 2018.
2. Approval of the Accounts Payable Register of April 10, 2018 as presented.
3. Establish a public hearing on April 24, 2018, to consider resolutions to:
 1. adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water;
 2. adopt the recommendation that the water commodity rate be decreased to \$3.14 per 1,000 gallons of metered water;
 3. adopt the recommendation that adjustments be made to the sewer and water base quarterly charges as noted in the 2018 Utility Rate Financial Study;
 4. adopt the recommendation that the new rates become effective on July 1, 2018;
 5. adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2018 Utility Rate Financial Study.
4.
 1. Accept Rezoning Application #17/18-2, 6050 Constitution Boulevard, for first reading and set a public hearing for May 8, 2018 and
 2. Subsequent to the public hearing, consider approving Rezoning Application #17/18-2, 6050 Constitution Boulevard, changing the north 130 feet from OS-1, office service to RM-1, multiple family residential.
5. Amend a refunding bond resolution previously adopted authorizing limited tax pledge to payment of the Downtown Development Limited Tax Refunding Bonds, Series 2018.
6. Approve the Final Preliminary Plat (engineering plans) for West Lake Estates, 9300 Portage Road.
7. Award a construction contract in the amount not to exceed \$549,239.25 to Rieth-Riley Construction Company of Kalamazoo, Michigan for the reconstruction of Oakland Drive from West Milham Avenue to I-94 and authorize the City Manager to execute all documents related to the contract on behalf of the city.
8. Award a contract in the amount not to exceed \$80,900 to Hurley & Stewart, LLC, to perform engineering services for the reverse curve alignment correction and improvements of Lovers Lane from Ramona Avenue to East Milham Avenue and authorize the City Manager to execute all documents related to the contract on behalf of the city.
9. Accept the FY 2016-17 Local Development Finance Authority Annual Report.
10. Confirm the City Manager appointments to the Local Development Finance Authority by adopting the Resolution to Appoint Members to the Local Development Finance Authority of the City of Portage.
11. Set a Special Meeting on Tuesday, May 8, 2018, beginning at 5:15 p.m., to interview Board and Commission applicants.

12. Materials Transmitted.
 13. Minutes of Boards & Commissions:
 - a. Human Services Board of March 1, 2018.
 - b. Historic District Commission of March 7, 2018.
 - c. Planning Commission of March 15, 2018.
 - B. Petitions and Statements of Citizens:
 - C. Communications:
 1. Calendar of Meetings:
 1. Wednesday, April 11, 6:30 p.m., Park Board, Schrier Park.
 2. Wednesday, April 11, 6:30 p.m., Youth Advisory Committee, Council Chambers.
 3. Wednesday, April 11, 7:00 p.m., Environmental Board, City Hall Room #1.
 4. Tuesday, April 17, 5:00 p.m., City Council Budget Review Session #1, City Hall Room #1.
 5. Wednesday, April 18, 2:30 p.m., Senior Citizen Advisory Board, Portage Senior Center.
 6. Thursday, April 19, 7:00 p.m., Planning Commission, Council Chambers.
 7. Tuesday, April 24, 5:30 p.m., Committee of the Whole - Social Media, City Hall Room #1.
 - D. Public Hearings:
 1.
 1. Adopt Resolution No. 4-18, approving the Industrial Facilities Exemption Certificate for the Pharmacia & Upjohn Company, LLC (Pfizer Inc.); and
 2. Approve the tax abatement agreement and affidavit between the City of Portage and Pharmacia & Upjohn, LLC (Pfizer Inc.).
 - E. Regular Business Agenda:
 1. Presentation of the Proposed Fiscal Year 2018-2019 Budget.
 - F. Unfinished Business:
 1. Adopt the amendment to Division 2, Sections 2-171 and 2-173, Article 5 "Purchases and Sales" in the City of Portage Code of Ordinances.
 - G. Council Committee Reports:
 - H. New Business:
 - I. Statements of Citizens:
 - J. Statements of City Council and City Manager.
- Adjournment.

CITY COUNCIL MEETING MINUTES FROM MARCH 27, 2018

The Regular Meeting was called to order by Mayor Randall at 7:00 p.m. At the request of Mayor Randall, the City Clerk called the roll with the following members present: Councilmembers Chris Burns, Richard Ford, Claudette Reid, Terry Urban, Mayor Pro Tem Jim Pearson and Mayor Patricia Randall. Councilmember Lori Knapp was absent with excuse. Also in attendance were City Manager Larry Shaffer, City Attorney Randy Brown and City Clerk Adam Herringa.

At the request of Mayor Randall, Deacon Pat Catellier of Chapel Hill United Methodist Church provided the invocation. Afterwards, representatives of Boy Scout Troop 211 led the audience in the recitation of the Pledge of Allegiance.

PROCLAMATIONS: Mayor Randall invited Sarah Joshi, Executive Director of the Kalamazoo County Child Abuse and Neglect Prevention Council and Lt. Brian VandenBrink, Boardmember and member of the Portage Department of Public Safety, to read and receive the City of Portage Proclamation designating April 2018 as Child Abuse Prevention Month in the City of Portage.

Mayor Randall next invited representatives of the Michigan Association of Chiefs of Police to the podium to present Director of Public Safety Nick Arnold and members of the Department of Public Safety with the Michigan Accreditation Award. Mr. Robert Stevenson, Executive Director of the Michigan Association of the Chiefs of Police, reviewed the high standards that must be met in order to receive this accreditation. He also pointed out that the City of Portage is one of only three departments in the State of Michigan to receive the accreditation. Mr. Stevenson complimented Deputy Police Chief Dan Mills for his efforts in the accreditation process and assistance he provides to the Association of Chiefs of Police. Following the presentation of the award by Mr. Clifford Block, President of the Michigan Association of Chiefs of Police, Director of Public Safety Arnold thanked the Association of the Chiefs of Police for their support and recognized and thanked Department of Public Safety staff for their hard work and dedication to the profession. Mayor Randall expressed gratitude for the work of the Department of Public Safety on behalf of the community and congratulated the Department for the accreditation. Mayor Pro Tem Pearson pointed out that, according to the Community Survey, the efforts of the Police and Fire services are consistently ranked at the top for citizen satisfaction.

CONSENT AGENDA: Mayor Randall shared where the public can access the meeting agenda and asked if any Councilmember or anyone in the audience would like an item removed from the Consent Agenda. Mayor Randall removed Item A.3 (Pfizer Tax Abatement) from the Consent Agenda. Councilmember Reid removed Item A.4 (Budget Transfer and Redemption of Bonds), Item A.6 (Microbrewery and Brewpub Ordinance), Item A.7 (Purchases and Sales Ordinance), Item A.10 (Change Order for Mill and Fill Asphalt Repair) and Item A.11 (Installation and Removal of Various City Signs) from the Consent Agenda.

Motion by Pearson, seconded by Reid, to approve the Consent Agenda items as presented. Upon a roll call vote, motion carried 6 to 0.

APPROVAL OF MINUTES: Motion by Pearson, seconded by Reid, to approve the Regular Meeting Minutes of March 13 and Pre-Council Meeting Minutes of March 26, 2018. Upon a roll call vote, motion carried 6 to 0.

APPROVAL OF ACCOUNTS PAYABLE REGISTER OF MARCH 27, 2018: Motion by Pearson, seconded by Reid, to approve the Accounts Payable Register of March 27, 2018. Upon a roll call vote, motion carried 6 to 0.

MEDICAL MARIHUANA PERMIT FEE RESOLUTION: Motion by Pearson, seconded by Reid, to adopt the proposed Medical Marihuana Permit Fee Resolution. Upon a roll call vote, motion carried 6 to 0. (Resolution recorded on page 453 of Resolution Book #46.

FINAL PLAN FOR WHISPER ROCK CONDOMINIUMS (PHASE III): Motion by Pearson, seconded by Reid, to approve the Final Plan for Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail. Upon a roll call vote, motion carried 6 to 0.

ENGINEERING SERVICES CONTRACT FOR RECONSTRUCTION OF WEST MILHAM (OAKLAND DRIVE TO SOUTH WESTNEDGE AVENUE): Motion by Pearson, seconded by Reid, to award a contract to Wightman & Associates, Incorporated, in the amount not to exceed \$243,185 to perform engineering services for the reconstruction of West Milham Avenue (Oakland Drive to South Westnedge Avenue) and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

UPGRADE OF THREE IRRIGATION BOOSTER PUMPS: Motion by Pearson, seconded by Reid, to award a contract in the amount of \$22,773 to Allied Mechanical Services, Incorporated, to upgrade three irrigation booster pumps located at South Westnedge Park and Ramona Park and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

UPGRADE OF LEXINGTON GREEN PARK TENNIS/PICKLEBALL COURTS: Motion by Pearson, seconded by Reid, to award a contract in the amount of \$21,640 to J. Allen & Company, Inc., to upgrade the Lexington Green Park tennis/pickleball courts and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT FOR RECONSTRUCTION OF SOUTH WESTNEDGE AVENUE FROM ROMENCE ROAD TO MALL DRIVE: Motion by Pearson, seconded by Reid, to approve Contract #18-5047 between the Michigan Department of Transportation and the City of Portage for reconstruction of South Westnedge Avenue from Romence Road to Mall Drive and adopt a Resolution authorizing the City Manager to sign all documents related to the project on behalf of the city. Upon a roll call vote, motion carried 6 to 0. Resolution recorded on page 495 of City of Portage Resolution Book No. 46.

APPOINTMENT TO THE UTILITY RATE STUDY COMMITTEE: Motion by Pearson, seconded by Reid, to receive the appointment to the Utility Rate Study Committee. Upon a roll call vote, motion carried 6 to 0 and Councilmember Lori Knapp was appointed.

FEBRUARY 2018 ENVIRONMENTAL REPORT: Motion by Pearson, seconded by Reid, to receive the February 2018 Environmental Report as information only. Upon a roll call vote, motion carried 6 to 0.

MATERIALS TRANSMITTED AND MONTHLY REPORTS: Motion by Pearson, seconded by Reid, to receive the Departmental Monthly Reports. Upon a roll call vote, motion carried 6 to 0.

MINUTES OF BOARDS AND COMMISSIONS: Motion by Pearson, seconded by Reid, to receive minutes of the Human Services Board of February 1, Zoning Board of Appeals of February 12, Environmental Board of February 14, Planning Commission of March 1, Historic District Commission and Historic District Study Committee of March 7 and Portage Public Schools Board of Education Committee of the Whole Work Session of March 12, 2018. Upon a roll call vote, motion carried 6 to 0.

STATEMENTS OF CITIZENS: Kalamazoo County Commissioner Scott McGraw, 10608 Dandale Street, shared that the Kalamazoo County Board of Commissioners would soon be considering whether to join a class action lawsuit against pharmaceutical companies as it relates to the opioid epidemic. He expressed support for the local pharmaceutical industry, stated that he was opposed to joining such a lawsuit and encouraged City of Portage officials and residents to attend the upcoming Committee of the Whole Meeting of the Kalamazoo County Board of Commissioners. Mayor Pro Tem Pearson commented that Pfizer is not a major manufacturer of opioids and complimented the company on being conscientious.

Kalamazoo County Commissioner Dale Shugars, 1185 Tanager Lane, Kalamazoo, also spoke regarding the potential of Kalamazoo County joining a class action lawsuit against pharmaceutical companies. He expressed concern that the Kalamazoo County Board of Commissioners may vote to join the lawsuit and stated his belief that Kalamazoo County should leave this matter to the United States Congress and Department of Justice. Mr. Shugars complimented Pfizer on its involvement in the community and highlighted the involvement of current and former Pfizer employees in the community.

Ms. Shea Wetzler, 1983 Katie Court, shared that she initially raised her concern to City Council last November and again expressed concern with flooding in her backyard. She reviewed the recent history of the flooding at her home and shared that she had met with City Manager Shaffer about the matter and that she questioned the conclusions of an engineer the City brought in to evaluate her situation. She expressed hope that the City could help find a solution to her situation. Mayor Randall pointed out that the water table is at historic levels and Mayor Pro Tem Pearson shared his recent experience with flooding at his home. He pointed out that his home had not flooded for many years and then, just within the past couple of years when the water table rose, he had flooding and needed to purchase a sump pump to help address the problem. City Manager Shaffer disclosed that he personally went to the home of Ms. Wetzler to see the flooding and that the City had hired an engineer to evaluate the situation. He explained that the conclusion of the engineer was that recent property development in the vicinity of Ms. Wetzler's home is not the cause of the flooding. Rather, the cause is more likely due to extraordinary water levels. However, Mr. Shaffer pledged to look for opportunities to address the situation and that he would be in contact with the Kalamazoo County Drain Commissioner regarding the matter.

COMMUNICATIONS:

CALENDAR OF MEETINGS: At the request of Councilmember Reid, City Clerk Herringa read the meeting schedule for the record. Motion by Burns, seconded by Ford, to receive the Calendar of Meetings. Upon a roll call vote, motion carried 6 to 0.

REGULAR BUSINESS AGENDA:

TAX ABATEMENT APPLICATION – RESOLUTION NO. 3: Mayor Randall shared that the proposed project by Pfizer would be the largest single building project in the history of Portage and thanked the support of City staff, Southwest Michigan First and City Council for their work to make the project possible. Mayor Randall reviewed the size and scope of the project along with the number and types of jobs that would result. She concluded by thanking Pfizer for their efforts to bring this project to Portage. City Manager Shaffer stated that the project is still undergoing review by the Michigan Economic Development Corporation.

Mr. Terry Clare, Pfizer Group Leader, spoke and provided additional details regarding the proposed project and the technically advanced nature of the work. He explained that he would like to see this investment by Pfizer happen in Portage and shared that following approval of the requested

tax abatement and support from the State, the decision on the project would move to the Pfizer Corporate Office. Mr. Clare shared that Pfizer has invested approximately \$1 billion in the Portage facility over the past 10 years and he hopes to see this investment double within the next five years. With regard to the number of jobs, Mr. Clare pointed out that in addition to new jobs the project would retain 200 jobs and result in the creation of numerous trade contractor jobs. Councilmember Reid asked for more details about the 450 jobs that would be created and Mr. Daniel Roth, Project Manager for Pfizer, reviewed the types and variety of jobs along with the fact that one half of the jobs will be operators meaning people from the skilled trades and/or familiar with the skilled trades will be necessary.

Mayor Pro Tem Pearson complimented Pfizer on their turnaround from when they were laying people off in 2003 to what has been happening recently. Mayor Pro Tem Pearson reviewed the salary and benefit package related to the new jobs and pointed out that, based on this package, everybody in the community will benefit by new employees living and working in the area.

Councilmember Reid reviewed the Project Impact Analysis related to this project that was provided to City Council by City Administration. She asked that a revised analysis which excludes benefits in the calculation be provided to City Council as part of the next agenda and explained why she was making the request. Ms. Reid concluded by stating that, regardless of the figures used in the calculation, these are great jobs and this is excellent news for the community.

Motion by Pearson, seconded by Burns, to adopt Resolution No. 3-18 setting a public hearing on April 10, 2018 for an Industrial Facilities Exemption Certificate for real property investments in the estimated amount of \$148 million within Industrial Development District No. 91. Upon a roll call vote, motion carried 6 to 0. (Resolution recorded on page 451 of Resolution Book #46.)

BUDGET TRANSFER TO SPECIAL ASSESSMENT DEBT FUND AND GENERAL OBLIGATION DEBT FUND AND ADOPTION OF RELATED RESOLUTIONS: At the request of Mayor Randall, Councilmember Reid stated that she would like City Administration to provide a brief description of what is being proposed. City Manager Shaffer provided an overview and explained that the City is proposing to use surplus from the 2016-2017 Fiscal Year to, among other items, pay down debt and reduce debt obligation. Finance Director Bill Furry explained that the surplus, which he stated cannot always be guaranteed, would also be used to help in the initial funding of Consolidated Dispatch. He continued by stating that the City would look at reducing debt and debt obligation again next year.

Councilmember Reid inquired how much debt was being left that could be called and why it was not being addressed by the surplus. Mr. Furry responded and explained that the type of remaining callable debt and the need to make two payments for Consolidated Dispatch meant that the surplus would be fully utilized by the action proposed by City Administration. Specifically, Mr. Furry indicated that there is approximately \$4.7 million in callable debt next year, and \$3.4 million of that would require General Fund resources to retire. Councilmember Burns inquired how the City prioritized which debt to call and Mr. Furry explained that Municipal Financial Consultants was used to help determine what debt to call. He also explained that debt related to Special Assessments was being targeted. Mr. Burns clarified with Mr. Furry that the remaining eligible bonds not called this year remain callable and could be redeemed in the future. City Manager Shaffer stated that the City is retiring approximately \$10 million in debt which would take the City from a debt level of around \$68 million to \$58 million and shared that the City is committed to making extraordinary efforts to reduce debt. Mayor Pro Tem Pearson pointed out that when he started on City Council the City had a debt level of \$110 million and that it has been cut in half.

Motion by Pearson, seconded by Reid, to approve a budget transfer from the General Fund surplus to the Special Assessment Debt Fund in the amount of \$230,000, and to the General Obligation Debt Fund in the amount of \$558,316; and adopt Resolutions Approving Redemption of: Part of the Callable Outstanding City of Portage General Obligation Limited Tax City Share Bonds, Series 2001; Part

of the Callable Outstanding City of Portage General Obligation Limited Tax City Share Bonds, Series 2004; Part of the Callable Outstanding City of Portage Capital Improvement Refunding Bonds, Series 2005; Part of the Callable Outstanding City of Portage Special Assessment Bonds, Series 2007; and Part of the Callable Outstanding City of Portage Capital Improvement Bonds, Series 2010. Upon a roll call vote, motion carried 6 to 0. (Resolutions recorded beginning on page 457 of Resolution Book #46).

FIRST READING OF ORDINANCE AMENDMENT FOR MICRO-BREWERIES AND BREWPUBS: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to review and explain what changes would result in the sizes and location of Microbreweries and Brewpubs should the ordinance be adopted. She continued by inquiring what an “accessory tasting room” at a microbrewery would be. Mr. Chris Forth of the Department of Community Development explained and indicated that an accessory tasting room is a designated space in which patrons could sample a variety of beer and likened it to wine tasting rooms. Food service would not be permitted in the space. Conversely, Mr. Forth stated, a brewpub would not be permitted to have a tasting room. In response to a question from Ms. Reid, Mr. Forth explained the difference between a microbrewery and a brewpub. He explained that a brewpub must have a Class C Liquor License, have at least 25% of its sales related to food service and cannot sell beer to distributors. Conversely, a microbrewery can sell and distribute beer to other locations. He explained that the catalyst for this ordinance is a local resident who is ready to move from a homebrew operation to a new commercial building.

Motion by Reid, seconded by Urban, to accept Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs, for first reading and set a public hearing for April 24, 2018; and subsequent to the public hearing, consider approving Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs. Upon a roll call vote, motion carried 6 to 0.

FIRST READING OF ORDINANCE AMENDMENT FOR PURCHASES AND SALES: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to explain how the proposed changes to the ordinance would impact how projects are bid and those bids reviewed. City Manager Shaffer reviewed the rationale behind the proposed changes and highlighted what those changes would be. At the invitation of City Manager Shaffer, Deputy City Manager Rob Boulis explained that City Council has increased the purchasing levels over the years and shared that a comparison of purchasing levels at the City of Portage to other communities indicates that the City is higher than some municipalities and lower than others. He explained that City staff is committed to always trying to get the best price for goods and services.

Councilmember Urban inquired as to why the City was proposing to increase the level of purchases requiring City Council approval from \$20,000 to \$40,000. City Manager Shaffer explained that it was related to efficiency. Councilmember Reid expressed skepticism regarding the proposed changes and stated that it is the duty of City Council to provide oversight on purchases and that such an increase would result in numerous contracts being approved without the knowledge, understanding or oversight of City Council. Mayor Pro Tem Pearson stated that in his experience contracts between the amount of \$20,000 and \$40,000 are routinely approved by City Council and it is hard to justify the effort by staff to bring such items to City Council for approval. He then highlighted other jurisdictions with higher purchasing levels that require City Council approval. Councilmember Urban highlighted jurisdictions with lower purchasing levels that require City Council approval. Councilmember Ford asked City Manager Shaffer for assurance that if there was a contract in the \$20,000 to \$40,000 range that involved the need for a City Council policy determination that it would be brought to City Council. Mr. Shaffer offered the assurance but speculated it would be a rare occurrence. Councilmember Ford stated that given the time staff must spend preparing bids for review by City Council he thought the proposed changes were reasonable. He then inquired if other municipalities had a provision similar to the one being proposed in which purchases that exceed \$20,000 but are less than \$40,000, will require

competitive bidding. Deputy City Manager Boulis stated that he was not aware of other municipalities with a similar provision.

Councilmember Reid stated that the time spent obtaining sealed bids would remain the same whether the item is brought to City Council or not. She reiterated that it is the responsibility of City Council to provide oversight. Councilmember Burns stated that, according to City Administration, the proposed changes would result in 15 to 20 fewer contracts being brought to City Council per year. He inquired what effort goes into bringing such contracts to City Council. City Manager Shaffer emphasized it was primarily related to time and pointed at Department Heads that attend City Council meetings in case there are questions about a contract as an example. Mr. Shaffer stated that staff is dedicated to an effective and efficient purchasing process and he shared that he did not view producing agenda items and sitting in the audience as an effective and efficient use of their time.

Mayor Pro Tem Pearson commented that he recalled a recent City Council Committee of the Whole Meeting in which the Purchasing Manager, a 28-year veteran employee, shared that increasing purchasing limits would be a great tool for a more efficient purchasing process.

Motion by Pearson, seconded by Ford, to accept the amendment to Division 2, Sections 2-171 and 2-173, Article 5 "Purchases and Sales" in the City of Portage Code of Ordinances for first reading and set a second reading with final adoption for April 10, 2018. Upon a roll call vote, motion carried 4 to 2 with Councilmembers Reid and Urban voting no.

CONTRACT CHANGE ORDER FOR MILL AND FILL ASPHALT REPAIR OF LOCAL STREET

SECTIONS: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to explain why, when the initial contract for this effort was approved by City Council two weeks ago, a change order was being requested. City Manager Shaffer stated that it was for tactical and financial reasons. The City was getting an excellent rate on materials and worked with the vendor to extend and honor that pricing which would allow the City to pave additional streets. Councilmember Reid thanked Mr. Shaffer for his explanation and asked that, in the future, such information be more clearly provided.

Motion by Reid, seconded by Burns, to award contract change order #1 in the amount of \$210,000.05 to Rieth-Riley Construction Company, Incorporated, for mill and fill asphalt repair of local street sections and authorize the City Manager to execute all documents related to this action on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

CONTRACT FOR NEW AND REPLACEMENT CITY SIGNAGE: At the request of Mayor Randall, Councilmember Reid spoke and asked City Administration to review the proposed changes in signage. Mr. Shaffer explained that the City is proposing to remove and replace six gateway signs, remove and replace the Portage Industrial Center sign and install a new Eliason Nature Reserve Sign. Mr. Shaffer complimented and thanked City staff that was involved in the review and selection of the new signage.

Councilmember Reid inquired if the City was proposing to replace either of the signs that list all of the school championships. Mr. Shaffer stated that the City of Portage would not be touching those signs. Councilmember Urban shared his belief that the signs listing the school championships were not maintained nor constructed by the City of Portage. Mr. Urban also asked that consideration be given to replacing the "Portage City Hall" sign as he believes it outdated. Mayor Pro Tem Pearson stated that there are questions about what the signs will look like and Mr. Forth of the Department of Community Development displayed an image on the monitors. In response to a question from Mayor Randall, City Manager Shaffer shared that work on the new signs would begin later this spring. Councilmember Ford expressed support for the signs as they are attractive and help to market the City as a "natural place to move." Mayor Randall shared her support for the signs as well.

Motion by Reid, seconded by Pearson, to award a construction contract to the low bidder, Universal Sign Systems, Incorporated, of Grand Rapids, Michigan, in the amount of \$99,929 for:

removal and replacement of six existing City of Portage gateway signs at various locations; removal and replacement of the Portage Industrial Center sign; installation of a new Eliason Nature Reserve sign, and authorize the City Manager to sign all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

COUNCIL COMMITTEE REPORTS: Mayor Pro Tem Pearson shared that he attended a meeting of the Austin Lake Governmental Lake Board and that the aeration project for Austin Lake in 2018 had been approved and would begin in April.

Councilmember Reid shared that she, Councilmember Burns and Councilmember Urban held a meeting of the City Council School/Library Committee at which school safety was discussed. The primary discussion involved the Department of Public Safety and their efforts related to safety in Portage Public Schools. She explained that possibilities to help provide and enhance safety in the schools were reviewed. Councilmember Burns complimented the Portage Police Department School Resource Officers for their efforts in leading safety improvements at the schools. Councilmember Urban also complimented the Department of Public Safety for their leadership and for sharing and reviewing information that will help City Council in future discussions with Portage Public Schools as the City works to support the safety efforts.

Motion by Reid, seconded by Pearson to receive the City Council Committee Reports. Upon a voice vote, motion carried 6 to 0.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Ford shared that he recently attended the Kids Bunny Hop Run at Moorsbridge Elementary and complimented the organizers and participants on a fun event.

City Manager Shaffer recognized Director of Information and Technology Services Devin Mackinder for his efforts related to the new signage that was approved by City Council earlier in the meeting.

Mayor Randall pointed out that there were numerous items on the City Council Agenda and thanked City Council for their efforts. Mayor Randall shared that she recently attended a Court of Honor for eight Eagle Scouts and thanked them for their hard work and dedication. She continued by sharing that she recently met with the Chief Executive Officer of the YWCA and that the YWCA is interested in a greater role in the Portage community. Finally, Mayor Randall pointed out that March is National Reading Month and she had the opportunity to read to young students at Woodland Elementary and disclosed that their favorite book was Chicka Chicka Boom Boom.

ADJOURNMENT: Mayor Randall adjourned the meeting at 8:34 p.m.

Adam Herringa, City Clerk

**MINUTES FROM THE PRE-MEETING
OF THE PORTAGE CITY COUNCIL
OF APRIL 9, 2018**

Mayor Pro Tem Pearson called the meeting to order at 8:00 a.m. Councilmembers Chris Burns, Lori Knapp, and Claudette Reid joined via the conference phone line. Mayor Patricia Randall and Councilmembers Richard Ford and Terry Urban were absent with excuse. Also in attendance were City Manager Laurence Shaffer and City Clerk Adam Herringa.

Mayor Pro Tem Pearson opened the meeting and inquired if there were any questions or concerns regarding items on the proposed April 10th Agenda. With regard to Item A.3., Water and Sewer Rates, Councilmember Reid inquired if the 2018 Utility Rate Financial Study was available on the City website. City Manager Shaffer responded that if the document was not already available, it would be.

With regard to Item A.5, Amendment of a Refunding Bond Resolution, Councilmember Burns inquired if the previously approved resolution was simply being amended to include a limited tax pledge. Mr. Shaffer responded in the affirmative.

With regard to Item A.6, Final Preliminary Plat for West Lake Estates, Councilmember Reid expressed continued concern about water levels in the location of this development and shared her concern that the City would find itself needing to address water in basements at this location in four or five years. She compared this possibility with recent experience related to high water levels impacting homes on Black Forest Drive. Councilmember Reid inquired what steps the City can take or is taking to help prevent future flooding concerns from occurring. City Manager Shaffer stated that a majority of homes proposed for West Lake Estates are on a ridge and the City is doing drainage work related to the reconfiguration of the intersection of Lakeview Drive and Portage Road which should help with water management. Councilmember Knapp inquired, given that the Michigan Department of Environmental Quality (MDEQ) is involved in the approval of the project, whether MDEQ would bear any responsibility should flooding occur in the future. Mr. Shaffer responded that MDEQ would bear no responsibility especially if any of the flooding involved groundwater. Mayor Pro Tem Pearson, in reference to recent comments made by City staff related to efforts on Black Forest Drive, inquired what steps the City has implemented to reduce the likelihood of flooding in the West Lake Estates and future developments. City Manager Shaffer stated that he would ask Kendra Gwin, Director of Transportation and Utilities, to be present at the City Council Meeting and she would be prepared to review and discuss this topic.

With regard to Item A.7, Reconstruction of Oakland Drive from West Milham to I-94, City Manager Shaffer indicated that the memorandum related to the item was inadvertently omitted from the agenda packet and would be provided to City Council. Mr. Shaffer then summarized the contents of the memo. Councilmember Burns noted that the bid process was different than usual in that Wightman & Associates processed the bids. City Manager Shaffer confirmed this was the case and clarified that the City Purchasing Manager was involved in the process.

With regard to Item A.8, Engineering Services for Improvements of Lovers Lane, Councilmember Reid inquired if funding for this effort was being provided by the City and if Stryker is involved. City Manager Shaffer stated that the straightening of Lovers Lane is part of a County Brownfields project and Stryker is paying up front for the work but will be reimbursed through Tax Increment Financing. The City, Mr. Shaffer stated, will be responsible for managing the project. Mr. Shaffer continued by stating that the entire Stryker Way project would be funded in this manner. With regard to the traffic signal at Portage Road and Stryker Way, Mr. Shaffer stated it is funded the same way as the road project except a grant from the State of Michigan will cover approximately three-quarters of the cost.

With regard to Items A.9 and A.10, Local Development Finance Authority (LDFA), Councilmember Burns inquired if the expansion of Stryker would mean additional activity for the LDFA. City Manager Shaffer stated that the expansion would not. Councilmember Burns stated that he would like to understand the LDFA a bit better and would speak with Mr. Shaffer at another time.

With regard to Item D.1, Public Hearing for Pfizer Tax Abatement, Councilmember Knapp pointed out that the Tax Abatement Agreement states that the period of the Agreement is for twelve years, but when abatement during the construction period is included, the actual length is fifteen years. City Manager Shaffer clarified that the proposed Tax Abatement Agreement is correct and that the Agreement can only be for a maximum of twelve years and the first year would begin following completion of the project. The three year construction period would be eligible for a partial abatement through the State Tax Commission.

Councilmember Reid pointed out that the Project Impact Analysis included in the agenda packet still used salary and benefits in the calculation instead of salary only. She stated that she would like benefits removed from the calculation in order to be consistent with documentation provided for prior tax abatement requests. In addition, Councilmember Reid pointed out that the formulation and presentation of the Project Impact Analysis has remained constant for many years despite changes in manufacturing. She requested that City Administration review this model and see if the analysis it provides still holds true for today. Mayor Pro Tem Pearson inquired if the Project Impact Analysis follows State of Michigan guidelines and City Manager Shaffer stated that the City provides information to the State Tax Commission and Michigan Economic Development Corporation that is utilized in their analyses. Mr. Shaffer pointed out that some municipalities will hire outside consultants to help determine project impact. Ultimately, Mr. Shaffer stated, the State Tax Commission has control over the abatement process. Mayor Pro Tem Pearson asked Councilmember Reid if she would be willing to share her thoughts with City Administration as to additional information or changes she would like to see made to the Project Impact Analysis. Councilmember Reid commented that jobs are always the primary focus of tax abatement requests. However, she continued, the aspect of new jobs may not be as relevant when it comes to advanced manufacturing.

With regard to Item E.1, the Proposed Fiscal Year 2018-2019 Budget, Mr. Shaffer shared that he would be giving a brief presentation. With regard to the budget review sessions, Mr. Shaffer stated that the first session would cover departmental operations and the second

session would cover the Capital Improvement Program and funding for human service organizations. Councilmember Reid inquired when the Proposed Budget would be posted online. Mr. Shaffer responded that it would be made available very soon.

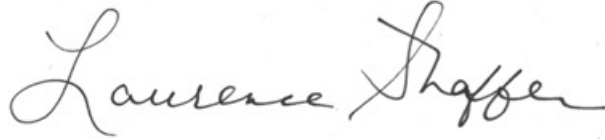
There being no other questions Mayor Pro Tem Pearson summarized the questions raised at the meeting requiring follow-up from the City Administration.

ADJOURNMENT: Mayor Pro Tem Pearson adjourned the meeting at 8:25 a.m.

Adam Herringa, City Clerk

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Approval of Accounts Payable Register

SUPPORTING PERSONNEL: William Furry, Director of Finance

ACTION RECOMMENDED: Approval of the Accounts Payable Register of April 10, 2018 as presented.

The City Council reviews and approves the bi-weekly Accounts Payable Register which includes automated clearing house payments, paper checks and auto-pay payments. The attached Accounts Payable Register covers the period March 18, 2018 through April 1, 2018 and notes \$713,871.52 in automated clearing house payments, \$623,024.12 in paper checks and \$8,846.53 in auto-pay payments for a grand total of \$1,345,742.17.

FUNDING:

Attachments: 1. Accounts Payable of 4-10-2018

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 1 of 8

Check Type: ACH Transaction

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	8420(A)	ABONMARCHE CONSULTANTS, INC	ENGINEERING SERVICES	29,043.16
03/23/2018	8421(A)	ACCESS EMPLOYER STAFFING SERVICES	TEMPORARY EMPLOYEES	17,817.12
03/23/2018	8422(A)	AIRGAS GREAT LAKES	MAINTENANCE SUPPLIES	143.32
03/23/2018	8423(A)	AKERS WOOD PRODUCTS	STUMP DUMPING SERVICE	1,200.00
03/23/2018	8424(A)	ALL CITY MANAGEMENT SERVICES, INC.	SCHOOL CROSSING GUARDS	2,600.64
03/23/2018	8425(A)	ALL-PHASE ELECTRIC SUPPLY CO.	REPAIR AND MAINTENANCE	212.40
03/23/2018	8426(A)	ALL-TRONICS, INC.	QUARTERLY MAINTENANCE	78.00
03/23/2018	8427(A)	AMERICAN SAFETY & FIRST AID	DPS FIRST AID	410.10
03/23/2018	8428(A)	ANIMAL REMOVAL SERVICE, LLC	ANIMAL REMOVAL	790.00
03/23/2018	8429(A)	APOLLO FIRE APPARATUS REPAIR	FIRE APPARATUS MAINT	243.51
03/23/2018	8430(A)	APOLLO FIRE APPARATUS REPAIR	FIRE APPARATUS MAINT	459.00
03/23/2018	8431(A)	BATTERIES PLUS	MISC BATTERIES	193.68
03/23/2018	8432(A)	BLUE CARE NETWORK-GREAT LAKES	2018 BCNA INSURANCE	129,970.28
03/23/2018	8433(A)	BYHOLT INC.	SNS SAND	904.43
03/23/2018	8434(A)	C D W GOVERNMENT, INC.	BACKUP TAPES FOR RS6	2,135.95
03/23/2018	8435(A)	C M P DISTRIBUTORS, INC.	AMMO	2,361.00
03/23/2018	8436(A)	CHARTER COMMUNICATIONS	CABLE TV	103.01
03/23/2018	8437(A)	CONTINENTAL LINEN SERVICES	MAT SERVICE	96.69
03/23/2018	8438(A)	DATA CONSTRUCTS LLC	WEBSITE HOSTING SERV	97.95
03/23/2018	8439(A)	DELTA DENTAL PLAN OF MICHIGAN	DENTAL INSURANCE	17,265.11
03/23/2018	8440(A)	EKLOV, ERICA	EMPLOYEE REIMBURSEMENT	622.17
03/23/2018	8441(A)	ENGINEERED PROTECTION SYSTEMS, INC.	ADDITIONAL WORK	1,671.00
03/23/2018	8442(A)	ENGINEERED PROTECTION SYSTEMS, INC.	TS - CITY-WIDE VIDEO	13,405.00
03/23/2018	8443(A)	ESCAPE FIRE & SAFETY SERVICES, INC.	TINK CLAW CONVERSION	2,326.32
03/23/2018	8444(A)	ETNA SUPPLY, INC.	REPAIR AND MAINTENAN	85.10
03/23/2018	8445(A)	FARM N GARDEN	SPLIT RAIL FENCE SUP	587.64
03/23/2018	8446(A)	GAIL ANDRUS TRAVEL	CASINO EXCURSION	790.00
03/23/2018	8447(A)	GORDON WATER SYSTEMS	WATER COOLER SERVICE	315.50
03/23/2018	8448(A)	GORNO FORD	NEW FLEET VEHICLES	138,604.00
03/23/2018	8449(A)	GRIFFIN PEST SOLUTIONS, INC.	YEARLY SERVICE	499.00

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 2 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	8450(A)	JAROTH, INC	PAY PHONES	228.00
03/23/2018	8451(A)	JONS TO GO PORTABLE RESTROOM	PORTABLE RESTROOMS	455.00
03/23/2018	8452(A)	KENNEDY INDUSTRIES, INC.	MANHOLE INSERTS	2,272.26
03/23/2018	8453(A)	KUSHNER & COMPANY, INC.	COBRA PAYMENT	428.00
03/23/2018	8454(A)	LAND & RESOURCE ENGINEERING, INC	SURVEYING SERVICES	1,947.50
03/23/2018	8455(A)	LAWSON PRODUCTS, INC	REPAIR/MAINTENANCE	1,850.68
03/23/2018	8456(A)	LOWE'S HOME CENTER	SUPPLIES - PARKS DIV	154.97
03/23/2018	8457(A)	MAURER'S TEXTILE RENTAL SERVICES	FINAL PAYMENT	36.00
03/23/2018	8458(A)	MEEKHOF TIRE SALES & SERVICE INC.	TIRES AND UNIT SERVICE	1,872.32
03/23/2018	8459(A)	MEJEUR ELECTRIC LLC	ELECTRICAL WORK	925.00
03/23/2018	8460(A)	NEW FRESH CLEANING SERVICE	JANITORIAL SERVICES	1,400.00
03/23/2018	8461(A)	NORMAN CAMERA CO.	CAMERA/EQUIP	174.90
03/23/2018	8462(A)	NYE UNIFORMS	UNIFORMS	191.98
03/23/2018	8463(A)	ONE WAY PRODUCTS	CAN LINERS	412.81
03/23/2018	8464(A)	PCM SALES, INC.	MONTHLY OPERATING	44,562.00
03/23/2018	8465(A)	PEOPLEFACTS, LLC 740303	BACKGROUND CHECKS	78.37
03/23/2018	8466(A)	PERCEPTIVE CONTROLS, INC.	SCADA MAINTENANCE	2,742.62
03/23/2018	8467(A)	PREIN & NEWHOF	ENGINEERING SERVICES	843.00
03/23/2018	8468(A)	PROFESSIONAL BUILDING SERVICES LLC	JANITORIAL SERVICES	3,822.66
03/23/2018	8469(A)	QUADRANT II MARKETING, LLC	NEWSLETTER, APRIL MAY	2,033.40
03/23/2018	8470(A)	R W LAPINE INC.	HVAC ON-CALL SERVICE	3,108.27
03/23/2018	8471(A)	REPUBLIC SERVICES OF WEST MICHIGAN	WASTE SERVICES	670.53
03/23/2018	8472(A)	RIDDERMAN & SONS OIL CO. INC.	GASOLINE	23,415.27
03/23/2018	8473(A)	RIDGE AUTO NAPA	FIRE APPARATUS MAINT	573.05
03/23/2018	8474(A)	RIETH-RILEY CONSTRUCTION CO., INC	ASPHALT MATERIALS	879.60
03/23/2018	8475(A)	S B F ENTERPRISES, INC.	PRINTING & MAILING	2,477.45
03/23/2018	8476(A)	SEVERANCE ELECTRIC COMPANY, INC	TRAFFIC SIGNAL REPAIR	4,143.33
03/23/2018	8477(A)	SIMMONS FORD	VEHICLE SERVICES	758.79
03/23/2018	8478(A)	SUEZ WATER ENVIRONMENTAL SERVICES	MONTHLY OPERATING	174,805.74
03/23/2018	8479(A)	TOO CLEAN JANITORIAL	JANITORIAL SERVICES	860.00
03/23/2018	8480(A)	VIRIDIS DESIGN GROUP	OPEN SPACE PLAN	540.00
03/23/2018	8481(A)	W W GRAINGER INC	SAFETY SUPPLIES	330.83

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 3 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	8482(A)	WARNER NORCROSS & JUDD LLP	LEGAL FEES & RETAINER	4,075.00
03/23/2018	8483(A)	WEST MICHIGAN STAMP & SEAL, INC	2 DATE STAMPS	113.25
03/23/2018	8484(A)	WEST SHORE SERVICES, INC	UPGRADE EMERGENCY SIRENS	61,070.00
03/23/2018	8485(A)	WIGHTMAN & ASSOCIATES, INC.	ENGINEERING SERVICES	670.87
03/23/2018	8486(A)	WIGHTMAN & ASSOCIATES, INC.	ENGINEERING SERVICES	3,442.50
03/23/2018	8487(A)	WOLVERINE LAWN SERVICE, INC.	SNOW REMOVAL SERVICE	255.00
03/23/2018	8488(A)	XEROX CORPORATION	FEBRUARY XEROX	219.49
Total ACH Transactions:				713,871.52

Check Type: Paper Check

03/20/2018	10163	PETTY CASH-BARB GARLOW	REPLENISHMENT CHECK	442.46
03/20/2018	10164	PETTY CASH-MARILYN MARION	REPLENISHMENT CHECK	591.96
03/20/2018	10165	PETTY CASH-MARY BETH BLOCK	REPLENISHMENT CHECK	399.57
03/28/2018	10166	PETTY CASH-ALYSSA MILBECK	REPLENISHMENT CHECK	281.00
03/28/2018	10167	PETTY CASH-DEREK HENSON	REPLENISHMENT CHECK	197.25
03/28/2018	10168	PETTY CASH-JANET GATES	REPLENISHMENT CHECK	409.90
03/28/2018	10169	PETTY CASH-HOLLY CERNY	REPLENISHMENT CHECK	519.87
03/19/2018	305481	CONSUMERS ENERGY CEM SUPPORT CENTER	STREETLIGHT RELOCATION	2,231.00
03/23/2018	305482	A T & T	TELEPHONE SERVICE	5,131.43
03/23/2018	305483	A T & T LONG DISTANCE	LONG DISTANCE	20.82
03/23/2018	305484	AMERICAN PUBLIC WORKS ASSOC	APWA MEMBERSHIPS	1,900.00
03/23/2018	305485	APPLIED INDUSTRIAL TECHNOLOGIE	SANDER CHAINS	3,981.72
03/23/2018	305486	AR ENGINEERING LLC	ENGINEERING SERVICES	3,011.56
03/23/2018	305487	ARIF, MUHAMMAD	EMPLOYEE REIMBURSEMENT	396.95
03/23/2018	305488	ARROWHEAD SCIENTIFIC, INC.	EVIDENCE SUPPLIES	650.23
03/23/2018	305489	ARROWHEAD SCIENTIFIC, INC.	EVIDENCE SUPPLIES	177.87
03/23/2018	305490	AUTOBODY USA - SOUTHSIDE	VEHICLE REPAIR	539.60
03/23/2018	305491	BAKER, STACEY	MILEAGE REIMBURSEMENT	65.59
03/23/2018	305492	BEST WAY DISPOSAL, INC.	PORTABLE RESTROOM	381.00
03/23/2018	305493	BEYER, DEBORAH	TRIP REFUND	50.00
03/23/2018	305494	BINGHAM, SHIRLEY	TRIP REFUND	50.00

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 4 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	305495	BLUE CROSS/BLUE SHIELD OF MICH	BCBSM INSURANCE	68,308.55
03/23/2018	305496	BORGESS MEDICAL CENTER	POST OFFER PHYSICALS	779.00
03/23/2018	305497	BRAYMAN, COURTNEY	GRAIN ELEVATOR REFUND	100.00
03/23/2018	305498	C A L E A	ANNUAL CONTINUATION	4,515.00
03/23/2018	305499	CARLETON EQUIPMENT CO.	EQUIPMENT SERVICES	2,779.41
03/23/2018	305500	CARNEY, JEANETTE	TRIP REFUND	95.00
03/23/2018	305501	CARTRIDGE WORLD	INK CARTRIDGES	72.68
03/23/2018	305502	CHICAGO TITLE	OVER PAYMENT	135.85
03/23/2018	305503	CHICAGO TITLE	OVER PAYMENT	300.00
03/23/2018	305504	CINTAS CORP.	PANT RENTAL	167.55
03/23/2018	305505	COPPERLEAF HOMEOWNERS ASSOCIATION	DAMAGED MAILBOX(S)	599.36
03/23/2018	305506	COSTAR REALTY INFORMATION, INC.	REALTY SALES INFORM	658.10
03/23/2018	305507	CROWN TROPHY	SERVICE AWARD	130.00
03/23/2018	305508	DATA STRATEGY LLC	COMPUTER FIREWALL	66,368.00
03/23/2018	305509	DAVID RICE	MBOR TRAINING	750.00
03/23/2018	305510	DELISLE, JOSH	DAMAGED MAILBOX REIM	44.00
03/23/2018	305511	DOUGLAS, KIRK	DAMAGED MAILBOX REIM	44.00
03/23/2018	305512	ED & TED'S EXCELLENT ADVENTURES	TRIP VENDOR PAYMENT	8,992.00
03/23/2018	305513	EMERGENCY VEHICLE PRODUCTS	POLICE VEHICLE REPAIR	2,709.93
03/23/2018	305514	EVERETT, CHIP	EMPLOYEE REIMBURSEMENT	563.34
03/23/2018	305515	FADER EQUIPMENT, INC.	CELERY FLATS PROJECT	85.00
03/23/2018	305516	FELTES, JESSICA	RENTAL DEPOSIT REFUND	100.00
03/23/2018	305517	FIRE FINDINGS LLC	FIRE MARSHAL TRAINING	1,790.00
03/23/2018	305518	FRENCH, STACY	EMPLOYEE REIMBURSEMENT	275.06
03/23/2018	305519	FUN SERVICES	WINTER CARNIVAL GAME	4,312.00
03/23/2018	305520	GROSSMAN LAW, PC	BALANCE FORWARD	528.00
03/23/2018	305521	GRYPHON PLACE	TABLES FOR STAR AWARDS	200.00
03/23/2018	305522	GUN LAKE TRIBAL	BOND FOR LUKE AARON	135.00
03/23/2018	305523	HAINES, IVA	HAYLOFT DEPOSIT REFUND	100.00
03/23/2018	305524	HENDERSHOT, JACOB	DAMAGED MAILBOX REIM	44.00
03/23/2018	305525	HINDENACH, DEANNA	SCHOOL HOUSE DEPOSIT	50.00
03/23/2018	305526	HOME DEPOT	CLEANING & MAINT SUP	933.92

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 5 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	305528	HOPKINS FUNDRAISING CONSULTING	SR CENTER FUNDRAISER	6,500.00
03/23/2018	305529	HYDRO-TEST PRODUCTS, INC.	FIRE PREVENTION	1,007.78
03/23/2018	305530	IMSA	IMSA CERTIFICATION	40.00
03/23/2018	305531	IMUS, NEYSA	DAMAGED MAILBOX REIMB	44.00
03/23/2018	305532	INT'L ASSOC OF FINANCIAL CRIMES INV	EMPLOYEE TRAINING	90.00
03/23/2018	305533	INT'L FOUNDATION EMP BENEFIT PLANS	WORKFORCE WELLNESS	150.00
03/23/2018	305534	INT'L PUBLIC MGT ASSOC FOR HR	WRITTEN EXAM	672.45
03/23/2018	305535	JAY SAMBORN ENTERTAINMENT	DAMIEN ESCOBAR SOUND	500.00
03/23/2018	305536	KALAMAZOO COUNTY LAND BANK	2017 TAX YEAR LAND	797.47
03/23/2018	305537	KALAMAZOO COUNTY TREASURER	OAK BROOK ESTATES MA	923.27
03/23/2018	305538	KALAMAZOO REG'L EDUC SVC AGENCY	SIRENS ANNUAL MAINT	125.00
03/23/2018	305539	KALAMAZOO ROD AND GUN CLUB	2018 DUES - LT. JOE MCDONNELL	120.00
03/23/2018	305540	KCASI	CENTENARIAN LUNCHEON	50.00
03/23/2018	305541	KEAN, MARGARET	TRIP REFUND	550.00
03/23/2018	305542	KIM CRITZ	POSTER DESIGN	210.00
03/23/2018	305543	KIRK, NANCY	TRIP REFUND	140.00
03/23/2018	305544	KITCH DRUTCHAS WAGNER VALITUTTI & S	DAS/CELL TOWER NEGOTIATION	600.00
03/23/2018	305545	KRUEGER, CATHERINE	OVER PAYMENT FINAL	108.90
03/23/2018	305546	LIGHTHOUSE COMMUNITY CHURCH	SOFTBALL DEP. REFUND	100.00
03/23/2018	305547	LKF MARKETING	SENIOR CENTER PROPOS	2,243.90
03/23/2018	305548	LUCCHESI, CATHERINE	HAYLOFT REFUND MAY 5	510.00
03/23/2018	305549	MALL CITY MECHANICAL	FIRE FACILITY MAINT	559.46
03/23/2018	305550	MCCLURE, DENNIS & CAROLYN	TRIP REFUND	170.00
03/23/2018	305551	MCKENNA ASSOCIATES	MASTER PLAN UPDATE	1,770.00
03/23/2018	305552	MEDILODGE OF PORTAGE	90 LUNCHESES ST PATTY'S DAY	315.00
03/23/2018	305553	MEDSKER, BETTY	TRIP REFUND	50.00
03/23/2018	305554	MENARDS, INC	ELIASON PROJECT	146.26
03/23/2018	305555	MFCI, LLC	CONTINUING DISCLOSURE	750.00
03/23/2018	305556	MI ASSOC. OF CHIEFS OF POLICE	MEMBERSHIP FEE	100.00
03/23/2018	305557	MI ASSOC. OF CHIEFS OF POLICE	MEMBERSHIP FEE	100.00
03/23/2018	305558	MIBIZ	SUBSCRIPTION TO MIBIZ	59.00
03/23/2018	305559	MICH MUNICIPAL POLICE & FIRE REPAIR	POLICE VEHICLE REPAIRS	6,186.05

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 6 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	305561	MICHIGAN IAAI	FIRE MARSHAL TRAINING	295.00
03/23/2018	305562	MICHIGAN SECURITY & LOCK	KEYS	45.00
03/23/2018	305563	MICRO FOCUS SOFTWARE INC.	SECURE MESSAGING GATEWAY	1,794.00
03/23/2018	305564	MIDWEST ENERGY & COMMUNICATIONS	STREETLIGHT ENERGY	279.24
03/23/2018	305565	MILLER ROAD TRANSFER STATION	WASTE DISPOSAL	132.00
03/23/2018	305566	MILLER, CANFIELD, PADDOCK & STONE	DEFINED BENEFIT PLAN	1,540.25
03/23/2018	305567	MISHLER, JIM	RAMONA PARK#1 DEPOSIT	100.00
03/23/2018	305568	MLIVE MEDIA GROUP	BIDS WANTED ADS	2,961.28
03/23/2018	305569	MOORE, LARRY	EMPLOYEE REIMBURSEMENT	122.34
03/23/2018	305570	MULDERS LANDSCAPE SUPPLIES INC	TOP SOIL AND GRASS	727.00
03/23/2018	305571	NETWORKFLEET, INC.	MONTHLY SERVICE	179.55
03/23/2018	305572	NOVA CONSULTANTS, INC	RETENTION BASIN	5,263.39
03/23/2018	305573	O'REILLY AUTO PARTS	FLEET MAINTENANCE	69.72
03/23/2018	305574	OFFICE DEPOT, INC.	MISC OFFICE SUPPLIES	619.29
03/23/2018	305576	PACE ANALYTICAL SERVICES, LLC	TESTING SERVICES	380.00
03/23/2018	305577	PARIS CLEANERS	UNIIFORM CLEANING	1,024.03
03/23/2018	305578	PATCH PLAQUES	CUTOM DEPT SEAL	269.90
03/23/2018	305579	PEERLESS, INC.	WATER SOFTENER REPAIR	75.00
03/23/2018	305580	PENCHURA, LLC	ELIASON SHELTER	82,784.00
03/23/2018	305581	PORTAGE BUDGET STORAGE, LLC	ELECTION EQUIPMENT	6,881.70
03/23/2018	305582	PORTAGE PUBLIC SCHOOLS	WINTER CARNIVAL SPACE	315.00
03/23/2018	305583	PRINTING SERVICES INC	SR CENTER FOAM BOARDS	126.00
03/23/2018	305584	RAMPIT USA, INC.	PLATFORM REPAIR	1,520.33
03/23/2018	305585	RANKIN, JOHN & GENEVIEVE	TRIP REFUND	200.00
03/23/2018	305586	RATHCO SAFETY SUPPLY, INC.	SIGNS AND SIGN MATERIAL	75.00
03/23/2018	305587	RENEWED EARTH, INC.	LEAF AND BRUSH REMOVAL	9,083.33
03/23/2018	305588	RHINO PRODUCTS, INC.	FIRE RESCUE SUPPLIES	891.50
03/23/2018	305589	SCHMITT, TRACY	EMPLOYEE REIMBURSEMENT	53.62
03/23/2018	305590	SCOTT ELLARD DENTISTRY	OVER PAYMENT	243.14
03/23/2018	305591	SHERMAN TOOL / CORNWELL TOOLS	OPERATING TOOL	68.43
03/23/2018	305592	SHERROD, VERNON	TRIP REFUND	50.00
03/23/2018	305593	SOIL & MATERIALS ENGINEERS, INC	FIRE - NEW STATION 2	6,172.60

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 7 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	305594	SOUTHWEST MICHIGAN LIVING LLC	FULL PAGE AD	2,188.00
03/23/2018	305595	STATE OF MICHIGAN (LARA)	RESIDENTIAL BUILDER	185.00
03/23/2018	305596	STATE OF MICHIGAN (TREASURY)	IFT FUNDS	208,409.45
03/23/2018	305597	STATE SYSTEMS RADIO, INC	TOWER RENTAL	2,471.78
03/23/2018	305598	STEENSMA LAWN & POWER EQUIPMENT	SMALL EQUIPMENT REPAIRS	1,284.39
03/23/2018	305599	STIEL, JACOB	HAYLOFT DAMAGE DEP.	100.00
03/23/2018	305600	SUCCESS COMMUNICATIONS, INC.	911 LIABILITY ONLINE	297.00
03/23/2018	305601	SUCCESS COMMUNICATIONS, INC.	HOMELAND SECURITY	297.00
03/23/2018	305602	SYMPRO INC.	ANNUAL MAINTENANCE	7,189.11
03/23/2018	305603	TAPLIN GROUP, LLC	EMERGENCY RESPONSE	1,054.36
03/23/2018	305604	TERRYBERRY CO.	2018 SERVICE AWARDS	1,346.12
03/23/2018	305605	THE H HOTEL	RESERVATION FEE	406.35
03/23/2018	305606	THREE PEAS DESIGN	TRAVEL BROCHURE COVER	50.00
03/23/2018	305607	TILLERS INTERNATIONAL	ROPE MAKING DEMO	250.00
03/23/2018	305608	TODD ARBANAS ENTERPRISES INC.	TREE REMOVAL SERVICE	3,920.00
03/23/2018	305609	TRACTOR SUPPLY CORP.	ELIASON PROJECT SUPP	5.99
03/23/2018	305610	U S POSTAL SERVICE (PORTAGE)	BULK MAILING	1,000.00
03/23/2018	305611	UNIFIRST CORPORATION	RUG DELIVERY	71.70
03/23/2018	305612	UNISON DESIGN INC.	PLOW TRAXX SNOWPLOW	1,000.00
03/23/2018	305613	UNITED PARCEL SERVICE	WEEKLY DELIVERY	15.10
03/23/2018	305614	VARNUM, RIDDERING, SCHMIDT & H	CABLE FRANCHISE RENEWAL	1,027.50
03/23/2018	305615	VERIZON WIRELESS SERVICES, LLC	WIRELESS SERVICE	1,850.55
03/23/2018	305616	VOGLER, MARION	TRIP REFUND	550.00
03/23/2018	305617	W MICH CRIMINAL JUSTICE TRAINING CO	SPRING 2018 DISTRIBUTION	1,538.60
03/23/2018	305618	WARNER, ELIZABETH	TRIP REFUND	85.00
03/23/2018	305619	WATKINS, ROSS & CO.	ACTUARIAL SERVICES	8,700.00
03/23/2018	305620	WEIDEMANN, LYLE & JUDY	TRIP REFUND	1,100.00
03/23/2018	305621	WENTWORTH, JORDAN	EMPLOYEE REIMBURSEMENT	23.21
03/23/2018	305622	WILKS,KURK	RAMONA SOFTBALL REFUND	100.00
03/23/2018	305623	WILLIAMS ASSOCIATES ARCHITECTS, LTD	ARCHITECT FIRE ST. # 2	35,314.15
03/23/2018	305624	WINTER EQUIPMENT COMPANY, INC.	CURB GUARDS	1,960.61
03/23/2018	305625	ZANTJER WATER WELLS, INC.	PUMP REPAIR	97.00

ACCOUNTS PAYABLE REGISTER
Check Dates From: 3/18/2018 To: 4/1/2018

Page 8 of 8

Check Date	Check	Vendor Name	Description	Amount
03/23/2018	305626	ZERO WASTE USA, INC.	PET WASTE BAGS	1,011.44
			Total Paper Checks:	623,024.12

Check Type: Auto-Pay Payments

03/19/2018	6287	CONSUMERS ENERGY	GAS-ELECTRIC	3,019.77
03/21/2018	6304	CONSUMERS ENERGY	GAS-ELECTRIC	528.26
03/26/2018	6313	CONSUMERS ENERGY	GAS-ELECTRIC	3,573.64
03/29/2018	6329	CITY OF PORTAGE	WATER-SEWER	1,724.86
			Total Auto-Pay Payments	8,846.53

Grand Total:	1,345,742.17
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TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: 2018 Utility Rate Financial Study

SUPPORTING PERSONNEL: Kendra Gwin, Director of Transportation & Utilities

ACTION RECOMMENDED: Establish a public hearing on April 24, 2018, to consider resolutions to:

1. adopt the recommendation that the sewer commodity rate remain at \$4.60 per 1,000 gallons of metered water;
2. adopt the recommendation that the water commodity rate be decreased to \$3.14 per 1,000 gallons of metered water;
3. adopt the recommendation that adjustments be made to the sewer and water base quarterly charges as noted in the 2018 Utility Rate Financial Study;
4. adopt the recommendation that the new rates become effective on July 1, 2018;
5. adopt the recommended water and sewer franchise area fees and other service fees and charges as outlined in the 2018 Utility Rate Financial Study.

The City Council Water/Sewer (Utility) Rate Study Committee, comprised of Councilmembers Burns, Ford and Knapp and citizens Randy Orwig and Ted W. Vliek, Sr., has completed a review of the 2018 Utility Rate Financial Study as prepared by the City Administration. The 2018 Utility Rate Financial Study focused on ensuring the financial health and stability of the utility system. Following a thorough review and analysis of the 2018 Utility Rate Financial Study, the Utility Rate Study Committee voted (5 to 0) to recommend to City Council the water and sewer rates and charges as proposed.

As background information, City Council awarded a contract to Utility Financial Solutions, LLC (UFS) to perform the 2011 Water and Wastewater Rate Study in November 2010. The purpose of the UFS analysis was to determine the actual cost to provide water and wastewater services to utility customers. The proposed fiscal year 2018-2019 utility rates are based in large part on the results of the comprehensive analysis performed by UFS.

The cost of service analysis prepared by UFS showed that the former rate structure (prior to 2011) was insufficient to ensure the receipt of revenues necessary to cover the fixed costs of the utility. To address this issue, the proposed fiscal year 2011-2012 utility rates began the trend of balancing revenue collection based on the quarterly meter charges while keeping the commodity rate increases in line with normal inflationary costs. The City Administration's financial action plan consists of the

following elements:

- 1) The focus of the annual utility rate review has been modified to give additional consideration to working capital, debt service and fund balance within the utility funds. More specifically:
 - a) In addition to the current revenue/expenditure analysis, a working capital analysis is performed annually and includes necessary cash elements to ensure that adequate funds are available to meet ongoing obligations.
 - b) A minimum debt coverage ratio of 1.25 has been established and targeted in future years to ensure adequate funds are available to meet debt payments, support variations in sales due to dry summers, fluctuating treatment costs and other such variables, as they may occur.
 - c) Levels of working capital (cash) will be re-established over time, then maintained within the range of approximately three to four months of current liabilities for each fund. This estimate currently translates to approximately \$2.8 million for the Sewer Fund and \$2.9 million for the Water Fund, without jeopardizing the fundamental integrity of the utility system. As of June 30, 2017, cash in the Sewer Fund is in the amount of \$11.5 million and cash in the Water Fund amounts to \$6.7 million, fully satisfying the need for working capital.
- 2) Outstanding bond issues will continue to be reviewed/recommended for potential payoff to save on interest charges and lower expenses to the utility funds. Significant capital expenses have been anticipated and working capital increased to minimize bond debt.
- 3) The City Administration will continue to investigate opportunities in the areas of the utility fund operations in the interest of further reducing operating expenses of the utility funds over time.

The financial plan has been effective and projected revenues, expenditures and resulting rate modifications in the Sewer Fund and Water Fund as contained in the 2018 Utility Rate Financial Study for fiscal year 2018-2019 result in a combined rate decrease of 3.92 percent to the typical residential customer. Project rates for the combined funds for 2019-2020 through 2021-2023 are projected to remain the same in the 2018 Utility Rate Financial Study.

For fiscal year 2018-2019, the sewer commodity rate is recommended to remain at \$4.60 per thousand gallons of metered water. The water commodity rate is recommended to decrease to \$3.14 per thousand gallons of metered water. Basic quarterly charges for both sewer and water use, which are calculated to provide funding for certain fixed costs for the utility systems, are recommended as noted in the 2018 Utility Rate Financial Study.

The net effect of the combined sewer and water rate recommendations on the typical residential customer is an overall utility rate decrease of 3.92 percent. The combined utility rate recommendations represent an annual decrease of approximately \$29.64 (from approximately \$756.76 per year to approximately \$727.12 per year) for the typical residential customer with both public sewer and water service. Overall, in terms of public health, utility costs represent a tremendous benefit for the cost incurred by the customer.

Items less significant in dollar amount but still important to the continuing financial health of the utility systems were also reviewed by the Utility Rate Study Committee. It is essential that the amount charged for these services recover the costs to provide such services. If charges are inadequate to allow for recovery of costs, rate payers subsidize the service provided. Charges and fees reviewed in

the context of the 2018 Utility Rate Financial Study include water connection charges, meter charges, meter box charges, hydrant meter charges and water processing fees. It is recommended that all current charges remain unchanged. If approved, the proposed rate changes would be adopted and become effective July 1, 2018.

As such, it is recommended that City Council establish a public hearing on April 24, 2018 for consideration of the proposed rates and charges as set forth in the 2018 Utility Rate Financial Study.

FUNDING: N/A

Attachments: 1. 2018 Utility Rate Financial Study



2018 Utility Rate Financial Study

2018 UTILITY RATE FINANCIAL STUDY

TABLE OF CONTENTS

SECTION I – UTILITY RATES	1
INTRODUCTION.....	1
Background.....	1
CURRENT STATUS	2
Utility System Rate Structure	2
Sanitary Sewer System	3
Sanitary Sewer Billing Cap.....	3
Water System	4
Utility Customer Growth	4
FINANCIAL REVIEW	5
Typical Residential Customer.....	5
RATE RECOMMENDATIONS	6
Sanitary Sewer Fund.....	6
Sanitary Sewer Rate- Schoolcraft Township	7
Water Fund.....	7
Private Fire Protection Services.....	8
Water Rate – Pavilion and Schoolcraft Townships	9
SUMMARY OF RECOMMENDATIONS.....	9
SECTION II – UTILITY FEES AND CHARGES	10
INTRODUCTION.....	10
Background.....	10
CURRENT STATUS AND RECOMMENDATIONS	10
Meter Charges.....	10
Meter Box Charges	11
Hydrant Meter Charges.....	11
Fire Hydrant Flow Test Charge	11
Reinstatement Processing Fee.....	11
Other Charges	12
SUMMARY OF RECOMMENDATIONS.....	13
Attachments:	
Table 1 – Utility Fund Statement of Revenues and Expenses – Sewer Fund	
Table 2 – Utility Fund Statement of Revenues and Expenses – Water Fund	
Table 3 – Utility Fund Statement of Revenues and Expenses – Sewer and	
Water Funds	
Table 4 – Net Change to Typical Portage Residential Customer	
Table 5 – Sanitary Sewer 10 Year Proposed Capital Improvement Projects	
Table 6 – Water 10 Year Proposed Capital Improvement Projects	
Graph A – Utility Customers by Fiscal Year	

2018 UTILITY RATE FINANCIAL STUDY

SECTION I - UTILITY RATES

INTRODUCTION

The City Administration has reviewed the utility rate structure for the purpose of considering necessary adjustments to utility rates, while addressing long-term needs of the city utility system. During the development of the 2018 Utility Rate Financial Study, a review of the previous study and the present rate structure was conducted.

As part of the ongoing effort to control costs and maintain the lowest possible utility rates for water and sewer customers, the City Administration reviewed the overall utility operation in light of the privatization of the operation and maintenance functions of the utility initiated in March 1997. Privatization has been extremely effective in cutting overall utility costs while still providing a high level of service to customers. The city's contractor performs all routine operation and maintenance activities for the water utility, including operation of the pumping and overhead storage facilities; meter installation, repair and reading; water service repair and maintenance; water main repair; fire hydrant flushing and repair; MISS DIG staking and other miscellaneous activities. Routine operation and maintenance activities performed for the sewer utility include cleaning and inspection of sanitary sewers; cleaning of storm sewer piping and manholes; daily inspection, maintenance and repair of sanitary sewage pumping facilities; repair and cleaning of sanitary sewer manholes; street sweeping and other miscellaneous activities. On November 1, 2016 the City Council awarded a 5- year contract extension to Suez Environmental Services, Incorporated to end March 2022.

The proposed Fiscal Year 2018-2019 utility rates are based in large part on the recommendations of the comprehensive rate analysis performed by Utility Financial Solutions, LLC (UFS) in 2011. On November 16, 2010, City Council awarded a contract to UFS to review past and current financial reports of the water and wastewater utilities, along with detailed accounting of the utilities finances. The purpose of the UFS analysis was to determine the actual cost to provide water and wastewater services to the utility customers. The cost of service analysis showed that the 2010 rate structure was insufficient to ensure the receipt of revenues necessary to recover the fixed costs of the utility. To address this concern, in Fiscal Year 2011–2012 utility rates began the trend of shifting revenue collection to basic quarterly charges based on meter size, while keeping the commodity rate increases in line with the normal inflationary costs to provide the water and wastewater service. This trend is continued in the 2018 Utility Rate Study.

Background

The Governmental Accounting Standards Board (GASB) requires that Sewer and Water Funds be enterprise funds and be operated in a manner similar to private business, with costs recovered primarily through user charges.

In 1986, the first Water and Sanitary Sewer Rate Committee reviewed the financial status of the Sanitary Sewer and Water Funds. The Water and Sanitary Sewer Rate Committee has met every year since to review the rates and make recommendations to the City Council. Prior to 1986 utility rates were reviewed and adjusted on an as needed basis, which lead to unpredictable rates and charges.

In 2008, the city received a letter from the State of Michigan requiring a financial plan to rectify a water fund deficit. The city has followed the plan submitted to the State of Michigan and the water fund deficit has been eliminated. Water and sanitary sewer rate increases required to eliminate the deficit, meet the conditions in the financial plan submitted to the State of Michigan and reach a positive working capital balance for the utility funds as a whole were substantial. Over the past several years the utility funds have been able to pay cash for capital improvement projects and pay off all callable debt. Rate adjustments since 2007 are as follows:

<u>Fiscal Year</u>	<u>Combined Water & Sewer % Rate Change (Typical Residential Customer)</u>
2007	14.89
2008	13.68
2009	12.22
2010	15.03
2011	10.85
2012	4.85
2013	2.73
2014	1.40
2015	0.94
2016	0.75
2017	0.62

Rate adjustments typically result from inflationary pressure, material changes in programs and operations, and other factors which cannot be controlled by the city, such as charges from the City of Kalamazoo for sewage treatment and Consumers Energy for gas and electricity.

CURRENT STATUS

A fundamental principle of utility fund financing is that user rates should be sufficient to fund the entire cost of utility system operations. This principle is accepted by all authoritative sources (Government Finance Officers Association, American Water Works Association, etc.) and is based on the enterprise fund status. Enterprise funds operate as a private business and all businesses must generate sufficient revenues to cover costs in order to be viable.

Utility System Rate Structure

For provision of sanitary sewer and water service, a two-part rate structure is in effect. For sanitary sewer and water customers, the rate consists of a fixed portion, referred to as the "basic quarterly charge" and a unit rate, referred to as the "commodity" rate.

For water and sewer activities of the utility, the basic quarterly charge is designed to cover the fixed costs of providing service. These costs, which are generally stable throughout the year despite the amount of water produced or sewage transported, include: Personnel salaries and fringes, the Suez

operation and maintenance contract, office supplies, mailing expenses, telephone charges, environmental testing, water quality testing, printing and publishing and equipment repair and maintenance. The fixed costs are applied to the meter size using a formula which recognizes the capacity of the meter size and the impact on the water and sanitary sewer systems.

Commodity rates are designed to cover more variable costs, including sewage treatment costs, public utilities, sewer lead repair, equipment rental costs, equipment replacements, retention basin testing and administrative costs. Commodity rates are based on a dollar amount per thousand gallons of water metered for both water and sewer billings, with sewer billings capped for residences as described below. All classes of customers are billed quarterly with a quarterly of the annual basic rate applied in addition to the commodity charge.

Sanitary Sewer System

The City of Portage sanitary sewer system consists of 235 miles of sewer main and 56 sewage lift stations. The sanitary sewer system has a capacity of 10.8 million gallons per day, with an average daily flow of 4.3 million gallons. Future expansion projects are prioritized to address the areas with greatest potential for groundwater contamination. Citizen petitions are also given high priority. Priorities are reviewed annually by the City Administration to ensure consistency with Council goals and environmental concerns. Current and projected resources of the Sanitary Sewer Fund appear adequate to accommodate increased expansion of the sanitary sewer system. The recommended ten-year 2018-2028 Capital Improvement Program (CIP) includes \$8.155 million in sanitary sewer system improvements and expansions. The proposed improvements would be funded through various financing methods. The projects are considered important in order to pursue placement of sanitary sewer throughout the city and to continue with the mandatory sewer hookup program emphasis. In addition to extension of sanitary sewer mains, operational improvements over the next ten years include:

- Installation of sewer leads where not included in original construction.
- Installation of mains in existing developed plats.
- Renovation of sanitary sewer lift stations and force mains

The proposed sanitary sewer rate structure was developed taking into account the capital expenditures necessary to meet these needs through various financing means.

Sanitary Sewer Billing Cap

Sewer bills are calculated based upon water usage with the assumption that water used within a residence is generally discharged to the sanitary sewer system as wastewater. A cap on sewer billing to residential customers limits the sewer bill to 125% of the customer's winter quarter water usage. The 125% cap was established based upon an analysis of residential accounts with separate water meters for irrigation. This analysis was undertaken to determine the quarterly water usage pattern of the "typical residential customer." Results of the analysis indicated that average summer water usage discharged to the sanitary sewer system, for a single-family residence, is approximately 125% of the winter water consumption when external irrigation is excluded. Winter usage is defined as that quarter in which January occurs. The sanitary sewer billing cap ensures that residential customers are billed for flow to the sanitary sewer and not for outdoor water use.

Water System

The city water system consists of 20 production wells, one 750,000 gallon elevated storage tank, one 1,500,000 gallon elevated storage tank and 250 miles of water main. In 2006, the Environmental Protection Agency lowered the allowable arsenic levels in public drinking water to 10 micrograms per liter. As a result, two wells were abandoned, one well was decommissioned and the Garden Lane Water Treatment Plant was constructed to eliminate high arsenic level in the water. The water system currently has a capacity of 26.35 million gallons per day. The average day production is 4.75 million gallons. Fishbeck, Thompson, Carr & Huber, Inc. completed a comprehensive Water Reliability Study for the city in 2013 and updated the Wellhead Protection Program in 2015. These studies, together with current management information and system use data, are the basis for planned future system improvements.

The recommended 2018-2028 CIP includes \$19.690 million in water system improvements. Current and future anticipated demands placed on the system necessitate provision of numerous operational improvements over the next ten years, including:

- Installation of transmission mains in currently unserved areas and for needed conveyance of large volumes of water throughout the service area.
- Installation of service lines in developed plats.
- Improvement of the stormwater collection and recharge system.
- Additional treatment facility with iron removal capabilities.
- Additional water storage.

The proposed water rate structure was developed taking in consideration of the capital expenditures necessary to meet the above noted needs through various types of financing.

On February 11, 2014, Portage City Council approved reinstatement of a 10% discount on water use charges for eligible senior citizens. Redistribution of the 10% discount to senior citizen customers to the remaining water customers was also taken into account in the development of the water rate structure. The subsidy for the Senior Citizen Discount in Calendar Year 2017 was \$69,445.60.

Utility Customer Growth

The utility customer base has grown to 15,567 sanitary sewer customers and 14,099 water customers as of January 1, 2018. An increase in the number of customers has a general impact of stabilizing system-wide operation costs as cost of service can be spread over a larger number of users. Although the total number of water and sewer customers continues to increase, the rate of increase in utility customers has slowed in recent years. The utility system is a mature system with 96.7 % of developed properties served by municipal sewer and 87.5% served by municipal water. Graph A highlights the utility customers by fiscal year. In the future, new customer growth will be most directly related to new development occurring in the city.

FINANCIAL REVIEW

Using current information on the status of the utility systems as background, the 2018 Utility Rate Financial Study was conducted to determine appropriate cost recovery rate levels. These rates provide for operation of the utility systems, funding of utility-related capital improvement needs and repayment of Limited Tax General Obligation (LTGO) city share debt and Utility Revenue bond debt related to infrastructure extensions and replacements.

The Comprehensive Annual Financial Reports for prior fiscal years provide the primary source for review of the past financial condition of the Utility Funds. Additional sources include the Municipal Budget for Fiscal Year 2017-2018, the 2017-2027 CIP, the recommended 2018-2028 CIP and prior utility rate studies. The financial condition of the Utility Funds as of June 30, 2017 is healthier than previous expectations.

As of June 30, 2017, the Sewer Fund had a working capital balance of \$11,596,474, which was 161% of operating expenses, and the Water Fund had a working capital balance of \$6,762,965, which was 203% of operating expenses. These balances have been generated through conservative budgeting and forecasting methods as well as substantial rate increases over the last decade.

Typical Residential Customer

The typical residential customer in Portage purchases 19,000 gallons of water and is billed for 15,000 gallons of sewage flow per quarter. The typical residential customer has been defined based upon an analysis of all residential accounts and represents the baseline used for comparison since single-family residences represent about 90% of utility accounts. The table below demonstrates the typical average residential customer quarterly usage of water and billing of sewage flow.

TYPICAL RESIDENTIAL CUSTOMER

	Metered Water (x1000 gallons)	Billed Sewer (x1000 gallons)
Winter usage (quarter including January)	14	14
Spring usage	14	14
Summer usage	33	18
<u>Autumn usage</u>	<u>14</u>	<u>14</u>
Annual Total	75	60

The differential between the metered water and the billed sewer is a result of the 125% sewer cap. The cap impacts the summer sewage billing quarter by limiting it to 125% of the winter metered water.

RATE RECOMMENDATIONS

Tables 1, 2 & 3 summarize Sanitary Sewer Fund and Water Fund statements of estimated revenue and expenses for the fiscal years ending June 30, 2018 through 2023. Projected commodity rates, sales in millions of gallons and an analysis of capital/debt needs and funding are also presented. Factors that impact these projections include the cost of living increase, the number of utility customers, revised arsenic level standards promulgated by the USEPA, reduced flow from sewer customers and the sewage treatment costs by the City of Kalamazoo in the case of the Sewer Fund, which has seen a significant increase over the past several years. Table 4 analyzes the recommendations as applied to the "typical residential customer." The following recommendations are presented regarding 2018 Utility Rates.

Sanitary Sewer Fund

It is recommended that the sewer commodity rate remain at \$4.60 per thousand gallons. The rate will: 1) provide for treatment charges billed by the City of Kalamazoo, 2) continue funding operations, capital improvement needs, repayment of outstanding sewer-related Limited Tax General Obligation (LTGO) bonds and Utility Revenue bonds and 3) provide for future LTGO and revenue bond debt. Privatization of the utility operation has resulted in a significant savings in the sewer fund over the last eighteen years, in spite of a lower billable flow growth compared to previous years.

It is recommended that the sewer basic quarterly charges be reduced as shown below:

SANITARY SEWER BASIC QUARTERLY CHARGE CITY OF PORTAGE CUSTOMERS

<u>Meter Size</u>	<u>Current Quarterly Charge</u>	<u>Proposed Quarterly Charge</u>
5/8"	\$ 34.75	\$ 30.58
3/4"	\$ 52.12	\$ 45.87
1"	\$ 78.19	\$ 68.81
1-1/2"	\$ 139.00	\$ 122.32
2"	\$ 208.50	\$ 183.48
3"	\$ 347.50	\$ 305.80
4"	\$ 695.00	\$ 611.60
6"	\$ 1,216.25	\$ 1,070.30
8"	\$ 1,737.50	\$ 1,529.00

The basic quarterly charges are designed to cover the fixed costs related to the operation of the sanitary sewer system. The decrease in the Basic Quarterly Charge conforms to the recommendation in the 2011 Comprehensive Rate Analysis by Utility Finance Solutions, LLC. With the continuation of the sanitary sewer bill cap of 125%, the recommended basic quarterly charges and continuing the commodity rate at \$4.60 per thousand gallons will result in a 4.02% decrease for the typical residential sanitary sewer customer.

In previous utility rate studies, emphasis has been placed on stabilizing retained earnings in the Sanitary Sewer Fund at a level of \$1,500,000 as recommended by the city's financial advisor. An adequate cash balance must be maintained for operation of the utility and to make debt service

payments. Basic Quarterly Charges are recommended to ensure sufficient resources are available within the Sanitary Sewer Fund to meet obligations to avoid the need for subsidy by non-utility related funds.

For Fiscal Year 2017-2018 the estimated working capital (i.e., cash) at the end of the year is \$13,413,420. Based on the recommended basic quarterly charges and commodity rate for Fiscal Year 2018-2019, an acceptable level of working capital balance can be maintained through Fiscal Year 2022-2023.

The recommended rate for Fiscal Year 2018-2019 is lower than the rate forecast in the 2017 Utility Financial Rate Study. As shown in Table 1 (Utility Fund Statements of Revenues and Expenses – Sanitary Sewer Fund) no rate changes are recommended in subsequent years.

Sanitary Sewer Rate - Schoolcraft Township

The service agreement with Schoolcraft Township establishes the rate charged to customers in Schoolcraft Township. The basic quarterly charge is the same as charged to the City of Portage customers. There is a 5% surcharge on the commodity rate and a \$0.35 charge per thousand gallons for capital costs. It is recommended that the sanitary sewer commodity rate to Schoolcraft Township customers be continued at \$5.18 per thousand gallons.

Water Fund

Water Service Charges

It is recommended that the water commodity rate be decreased to \$3.14 per thousand gallons. The basic quarterly costs are designed to cover fixed costs related to the operation of the water system. It is recommended that the water basic quarterly charges be decreased as shown below:

WATER BASIC QUARTERLY CHARGE CITY OF PORTAGE CUSTOMERS

<u>Meter Size</u>	<u>Current Quarterly Charge</u>	<u>Proposed Quarterly Charge</u>
5/8"	\$ 25.44	\$ 23.40
3/4"	\$ 38.16	\$ 35.10
1"	\$ 57.24	\$ 52.65
1-1/2"	\$ 101.76	\$ 93.60
2"	\$ 152.64	\$ 140.40
3"	\$ 254.40	\$ 234.00
4"	\$ 508.80	\$ 468.00
6"	\$ 890.40	\$ 819.00
8"	\$ 1,272.00	\$ 1,170.00

This decrease conforms to the recommendation in the 2011 Comprehensive Utility Rate Study by Utility Financial Solutions, LLC. The proposed rate will result in a 3.79% decreased monthly expense for the typical residential water customers.

Private Fire Protection Service Charges.

Dedicated fire protection service is defined as a separate water service line that solely provides fire protection to a property. The Basic Quarterly Charge will ensure that the cost of providing a dedicated fire service that only benefits one property is borne by the benefiting customer and not the utility customers at large. In addition to the Basic Quarterly Charge a \$6.40 per 1,000 gallon charge for all water use recorded on the fire service bypass meter is assessed. It is recommended that the Basic Quarterly Charge for fire protection services remain unchanged as shown in the table below.

Private Fire Protection - Basic Quarterly Charge

<u>Fire Protection Service Size</u>	<u>Current Basic Quarterly Charge</u>	<u>Proposed Basic Quarterly Charge</u>
4 – inch	\$15.00	\$15.00
6 – inch	\$35.00	\$35.00
8 – inch	\$60.00	\$60.00
10 – inch	\$95.00	\$95.00
12 – inch	\$135.00	\$135.00
16 - inch	\$240.00	\$240.00

As shown on Table 2 (Utility Fund Statements of Revenues and Expenses - Water Fund), no rate changes are recommended in subsequent years. The water quarterly basic charges and commodity rate can be decreased and continue to fund operations, meet major capital improvement needs, keep up with inflationary increases in water production costs (pumping, disinfection, etc.), repay outstanding water-related Limited Tax General Obligation (LTGO) bonds and Utility Revenue bonds and provide for future LTGO and revenue bond debt. In future years, costly major water projects such as additional water storage and iron removal facilities will be required as demands on the Portage water system increase. In addition, the Water Fund will finance needed storm drainage improvements throughout the city.

Emphasis has been placed on stabilizing retained earnings in the Water Fund at a level of \$2,500,000 as recommended by the city's financial advisor. An adequate cash balance needs to be maintained for operation of the utility and to make debt service payments. There are sufficient resources available within the Water Fund to meet obligation to avoid the need for subsidy by non-utility related funds with the recommended rate over the coming years. For Fiscal Year 2017-2018, the estimated working capital (i.e., cash) at the end of the year is \$4,419,586. Based on the recommended basic quarterly charges and commodity rate for Fiscal Year 2018-2019 an acceptable level of working capital balance can be maintained through Fiscal Year 2022-2023.

It is important that the city continue to plan for an additional water tower or replacement for the Haverhill water tower (currently scheduled in Fiscal Year 2019-2020 in the recommended 2018-2028 CIP). The new water tower will provide for greater storage capacity in the city's residential and commercial areas to improve system reliability during peak demand and also improve fire flow in the northern portion of the city. The installation of new iron removal facilities at the Shuman well site (currently scheduled in Fiscal Year 2021 through 2023 in the recommended 2018-2028 CIP) to relieve pressure on the Kalamazoo/Portage groundwater aquifer and the Milham well field located north of Portage Northern High School. Exploration in southern Portage, Schoolcraft Township and Pavilion Township was not successful in locating any new suitable well sites with low iron content.

Water Rate — Pavilion Township and Schoolcraft Township

It is recommended that the basic quarterly charges for Pavilion Township and Schoolcraft Township residents be the same as charged to City of Portage customers. It is also recommended that the water commodity rate for Pavilion Township and Schoolcraft Township residents decrease to \$3.78 per thousand gallons.

SUMMARY OF RECOMMENDATIONS

The effect of the combined recommendations on the typical City of Portage residential customer is projected through Fiscal Year 2022-2023 in Table 3. The Fiscal Year 2018-2019 combined rate decrease of 3.91% for the typical residential customer is a lower rate than projected for Fiscal Year 2018-2019 in the 2017 Utility Rate Financial Study. For the typical residential customer having both municipal water and sewer service, the proposed rate will result in an annual decrease of \$29.64^{Ut.} With operations, capital improvements and debt service continuing to be funded, the utility systems have been self-supporting since July 1989. Self-supporting status is essential for these important enterprise funds so that the funds do not become a financial drain on either the General Fund or the Capital Improvement Fund.

In 2012 City Administration moved the effective date of the annual rate adjustment to October 1 from July 1. The change minimizes the impact of rate increases on customers during the summer billing cycle when usage is highest. To provide customers the full advantage of the Fiscal Year 2018-2019 rate decrease, it is recommended that the effective date for 2018 rate adjustments be July 1, 2018.

SECTION II – UTILITY

FEES AND CHARGES

INTRODUCTION

Although the establishment of appropriate commodity rates and basic quarterly charges for water and sewer service is the primary focus of the annual Utility Rate Financial Study, it is also prudent to give attention to matters which may be less significant in dollar amounts but are still important to the financial health of the utility system, i.e., utility fees and charges.

Background

The establishment of adequate fees and charges for services performed in addition to the delivery of water and sewer service is necessary to fairly and equitably recover costs for services provided. When fees and charges are inadequate, the utility rate payer must bear the cost for services provided to others. Examples include costs for service connections, meters, turn-on fees, etc. In each case, if the charges for these services are inadequate to recover costs, the rate payers subsidize the service provided to some extent.

CURRENT STATUS AND RECOMMENDATIONS

Meter Charges

The current meter installation charges are based on the cost of the meter plus the cost of labor and equipment to install the meter. The current charges have been reviewed and it was determined that no adjustments are needed to recover the cost of the meter and installation. It is recommended that water meter charges remain unchanged.

<u>Meter Size</u>	<u>Current Charges</u>	<u>Actual Cost/Recommended Charges</u>
5/8"	\$225	\$225
3/4"	\$280	\$280
1"	\$345	\$345
1-1/2"	\$815	\$815
2" SR (Irrigation)	\$1,010	\$1,010
2" Compound	\$2,225	\$2,225
3" Compound	\$2,925	\$2,925
4" Compound	\$4,530	\$4,530
6" Compound	\$7,840	\$7,840

Meter Box Charge

A meter box charge is based on the cost of materials to install the meter box. Meter boxes are used when a suitable location for meter installation is not available in the building or property being served. The charge has been reviewed and it was found that the cost has not increased. It is recommended that the meter box charge remain unchanged at \$1050.

Hydrant Meter Charges

The use of meters on fire hydrants is a service provided as a convenience to contractors or individuals who need to obtain large quantities of water in a short period of time. It is recommended that the minimum charge for use of a hydrant meter remain at \$150. The minimum charge for supplying and installing a meter on a fire hydrant includes the use of 15,000 gallons of water. It is also recommended that the commodity charge for use over 15,000 gallons of water remain at \$6.40 per 1,000 gallons. Furthermore, that the deposit required to ensure the return of all hydrant meter hoses and other items remain at \$250. This deposit eliminates the potential problem of collecting for the service provided.

Fire Hydrant Flow Test Charge

Fire hydrant flow tests are often requested by insurance companies and developers to determine the quantity of water available for fire protection at a property. The established charge for providing a flow test ensures that the cost is borne by the benefiting customer and not the utility customers at large. It is recommended that the charge for a hydrant flow test remain at \$135.

Reinstatement Processing Fee

A fee is charged for reinstating water service turned off due to delinquency or at the request of the customer. In the case of delinquency, three notices are sent to the customer with a shut-off date established on the third notice. Once a work order has been issued for water shut-off, the processing fee is automatically added to the customer's bill and payment of the delinquent bill plus the processing fee is required prior to reactivation of service. The current fee is \$50 and is recommended to be continued for Fiscal Year 2018-2019. No fee is charged for a water turn-off and subsequent restoration of water service when requested by the customer or contractor due to an emergency or scheduled maintenance activity. For water service turn-on after normal working hours, the current processing fee of \$100 is recommended to be continued for Fiscal Year 2018-2019. The \$100 processing charge reflects the added hourly cost for the service technician associated with the provision of water service turn-on after normal working hours.

Other Charges and Policies

1. **Flat Rate:** Non-metered sewer customers are billed based on a water usage of 15,000 gallons per quarter (flat rate). It is recommended that this policy be continued.
2. **Irrigation Allowance:** Single family residences, residential condominiums and all other individually metered residential units may be given a discount for irrigation as follows:
 - a. Charges for such customers are based on actual water consumption, except that there is no sewage charge for water consumption exceeding 125% of the water consumption for the most recent quarter billing in which the month of January is included;
 - b. Residential customers who do not have a quarter billing in which the month of January is included or who have a zero (0) water usage for the quarter which includes the month of January have the sewer charge for the other three quarters established at the maximum rate volume of 15,000 gallons or actual usage, if less, per quarter until such time as quarter billing information, in which the month of January is included, is available. It is recommended that the irrigation allowance be continued.
3. **Senior Citizen Water Allowance:** City of Portage water customers 65 years of age and older who submit an application and provide proof of age are eligible for a 10% discount on water use charges for their primary residence account.
4. **Non-Sufficient Funds (NSF) Check Fee:** It is recommended to maintain the current fee of \$30 per occurrence to reflect current administrative cost for any returned/unpaid check or other failed financial instrument which results in uncollected funds.
5. **Outstanding Charges Limit:** The amount of past due/outstanding charges necessitating water shut-off is recommended to be maintained at \$60.
6. **Utility Late Fee Waivers:** It is recommended that the utility billing late fee be waived if the customer:
 - a. has paid all of the last 12 or more utility bills on time and the customer requests that the late fee be waived/removed or;
 - b. signs up for automatic payment where the amount due is taken from their bank account on the due date.

SUMMARY OF RECOMMENDATIONS

Summarizing recommendations for Fiscal Year 2018-2019 utility fees and charges, it is advised that:

1. Charges for meters (all sizes) remain the same.
3. Charges for installation of meter box remain the same.
4. The current charge of a \$250 deposit for the installation of a hydrant meter remains the same and the current minimum charge including the use of up to 15,000 gallons of water remains at \$150. Further, the current commodity charge of \$6.40 per thousand gallons for all water used over 15,000 gallons remains the same.
5. The \$50 processing fee associated with turn-on or shut-off of a water service is continued, except the initial turn-on for first-time customers will be at no charge. When the city dispatches a person to turn on water during non-business hours, the processing fee of \$100 will be continued.
6. The flat rate based on a consumption of 15,000 gallons per quarter for non-metered sewer customers continues in effect.
7. The sewer billing cap for residential customers having a zero water meter reading in the quarter that contains January remains at 15,000 gallons.
8. The current charge of \$30 per occurrence will be assessed for any returned/unpaid check or other failed financial instrument which results in uncollected funds.
9. The utility billing late fee will be waived:
 - a. if the customer has paid all of the last 12 or more utility bills on time and the customer requests that the late fee be waived/removed or;
 - b. if the customer signs up for automatic payment.
10. A credit of \$1.00 for each normal quarterly bill will be given to each customer on the utility billing automatic payment plan.
11. An amount past due of more than \$60 remain as the shut-off level amount.

Utility Fund Statement of Revenues and Expenses

SEWER FUND							Table 1
2018/2019 RATES							
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Audited	Estimated	Budgeted	Projected	Projected	Projected	Projected
SALES (million gallons)	1,257	1,123	1,123	1,123	1,123	1,123	1,123
RATE (per 1000 gallons)	\$4.60	\$4.60	\$4.60	\$4.60	\$4.60	\$4.60	\$4.60
BASE CHARGE (per quarter)	\$34.75	\$34.75	\$30.58	\$30.58	\$30.58	\$30.58	\$30.58
User charges	9,116,764	9,292,032	8,502,000	8,106,000	8,107,000	8,109,000	8,110,000
Tap in fees and other revenue	391,574	391,111	392,000	392,000	392,000	392,000	392,000
TOTAL OPERATING REVENUE	9,508,338	9,684,143	8,894,000	8,498,000	8,499,000	8,501,000	8,502,000
Operations and maintenance	2,332,609	2,299,180	2,265,750	2,300,000	2,335,000	2,370,000	2,406,000
Sewer treatment charges	2,853,832	2,203,800	2,340,142	2,375,000	2,411,000	2,447,000	2,484,000
General and administrative	1,192,788	1,514,465	1,836,142	1,864,000	1,892,000	1,920,000	1,949,000
Depreciation	769,855	785,359	798,784	813,184	831,259	846,334	858,071
TOTAL OPERATING EXPENSE	7,149,084	6,802,803	7,240,818	7,352,184	7,469,259	7,583,334	7,697,071
OPERATING GAIN (LOSS)	2,359,254	2,881,340	1,653,182	1,145,816	1,029,741	917,666	804,929
Interest income	78,251	47,551	48,300	49,000	49,700	50,400	50,000
Interest on outstanding debt	(164,461)	(123,850)	(106,197)	(92,006)	(78,199)	(65,024)	(52,159)
Capital outlay	(45,242)	(463,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
NET NON-OPERATING REVENUE (EXPENSE)	(131,452)	(539,299)	(197,897)	(183,006)	(168,499)	(154,624)	(142,159)
NET GAIN (LOSS) BEFORE TRANSFERS	2,227,802	2,342,041	1,455,285	962,810	861,242	763,042	662,770
TRANSFERS IN (OUT)	688,358	(80,000)	(85,000)	(85,000)	(85,000)	(85,000)	(85,000)
CHANGE IN NET POSITION	2,916,160	2,262,041	1,370,285	877,810	776,242	678,042	577,770
CASH FLOW ANALYSIS							
Beginning Cash Balance	8,873,055	11,303,117	12,755,124	13,413,420	13,727,561	13,370,085	13,963,556
Net Cash from Operating Activities	3,566,511	3,666,698	2,451,966	1,959,000	1,861,000	1,764,000	1,663,000
Net Transfers In & Investing Activities	192,440	47,551	48,300	49,000	49,700	50,400	50,000
Proceeds of Bond Issuance	-	-	-	-	-	-	-
CASH AVAILABLE	12,632,006	15,017,366	15,255,390	15,421,420	15,638,261	15,184,485	15,676,556
Capital Improvement Needs	753,181	1,233,000	1,245,000	1,125,000	1,735,000	725,000	1,290,000
Principal & Interest on Long Term Debt	575,708	1,029,242	596,970	568,859	533,176	495,929	480,311
CASH OUTFLOW	1,328,889	2,262,242	1,841,970	1,693,859	2,268,176	1,220,929	1,770,311
ENDING CASH BALANCE	11,303,117	12,755,124	13,413,420	13,727,561	13,370,085	\$13,963,556	13,906,245
WORKING CAPITAL	11,596,474	13,086,166	13,761,548	14,083,842	13,717,088	14,325,962	14,267,163
Typical residential % change	0.66%	0.00%	-4.02%	0.00%	0.00%	0.00%	0.00%

Utility Fund Statement of Revenues and Expenses

WATER FUND							Table 2
2018/2019 RATES							
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Audited	Estimated	Budgeted	Projected	Projected	Projected	Projected
SALES (million gallons)	1,500	1,356	1356	1356	1,356	1,356	1356
RATE (per 1000 gallons)	\$3.19	\$3.20	\$3.14	\$3.14	\$3.14	\$3.14	\$3.14
BASE CHARGE (per quarter)	\$24.46	\$25.44	\$23.40	\$23.40	\$23.40	\$23.40	\$23.40
User charges	6,831,179	6,885,557	6,411,000	6,411,000	6,411,000	6,411,000	6,411,000
Tap in fees and other revenue	247,258	297,304	247,258	297,304	297,304	297,304	297,304
TOTAL OPERATING REVENUE	7,078,437	7,182,861	6,658,258	6,708,304	6,708,304	6,708,304	6,708,304
Operations and maintenance	1,320,705	1,414,791	1,318,100	1,341,000	1,364,000	1,388,000	1,412,000
General and administrative	1,180,902	1,265,029	1,812,639	1,844,000	1,876,000	1,909,000	1,942,000
Depreciation	793,460	842,908	901,358	1,007,858	1,178,958	1,211,658	1,241,508
TOTAL OPERATING EXPENSE	3,295,067	3,522,728	4,032,097	4,192,858	4,418,958	4,508,658	4,595,508
OPERATING GAIN (LOSS)	3,783,370	3,660,133	2,626,161	2,515,446	2,289,346	2,199,646	2,112,796
Interest income	73,088	60,000	61,200	62,400	63,600	64,900	63,600
Interest on outstanding debt	(534,462)	(567,595)	(499,503)	(434,550)	(371,015)	(251,886)	(246,947)
Capital outlay	(35,160)	(70,636)	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)
NET NON-OPERATING REVENUE (EXPENSE)	(496,534)	(578,231)	(618,303)	(552,150)	(487,415)	(366,986)	(363,347)
NET GAIN (LOSS) BEFORE TRANSFERS	3,286,836	3,081,902	2,007,858	1,963,296	1,801,931	1,832,660	1,749,449
TRANSFERS IN (OUT)	355,864	(50,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)
CHANGE IN NET POSITION	3,642,700	3,031,902	1,952,858	1,908,296	1,746,931	1,777,660	1,694,449
CASH FLOW ANALYSIS							
Beginning Cash Balance	5,765,130	7,829,619	6,067,959	5,116,643	3,564,338	3,111,905	3,564,338
Net Cash from Operating Activities	4,830,500	3,924,810	2,909,216	2,971,154	2,980,889	3,044,318	2,990,957
Net Transfers In & Investing Activities	89,453	125,119	136,616	117,063	126,266	126,649	123,326
Proceeds of Bond Issuance	-	-	-	-	-	-	-
CASH AVAILABLE	10,685,083	11,879,548	9,113,792	8,204,860	6,671,493	6,282,872	6,678,621
Capital Improvement Needs	927,533	2,310,000	1,380,000	2,055,000	1,165,000	1,105,000	940,000
Principal & Interest on Long Term Debt	1,927,931	3,501,589	2,617,149	2,585,522	2,394,588	2,247,425	2,267,581
CASH OUTFLOW	2,855,464	5,811,589	3,997,149	4,640,522	3,559,588	3,352,425	3,207,581
ENDING CASH BALANCE	7,829,619	6,067,959	5,116,643	3,564,338	3,111,905	2,930,447	3,471,040
WORKING CAPITAL	6,762,965	5,241,302	4,419,586	3,078,757	2,687,961	2,531,223	2,998,169
Typical residential % change	0.85%	1.39%	-3.79%	0.00%	0.00%	0.00%	0.00%

Utility Fund Statement of Revenues and Expenses

SEWER AND WATER FUNDS						Table 3
2018/2019 RATES						
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Audited	Estimated	Budgeted	Projected	Projected	Projected
User charges	15,947,943	16,177,589	14,913,000	14,517,000	14,518,000	14,520,000
Tap fees	638,832	688,415	639,258	689,304	689,304	689,304
TOTAL OPERATING REVENUE	16,586,775	16,866,004	15,552,258	15,206,304	15,207,304	15,209,304
Operations and maintenance	3,653,314	3,713,971	3,583,850	3,641,000	3,699,000	3,758,000
Sewer treatment charges	2,853,832	2,203,800	2,340,142	2,375,000	2,411,000	2,447,000
General and administrative	2,373,690	2,779,494	3,648,781	3,708,000	3,768,000	3,829,000
Depreciation	1,563,315	1,628,267	1,700,142	1,821,042	2,010,217	2,057,992
TOTAL OPERATING EXPENSE	10,444,151	10,325,531	11,272,915	11,545,042	11,888,217	12,091,992
OPERATING GAIN (LOSS)	6,142,624	6,540,473	4,279,343	3,661,262	3,319,087	3,117,312
Interest income	151,339	107,551	109,500	111,400	113,300	115,300
Interest on outstanding debt	(698,923)	(691,445)	(605,700)	(526,556)	(449,214)	(316,910)
Capital outlay	(80,402)	(533,636)	(320,000)	(320,000)	(320,000)	(320,000)
NET NON-OPERATING REVENUE (EXPENSE)	(627,986)	(1,117,530)	(816,200)	(735,156)	(655,914)	(521,610)
NET GAIN (LOSS) BEFORE TRANSFERS	5,514,638	5,423,943	3,463,143	2,926,106	2,663,173	2,595,702
TRANSFERS IN (OUT)	1,044,222	(130,000)	(140,000)	(140,000)	(140,000)	(140,000)
CHANGE IN NET POSITION	6,558,860	5,293,943	3,323,143	2,786,106	2,523,173	2,455,702
CASH FLOW ANALYSIS						
Beginning Cash Balance	14,638,185	19,132,736	18,823,084	18,530,063	17,291,899	16,481,991
Net Cash from Operating Activities	8,397,011	7,591,508	5,361,182	4,930,154	4,841,889	4,808,318
Net Transfers In & Investing Activities	281,893	172,671	184,916	166,063	175,966	177,049
Bond issue Proceeds	-	-	-	-	-	-
CASH AVAILABLE	23,317,089	26,896,915	24,369,182	23,626,280	22,309,755	21,467,357
Capital Improvement Needs	1,680,714	3,543,000	2,625,000	3,180,000	2,900,000	1,830,000
Principal & Interest on Long Term Debt	2,503,639	4,530,831	3,214,119	3,154,381	2,927,764	2,743,354
CASH OUTFLOW	4,184,353	8,073,831	5,839,119	6,334,381	5,827,764	4,573,354
ENDING CASH BALANCE	19,132,736	18,823,084	18,530,063	17,291,899	16,481,991	16,894,003
WORKING CAPITAL	18,359,439	18,327,468	18,181,134	17,162,598	16,405,048	16,857,184
Typical residential % change	0.74%	0.62%	-3.92%	0.00%	0.00%	0.00%

Table 4

	Fiscal 2017-2018 Current Rates			Fiscal 2018-2019 Proposed rates		
	Sewer Cap = 125%			Sewer Cap = 125%		
	Sewer (000 Gal.)	Water (000 Gal.)	Total	Sewer (000 Gal.)	Water (000 Gal.)	Total
Winter	14	14		14	14	
Spring	14	14		14	14	
Summer	18	33		18	33	
Fall	14	14		14	14	
Total	60	75		60	75	
Rate per 1000 gallons	\$4.60	\$3.20		\$4.60	\$3.14	
Usage charge	\$276.00	\$240.00	\$516.00	\$276.00	\$235.20	\$511.20
Annual basic rate	139.00	101.76	240.76	122.32	93.60	215.92
Total	\$415.00	\$341.76	\$756.76	\$398.32	\$328.80	\$727.12
% change				-4.02%	-3.79%	-3.92%

Increased cost for the Typical Portage Residential Customer

	<u>for sewer</u>	<u>for water</u>	<u>for both</u>
per year	-\$16.68	-\$12.96	-\$29.64
per quarter	-\$4.17	-\$3.24	-\$7.41
per month	-\$1.39	-\$1.08	-\$2.47
per week	-\$0.32	-\$0.25	-\$0.57
per day	-\$0.05	-\$0.04	-\$0.09

Project Expenditures (\$000)

Project Number/Title	Fiscal Year										Total
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	
1 Lift Station Renovations	500	500	500	500	750	500	500	500	500	500	5,250
2 Romence Road Sanitary Sewer, Angling Road to west end	295										295
3 Trunk Sewer Condition Assessment	225										225
4 Pump Station Mechanical Upgrades		400									400
5 South Westnedge Avenue Sanitary Sewer Lead Installation			60								60
6 Ramona Park Plat Sanitary Sewer			950								950
7 Weaver Drive Sanitary Sewer, Charles Street to north end					315						315
8 Zylman Avenue Sanitary Sewer, South Sprinkle Road to Deep Point Drive						660					660
TOTALS	1,020	900	1,510	500	1,065	1,160	500	500	500	500	8,155
Special Assessments	25		75		40	55					195
Municipal Street Fund	25		75		40	55					195
Sewer Fund cash	970	900	1360	500	985	1050	500	500	500	500	7,765

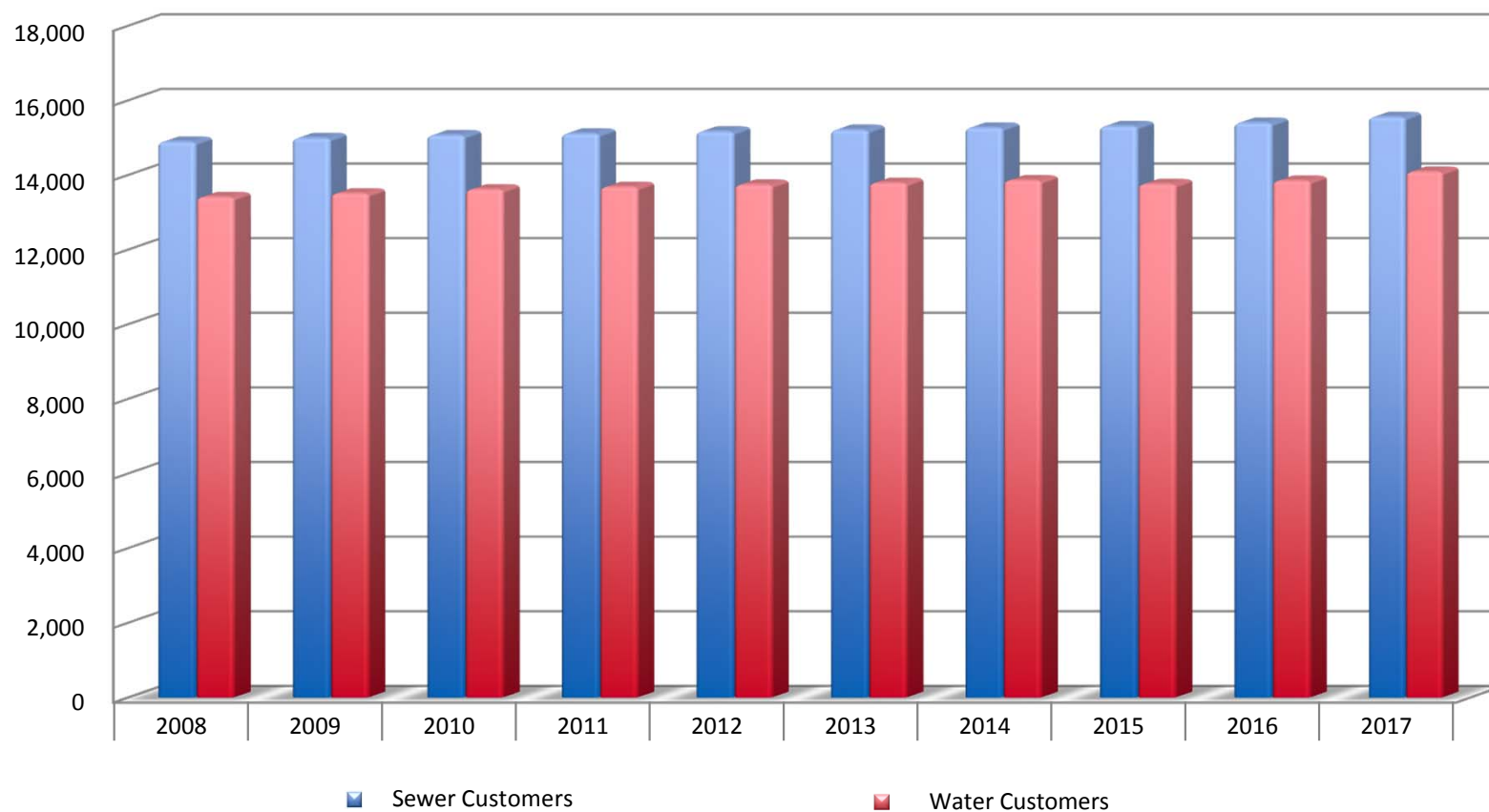
CAPITAL IMPROVEMENT PROJECT SUMMARY

WATER

Project Expenditures (\$000)

Project Number/Title	Fiscal Year										Total
	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	
1 Storm Drainage Improvements Program	50	50	50	50	50	50	50	50	50	50	500
2 Water System Reliability Study Update	55					55					110
3 Romence Road Water Main Replacement	450										450
4 Lake Connection Elimination Program	275										275
5 Wetherbee Avenue Water Main Extension, Portage Road to Woodlawn Drive	200										200
6 Portage Road Water Main Extension, East Milham Avenue to 750 feet North	185										185
7 Willoughby Drive Water Main Extension, East Milham Avenue to the north end	110										110
8 Shaver Road Water Main Replacement		250		1,000							1,250
9 Northwest Water Storage Facility		6,000									6,000
10 Idaho Avenue Water Main Replacement		500									500
11 Portage Road Water Main Extension, Helen Avenue to Byrd Drive		350									350
12 Lakeview Avenue Water Main Replacement		500									500
13 Pine View Water Storage Facility Renovation		350									350
14 Consolidated Drain Rehabilitation			400								400
15 Ramona Park Plat Water Main			350								350
16 East Milham Avenue Water Main Replacement			250								250
17 SCADA System Upgrade			60								60
18 Schuring Road Water Main Replacement					525						525
19 East Shore Drive Water Main Replacement					310						310
20 Northeast Quadrant Well Field Development						1,200					1,200
21 Woodland Elementary School Water Main						115					115
22 Shuman Wellfield Iron Removal Facility						650	5,000				5,650
23 Lovers Lane Water Main Abandonment										50	50
TOTALS	1,325	8,000	1,110	1,050	885	2,070	5,050	50	50	100	19,690
Special Assessments			100								100
Capital Improvement Bonds		5,790		1,000	525	1,850	5,000				14,165
Other Financing (LDFA funds for water tower)		1,210									1,210
Water Fund Cash	1,325	1,000	1,010	50	360	220	50	50	50	100	4,215

NUMBER OF UTILITY CUSTOMERS



There were significant increases in customers up to the late 1990's but the system is close to serving the maximum number of potential customers available. Any significant increase in future customers is likely to come from new housing developments.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Rezoning Application #17/18-2, 6050 Constitution Boulevard

SUPPORTING PERSONNEL: Chris Forth, Deputy Director of Planning, Development & Neighborhood Services

ACTION RECOMMENDED:

1. Accept Rezoning Application #17/18-2, 6050 Constitution Boulevard, for first reading and set a public hearing for May 8, 2018 and
2. Subsequent to the public hearing, consider approving Rezoning Application #17/18-2, 6050 Constitution Boulevard, changing the north 130 feet from OS-1, office service to RM-1, multiple family residential.

An application has been received from Village Green Properties, Inc. requesting that the north 130 feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential. The current zoning of the 1.46 acre, vacant property is split with the northern 130 feet zoned OS-1, office service and the southern 70 feet zoned RM-1, multiple family residential. The applicant is requesting a consistent RM-1 zoning pattern across the property to facilitate construction of two duplexes and associated site improvements.

In a report dated March 9, 2018, the Department of Community Development concludes the proposed RM-1 zoning is consistent with the Comprehensive Plan designation and surrounding land use/zoning pattern. For these reasons, staff is supportive of the proposed zoning change to RM-1.

The Planning Commission convened a public hearing during its March 1 and March 15, 2018 meetings to consider the rezoning request. Mr. Josh Weiner of Village Green Properties (applicant/property owner) was present during the March 1 meeting to support the request and explain the development history along Constitution Boulevard. Mr. Matt McDade of Village Green Properties was present at the March 15 meeting to support the rezoning request. Five citizens spoke during the March 1 meeting. Three citizens spoke in opposition, one citizen was not opposed but requested preservation of existing trees along the west property line, and one citizen spoke in support. No citizens spoke during the March 15 meeting.

In addition to the citizen comment received during the public hearing, a petition signed by several area residents opposing the rezoning was received. The petition has been signed by the owners of at least 20% of the land area adjacent to the subject property. As a result, a 2/3 majority affirmative vote by City Council will be necessary to approve the zoning change.

After careful consideration, the Commission voted 6-0 to recommend to City Council that Rezoning

Application #17/18-2 be approved and the north 130 feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential with a finding that the RM-1 district is appropriate in this area of the city and is consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern.

Attached find the Planning Commission transmittal, Department of Community Development report and related materials for review.

FUNDING: Not applicable

Attachments:

1. March 29, 2018 Planning Commission transmittal
2. March 1 and 15, 2018 Planning Commission Minutes
3. March 9, 2018 Community Development staff report

TO: Honorable Mayor and City Council
FROM: Planning Commission
DATE: March 29, 2018
SUBJECT: Rezoning Application #17/18-2, 6050 Constitution Boulevard

The Planning Commission convened a public hearing during the March 1st and 15th, 2018 meetings to consider the rezoning application submitted by Village Green Properties to rezone the north 130-feet of 6050 Constitution Boulevard from OS-1, office service to RM-1, multiple family residential. Mr. Josh Weiner of Village Green Properties (applicant/property owner) was present during the March 1st meeting to support the rezoning request and explain the development history along Constitution Boulevard. Mr. Matt McDade of Village Green Properties was present at the March 15th meeting to support the rezoning request. Five citizens spoke during the March 1st meeting. Three citizens spoke in opposition to the rezoning and development of the subject parcel citing concerns over increases in noise, light pollution, loss of trees and wildlife disruption, one citizen stated she was not opposed to the rezoning, however, requested the developer preserve existing trees located along the western portion of the parcel. and one citizen spoke in support of the rezoning and proposed duplex development. No citizens spoke during the March 15th meeting.

After careful consideration, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #17/18-2 be approved and the north 130-feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential with a finding that the RM-1 district is appropriate in this area of the city and is consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern. The motion was unanimously approved 6-0.

Sincerely,



Raymond Shoup
Vice-Chairman

open air sales area along the (west) long side of the building; 2) Installation of a 12-foot tall, solid vinyl fence along the north and south sides that will be earth-tone in color (other than white). This fence will extend at least 38 from the existing building wall to screen the display/storage area from MLK Drive and Mall Drive; 3) No outdoor merchandise be stacked above the top of the 12-foot fence. Open air business (outdoor sales area) along the north side of the site: 1) Installation of a six foot tall, solid vinyl fence along the west and north sides that will be earth-tone in color (other than white) with masonry columns to match the building. Along the east side, an eight foot tall aluminum fence with masonry columns to match the building will be installed; 2) Installation of landscaping adjacent to the fence; and 3) No outdoor merchandise be stacked above the top of the six foot fence. Auto repair facility: 1) Retention of the existing double row of trees adjacent to the south wall of the building. The motion was unanimously approved 9-0

SITE/FINAL PLANS:

1. Site Plan: Blain's Farm & Fleet, 751 and 879 Mall Drive, 6500 Ring Road and 980 Martin Luther King Jr. Drive. Mr. Forth summarized the February 23, 2018 staff report regarding a request by Blain's Farm & Fleet to redevelop the former Menards site including reuse of the existing 81,790 square foot commercial building, construction of a 26,800 square foot building addition, establishment of an outdoor sales area along the north and west sides of the building and associated site improvements on the approximate 12 acre zoning lot. Mr. Forth summarized various elements of the project including access, pedestrian walkways, storm water retention, landscaping and buffering enhancements planned across the site.

Neil Vanloo (Blain's Farm & Fleet) was present to support the site plan. After a brief discussion, a motion was made by Commissioner Patterson, seconded by Commissioner Bosch, to approve the Site Plan for Blain's Farm & Fleet, 751 and 879 Mall Drive, 6500 Ring Road and 980 Martin Luther King Jr. Drive, subject to finalization of engineering related details. The motion was unanimously approved 9-0.

PUBLIC HEARING:

1. Preliminary Report: Rezoning Application #17/18-2, 6050 Constitution Boulevard. Mr. West summarized the February 23, 2018 staff report regarding a request from Village Green Properties to rezone the north approximate 130-feet of 6050 Constitution Boulevard from OS-1, office service to RM-1, multiple family residential. Mr. West discussed the existing split zoning of the subject parcel with the approximate north 2/3 zoned OS-1 and the south 1/3 zoned RM-1 and the development challenges of the split zoning arrangements. Mr. West then summarized the Future Land Use Map designations, existing zoning/land use pattern and development scenarios under either the RM-1 and/or OS-1 zones. Finally, Mr. West referred the Commission to a petition signed by several area residents opposing the rezoning that was included in the final agenda packet.

Josh Weiner (Village Green Properties) was present to support the rezoning request. Mr. Weiner stated he has owned the subject property since the 1960s. Mr. Weiner summarized the development history along Constitution Boulevard and the surrounding area and his company's involvement over the years. Mr. Weiner discussed the split zoning and his desire to construct duplexes, as opposed to a larger office development at the site. Mr. Weiner indicated that he was aware of the petition from residents to the west and recently spoke with one of the residents at his company offices on Mall Drive. Mr. Weiner indicated that he was sensitive to the concerns of the neighbors and would develop the property with proper building setbacks, landscaping and buffering and envisioned the units being "middle to higher end" duplexes.

The public hearing was then opened by Chairman Stoffer. Five citizens spoke regarding the proposed rezoning: 1) Michelle Bonczek, 6135 Avon; 2) Mary Ellen Agar, 6024 Avon; 3) Robert Evory, 6135 Avon; 4) Karen Reitz, 6123 Avon; and 5) Barry Root, 6117 Avon. Ms. Bonczek, Mr. Evory and Ms. Reitz spoke in opposition to the rezoning and development of the subject parcel citing concerns over increases in noise, light pollution, loss of trees and disruption to wildlife. Ms. Agar stated she did not oppose development of the property, however, asked that the owner preserve the existing trees along the western portion of the site. Mr. Root spoke in support of the rezoning and stated the proposed duplexes were the "best development option" for

the adjacent neighborhood. Mr. Weiner stated that he has owned the subject parcel for over 50 years and is proud of the developments his company has constructed in Portage. Mr. Weiner indicated that he considers Portage his home and wants to be a good neighbor and would be happy to meet with the adjacent residents at his company offices at 700 Mall Drive. No additional citizens spoke regarding the proposed rezoning. After additional discussion, a motion was then made by Commissioner Bosch, seconded by Commissioner Patterson, to adjourn the public hearing for Rezoning Application #17/18-2, 6050 Constitution Boulevard, to the March 15, 2018 meeting. The motion was unanimously approved 9-0.

2. Preliminary Report: Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs. Mr. Forth summarized the February 23, 2017 staff report regarding a request from PCL Curtis, LLC to amend the Zoning Code to allow micro-breweries and brew-pubs within the CPD, commercial planned development zoning district and also modify the requirement for "...a restaurant with a minimum seating occupancy of 100 persons providing full lunch and dinner service." Mr. Forth discussed the original development and adoption of the micro-breweries and brew-pubs ordinance in 2003 and practical experiences and customer interactions since this adoption. Based on these experiences and interactions and after consultation with the City Attorney, staff is recommending several amendments to the ordinance which would do the following: 1) Allow micro-breweries/brew-pubs in the B-2 and CPD zoning districts; 2) Modify the minimum requirements for having a restaurant (reduce seating occupancy from 100 persons to 50 persons, and eliminate "full lunch and dinner service"); 3) Modify the names to "brewpubs and "micro brewers" and reduce maximum brewery production from 20,000 barrels per year to 18,000 barrels per year to be more consistent with the State of Michigan licensing requirements; and 4) Include micro brewer as a permitted use in the industrial zoning districts. Mr. Forth stated the proposed changes will expand potential locations for brewpubs and micro brewers in the city, while minimizing brewery production intensity and related impacts in commercial district. Additionally, Mr. Forth stated the proposed changes to the restaurant requirements will also allow for smaller brewpub/micro brewer operations and assist entrepreneurs in reducing initial start-up expenses.

Chairman Stoffer questioned the inclusion of a "tasting room" in industrial districts. Mr. Forth stated that tasting rooms are common to larger micro brewer operations and would need to be clearly accessory to the principal brewery production. Mike Marshburn of PLC Curtis, LLC (applicant) was present and spoke in support of the proposed ordinance amendment. Mr. Marshburn stated that he is an owner in the Portage Creek Landings Commercial Planned Development at the corner of Shaver Road and West Centre Avenue, zoned CPD, and has an interested tenant that would like to establish a small micro brewer within the development. The public hearing was then opened by Chairman Stoffer. One additional citizen (Jake Lohse, 8475 Valleywood Lane) also spoke in support of the proposed ordinance amendment. Mr. Lohse stated that he would like to establish Presidential Brewing Company (micro brewer) within the Portage Creek Landings CPD, Commercial Planned Development. No additional citizens spoke regarding the proposed ordinance amendment.

The Commission and staff next discussed various aspects of the proposed ordinance amendment. A motion was then made by Commissioner Shoup, seconded by Commission Schimmel, to adjourn the public hearing to the March 15, 2018 meeting. Prior to a vote on this motion, the Commission discussed the possibility of waiving the second meeting and making a recommendation to City Council at tonight's meeting. After a brief discussion, the Commission concurred that a second meeting was not necessary. The motion was then voted upon and failed 0-9. A motion was then made by Commissioner Patterson, seconded by Commissioner Bosch, to recommend to City Council that Ordinance Amendment #17/18-B, Micro-breweries and Brew-pubs, be approved. The motion was unanimously approved 9-0.

OLD BUSINESS:

None.

PLANNING COMMISSION

March 15, 2018

The City of Portage Planning Commission meeting of March 15, 2018 was called to order by Vice-Chairman Shoup at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. Four citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Vice-Chairman Shoup led the Commission, staff and citizens in the Pledge of Allegiance.

IN ATTENDANCE:

Michael West, Senior City Planner and Randy Brown, City Attorney.

ROLL CALL:

Mr. West called the role: Bosch (yes), Patterson (yes), Shoup (yes), Schimmel (yes); Joshi (yes); Harrell-Page (not present); and Corradini (yes). A motion was then made by Commissioner Schimmel, seconded by Commissioner Corradini, to approve the Roll excusing Commissioners Stoffer and Place.

APPROVAL OF MINUTES:

Vice-Chairman Shoup referred the Commission to the March 1, 2018 meeting minutes contained in the agenda packet. A motion was made by Commissioner Schimmel, seconded by Commissioner Bosch, to approve the minutes as submitted. The motion was unanimously approved 6-0.

SITE/FINAL PLANS:

1. Final/Site Plan: Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail. Mr. West summarized the March 15, 2018 revised staff report regarding the request by American Village Development II to construct the third and final phase of the Whisper Rock Condominiums. Mr. West stated that since the original report was issued last Friday, the applicant had finalized the remaining engineering issues and therefore the recommended condition of approval was no longer necessary. Mr. West indicated that Phase III of Whisper Rock Condominiums would include a total of 28 residential condominium dwellings (14, 2-unit attached buildings) and associated site improvements along the interior/southern portion of the subject property. Mr. West discussed access to the site, storm water management, sidewalks and indicated the third and final phase of the Whisper Rock has been designed in substantial conformance with the January 2016 approved tentative plan for the overall Oakland Hills at Centre Planned Development.

Jack Gesmundo, American Village Development II, was present to support the application and discuss the development project. After a brief discussion, a motion by Commissioner Patterson, seconded by Commissioner Joshi, to recommend to City Council that the Final/Site Plan for Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail, be approved. The motion was unanimously approved 6-0.

PUBLIC HEARING:

1. Final Report: Rezoning Application #17/18-2, 6050 Constitution Boulevard. Mr. West summarized the March 9, 2018 staff report regarding a request from Village Green Properties to rezone the north approximate 130-feet of 6050 Constitution Boulevard from OS-1, office service to RM-1, multiple family residential. Mr. West discussed the surrounding land use/zoning pattern, existing split zoning of the subject parcel and related development challenges, and the Comprehensive Plan/Future Land Use Map designations of the subject property and surrounding properties. Mr. West stated that staff was supportive of the applicant's request to rezone the northern 130-feet of the subject property to RM-1 so that a consistent zoning pattern would be present across the entire parcel.

Matt McDade of the Meyer C. Weiner Company (representing Village Green Properties) was present to support the rezoning request. Mr. McDade provided a brief history of development along Constitution Boulevard and the surrounding area and discussed plans for construction of two duplexes on the subject parcel. In response to concerns and requests from the adjacent neighborhood, Mr. McDade stated that development of the property will incorporate preservation of the natural tree buffer along the western portion of the parcel.

The public hearing was reconvened by Vice-Chairman Shoup. No citizens spoke in regards to the proposed rezoning. A motion was then made by Commissioner Bosch, seconded by Commissioner Patterson, to close the public hearing. The motion was unanimously approved 6-0. After additional discussion, a motion was then made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #17/18-2 be approved and the north 130-feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential with a finding that the RM-1 district is appropriate in this area of the city and is consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern. The motion was unanimously approved 6-0.

OLD BUSINESS:

1. Kalamazoo County Master Plan Update. Mr. West reviewed the March 9, 2018 staff report which summarized the previous review/comment provided by the Commission regarding the Kalamazoo County Master Plan Update Initiative. Following the January 19, 2017 meeting, the Commission and staff recommended changes to the Portage City Master Plan summary page. While these recommended changes were conveyed to Kalamazoo County representatives, Mr. West stated the Portage City Master Plan one page summary included in the final draft version of the Kalamazoo County Master Plan does not include these changes. Mr. West indicated that staff was recommending that the January 2017 Planning Commission revised one page summary of the Portage City Master Plan be forwarded again to Kalamazoo County. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to forward the January 2017 Planning Commission revised one page summary of the Portage City Master Plan be forwarded again to Kalamazoo County and their consultant with a request to insert into the Kalamazoo County Master Plan. The motion was unanimously approved 6-0.

NEW BUSINESS:

1. 2018 Village of Schoolcraft Master Plan Update. Mr. West referred the Commission to the 2018 Village of Schoolcraft Master Plan Update that was included in the agenda packet. Mr. West indicated the document was being provided to the Commission for review with comments requested by April 23rd. Mr. West stated that staff would be reviewing the document over the next couple weeks and would provide the Commission a summary with the April 5th agenda materials. Mr. West advised the Commission to review the document between now and the April 5th meeting and be prepared to discuss further at the April 5th meeting. Vice-Chairman Shoup stated he would be supportive of a connected railway between Portage and the Village of Schoolcraft.

STATEMENT OF CITIZENS/COMMISSIONERS:

Commissioner Schimmel read a Resolution honoring Vice-Chairman Raymond Shoup for his service to the Planning Commission. Vice-Chairman Shoup stated he was moving outside of the boundaries of the City of Portage and thanked his fellow Commissioners and staff for their assistance over the past two years.

TO: Planning Commission

DATE: March 9, 2018

FROM: Christopher Eorth, Acting Director of Community Development

SUBJECT: Final Report: Rezoning Application #17/18-2, 6050 Constitution Boulevard

I. INTRODUCTION:

An application has been received from Village Green Properties, Inc. requesting that the north approximate 130-feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential. The applicant is requesting the rezoning to facilitate construction of two duplexes and associated site improvements on the approximate 1.46 acre parcel.

II. EXISTING CONDITIONS:

Land Use/Zoning	<u>Rezoning Site:</u> The 1.46 acre parcel (6050 Constitution Boulevard) is currently vacant/undeveloped land with split zoning: Northern approximate 130-feet zoned OS-1, office service and southern approximate 70-feet zoned RM-1, multiple family residential. <u>North:</u> U.S. Postal Service (1151 West Milham Avenue) zoned OS-1, office service. <u>South:</u> The View Apartments and Townhomes (6254 Constitution Boulevard) zoned RM-1, multiple family residential. <u>East (across Constitution Boulevard):</u> Empire Beauty School (6091 Constitution Boulevard) zoned OS-1, office service and The View Apartments and Townhomes (6101 Constitution Boulevard) zoned RM-1, multiple family residential. <u>West:</u> Single family residences in the Coventry Village Subdivision zoned R-1A, one family residential.
Zoning/Development History	No rezoning of properties in the surrounding area have occurred in the past 10 years.
Historic District/Structures	The subject site is not located within a historic district and does not contain any historic structures.
Public Streets	Constitution Boulevard is designated a 4-lane minor arterial roadway with 7,573 vehicles per day (2017) and a capacity of 34,400 vehicles per day (level of service "D").
Public Utilities	Municipal water and sanitary sewer are available along Constitution Boulevard.
Environmental	The City of Portage Natural Resources Map does not identify any potential wetlands, floodplain or other natural features encumbering or near the subject parcels.

III. PUBLIC HEARING/COMMENTS:

The Planning Commission convened a public hearing to consider the rezoning request at the March 1, 2018 meeting. Five citizens spoke regarding the proposed rezoning: 1) Michelle Bonczek, 6135 Avon; 2) Mary Ellen Agar, 6024 Avon; 3) Robert Evory, 6135 Avon; 4) Karen Reitz, 6123 Avon; and 5) Barry Root, 6117 Avon. Ms. Bonczek, Mr. Evory and Ms. Reitz spoke in opposition to the rezoning and development of the subject parcel citing concerns over increases in noise, light pollution, loss of trees and disruption to wildlife. Ms. Agar stated she did not oppose development of the property, however, asked that the owner preserve the existing trees along the western portion of the site. Mr. Root spoke in support of the rezoning and stated the proposed duplexes were the "best development option" for the adjacent neighborhood. A petition signed by several area residents opposing the rezoning has also been received (see attached).

IV. FINAL ANALYSIS:

The following analysis has been prepared based on general land use considerations, the Comprehensive Plan, traffic conditions and surrounding development patterns.

Comprehensive Plan/Future Land Use Map Consistency. The Future Land Use Map component of the 2014 Comprehensive Plan identifies the rezoning site, along with properties situated to the north and northeast as appropriate for Office land use. Adjacent properties to the south and southeast are designated for High Residential land use, while properties to the west are designated for Low Density Residential land use. Given the established zoning/land use pattern of surrounding properties, the subject parcel is essentially located within a zone of transition between office and high density residential land uses. The Comprehensive Plan has historically identified both the OS-1 and RM-1 districts as effective transitional zones between major streets and interior low density residential developments. As such, the proposed RM-1 zone is consistent with these designations.

PUBLIC NOTICE

In accordance with the Michigan Planning Enabling Act (Public Act No. 33 of 2008, as amended), a public notice was published in the local newspaper and written notice was mailed to owners of land immediately adjoining the proposed rezoning property 15 days prior to the date of the public hearing.

While these designations are intended to serve as a general guide for future development and rezoning considerations, specific zoning district boundaries need to be determined on a case-by-case basis considering overall consistency with the Comprehensive Plan/Future Land Use Map, surrounding land use/zoning pattern, development/redevelopment potential, impacts on adjacent properties and other factors.

Development Guidelines. The Development Guidelines are intended to be used by the Commission and staff when reviewing private development proposals, infrastructure improvement programs (i.e. public expenditures on streets, sewers and water mains that influence the location, intensity and timing of development) and public programs that affect the physical environment. The proposed RM-1 zone is consistent with applicable development guidelines contained in the Comprehensive Plan (see attached).

Suitability of Existing OS-1 Zone/Impacts of Proposed RM-1 Zone. The current split zoning of the subject property (northern 2/3 OS-1, southern 1/3 RM-1) presents development challenges to either an office or multiple family residential project. Based on city records, it appears that the split zoning of this parcel resulted from a land division/lot line adjustment that occurred in the 1980s. With existing OS-1 zoning/land use pattern to the north and northeast and RM-1 zoning/land use to the south and southeast, the subject property is essentially located within a zone of transition between office and multiple family

residential land uses. As such, either the OS-1, office service or RM-1, multiple family residential zoning district provides a viable development option for the subject property. Rezoning the northern 130-feet of the subject property to RM-1, as requested, would establish a consistent zoning designation for the overall 1.46 acre parcel and would facilitate a multiple family residential project which is consistent with the existing apartment/townhome development to the south and southeast.

Although the applicant provided a sketch that shows construction of two duplex buildings (4 units total), the Commission is reminded that the rezoning cannot be conditioned on a specific development proposal. If the 1.46 acre property was entirely zoned RM-1, up to 23 one-bedroom units or 15 two-bedroom units, or, 9 three-bedroom units (or some other mixture of units) could be constructed on the parcel. Since the property is situated adjacent to single family residential zoning, building height would be limited to 25-feet and two stories with a minimum 30-foot building setback from all property lines. If a future off-street parking lot were located adjacent to the single-family residential neighborhood to the west, screening and buffering would be required. Screening between attached and detached residential units is not required.

If the 1.46 acre property was entirely zoned OS-1, an office development up to 15,899 square feet could be constructed on the parcel. Since the property is situated adjacent to single family residential zoning, building height would be limited to 25-feet and one story building with minimum building setbacks of 27-foot (front/east), 20-foot (rear/west) and 15-foot (side/north-south). Appropriate screening and buffering would also be required.

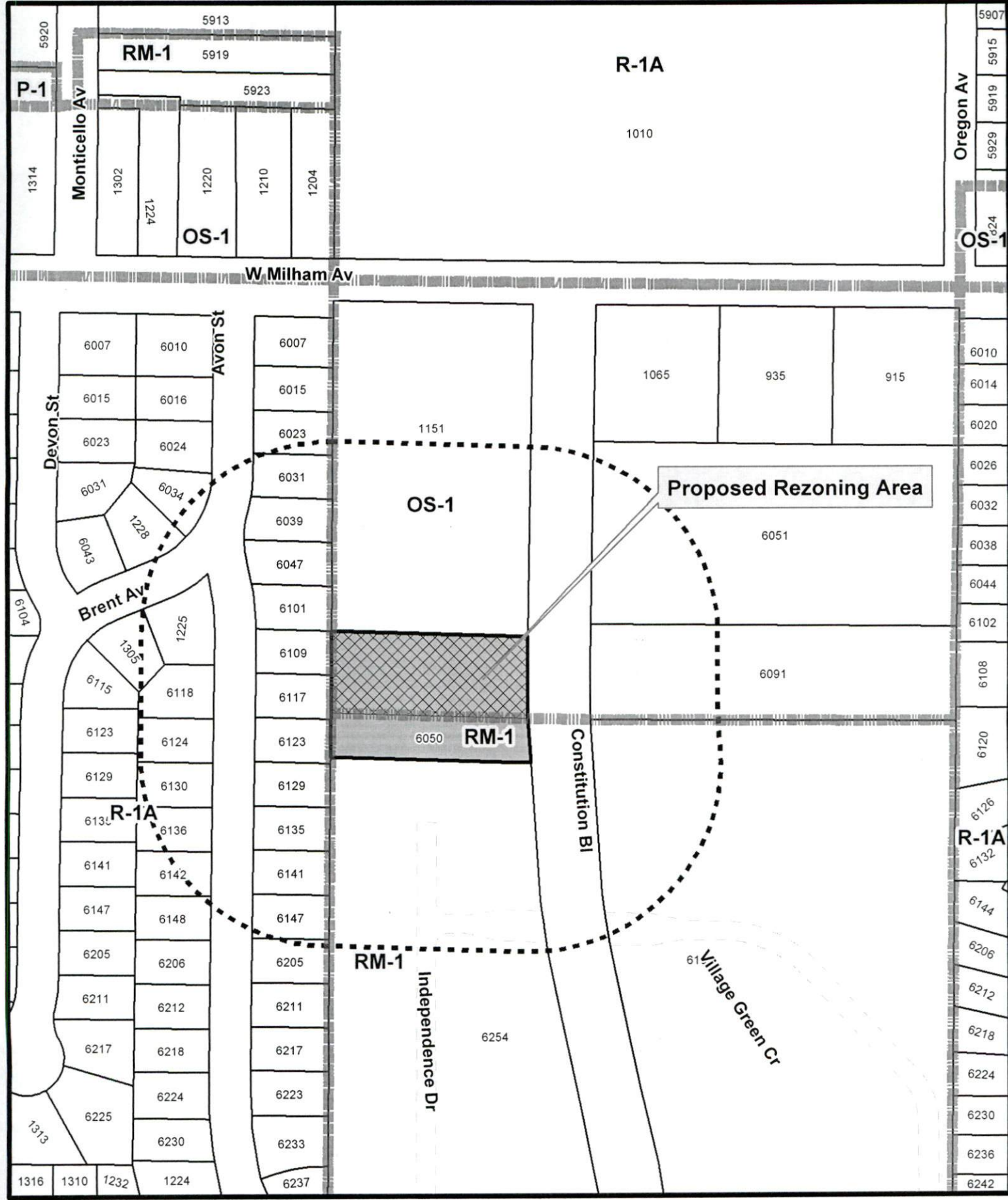
Traffic Considerations. Rezoning the northern 130-feet of the subject property from OS-1 to RM-1 would not result in a significant difference in traffic generation (office development compared to multiple family residential development). Anticipated traffic generation from either an office development or multiple family residential development can be accommodated by the adjacent roadway network. Specific access related issues including driveway location, shared/cross access connections, etc. would be reviewed at the site plan stage of redevelopment.

V. RECOMMENDATION:

Subject to any additional comments that may be received during the public hearing, staff advises the Planning Commission to recommend to City Council that Rezoning Application #17/18-2 be approved and the north 130-feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential. The RM-1 district is appropriate in this area of the City and is consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern.

Attachments: Zoning/Vicinity Map
Aerial Photo Map
Future Land Use Map
Development Guidelines Table (RM-1)
Rezoning Application and Supporting Materials
Petition Opposing the Rezoning Request (received on February 28, 2018)

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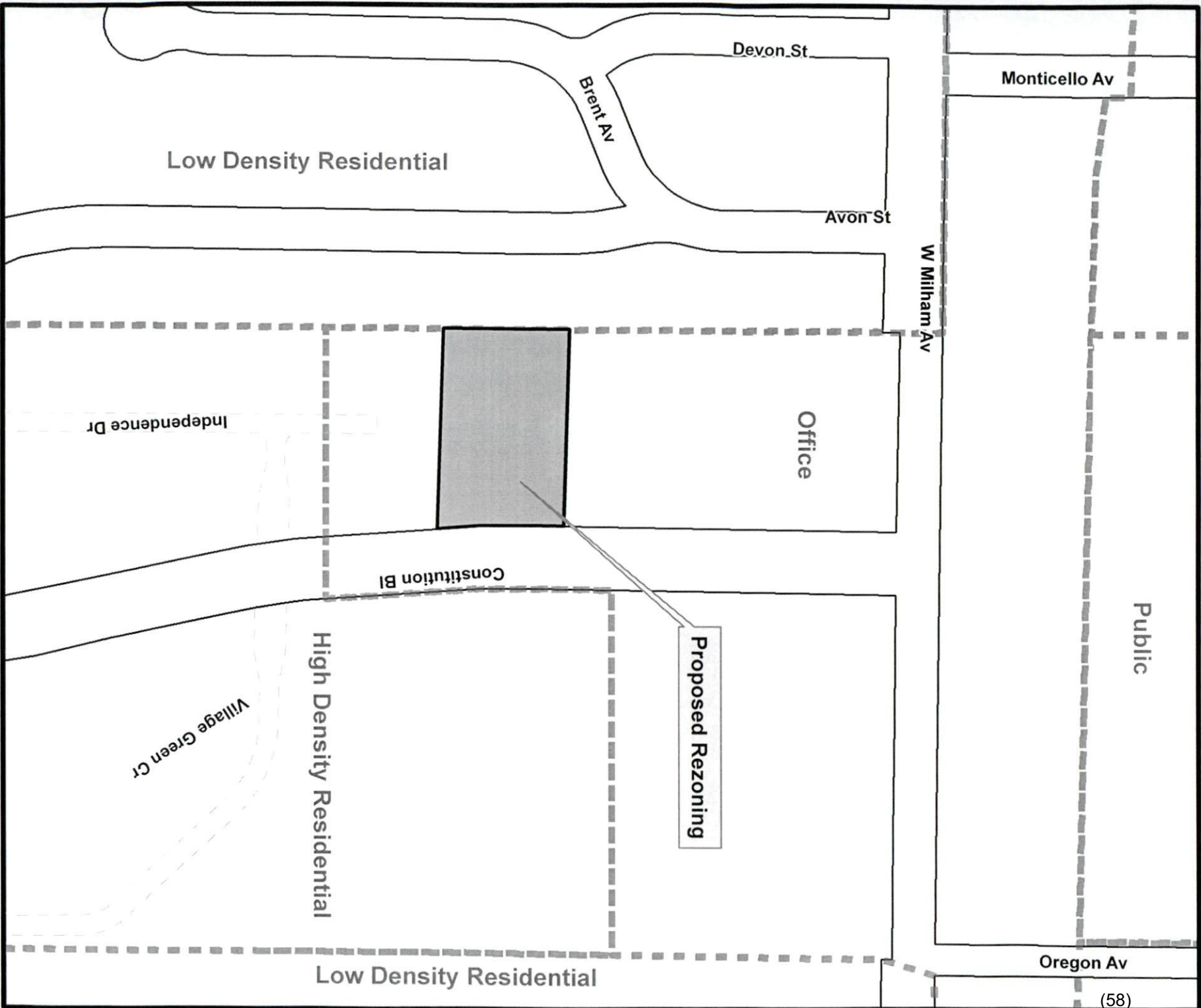
Legend

-  Zoning Boundary
-  300' Notification Boundary
-  Subject Property

Rezoning Application #17/18-2 6050 Constitution Boulevard



1 inch = 200 feet





Legend

 Subject Property

Aerial Photo
6050 Constitution Boulevard



1 inch = 98 feet
(59)

DEVELOPMENT GUIDELINES

Rezoning Application #17/18-2 (RM-1, Multiple Family Residential)

Guideline	Description	Consistent	Comments
Rezoning Request – Z-1	Consistency with Future Land Use Plan	Yes	Future Land Use Map designates the subject property as essentially being situated in a zone of transition between office and high density residential land use. The Comprehensive Plan has also historically identified both the OS-1 and RM-1 districts as effective transitional zones between major streets and interior low density residential developments. The proposed RM-1 zoning district is consistent with these designations.
Residential – 2	Residential Development along Arterial Roadways	Yes	Subject parcel has public street frontage on Constitution Boulevard, a 4-lane (boulevard) minor arterial roadway.
Residential – 3	Locational Criteria for Residential Uses	Yes	City of Portage Natural Resources Map does not identify any potential wetlands or floodplain encumbering the subject property. Access would be provided from Constitution Boulevard (a minor arterial roadway) and public water/sewer is available.
Residential – 4	Compatibility with Adjacent Uses	Yes	Proposed RM-1 zone is consistent and compatible with the surrounding land use/zoning pattern which includes existing apartments and townhomes located to the south and southeast. Since the subject site abuts single family residential land use/zoning to the west, the height of any multiple family residential building is limited to 25 feet and two stories
Residential – 5	Open Space and Natural Resources Protection	Yes	Reviewed at site plan stage of development.
Residential – 6	Street and Pedestrian Systems	Yes	Reviewed at site plan stage of development.
Natural & Historic Resources - 1	Environmental Protection	Yes	See Comment Residential – 3 (above)
Natural & Historic Resources – 2	Floodplain	Yes	Rezoning site is not situated within the 100-year floodplain.
Natural & Historic Resources – 3	Water Quality	Yes	Reviewed at site plan stage of development.
Natural & Historic Resources – 4	Noise	Yes	Reviewed at site plan stage of development.
Natural & Historic Resources – 5	Historic Resource Preservation	N/A	Rezoning site is not situated within a designated historic preservation area and does not contain any historic structures.
Natural & Historic Resources – 6	Open Space Protection	Yes	Reviewed at site plan stage of development.
Transportation – 1	Transportation Systems	Yes	See Comment: Residential – 2 (above). Reviewed at site plan stage of development
Transportation – 2	Street Design	Yes	Subject parcel has public street frontage on Constitution Boulevard and access would be provided from this roadway. Constitution Boulevard is designated a 4-lane minor arterial road with an average daily traffic count of 7,573 vehicles per day (2017) and a capacity of 34,400 vehicles per day (level of service “D”). Anticipated traffic generation from a multiple

Guideline	Description	Consistent	Comments
			family residential development can be accommodated by the adjacent roadway. Specific access design will be reviewed at the site plan stage of development.
Transportation – 3	Access Management	Yes	See Transportation – 1 and Transportation – 2 above.
Transportation – 4	Non Motorized Travel	Yes	Reviewed at site plan stage of development.
Transportation – 5	Right-of-Way Preservation	Yes	Reviewed at site plan stage of development.
Transportation – 6	Parking	Yes	Reviewed at site plan stage of development.
Municipal Facilities & Services – 2	Sanitary Service	Yes	Sanitary sewer is available.
Municipal Facilities & Services – 3	Underground Utilities	Yes	Reviewed at site plan stage of development.

s:\commdev\2017-2018 department files\board files\planning commission\pc reports\development guideline tables\guideline table 17-18-2 (rm-1).doc

RECEIVED

JAN 31 2018

4:45

COMMUNITY DEVELOPMENT

APPLICATION FOR ZONING AMENDMENT

Application number #17/18-2

Date January 31, 2018

APPLICATION INFORMATION:

Meetings of the Portage Planning Commission are held on the first and third Thursday of each month at 7:00 p.m. in the Council Chambers of Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan. All zoning amendment applications must be properly filled out and submitted to the Department of Community Development and the zoning amendment fee paid at least 15 working days prior to the meeting at which the public hearing is held. The applicant will be notified in writing of all such public hearing/meetings.

For more detailed information about the zoning amendment process, please refer to Portage Land Development Regulations, Article 4, Division 2, Subdivision 2.

TO THE PLANNING COMMISSION:

I (WE), the undersigned, do hereby respectfully make application and petition the Portage Planning Commission to amend the Zoning Ordinance and/or change the Zoning Map as hereinafter requested. In support of this application, the following is submitted:

ZONING MAP AMENDMENT

1. a. Platted Land:

The property is part of the recorded plat: The property sought to be rezoned is located at _____ between _____ Street and _____ Street on the _____ side of the street, and is known as Lot Number(s) _____ of _____ Plat (Subdivision). It has a frontage of _____ feet and a depth of _____ feet.

b. Unplatted Land:

The property is in acreage, and is not therefore a part of a recorded plat. The property sought to be rezoned is located and described as follows: (Indicate total acreage and parcel number).

Property is located at 6050 Constitution - parcel # 00009-032-E. It is 1.46 acres.

2. a. Do you own the property to be rezoned? Yes ☒ No ☐

b. Name of the owner of the property to be rezoned: Village Green Properties LLC

Address 700 Mall Drive, Portage, MI 49024

3. My (our) interest in the property and purpose for submitting the proposed Zoning Amendment: The parcel has split zoning of RM-1 and OS-1. We would like it all to be RM-1. The South property is multi-family, the West is single family and the East if multi-family.

4. CURRENT ZONING: Rm-1 / OS-1 PROPOSED ZONING: RM-1

ZONING TEXT AMENDMENT

1. The proposed language to be considered is (attach additional sheets as necessary):

2. The Zoning Code Chapter and Section wherein the proposed text would be modified/inserted.

3. My (our) interest in and purpose for submitting the proposed Zoning Ordinance Amendment.

We attach a statement hereto indicating why, in our opinion, the change requested is necessary for the preservation and enjoyment of substantial property rights, and why such amendment will advance the public health, safety and welfare. An assessment of the impact of the proposal on the community and property of other persons in the vicinity of the amendment or affected by the amendment is also attached.

Shannen Du _____
(Signature of Applicant) (Signature of Applicant)

700 Mall Drive, Portage _____
(Address) (Address)

269-323-2441 _____
(Phone) (Phone)

A copy of all actions taken regarding this application shall be attached and shall be considered a part of this application.

Petition Opposing Rezoning of 6050 Constitution Boulevard (App # 17/18-2)

A petition of Michelle Bonczek (Resident of 6135 Avon St. Portage, MI 49024)

Addressed to Portage City Council

WE THE UNDERSIGNED **OPPOSE** THE PROPOSED REZONING OF 2050
CONSTITUTION AVENUE, PORTAGE, MI, 49024 (**APPLICATION #17/18-2**)

REMOVAL OF THE TREES CURRENTLY ESTABLISHED ON THIS LAND WILL
RESULT IN **INCREASED NOISE POLLUTION, AIR POLLUTION, FLOODING, AND
AESTHETICALLY DISPLEASING STRUCTURES THAT DIMINISH THE
SANCTUARY OF HOMES IN THE NEIGHBORHOOD AND THE INTEGRITY OF ITS
ECOLOGY.**

IT IS A DECISION THAT WILL BENEFIT ONLY THE OWNER OF VILLAGE GREEN
PROPERTIES (AND ONLY BENEFIT HIM FINANCIALLY), WHO DOES NOT EVEN
CALL THIS PLACE HOME. A CHANGE IN REZONING WILL COME AT THE
EXPENSE OF MANY TO WHOM THIS NEIGHBORHOOD IS A LANDSCAPE KNOWN
INTIMATELY AND TO WHOM THE INTEGRITY OF THIS LANDSCAPE IS VALUED IN
MANY WAYS MORE THAN JUST FINANCIALLY.

THE RESIDUAL IMPACTS OF REMOVING THE TREES ON THIS PROPERTY WILL
**DIMINISH THE QUALITY OF LIFE IN THE SURROUNDING RESIDENTIAL
NEIGHBORHOOD AND DEVALUE THE PROPERTIES THEREIN.**

RECEIVED

FEB 28 2018

PORTAGE
CITY CLERK

AGREED UPON BY THE FOLLOWING PEOPLE:

NAME	ADDRESS	TELEPHONE
1. Stephen Whalen	6141 Avon Street Portage	269-208-8901
2. Pamela Whalen	6141 Avon St Portage	269-744-6546
3. Barbara Pullano	6142 Avon St Portage	269-327-0224

4. Robert A. Fuller 6142 AVON ST PORT, MI. 49024
5. ~~Mi. Miller~~ 6134 Avon St Portage, MI 49024
6. Karen Reitz 6123 Avon St Portage MI 49024
7. Jeremy Moravsky 6009 Avon St Portage MI 49024
8. ~~XXXXXXXXXXXXXXXXXXXX~~
9. Inad Farran ~~Isaf~~ 6039 Avon St
10. Jacqueline Huimana 6031 Avon St. (269-779-0462
11. Alexis Aabo 6023 Avon St, Portage, 49024
12. Patrick Martin 6031 Avon St. Portage 49024
13. MARY ELLEN FOUR 6024 Avon St. PORTAGE 49024
14. Celene E. Rana 1328 Brent Ave. Portage, MI 49024
15. John Stoga 6118 AVON ST. Portage, MI. 49024
16. Judith A. Stoga 6118 Avon St Portage MI 49024
17. Robert Erory ~~Portage~~ 6135 Avon Portage MI 248-910-34
18. Michelle Bercze ~~Portage~~ 6135 Avon St Portage MI 49024 ⁶⁰⁷₆₅₁
6984
19. _____
20. _____
21. _____
22. _____
23. _____
24. _____
25. _____
26. _____



**AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF
PORTAGE, MICHIGAN BY AMENDING ARTICLE 4 OF CHAPTER 42,
LAND DEVELOPMENT REGULATIONS OF THE CODIFIED ORDINANCES
OF PORTAGE, MICHIGAN**

THE CITY OF PORTAGE ORDAINS:

That Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan, Official Zoning Map, be amended as follows:

Parcel of land described as follows:

A tract of land located in Section 9, Township 3 South, Range 11 West, City of Portage, County of Kalamazoo, State of Michigan described as:

The North 130 feet of the following described parcel:

Commencing at the North 1/4 post of Section 9, thence West 994.02 feet; thence South 560 feet to the Place of Beginning; thence continuing South 200 feet; thence East 321.49 feet; thence North 200 feet; thence West 317.39 feet to the Place of Beginning. Subject to easements, conditions and restrictions of record.

Street Address

Parcel ID Numbers

6050 Constitution Boulevard
North 130 feet

00009-032-E

From OS-1, office service to RM-1, multiple family residential.

FIRST READING:

SECOND READING:

EFFECTIVE DATE:

Patricia M. Randall, Mayor

STATE OF MICHIGAN)
) SS
COUNTY OF KALAMAZOO)

I do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing Ordinance was adopted by the City of Portage on the _____ day of _____, 2018.

Adam Herringa, City Clerk

(App #17/18-2)

Approved as to Form:

Date: 2/20/2018

By: [Signature]

City Attorney

**ADOPTION OF ZONING ORDINANCE
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Article 4 (Zoning) of Chapter 42 of the Codified Ordinances of Portage, Michigan, was adopted by the City Council at a regular meeting held on the _____ day of _____, 2018, and will become effective _____, 2018.

NOTICE IS FURTHER GIVEN that Article 4 (Zoning) of Chapter 42, Land Development Regulations, of the Codified Ordinance of Portage, Michigan, has been amended as follows:

THE CITY OF PORTAGE ORDAINS:

That Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan, Official Zoning Map, be amended as follows:

Parcel of land described as follows:

A tract of land located in Section 9, Township 3 South, Range 11 West, City of Portage, County of Kalamazoo, State of Michigan described as:

The North 130 feet of the following described parcel:

Commencing at the North 1/4 post of Section 9, thence West 994.02 feet; thence South 560 feet to the Place of Beginning; thence continuing South 200 feet; thence East 321.49 feet; thence North 200 feet; thence West 317.39 feet to the Place of Beginning. Subject to easements, conditions and restrictions of record.

Street Address

Parcel ID Numbers

6050 Constitution Boulevard
North 130 Feet

00009-032-E

From OS-1, office service to RM-1, multiple family residential.

PLEASE TAKE NOTICE that a copy of the Ordinance as amended may be purchased or inspected at City Hall on any business day except public and legal holidays from and after publication of this Notice from 8:00 a.m. to 5:00 p.m. local time. Further, a copy of a map showing the property rezoned is also available at the time and days noted above.

Dated: _____

Adam Herringa, City Clerk

(App #17/18-2)

**FIRST READING
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Article 4 (Zoning) of Chapter 42 of the Codified Ordinances of Portage, Michigan, was introduced for first reading at a regular meeting of the City Council held on _____, 2018, and that the Council will hold a public hearing on the proposed amendment at the Portage City Hall in said City on _____, 2018, at 7:00 p.m. or as soon thereafter as may be heard.

NOTICE IS FURTHER GIVEN that the proposed amendment to Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan reads as follows:

THE CITY OF PORTAGE ORDAINS:

That Article 4 (Zoning) of Chapter 42, of the Codified Ordinances of Portage, Michigan, Official Zoning Map, be amended as follows:

Parcel of land described as follows:

A tract of land located in Section 9, Township 3 South, Range 11 West, City of Portage, County of Kalamazoo, State of Michigan described as:

The North 130 feet of the following described parcel:

Commencing at the North 1/4 post of Section 9, thence West 994.02 feet; thence South 560 feet to the Place of Beginning; thence continuing South 200 feet; thence East 321.49 feet; thence North 200 feet; thence West 317.39 feet to the Place of Beginning. Subject to easements, conditions and restrictions of record.

Street Address

Parcel ID Numbers

6050 Constitution Boulevard
North 130 feet

00009-032-E

From OS-1, office service to RM-1, multiple family residential, or any other classification permitted by law.

PLEASE TAKE FURTHER NOTICE that if the owners of at least twenty percent (20%) of the area of land included in the proposed zoning change, or if the owners of at least twenty percent (20%) of the area of land included within an area extending outward one hundred feet (100') from any point on the boundary of the land included in the proposed change, excluding public right-of-way or other publicly owned land, file a written protest petition against the proposed amendment presented to the City Council before final legislative action on the amendment, a two-thirds vote of the City Council will be required to pass the amendment.

Dated: _____

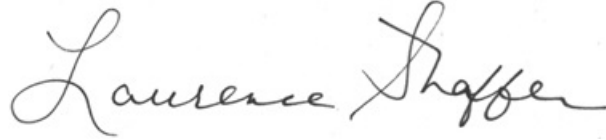
Adam Herringa, City Clerk

(App #17/18-2)

Z:\JODY\PORTAGE\ORD\REZONE\2-13-18.DOCX

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: 2018 DDA Bond Refunding Resolutions

SUPPORTING PERSONNEL: William Furry, Director of Finance

ACTION RECOMMENDED: Amend a refunding bond resolution previously adopted authorizing limited tax pledge to payment of the Downtown Development Limited Tax Refunding Bonds, Series 2018.

The refunding bond resolution adopted February 27, 2018 included a Resolution Submitting an Estimate of Anticipated Tax Increment Revenue to be ratified by the Downtown Development Authority (DDA). That resolution included an appendix presenting Projected Tax Increment Revenues and Debt Service Coverage which was not updated prior to inclusion in the resolution. The information in Appendix A in the attached Resolution Submitting an Estimate of Anticipated Tax Increment Revenue has now been appropriately updated.

As previously stated, in 2003, the city sold Downtown Development Authority (DDA) bonds to finance the purchase of land for infrastructure improvements and the development of the West Fork Crossing area. The interest rates associated with that bond series ranged from 3.00% to 5.25%. The remaining bonds are callable and refunding of the bonds is expected to yield a present value savings of approximately \$128,930 over the period of 2018 to 2027.

The attached bond resolution was prepared by the city's bond counsel, John Axe. The resolution will initiate the legal process required to refinance the existing DDA bonds, subject to subsequent ratification by the board of the Downtown Development Authority. Bids will be taken on or about May 9, 2018 and the bid results will be reported to City Council soon thereafter.

FUNDING: N/A

Attachments:

1. Portage-DDA-Refunding Analysis- final
2. Refunding Bond Resolution
3. Resolution Submitting an Estimate of Anticipated Tax Increment Revenue

DDA Refunding Bonds, Series 2018
\$1,900,000.00



is pleased to present this refunding analysis to:

City of Portage
DDA Refunding Bonds, Series 2018

Table of Contents

Report	
Sources & Uses of Funds.	2
Pricing Summary.	3
Yearly Savings Summary.	4
Refunding Savings Report.	5
Comparative Yield Report.	6
Refunding Verification Report.	7
Summary of Refunded Bonds.	8

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Sources & Uses of Funds*Dated:* 05/01/2018 | *Delivered:* 05/31/2018**Sources**

Par amount of bonds.	\$1,900,000.00
Accrued interest.	\$4,750.00
Original issue premium.	\$41,300.65
Issuer Interest.	\$44,240.62
Escrow Interest.	\$2,500.00
<i>Totals:</i>	\$1,992,791.27

Uses

Amount of bonds called.	\$1,865,000.00
Accrued interest.	\$4,750.00
Underwriter discount (\$10,000).	\$19,000.00
Other issuance costs.	\$50,000.00
Issuer Interest Due.	\$44,240.62
Contingency fund.	\$9,945.45
<i>Totals:</i>	\$1,992,936.07

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Pricing Summary

Dated: 05/01/2018 | Delivered: 05/31/2018

1st Coupon: 01/01/2019

Type	Principal	Coupon Rate	Maturity Date	Reof Price	Reof Yield	OID/OIP	Gross Production
Serial Bonds	240,000.00	3.000	1/1/2019	100.721	1.750	1,730.40	241,730.40
	255,000.00	3.000	1/1/2020	101.706	1.900	4,350.30	259,350.30
	265,000.00	3.000	1/1/2021	102.377	2.050	6,299.05	271,299.05
	200,000.00	3.000	1/1/2022	102.740	2.200	5,480.00	205,480.00
	305,000.00	3.000	1/1/2023	102.807	2.350	8,561.35	313,561.35
	315,000.00	3.000	1/1/2024	102.589	2.500	8,155.35	323,155.35
	320,000.00	3.000	1/1/2025	102.100	2.650	6,720.00	326,720.00
	1,900,000.00					41,296.45	1,941,296.45

Bid Information

Par amount of bonds	1,900,000.00	True interest cost (TIC)	2.6562767
Underwriter discount (+)	(19,000.00)	All-in TIC	3.4205627
Original issue discount/premium (+)	41,300.65	Arbitrage yield limit (AYL)	2.3734264
Credit enhancements (-)	0.00	Net interest cost (NIC)	2.6953106
Accrued interest (+)	4,750.00	NIC interest	0.00
Other costs (-)	50,000.00	Bond years	0.00
= Proceeds to issuer	1,877,050.65	Average bond years	

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Yearly Savings Summary

Dated: 05/01/2018 | Delivered: 05/31/2018

<i>Fiscal Year</i>	<i>Calendar Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Refunding Savings</i>	<i>Discounted Savings @ 2.373426%</i>
2018	07/01/2018	44,240.63		4,750.01	4,660.21
2019	07/01/2019	235,181.25	302,900.00	-67,718.75	-66,974.25
2020	07/01/2020	252,943.75	300,975.00	-48,031.25	-46,446.91
2021	07/01/2021	254,843.75	303,175.00	-48,331.25	-45,644.02
2022	07/01/2022	261,081.25	231,200.00	29,881.25	27,304.54
2023	07/01/2023	266,509.38	328,625.00	-62,115.63	-55,889.80
2024	07/01/2024	266,334.38	329,325.00	-62,990.63	-55,348.58
2025	07/01/2025	255,928.13	324,800.00	-68,871.88	-59,088.69
2026	07/01/2026	259,425.00		259,425.00	216,844.42
2027	01/01/2027	256,562.50		256,562.50	209,513.24
Total Savings		2,353,050.00	2,121,000.00	192,559.38	128,930.16
<i>Discounted Savings as a Percentage of Refunded Bonds.. . . .</i>		6.6585	%	<i>Escrow Yield..</i>	2.5684605
<i>Discounted Savings as a Percentage of Refunding Bonds.. . . .</i>		6.5358	%	<i>Arbitrage Yield Limit (AYL)</i>	2.3734264

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Refunding Savings Report

Dated: 05/01/2018 | Delivered: 05/31/2018

<i>Calendar Date</i>	<i>Principal Payment</i>	<i>Coupon Rate</i>	<i>Interest Payment</i>	<i>Total Debt Service</i>	<i>Fiscal Total Debt Service</i>	<i>Prior Debt Service</i>	<i>Savings</i>	<i>Cumulative Savings</i>
07/01/2018						44,240.63	44,240.63	44,240.63
01/01/2019	240,000.00	3.000	38,000.00	278,000.00				
07/01/2019			24,900.00	24,900.00	302,900.00	235,181.25	-67,718.75	-23,478.13
01/01/2020	255,000.00	3.000	24,900.00	279,900.00				
07/01/2020			21,075.00	21,075.00	300,975.00	252,943.75	-48,031.25	-71,509.38
01/01/2021	265,000.00	3.000	21,075.00	286,075.00				
07/01/2021			17,100.00	17,100.00	303,175.00	254,843.75	-48,331.25	-119,840.63
01/01/2022	200,000.00	3.000	17,100.00	217,100.00				
07/01/2022			14,100.00	14,100.00	231,200.00	261,081.25	29,881.25	-89,959.38
01/01/2023	305,000.00	3.000	14,100.00	319,100.00				
07/01/2023			9,525.00	9,525.00	328,625.00	266,509.38	-62,115.63	-152,075.00
01/01/2024	315,000.00	3.000	9,525.00	324,525.00				
07/01/2024			4,800.00	4,800.00	329,325.00	266,334.38	-62,990.63	-215,065.63
01/01/2025	320,000.00	3.000	4,800.00	324,800.00				
07/01/2025					324,800.00	255,928.13	-68,871.88	-283,937.50
07/01/2026						259,425.00	259,425.00	-24,512.50
01/01/2027						256,562.50	256,562.50	232,050.00
	1,900,000.00		221,000.00	2,121,000.00		2,353,050.00	232,050.00	
	+ Accrued Interest			-4,750.00			4,750.00	
	- Total Outside Sources (included in calcs)						-44,240.62	
	1,900,000.00		221,000.00	2,116,250.00		2,353,050.00	192,559.38	

<i>Present Value Savings discounted at</i>	2.3734264	<i>% Equals</i>	128,930.16	<i>(Net of Accrued Interest)</i>
<i>Discounted Savings as a Percentage of Refunded Bonds</i>	6.9131	<i>%</i>		
<i>Discounted Savings as a Percentage of Refunding Bonds</i>	6.7858	<i>%</i>		
<i>Escrow Yield</i>	2.5684605			
<i>Arbitrage Yield Limit (AYL)</i>	2.3734264			

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Comparative Yield Report

Dated: 05/01/2018 | Delivered: 05/31/2018

***** Discounted Debt Service *****								
Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Debt Service	By TIC 2.6562767	By All-In TIC 3.4205627	By AYL 2.3734264
2	1/1/2019	240,000.00	3.000	38,000.00	278,000.00	273,733.46	272,528.26	274,181.99
3	7/1/2019			24,900.00	24,900.00	24,196.49	23,999.45	24,270.01
4	1/1/2020	255,000.00	3.000	24,900.00	279,900.00	268,426.79	265,240.56	269,618.73
5	7/1/2020			21,075.00	21,075.00	19,946.21	19,635.40	20,062.79
6	1/1/2021	265,000.00	3.000	21,075.00	286,075.00	267,203.87	262,051.85	269,141.14
7	7/1/2021			17,100.00	17,100.00	15,762.64	15,400.63	15,899.11
8	1/1/2022	200,000.00	3.000	17,100.00	217,100.00	197,497.92	192,237.20	199,486.27
9	7/1/2022			14,100.00	14,100.00	12,658.78	12,275.29	12,804.09
10	1/1/2023	305,000.00	3.000	14,100.00	319,100.00	282,728.37	273,133.34	286,373.63
11	7/1/2023			9,525.00	9,525.00	8,328.71	8,015.82	8,447.88
12	1/1/2024	315,000.00	3.000	9,525.00	324,525.00	280,046.80	268,513.64	284,450.96
13	7/1/2024			4,800.00	4,800.00	4,087.84	3,904.76	4,157.93
14	1/1/2025	320,000.00	3.000	4,800.00	324,800.00	272,984.73	259,779.28	278,053.45
		\$1,900,000.00		\$221,000.00	\$2,121,000.00	\$1,927,602.60	\$1,876,715.50	\$1,946,947.97
						TIC Target	All-In Target	AYL Target
Face value of bond issue						\$1,900,000.00	\$1,900,000.00	\$1,900,000.00
Accrued interest (+)						\$4,750.00	\$4,750.00	\$4,750.00
Original issue premium/discount ..						\$41,300.65	\$41,300.65	\$41,300.65
Underwriter discount (+)						(\$19,000.00)	(\$19,000.00)	N/A
Lump-sum credit enhancements (-) ..						0.00	\$0.00	\$0.00
Other TIC Costs (-)						N/A	\$50,000.00	N/A
Transferred Proceeds Penalty (+) ...						N/A	N/A	\$0.00
Bond Surety Fee (-)						N/A	N/A	0.00
= Target Value						1,927,195.45	1,877,195.45	1,946,050.65

DDA Refunding Bonds, Series 2018
\$1,900,000.00

Refunding Verification Report

Dated: 05/01/2018 | Delivered: 05/31/2018

Calendar Date	*****Before Refunding*****		*****New Issue*****		Bonds Called	****Net Savings (+/-)****			
	Outstanding Indebtedness	Total Debt Service	Outstanding Indebtedness	Total Debt Service		Total Debt Service	Per- iods	PV Factor	Discounted Debt Svc
05/31/2018			3,800,000.00			-44,240.62		1.0000000	-44,240.62
07/01/2018	1,865,000.00	44,240.63	1,900,000.00		1,865,000.00	44,240.63	0.1722	0.9979703	44,150.83
01/01/2019	1,715,000.00	194,240.63	1,900,000.00	278,000.00		-83,759.38	1.1722	0.9862662	-82,609.04
07/01/2019	1,715,000.00	40,940.63	1,660,000.00	24,900.00		16,040.63	2.1722	0.9746993	15,634.79
01/01/2020	1,540,000.00	215,940.63	1,660,000.00	279,900.00		-63,959.38	3.1722	0.9632680	-61,610.02
07/01/2020	1,540,000.00	37,003.13	1,405,000.00	21,075.00		15,928.13	4.1722	0.9519709	15,163.11
01/01/2021	1,355,000.00	222,003.13	1,405,000.00	286,075.00		-64,071.88	5.1722	0.9408062	-60,279.22
07/01/2021	1,355,000.00	32,840.63	1,140,000.00	17,100.00		15,740.63	6.1722	0.9297725	14,635.20
01/01/2022	1,155,000.00	232,840.63	1,140,000.00	217,100.00		15,740.63	7.1722	0.9188681	14,463.56
07/01/2022	1,155,000.00	28,240.63	940,000.00	14,100.00		14,140.63	8.1722	0.9080917	12,840.98
01/01/2023	940,000.00	243,240.63	940,000.00	319,100.00		-75,859.38	9.1722	0.8974416	-68,079.36
07/01/2023	940,000.00	23,268.75	635,000.00	9,525.00		13,743.75	10.1722	0.8869165	12,189.56
01/01/2024	715,000.00	248,268.75	635,000.00	324,525.00		-76,256.25	11.1722	0.8765148	-66,839.73
07/01/2024	715,000.00	18,065.63	320,000.00	4,800.00		13,265.63	12.1722	0.8662350	11,491.15
01/01/2025	490,000.00	243,065.63	320,000.00	324,800.00		-81,734.38	13.1722	0.8560759	-69,970.83
07/01/2025	490,000.00	12,862.50				12,862.50	14.1722	0.8460359	10,882.14
01/01/2026	250,000.00	252,862.50				252,862.50	15.1722	0.8361136	211,421.77
07/01/2026	250,000.00	6,562.50				6,562.50	16.1722	0.8263077	5,422.64
01/01/2027		256,562.50				256,562.50	17.1722	0.8166168	209,513.24
Totals Before Accrued Interest		2,353,050.00		2,121,000.00	1,865,000.00	187,809.38			124,180.16
Accrued Interest				-4,750.00		4,750.00			4,750.00
Totals After Accrued Interest		2,353,050.00		2,116,250.00	1,865,000.00	192,559.38			128,930.16
Discounted Savings as a Percentage of Refunded Bonds				6.9131	%	Escrow Yield		2.5684605	
Discounted Savings as a Percentage of Refunding Bonds				6.7858	%	Arbitrage Yield Limit (AYL)		2.3734264	
						Discount Factor		2.3734264	

DDA Refunding Bonds, Series 2018

\$1,900,000.00

Summary of Refunded Bonds

Dated: 05/01/2018 | Delivered: 05/31/2018

Type	Maturity #	Principal	Coupon Rate	Maturity Date	Call Price	Called?	Call Date	Amount Called
PORTAGE-2003-A								
Serial Bonds	1	50,000.00	3.000	1/1/2007	100.000	N		
	2	50,000.00	3.000	1/1/2008	100.000	N		
	3	50,000.00	3.000	1/1/2009	100.000	N		
	4	50,000.00	3.000	1/1/2010	100.000	N		
	5	50,000.00	3.300	1/1/2011	100.000	N		
	6	50,000.00	3.500	1/1/2012	100.000	N		
	7	75,000.00	4.000	1/1/2013	100.000	N		
	8	75,000.00	4.000	1/1/2014	100.000	N		
	9	75,000.00	4.000	1/1/2015	100.000	N		
	10	100,000.00	4.000	1/1/2016	100.000	N		
	11	125,000.00	4.150	1/1/2017	100.000	N		
	12	150,000.00	4.300	1/1/2018	100.000	N		
	13	150,000.00	4.400	1/1/2019	100.000	Y	07/01/2018	150,000.00
	14	175,000.00	4.500	1/1/2020	100.000	Y	07/01/2018	175,000.00
	15	185,000.00	4.500	1/1/2021	100.000	Y	07/01/2018	185,000.00
	16	200,000.00	4.600	1/1/2022	100.000	Y	07/01/2018	200,000.00
	17	215,000.00	4.625	1/1/2023	100.000	Y	07/01/2018	215,000.00
	18	225,000.00	4.625	1/1/2024	100.000	Y	07/01/2018	225,000.00
	19	225,000.00	4.625	1/1/2025	100.000	Y	07/01/2018	225,000.00
	20	240,000.00	5.250	1/1/2026	100.000	Y	07/01/2018	240,000.00
	21	250,000.00	5.250	1/1/2027	100.000	Y	07/01/2018	250,000.00
Bond Totals:		2,765,000.00						1,865,000.00
Grand Totals:		2,765,000.00						1,865,000.00

CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage, Kalamazoo County, Michigan (the "City"), held in the City of Portage Hall in said City, on _____, 2018 at __:__.m., Eastern Standard Time, there were

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____

REFUNDING BOND RESOLUTION **City of Portage** **County of Kalamazoo, State of Michigan** **Downtown Development Limited Tax Refunding Bonds, Series 2018**

WHEREAS, on December 18, 2003, at the request of the City of Portage Downtown Development Authority (the "Authority"), the City of Portage (the "City"), pursuant to Act No. 197, Public Acts of Michigan, 1975, as amended ("Act 197"), and pursuant to a Tax Increment Finance Plan/Development Plan (the "Plan"), issued its \$2,765,000 City of Portage Downtown Development Limited Tax Bonds, Series 2003 dated December 1, 2003 (the "2003 Bonds"), of which \$1,865,000 remains outstanding; and

WHEREAS, the City may call \$1,865,000 of the 2003 Bonds on July 1, 2018; and

WHEREAS, the 2003 Bonds were issued at a time when interest rates were higher than is currently the case and, accordingly, bear rates of interest in excess of current tax-exempt interest rates; and

WHEREAS, the Authority will determine that it is necessary and appropriate at this time to issue a series of Refunding Bonds pursuant to Act 197 and pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to refund all or part of the 2003 Bonds so long as such refunding generates present value savings; and

WHEREAS, the Authority will ratify and approve this form of refunding bond resolution to be adopted for this purpose; and

WHEREAS, an estimate of the tax increment revenues to be available for the payment of the principal of and interest on refunding bonds to be issued by the City is attached hereto as Appendix A; and

WHEREAS, the refunding bonds to be issued by the City are to be payable primarily from tax increment revenues to be received by the Authority (the "Tax Increment Revenues") pursuant to Act 197 and the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN, as follows:

1. **Issuance of Refunding Bonds.** Refunding Bonds aggregating in the principal amount not to exceed Two Million One Hundred Fifty Dollars (\$2,150,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the all of the 2003 Bonds except for the interest payment due on July 1, 2018 (the "Refunded Bonds") so long as such refunding generates present value savings.

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "City of Portage Downtown Development Limited Tax Refunding Bonds, Series 2018" and shall be issued in anticipation of the receipt by the City of the Tax Increment Revenues for each year through and including the year ending June 30, 2027 and shall be dated May 1, 2018 or such later date not more than twelve calendar months thereafter as the City Finance Director shall provide in the Official Notice of Sale. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the City Finance Director, regardless of rate and maturity date. The total amount of Refunding Bonds to be issued shall not exceed \$2,150,000. Subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", in Section 7, if \$1,945,000 in Refunding Bonds are to be issued, the Refunding Bonds shall mature on January 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2019	\$175,000	2024	\$225,000
2020	200,000	2025	230,000
2021	205,000	2026	225,000
2022	215,000	2027	235,000
2023	225,000	2028	235,000

The Refunding Bonds shall be in substantially the form attached hereto as *EXHIBIT A* with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Interest Payment and Date of Record.** The Refunding Bonds shall bear interest payable January 1, 2019 and each July 1 and January 1 thereafter, until maturity, which interest shall not exceed 6% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Refunding Bond as of the applicable date of record, provided, however, that the City Finance Director may agree with the bond registrar on a different method of payment. If interest is paid differently, the Refunding Bond form attached as Exhibit A and Official Notice of Sale form attached as Exhibit D shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

4. **Prior Redemption.** The Refunding Bonds shall not be subject to redemption prior to maturity

5. **Discount.** The Refunding Bonds may be offered for sale at par or at a price of not less than 99% of the face amount thereof, and the City Finance Director is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Official Notice of Sale for the Refunding Bonds.

6. **Adjustment of Refunding Bond Maturities.** The City Finance Director is authorized by order in the form attached as *EXHIBIT B* to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 7.

7. **Increase or Decrease in Aggregate Amount of Refunding Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than \$1,945,000, the City Finance Director shall increase the principal amount of the Refunding Bonds by up to \$205,000, or decrease the principal amount of the Refunding Bonds by any amount to the extent required to avoid the issuance of more Refunding Bonds than will be required in light of the amount of Refunding Bonds to be issued and proposals received, which increase or decrease may be applied to any one or more of the maturities and the Official Notice of Sale attached as *Exhibit D* shall so provide or be changed accordingly. In the event the City or the Authority determines to contribute additional amounts toward the refunding of the bonds, the bonds shall further be reduced by the amount of such contribution.

8. **Payment of Refunding Bonds; Pledge of Tax Increment Revenues.** The Refunding Bonds shall be a general obligation of the City, but shall be payable in the first instance from the Tax Increment Revenues collected by the Authority. Such Tax Increment Revenues and other funds which are the proceeds of Tax Increment Revenues held by the Authority may be used to make such payments. The Authority has heretofore pledged and the City hereby pledges all of the estimated Tax Increment Revenues (see Appendix A hereto), subject to those Tax Increment Revenues already pledged to the City to permit the City to retire the outstanding City of Portage Downtown Development Limited Tax Bonds, Series 2003, for payment of the principal of and interest on the Refunding Bonds and a first security interest is granted in the Tax Increment Revenues (to the extent so pledged) to continue until the payment in full of the principal of and interest on the Refunding Bonds.

9.(A) **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The City Finance Director shall designate, and shall enter into an agreement with, a bond registrar and paying agent for the Refunding Bonds which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The City Finance Director from time to time as required may designate a similarly qualified successor bond registrar and paying agent. If so designated the Refunding Bonds shall be deposited with a depository trustee designated by the City Finance Director who shall transfer ownership of interests in the Refunding Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Refunding Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the City Finance Director after consultation with the depository trustee. The City Finance Director is authorized to enter into any depository trust agreement on behalf of the City upon such terms and conditions as the City Finance Director shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the City Finance Director. The depository trustee may be the same as the Registrar otherwise named by the City Finance Director, and the Refunding Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the City Finance Director may determine.

(B) **Exchange and Transfer of Bonds.**

(i) The Refunding Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Refunding Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds.

(ii) The Refunding Bonds shall be transferable upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, only upon surrender

of such Refunding Bonds together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

(iii) Upon the exchange or transfer of the Refunding Bonds, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Refunding Bonds and shall authenticate and deliver to the transferee new Refunding Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds. If, at the time the bond registrar and paying agent authenticates and delivers new Refunding Bonds pursuant to this Section, payment of interest on the Refunding Bonds is in default, the bond registrar and paying agent shall endorse upon the new Refunding Bonds the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, ____."

(iv) The City and the bond registrar and paying agent may deem and treat the person in whose name the Refunding Bonds shall be registered upon the books of the City as the absolute owner of such Refunding Bonds, whether such Refunding Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Refunding Bonds and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bonds to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

(v) For every exchange or transfer of the Refunding Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(vi) The bond registrar and paying agent shall not be required to transfer or exchange the Refunding Bonds or portion of the Refunding Bonds which has been selected for redemption.

10. **Mutilated, Lost, Stolen or Destroyed Refunding Bonds.** In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Mayor and the City Clerk may, on behalf of the City, execute and deliver, a new Refunding Bond having a number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until such mutilated Refunding Bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the City and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Refunding Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Refunding Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Refunding Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Refunding Bond (or his or her attorney) to fully indemnify the City and the Bond Registrar against loss due to the lost, stolen or destroyed Refunding Bond and the issuance of any replacement Refunding Bond; and (iv) the agreement of the owner of the Refunding Bond (or his or her attorney) to pay all expenses of the City and the Bond Registrar in connection with

the replacement, including the transfer and exchange costs which otherwise would be paid by the City.

11. **Execution and Delivery.** The Mayor and the City Clerk are hereby authorized and directed to execute the Refunding Bonds for and on behalf of the City by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Refunding Bonds shall be authenticated by the Bond Registrar before delivery. The Refunding Bonds shall be sealed with the City's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Refunding Bonds shall be delivered to the City Finance Director, who is hereby authorized and directed to deliver the Refunding Bonds to the purchaser upon receipt in full of the purchase price for the Refunding Bonds.

12. **City's Limited Tax Pledge.** The principal of and interest on the Refunding Bonds shall be payable primarily out of the Tax Increment Revenues for each year through and including the year ending June 30, 2027, in anticipation of which the Refunding Bonds are to be issued. In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. If the foregoing collections of Tax Increment Revenues shall not be sufficient to pay the principal of and the interest on the Refunding Bonds as the same shall become due, then moneys sufficient to meet the deficiency shall be advanced from the General Fund of the City. The City's ability to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the City.

13. **Principal and Interest Fund.** All monies paid to the City from tax increment revenues pursuant to the Plan shall be set aside by the City in a separate fund hereby established, to be known as the "Bond Payment Fund." All moneys in the Bond Payment Fund shall be kept in a separate depository account with one or more banks or trust companies where the principal of and interest on the Bonds are payable, and such moneys shall be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding Bonds; (ii) the annual fees and expenses of the escrow agent under an escrow agreement; and (iii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds. All accrued interest and the premium, if any, received from the purchaser of the Refunding Bonds shall be deposited in the Bond Payment Fund upon receipt.

14. **Use of Proceeds.** The proceeds of the sale of the Refunding Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Payment Fund created pursuant to Section 15 above;
- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including, but not limited to, publication costs, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing.

15. **Escrow Agreement; Redemption of Refunded Bonds.** In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the City shall enter into an escrow agreement as may be determined by the City Finance Director (the "Escrow Agreement"), with a bank or trust company designated by the City Finance Director. The Escrow Agreement shall be in substantially the form attached as *EXHIBIT C* to this Resolution (with such changes, modifications and additions as may be approved by the City Finance Director). The Escrow Agreement shall be completed by the City Finance Director with appropriate figures prior to execution on behalf of the City by the City Finance Director.

Upon execution of the Escrow Agreement and delivery of the Refunding Bonds, the City and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

16. **Investments.** Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the City Finance Director which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of, premium, if any, and interest on the Refunding Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

17. **Depositories.** All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of and interest on the Refunding Bonds are payable. The City Finance Director shall select the depository or depositories to be used from those banks authorized in this Section.

18. **Arbitrage and Tax Covenants.** Notwithstanding any other provision of this resolution, the City covenants that it will not at any time or times:

(a) Permit any proceeds of the Refunding Bonds or any other funds of the City or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Refunding Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Refunding Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Refunding Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Refunding Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Refunding Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Refunding Bonds and the interest thereon from the State of Michigan income taxation.

19. **Qualified Tax-Exempt Obligations.** The Refunding Bonds are designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, unless, at the time the Official Notice of Sale is circulated, the Refunding Bonds have been determined to be ineligible to be so designated on the basis of the City's reasonable expectations at the time of such publication. In such event, the Official Notice of Sale shall be changed appropriately and the Refunding Bond shall there be so designated.

20. **Defeasance or Redemption of Refunding Bonds.** If at any time,

- (a) the whole amount of the principal of and interest on all outstanding Refunding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and premium, if any, and interest on all outstanding Refunding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such Refunding Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Refunding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Refunding Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the City shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Refunding Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the City and considered excess proceeds of the Refunding Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders thereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Refunding Bonds, (y) a description of the moneys or Government Obligations so held by it, and (z) that the City has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Refunding Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the City, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

21. **Filing with Municipal Finance Division.** If necessary, the Chief Administrative Officer of the City is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Refunding Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

22. **Competitive Sale – Official Notice of Sale:** The City hereby authorizes its Bond Counsel to publish a Notice of Sale at least seven days prior to the date fixed for receipt of bids of the purchase of the Bonds. The Notice of Sale shall be in substantially the form attached to this resolution as Appendix B with such changes therein as are not inconsistent with this resolution and as are approved by the Finance Director after conferring with Bond Counsel. Once all bids are received, the Finance Director shall determine the lowest true interest cost bid and thereafter award the Bonds to the bidder meeting that criteria. The Bond Counsel and Financial Advisor are hereby designated to act for and on behalf of the City to receive bids for the purchase of the Bonds and to take all other steps necessary in connection with the sale, issuance, transfer and delivery thereof in accordance with the provisions of this resolution.

23. **Retention of Bond Counsel.** The firm of Clark Hill PLC, attorneys of Detroit, Michigan, is hereby retained to act as bond counsel for the City in connection with the issuance, sale and delivery of the Refunding Bonds.

24. **Retention of Financial Consultants.** Municipal Financial Consultants Incorporated, Milford, Michigan, is hereby retained to act as financial consultant and advisor to the City in connection with the sale and delivery of the Refunding Bonds.

25. **Conflicting Resolutions.** All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

26. **Effective Date.** This Resolution shall become effective upon its ratification by the Authority and shall be recorded in the minutes of the Council as soon as practicable after adoption.

A roll call vote on the foregoing resolution was then taken, and was as follows:

YES: _____

NO: _____

ABSTAIN: _____

The resolution was declared adopted.

las.r2-por196

CERTIFICATION

STATE OF MICHIGAN)
) SS.
COUNTY OF KALAMAZOO)

The undersigned, being the City Clerk of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the City Council at a _____ meeting held on _____, 2018, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Council in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

_____ City Clerk

[SEAL]

APPENDIX A

**PROJECTED TAX INCREMENT REVENUES
AND DEBT SERVICE COVERAGE**

[PLEASE SEE ATTACHED SCHEDULE]

EXHIBIT A

UNITED STATES OF AMERICA-STATE OF MICHIGAN

CITY OF PORTAGE

County of Kalamazoo, State of Michigan

DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BOND, SERIES 2018

RATE MATURITY DATE DATE OF ISSUANCE CUSIP

_____, 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, the City of Portage (the "City"), County of Kalamazoo, State of Michigan, hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above to the Registered Owner specified above or its registered assigns, the Principal Amount specified above upon presentation and surrender of this bond (this "Refunding Bond") at the designated office of _____, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with the interest thereon to the Registered Owner of this Refunding Bond, as shown on the books of the City maintained by the Bond Registrar, on the applicable date of record from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, commencing on _____, _____, and semi-annually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date. The date of record for each payment of interest shall be the 15th day of the month preceding the date such payment is due. Interest is payable by check or draft mailed by the Bond Registrar to the Registered Owner at the address shown on the books of the City maintained by the Bond Registrar on the applicable date of record and shall be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

This Refunding Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$_____), issued by the City, pursuant to and in full conformity with the Constitution and statutes of the State of Michigan and especially Act No. 197, Public Acts of Michigan, 1975, as amended ("Act 197") and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with _____, Michigan, as escrow agent (the "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, _____, the interest on the City's outstanding _____, dated _____, maturing in the years _____ through _____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years _____ through _____, at a redemption price of _____% of the principal amount thereof.

The Refunding Bonds are being issued pursuant to the provisions of Act 197, and are being issued in anticipation of and are primarily payable from tax increment revenues ("Tax Increment Revenues") to be collected by the Authority for payment to the City, for each year until the principal of and interest on the Refunding Bonds has been paid in full.

In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. If the foregoing Tax Increment Revenues are insufficient for any reason to make the payment of the principal of and interest on the Refunding Bonds when due, then moneys sufficient to meet the deficiency shall be advanced from the General Fund of the City. However, the City's ability to raise such funds is subject to applicable constitutional, statutory and tax limitations.

The Refunding Bonds maturing prior to _____ 1, ____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, ____ shall be subject to redemption prior to maturity at the option of the Authority, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

This Refunding Bond shall be transferable on the books of the City maintained by the Bond Registrar with respect to the refunding bonds upon the surrender of this Refunding Bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Refunding Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of refunding bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the City, unless otherwise agreed by the City and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Refunding Bond and the other bonds of this series have _____ been designated as "qualified tax-exempt obligations" for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Refunding Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all things, conditions and acts required to exist, happen and be performed precedent to and in connection with the issuance of this Refunding Bond and the other bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Michigan, and that the total indebtedness of the City, including the series of refunding bonds of which this is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Portage, County of Kalamazoo, Michigan, has caused this Refunding Bond to be executed in its name with the facsimile signatures of its Mayor and its City Clerk, has caused a facsimile of its seal to be affixed hereto, and has caused this Refunding Bond to be authenticated by the Bond Registrar, as the City's authenticating agent, all as of the Date of Issuance set forth above.

CITY OF PORTAGE

By:
Mayor

[SEAL]

By:
City Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is Refunding Bond is one of a series of bonds designated "City of Portage Downtown Development Limited Tax Refunding Bonds, Series 2018".

By: _____, Michigan
as Bond Registrar and Authenticating Agent
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Refunding Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Refunding Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Refunding Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Refunding Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

ORDER ADJUSTING MATURITIES

**\$ _____
CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018**

The undersigned, City Finance Director, as authorized in the Award Resolution for the above referenced refunding bonds adopted by the City Council on _____ 1, _____, hereby establishes the final maturities for said refunding bonds with interest rates thereon, as follows:

<u>Due</u>	<u>Amount</u>	<u>Rate</u>
<u>Oct. 1</u>		

Dated: _____

City Finance Director

EXHIBIT C

ESCROW AGREEMENT

CITY OF PORTAGE

This escrow agreement (the "Agreement"), dated as of _____ 1, _____, is between the City of Portage (the "City"), County of Kalamazoo, Michigan, and _____, Michigan, as escrow agent (the "Escrow Agent").

WHEREAS, the City has previously issued the following bonds of which the principal amount listed below remains outstanding (all of such outstanding bonds being referred to as the "Prior Bonds", and the Prior Bonds to be refunded referred to as the "Refunded Bonds"):

<u>Prior Bonds</u>	<u>Outstanding Principal</u>	<u>Principal to be Refunded</u>
City of Portage Downtown Development Limited Tax Bonds, Series 2003	\$ _____ maturing in _____ the years _____ thru _____	\$ _____ maturing in _____ the years _____ thru _____

all bearing interest, due as to principal and subject to redemption as more fully described in *APPENDIX I* to this Agreement.

WHEREAS, for the purpose of refunding the Refunded Bonds the City has, pursuant to a refunding bond resolution adopted on _____, _____ (the "Refunding Bond Resolution") authorized the issuance of an issue of refunding bonds dated _____, _____, as designated and described in the Bond Resolution and hereafter (the "Refunding Bonds"); and

WHEREAS, pursuant to the Refunding Bond Resolution the Escrow Agent has been appointed by the City for the purpose of assuring the payment of the principal of, premium, if any, and interest on the Prior Bonds and the Mayor has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below the City and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Prior Bonds;

Section 1. **Appointment of Escrow Agent.** The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the "Escrow Fund"), to perform its duties as custodian of the Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to

such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the City of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or Prior Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any Prior Bond, shall be conclusive and binding upon all future owners of the same Prior Bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the City signed by (i) the Mayor, or (ii) any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the Mayor to the effect that a resolution in the form attached to such certificate has been adopted by the City as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the City pertaining to the Prior Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Prior Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

Section 2. Escrow Fund. On _____, _____ the City will irrevocably deposit with the Escrow Agent for the account of the City from the proceeds of the Refunding Bonds and from other City funds available therefor to establish an Escrow Fund for the Prior Bonds an amount which together with the investment income therefrom, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay interest on the Prior Bonds when due to and including _____, _____ and on that date to redeem and pay principal of and call premiums on the Refunded Bonds in accordance with Section 3 hereof.

Section 3. Redemption of Refunded Bonds. The City will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

<u>Prior Bonds</u>	<u>Principal to be Refunded</u>
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**City of Portage
Downtown Development
Limited Tax Bonds, Series 2003 \$ _____
maturing in
the years**

The City by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds and at the expense of the City not more than forty five (45) nor less than 30 (30) days before _____ 1, _____, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as *APPENDIX III*. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in *APPENDIX III*, to the registered owner or owners at the addresses listed on the registration books of the Authority maintained by the paying agent for the Refunded Bonds.

Section 4. Investments. As directed by the City, moneys deposited in the Escrow Fund shall be immediately invested in direct obligations of the United States of America and/or obligations the principal of, premium, if any, and interest on which are fully guaranteed by the United States of America described on *APPENDIX IV* ("Investment Securities").

The investment income from the Investment Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

Section 5. Use of Moneys. Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium, if any, or interest on the Refunding Bonds or the Prior Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Prior Bonds, and the City agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 6. **Deficiency in Escrow Fund.** At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of principal of, premium, if any, and interest falling due on the Prior Bonds, the Escrow Agent shall promptly notify the City of such deficiency.

Section 7. **Reports to City.** The Escrow Agent shall deliver to the Mayor of the City a semi-annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of _____ of each year shall deliver to the City a list of assets of the Escrow Fund as of December 31 of such year and an operating statement for the Escrow Fund for the year then ended.

Section 8. **Fees of Escrow Agent.** The Escrow Agent agrees with the City that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement (other than the acceptance fee of the Escrow Agent) shall be the total sum of _____ Dollars (\$_____) payable on the date of closing, which charges, fees and expenses shall be paid from monies deposited with the Escrow Agent from bond proceeds and other available funds of the City, subject to the provisions of Section 12 below.

Section 9. **Payments from Escrow Fund.** The Escrow Agent shall without further authorization or direction from the City, collect the principal of, premium, if any, and interest on the Investment Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Prior Bonds, of moneys sufficient for the payment of the principal of, premium, if any, and interest on such Prior Bonds as the same shall become due and payable, all as set out in *APPENDIX II*. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium, if any, and interest by such paying agent or agents without default. The City represents and warrants that the Escrow Funds will be sufficient to make the foregoing and all other payments required under this Agreement. The proper paying agent for the Prior Bonds is shown in *APPENDIX I*.

When the aggregate total amount required for the payment of principal of, premium, if any, and interest on the Prior Bonds has been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Prior Bonds to the City, and this Agreement shall cease.

Section 10. **Interest of Bondholders Not Affected.** The Escrow Agent and the City recognize that the holders from time to time of the Prior Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Prior Bonds can be used in any manner for another series.

Section 11. **Escrow Agent Not Obligated.** None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

Section 12. **Payment of Other Amounts.** The City agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Prior Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of

the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Section 8 above.

Section 13. **Segregation of Funds.** The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the City under this Agreement, in a separate escrow account.

Section 14. **Resignation of Escrow Agent.** The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the City. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the City. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable); and, the Escrow Agent shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the City.

If the City shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief; and, any such resulting appointment shall be binding upon the City.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

Section 15. **Benefit.** This Agreement shall be for the sole and exclusive benefit of the City, the Escrow Agent and the holders of the Prior Bonds. With the exception of rights expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

Section 16. **Severability.** If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 17. **Notices.** Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

If to the City:

Attention: _____
FAX: _____

If to the Escrow Agent:

Attention: _____
FAX: _____

The City and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

Section 18. **Costs of Issuance.** Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Trustee and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the County Treasurer, under the "Instructions to Trustee for Disbursement of Expenses at Closing", and shall be paid on the date of closing.

Section 19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

CITY OF PORTAGE

By: _____

Its Mayor

and

By: _____

Its Clerk

_____, as Escrow Agent

By: _____

Its: _____

APPENDIX I

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX BONDS, SERIES 2003**

Dated as of _____ 1, ____

SCHEDULE OF PRINCIPAL, PREMIUM AND INTEREST REQUIREMENTS

Bond Registrar and Paying Agent:

Attention: _____

NOTE: Bonds maturing prior to ____ shall not be subject to redemption prior to maturity. Bonds maturing in the years ____ through ____, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in any order, in whole or in part, on or after _____, _____. Bonds so called for redemption at par, plus accrued interest to the date fixed for redemption.

APPENDIX II

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018**

Sources of Funds

Bond Proceeds	\$ _____
Issuer Contribution	_____
Good Faith Check Interest	_____
Accrued Interest	_____
TOTAL	\$ _____

Uses of Funds

Cost of Escrow Fund	\$ _____
Costs of Issuance	_____
Accrued Interest	_____
Underwriter's Discount	_____
TOTAL	\$ _____

APPENDIX III

NOTICE OF REDEMPTION

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX BONDS, SERIES 2003**

**KALAMAZOO COUNTY
STATE OF MICHIGAN**

[FORM OF NOTICE OF REDEMPTION]

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN pursuant to the terms of the governing document dates as of _____, between _____, as Issuer, and U.S. Bank National Association, as Agent, that the bonds listed below have been selected for Redemption on _____ (the Redemption Date) at the price listed below of the principal amount (the Redemption Price) together with interest accrued to the Redemption Date.

<u>Principal</u>	<u>Rate</u>	<u>CUSIPS*</u>	<u>Price</u>	<u>Maturity</u>
------------------	-------------	----------------	--------------	-----------------

Pursuant to the Governing Documents, payment of the Redemption Price on the Bonds called for redemption will be paid without presentation of the Bonds if presentment is not required and upon presentation of the Bonds if presentment is required. If presentment is required, surrender thereof can be made in the following manner:

Delivery Instructions:

U.S. Bank
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 P.M. CST on the Redemption Date and a check will be available for pick up after 2:00 P.M CST. Checks not picked up by 4:30 P.M. will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

Requirement Information

For a list of redemption requirements please visit our website at **www.usbank.com/corporate_trust** and click on the "**Bondholder Information**" link for Redemption instructions. You may also contact our Bondholder Communications team at 1-800-934-6802 Monday through Friday from 8 AM to 9 PM CST.

IMPORTANT NOTICE

Federal law requires the Paying Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

* The ***Undersigned*** shall not be held responsible for the selection or use of the CUSIP number in this Redemption Notice, nor is any representation made as to its correctness. It is included solely for the convenience of the Holders.

APPENDIX IV

CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018

Investment Securities to be Acquired Pursuant
to the Escrow Agreement

<u>Purchase</u>	<u>Investment</u>			
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment Type</u>

EXHIBIT D
[FORM OF OFFICIAL NOTICE OF SALE]

§
CITY OF PORTAGE
County of Kalamazoo, State of Michigan

CITY OF PORTAGE
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018

SEALED OR ELECTRONIC PROPOSALS: Sealed written proposals for the purchase of the bonds described herein (the "Refunding Bonds") will be received by the undersigned for and on behalf of the City of Portage (the "City") at the Office of the _____, _____, on _____, _____ until ____:____.m., Eastern _____ Time, at which time and place said proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan, 48226, where they will be publicly opened simultaneously. Proposals received at _____, Michigan, will be read first, followed by those proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations. Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to _____.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd Floor, New York, NY, 10018, (212) 849-5021.

If any provision of this Official Notice of Sale shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Official Notice of Sale shall control.

The Refunding Bonds will be awarded or all proposals will be rejected by the City Finance Director at a proceeding to be held within twenty-four hours of the sale.

BOND DETAILS: The Refunding Bonds will be dated _____ 1, _____ and will be known as "City of Portage, Downtown Development Limited Tax Refunding Bonds, Series 2018". The Refunding Bonds will be fully registered Refunding Bonds in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1 upwards and will bear interest from their date payable _____ 1, _____ and semi-annually thereafter until maturity. The Refunding Bonds will mature on the 1st day of _____ in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

PRIOR REDEMPTION: The Refunding Bonds shall not be subject to redemption prior to maturity.

PRESENT VALUE SAVINGS: The Refunding Bonds must generate present value savings. If after the proposals are received and the final refunding analysis has been calculated, there is no present value savings to the Authority, the Authority shall exercise its right to reject all the proposals and the Refunding Bonds shall not be awarded.

INTEREST RATE AND PROPOSING DETAILS: The Refunding Bonds shall bear interest at a rate or rates not exceeding ___% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only. All bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Refunding Bonds, at a price less than ___% of their par value or at an interest rate or rates that will result in a net interest cost exceeding ___%, will be considered.

TERM BOND OPTION: Refunding Bonds maturing in the years ____ - ____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term bonds and serial bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Refunding Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Refunding Bonds. Purchase of the Refunding Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Refunding Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Refunding Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD:

_____, Michigan has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued refunding bonds and pay interest by check or draft mailed to the registered holders of the Refunding Bonds as shown on the registration books of the City kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Refunding Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Refunding Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Refunding Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Refunding Bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Refunding Bonds are to be issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "Act"), and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") and as specified in the Authority's development and tax increment financing plan, in anticipation of the collection of certain tax increment revenue payments from the City of Portage Downtown Development Authority (the "Authority") to the

City for the purpose of paying costs of refunding the outstanding City of Portage, Downtown Development Limited Tax Bonds, Series 2003 in the aggregate principal amount of \$1,945,000 maturing in the years 2019 through 2027 (the "Refunded Bonds"). In addition, the City has pledged its limited tax full faith and credit as additional security for the payment of the principal of and interest thereon, and pursuant to such pledge, should funds primarily pledged be insufficient for payment, the City is obligated to make such payment from its general funds or from any taxes which it may levy within applicable constitutional and statutory limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those related to equitable subordination.

ESCROW AGENT: Proceeds from the Refunding Bonds will be transferred to _____, _____ as escrow agent (the "Escrow Agent") under an escrow agreement (the "Agreement"), who will use such proceeds to acquire investment obligations sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds when due or upon the first permissible redemption date for the Refunded Bonds.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to defease the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. The City reserves the right to increase or decrease the total par amount of the Refunding Bonds by any amount prior to the sale or following the opening of proposals. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful proposer for all maturities will not change. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

ADJUSTMENT IN DISCOUNT: In the event the principal amount of this issue is increased or decreased, the premium or discount bid, if any, will be adjusted upwards or downwards so that it is the same percent as the premium or discount originally bid.

BOND INSURANCE AT PURCHASER'S OPTION: If the Refunding Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the proposer/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Refunding Bonds. Any increased costs of issuance of the Refunding Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE REFUNDING BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE REFUNDING BONDS FROM THE CITY.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$_____) of the face amount of the Refunding Bonds, and payable to the order of the Authority will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by

registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE REFUNDING BONDS – TRUE INTEREST COST: : The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on: May 1, 2018 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to May 1, 2018 in an amount equal to the price proposed, excluding accrued interest. May 24, 2018 is the anticipated date of delivery of the Bonds.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Clark Hill PLC, Detroit, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the Purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAX MATTERS: : It is the opinion of Clark Hill PLC, Bond Counsel, based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the individual federal alternative minimum tax. For corporations with tax years beginning after December 31, 2017, the corporate alternative minimum tax was repealed by Public Law No. 115-97 (the "**Tax Cuts and Jobs Act**") enacted on December 22, 2017, effective for tax years beginning after December 31, 2017. For tax years beginning before January 1, 2018, interest on the Bonds is not an item of tax preference for purposes of the corporate alternative minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on the Bonds held by a corporation (other than an S Corporation, regulated investment company, or real estate investment trust) may be subject to the federal alternative minimum tax for tax years beginning before January 1, 2018 because of its inclusion in the adjusted current earnings of a corporate holder. The opinion set forth above is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds and the interest thereon.

In the opinion of Clark Hill PLC, Bond Counsel, based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, [the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.]

"QUALIFIED TAX EXEMPT OBLIGATIONS": The Refunding Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

"ISSUE PRICE": The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Issuer is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that competitive sale requirements are satisfied, the winning bidder shall be expected to certify as to the reasonably expected initially offering price of the Bonds to the public.

In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer shall treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as of the sale date as the issue price of that maturity and (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds not satisfying the 10% test as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. Any maturity of the Bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) that does not satisfy the 10% test as of the date and time of the award of the Bonds shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that any maturity of the Bonds is subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, each bidder confirms that, except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, and, further, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering

price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial

sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

DELIVERY OF BONDS: The City will furnish Refunding Bonds ready for execution at its expense. Refunding Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Refunding Bonds, will be delivered at the time of delivery of the Refunding Bonds. If the Refunding Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Refunding Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the Refunding Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Refunding Bonds shall be paid by the purchaser at the time of delivery. The Refunding Bonds will be delivered on May 24, 2018.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to resolutions adopted or to be adopted by their governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Refunding Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful proposer shall supply to the City, within twenty-four (24) hours after the award of the Refunding Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the City has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Refunding Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com or at www.tm3.com.

The City will furnish to the successful proposer, at no cost, 10 copies of the Final Official Statement within seven (7) business days after the award of the Refunding Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost incurred by the City for those additional copies.

The City shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the City and the Refunding Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Refunding Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of or to pay for the Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds shall be paid for by the City, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Municipal Financial Consultants Incorporated, 400 North Main Street, Milford, Detroit, Michigan 48381, John R. Axe, telephone (313) 330-9696 or from Steven Burke, CFA, telephone (313) 782-3011, email: os@mfc.com.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.

ENVELOPES: Envelopes containing the proposals should be plainly marked "Proposal for City of Portage, Downtown Development Limited Tax Refunding Bonds, , Series 2018."

William Furry, Finance Director
City of Portage

**CITY OF PORTAGE
DOWNTOWN DEVELOPMENT AUTHORITY**

**RESOLUTION SUBMITTING AN ESTIMATE OF ANTICIPATED
TAX INCREMENT REVENUE TO BE AVAILABLE FOR PAYMENT OF
REFUNDING BONDS, RECOMMENDING ADOPTION OF REFUNDING BOND
RESOLUTION AND FORWARDING
PROPOSED FORM OF REFUNDING BOND RESOLUTION**

Minutes of the Board of Directors of the Downtown Development Authority of the City of Portage, County of Kalamazoo, Michigan, held at the City of Portage, on _____, 2018 at __:___.m., Eastern Standard Time, there were

PRESENT: _____

ABSENT: _____

The following resolution was offered by Director _____ and supported by Director _____.

WHEREAS, pursuant to Act No. 197 of the Public Acts of Michigan of 1975, as amended (the "Act"), the City of Portage Downtown Development Authority (the "Authority") has a tax increment plan/development plan (the "Development Plan") to assist in the development and redevelopment of all or a portion of the downtown district and to assist in the payment of all or a part of the costs associated with the activities of the Authority and the implementation of the Development Plan; and

WHEREAS, in order to provide funds to finance the Development Plan, it was necessary for the City to issue its City of Portage Downtown Development Limited Tax Bonds, Series 2003 dated December 1, 2003 as authorized by Section 16(1) of Act 197 (the "2003 Bonds"); and

WHEREAS, the 2003 Bonds remain outstanding in various aggregate principal amounts which mature in various principal amounts in various years and bear interest at various rates per annum which rates of interest are higher than those now prevailing; and

WHEREAS, Act 197 authorizes the City to refund all or any part of its indebtedness; and

WHEREAS, the Authority will authorize the issuance of the not to exceed \$2,150,000 City of Portage Downtown Development Limited Tax Refunding Bonds, Series 2018 (the "Refunding Bonds") so long as such refunding generates present value savings; and

WHEREAS, the Authority wishes to ratify the actions of the City Council in taking the necessary steps to issue such Refunding Bonds and has reviewed the necessary estimate of the anticipated tax increment revenues available to pay the Refunding Bonds, a copy of which is attached as Appendix A to this Resolution (the "Estimate of Revenues"); and

WHEREAS, the Authority hereby ratifies and approves the form of refunding bond resolution (the "Refunding Bond Resolution"), to accomplish this purpose and ratifies the adoption of it by the City Council, a copy of such Refunding Bond Resolution is attached to this Resolution as Appendix B.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF PORTAGE DOWNTOWN DEVELOPMENT AUTHORITY as follows:

1. The Authority hereby approves the Estimate of Revenues attached hereto as Appendix A.

2. The action of the City Council in adopting the Refunding Bond Resolution in the form attached to this Resolution as Appendix B is hereby ratified and approved.

3. The Authority hereby authorizes the Chief Administrative Officer of the City, if necessary, to file an application for approval to issue the Refunding Bonds with the Michigan Department of Treasury and to pay the related fee.

BE IT THEREFORE RESOLVED that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and are hereby rescinded.

YEAS: _____

NAYS: _____

ABSENT: _____

This resolution was declared adopted.

Chairman, City of Portage
Downtown Development
Authority

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a _____ meeting of the City of Portage Downtown Development Authority on the ____ day of _____, 2018.

Chairman, City of Portage
Downtown Development
Authority

APPENDIX A

PROJECTED TAX INCREMENT REVENUES AND DEBT SERVICE COVERAGE

City of Portage Downtown Development Authority Estimated Captured Revenues and Annual Debt Service on Outstanding and Refunding Bonds and Expenditures

Year	Estimated Revenues	Actual Remaining Annual Debt Service on 2003 Bonds	Estimated Annual Debt Service on Refunding Bonds Series 2018	Actual Annual Debt Service on Refunding Bonds Series 2012	Actual Annual Special Assessments per Agreement	Cummulative Coverage
<u>Beginning Balance</u>						\$274,137.00
2018-2019	\$664,948.54	\$44,240.63	\$302,900.00	\$140,406.00	\$90,495.00	\$361,043.91
2019-2020	\$684,082.81		\$300,975.00	\$336,506.00	\$94,001.00	\$313,644.72
2020-2021	\$703,599.77		\$303,175.00	\$350,406.00	\$97,158.00	\$266,505.50
2021-2022	\$718,530.25		\$231,200.00	\$338,769.00	\$95,158.00	\$319,908.75
2022-2023	\$732,169.24		\$328,625.00	\$198,094.00	\$93,095.00	\$432,263.98
2023-2024	\$744,610.04		\$329,325.00	\$198,656.00	\$95,754.00	\$553,139.02
2024-2025	\$755,942.80		\$324,800.00	\$198,978.00	\$93,196.00	\$692,107.82
2025-2026	\$766,253.82			\$198,700.00	\$95,522.00	\$1,164,139.64
2026-2027	\$775,625.07			\$197,925.00	\$92,733.00	\$1,649,106.71
	\$6,545,762.34	\$44,240.63	\$2,121,000.00	\$2,158,440.00	\$847,112.00	

APPENDIX B
[PLEASE SEE ATTACHED REFUNDING BOND RESOLUTION]

CITY OF PORTAGE

At a _____ meeting of the City Council of the City of Portage, Kalamazoo County, Michigan (the "City"), held in the City of Portage Hall in said City, on _____, 2018 at ____:____m., Eastern Standard Time, there were

PRESENT: _____

ABSENT: _____

The following resolution was offered by _____ and seconded by _____.

REFUNDING BOND RESOLUTION
City of Portage
County of Kalamazoo, State of Michigan
Downtown Development Limited Tax Refunding Bonds, Series 2018

WHEREAS, on December 18, 2003, at the request of the City of Portage Downtown Development Authority (the "Authority"), the City of Portage (the "City"), pursuant to Act No. 197, Public Acts of Michigan, 1975, as amended ("Act 197"), and pursuant to a Tax Increment Finance Plan/Development Plan (the "Plan"), issued its \$2,765,000 City of Portage Downtown Development Limited Tax Bonds, Series 2003 dated December 1, 2003 (the "2003 Bonds"), of which \$1,945,000 remains outstanding; and

WHEREAS, the City may call \$1,945,000 of the 2003 Bonds on July 1, 2018; and

WHEREAS, the 2003 Bonds were issued at a time when interest rates were higher than is currently the case and, accordingly, bear rates of interest in excess of current tax-exempt interest rates; and

WHEREAS, the Authority will determine that it is necessary and appropriate at this time to issue a series of Refunding Bonds pursuant to Act 197 and pursuant to Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34"), to refund all or part of the 2003 Bonds so long as such refunding generates present value savings; and

WHEREAS, the Authority will ratify and approve this form of refunding bond resolution to be adopted for this purpose; and

WHEREAS, an estimate of the tax increment revenues to be available for the payment of the principal of and interest on refunding bonds to be issued by the City is attached hereto as Appendix A; and

WHEREAS, the refunding bonds to be issued by the City are to be payable primarily from tax increment revenues to be received by the Authority (the "Tax Increment Revenues") pursuant to Act 197 and the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN, as follows:

1. **Issuance of Refunding Bonds.** Refunding Bonds aggregating in the principal amount not to exceed Two Million One Hundred Fifty Dollars (\$2,150,000) (the "Refunding Bonds") shall be issued and sold pursuant to the provisions of Act 34, and other applicable statutory provisions, for the purpose of refunding the all of the 2003 Bonds except for the interest payment due on July 1, 2018 (the "Refunded Bonds") so long as such refunding generates present value savings.

2. **Refunding Bond Details.** The Refunding Bonds shall be known as "City of Portage Downtown Development Limited Tax Refunding Bonds, Series 2018" and shall be issued in anticipation of the receipt by the City of the Tax Increment Revenues for each year through and including the year ending June 30, 2027 and shall be dated May 1, 2018 or such later date not more than twelve calendar months thereafter as the City Finance Director shall provide in the Official Notice of Sale. The Refunding Bonds shall be fully registered Refunding Bonds, both as to principal and interest, in any one or more denominations of \$5,000 or a multiple of \$5,000 numbered from 1 upwards as determined by the City Finance Director, regardless of rate and maturity date. The total amount of Refunding Bonds to be issued shall not exceed \$2,150,000. Subject, however, to adjustment as described under "INCREASE OR DECREASE IN AGGREGATE AMOUNT OF REFUNDING BONDS", in Section 7, if \$1,945,000 in Refunding Bonds are to be issued, the Refunding Bonds shall mature on January 1 in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2019	\$175,000	2024	\$225,000
2020	200,000	2025	230,000
2021	205,000	2026	225,000
2022	215,000	2027	235,000
2023	225,000	2028	235,000

The Refunding Bonds shall be in substantially the form attached hereto as *EXHIBIT A* with such changes, additions or deletions as are not inconsistent with this resolution.

3. **Interest Payment and Date of Record.** The Refunding Bonds shall bear interest payable January 1, 2019 and each July 1 and January 1 thereafter, until maturity, which interest shall not exceed 6% per annum. Interest shall be paid by check or draft mailed to the registered owner of each Refunding Bond as of the applicable date of record, provided, however, that the City Finance Director may agree with the bond registrar on a different method of payment. If interest is paid differently, the Refunding Bond form attached as Exhibit A and Official Notice of Sale form attached as Exhibit D shall be changed accordingly.

The date of record for each interest payment shall be the 15th day of the calendar month preceding the date such payment is due.

4. **Prior Redemption.** The Refunding Bonds shall not be subject to redemption prior to maturity

5. **Discount.** The Refunding Bonds may be offered for sale at par or at a price of not less than 99% of the face amount thereof, and the City Finance Director is authorized, in his or her discretion, to provide for a higher minimum purchase price in the Official Notice of Sale for the Refunding Bonds.

6. **Adjustment of Refunding Bond Maturities.** The City Finance Director is authorized by order in the form attached as *EXHIBIT B* to adjust the amounts of the maturities of the Refunding Bonds, as set forth in Section 7.

7. **Increase or Decrease in Aggregate Amount of Refunding Bonds.** In the event the amount necessary to refund the Refunded Bonds shall be more or less than \$1,945,000, the City Finance Director shall increase the principal amount of the Refunding Bonds by up to \$205,000, or decrease the principal amount of the Refunding Bonds by any amount to the extent required to avoid the issuance of more Refunding Bonds than will be required in light of the amount of Refunding Bonds to be issued and proposals received, which increase or decrease may be applied to any one or more of the maturities and the Official Notice of Sale attached as *Exhibit D* shall so provide or be changed accordingly. In the event the City or the Authority determines to contribute additional amounts toward the refunding of the bonds, the bonds shall further be reduced by the amount of such contribution.

8. **Payment of Refunding Bonds; Pledge of Tax Increment Revenues.** The Refunding Bonds shall be a general obligation of the City, but shall be payable in the first instance from the Tax Increment Revenues collected by the Authority. Such Tax Increment Revenues and other funds which are the proceeds of Tax Increment Revenues held by the Authority may be used to make such payments. The Authority has heretofore pledged and the City hereby pledges all of the estimated Tax Increment Revenues (see Appendix A hereto), subject to those Tax Increment Revenues already pledged to the City to permit the City to retire the outstanding City of Portage Downtown Development Limited Tax Bonds, Series 2003, for payment of the principal of and interest on the Refunding Bonds and a first security interest is granted in the Tax Increment Revenues (to the extent so pledged) to continue until the payment in full of the principal of and interest on the Refunding Bonds.

9.(A) **Bond Registrar and Paying Agent/Book Entry Depository Trust.** The City Finance Director shall designate, and shall enter into an agreement with, a bond registrar and paying agent for the Refunding Bonds which shall be a bank or trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The City Finance Director from time to time as required may designate a similarly qualified successor bond registrar and paying agent. If so designated the Refunding Bonds shall be deposited with a depository trustee designated by the City Finance Director who shall transfer ownership of interests in the Refunding Bonds by book entry and who shall issue depository trust receipts or acknowledgments to owners of interests in the Refunding Bonds. Such book entry depository trust arrangement, and the form of depository trust receipts or acknowledgments, shall be as determined by the City Finance Director after consultation with the depository trustee. The City Finance Director is authorized to enter into any depository trust agreement on behalf of the City upon such terms and conditions as the City Finance Director shall deem appropriate and not otherwise prohibited by the terms of this Resolution, which Contract shall be executed by the City Finance Director. The depository trustee may be the same as the Registrar otherwise named by the City Finance Director, and the Refunding Bonds may be transferred in part by depository trust and in part by transfer of physical certificates as the City Finance Director may determine.

(B) **Exchange and Transfer of Bonds.**

(i) The Refunding Bonds, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Refunding Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds.

(ii) The Refunding Bonds shall be transferable upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, only upon surrender

of such Refunding Bonds together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

(iii) Upon the exchange or transfer of the Refunding Bonds, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Refunding Bonds and shall authenticate and deliver to the transferee new Refunding Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Refunding Bonds. If, at the time the bond registrar and paying agent authenticates and delivers new Refunding Bonds pursuant to this Section, payment of interest on the Refunding Bonds is in default, the bond registrar and paying agent shall endorse upon the new Refunding Bonds the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, ____."

(iv) The City and the bond registrar and paying agent may deem and treat the person in whose name the Refunding Bonds shall be registered upon the books of the City as the absolute owner of such Refunding Bonds, whether such Refunding Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Refunding Bonds and for all other purposes, and all payments made to any such registered owner, or upon his or her order, in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Refunding Bonds to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

(v) For every exchange or transfer of the Refunding Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(vi) The bond registrar and paying agent shall not be required to transfer or exchange the Refunding Bonds or portion of the Refunding Bonds which has been selected for redemption.

10. **Mutilated, Lost, Stolen or Destroyed Refunding Bonds.** In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the Mayor and the City Clerk may, on behalf of the City, execute and deliver, a new Refunding Bond having a number not then outstanding, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed.

In the case of a mutilated Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until such mutilated Refunding Bond is surrendered to the Bond Registrar. In the case of a lost, stolen or destroyed Refunding Bond, a replacement Refunding Bond shall not be delivered unless and until the City and the Bond Registrar shall have received such proof of ownership and loss and indemnity as they determine to be sufficient, which shall consist at least of (i) a lost instrument Refunding Bond for principal and interest remaining unpaid on the lost, stolen or destroyed Refunding Bond; (ii) an affidavit of the registered owner (or his or her attorney) setting forth ownership of the Refunding Bond lost, stolen or destroyed and the circumstances under which it was lost, stolen or destroyed; (iii) the agreement of the owner of the Refunding Bond (or his or her attorney) to fully indemnify the City and the Bond Registrar against loss due to the lost, stolen or destroyed Refunding Bond and the issuance of any replacement Refunding Bond; and (iv) the agreement of the owner of the Refunding Bond (or his or her attorney) to pay all expenses of the City and the Bond Registrar in connection with

the replacement, including the transfer and exchange costs which otherwise would be paid by the City.

11. **Execution and Delivery.** The Mayor and the City Clerk are hereby authorized and directed to execute the Refunding Bonds for and on behalf of the City by manually executing the same or by causing their facsimile signatures to be affixed. If facsimile signatures are used, the Refunding Bonds shall be authenticated by the Bond Registrar before delivery. The Refunding Bonds shall be sealed with the City's seal or a facsimile thereof shall be imprinted thereon. When so executed and (if facsimile signatures are used) authenticated, the Refunding Bonds shall be delivered to the City Finance Director, who is hereby authorized and directed to deliver the Refunding Bonds to the purchaser upon receipt in full of the purchase price for the Refunding Bonds.

12. **City's Limited Tax Pledge.** The principal of and interest on the Refunding Bonds shall be payable primarily out of the Tax Increment Revenues for each year through and including the year ending June 30, 2027, in anticipation of which the Refunding Bonds are to be issued. In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. If the foregoing collections of Tax Increment Revenues shall not be sufficient to pay the principal of and the interest on the Refunding Bonds as the same shall become due, then moneys sufficient to meet the deficiency shall be advanced from the General Fund of the City. The City's ability to raise such funds is subject to applicable constitutional and statutory limitations on the taxing power of the City.

13. **Principal and Interest Fund.** All monies paid to the City from tax increment revenues pursuant to the Plan shall be set aside by the City in a separate fund hereby established, to be known as the "Bond Payment Fund." All moneys in the Bond Payment Fund shall be kept in a separate depository account with one or more banks or trust companies where the principal of and interest on the Bonds are payable, and such moneys shall be used solely for the purpose of (i) paying principal of, premium, if any, and interest on the Refunding Bonds as well as costs, including the fees and expenses of the Bond Registrar, incidental to the Refunding Bonds; (ii) the annual fees and expenses of the escrow agent under an escrow agreement; and (iii) the fees and expenses of the paying agent or paying agents for the Refunding Bonds. All accrued interest and the premium, if any, received from the purchaser of the Refunding Bonds shall be deposited in the Bond Payment Fund upon receipt.

14. **Use of Proceeds.** The proceeds of the sale of the Refunding Bonds shall be used as follows:

- a. Accrued interest shall be transferred to the Bond Payment Fund created pursuant to Section 15 above;
- b. There shall next be transferred to an escrow fund (the "Escrow Fund") an amount which will be sufficient to pay when due the principal of, premium, if any, and interest on the Refunded Bonds when due upon redemption; and
- c. The balance of the proceeds shall be used to pay some or all of the costs of financing including, but not limited to, publication costs, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing.

15. **Escrow Agreement; Redemption of Refunded Bonds.** In order that the Refunded Bonds may be properly defeased in accordance with Act 34, the City shall enter into an escrow agreement as may be determined by the City Finance Director (the "Escrow Agreement"), with a bank or trust company designated by the City Finance Director. The Escrow Agreement shall be in substantially the form attached as *EXHIBIT C* to this Resolution (with such changes, modifications and additions as may be approved by the City Finance Director). The Escrow Agreement shall be completed by the City Finance Director with appropriate figures prior to execution on behalf of the City by the City Finance Director.

Upon execution of the Escrow Agreement and delivery of the Refunding Bonds, the City and/or the escrow agent shall take all necessary steps to cause the Refunded Bonds to be redeemed at the earliest possible redemption date or dates.

16. **Investments.** Moneys in the Bond Payment Fund may be continuously invested and reinvested in United States government obligations, obligations the principal and interest on which are unconditionally guaranteed by the United States government, or in interest-bearing time deposits selected by the City Finance Director which are permissible investments for surplus funds under Act No. 20, Public Acts of Michigan, 1943, as amended. Such investments shall mature, or be subject to redemption at the option of the holder, not later than the dates moneys in such fund will be required to pay the principal of, premium, if any, and interest on the Refunding Bonds. Obligations purchased as an investment of moneys in the Bond Payment Fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund.

17. **Depositories.** All of the banks located in the State of Michigan are hereby designated as permissible depositories of the moneys in the funds established by this Resolution, except that the moneys in the Bond Payment Fund shall only be deposited in such banks where the principal of and interest on the Refunding Bonds are payable. The City Finance Director shall select the depository or depositories to be used from those banks authorized in this Section.

18. **Arbitrage and Tax Covenants.** Notwithstanding any other provision of this resolution, the City covenants that it will not at any time or times:

(a) Permit any proceeds of the Refunding Bonds or any other funds of the City or under its control to be used directly or indirectly (i) to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) in a manner which would result in the exclusion of any Refunding Bond from the treatment afforded by Section 103(a) of the Code by reason of the classification of any Refunding Bond as a "private activity bond" within the meaning of Section 141(a) of the Code, as a "private loan bond" within the meaning of Section 141(a) of the Code or as an obligation guaranteed by the United States of America within the meaning of Section 149(b) of the Code; or

(b) Take any action, or fail to take any action (including failure to file any required information or other returns with the United States Internal Revenue Service or to rebate amounts to the United States, if required, at or before the time or times required), within its control which action or failure to act would (i) cause the interest on the Refunding Bonds to be includible in gross income for federal income tax purposes, cause the interest on the Refunding Bonds to be includible in computing any alternative minimum tax (other than the alternative minimum tax applicable to interest on all tax-exempt obligations generally) or cause the proceeds of the Refunding Bonds to be used directly or indirectly by an organization described in Section 501(c)(3) of the Code, or (ii) adversely affect the exemption of the Refunding Bonds and the interest thereon from the State of Michigan income taxation.

19. **Qualified Tax-Exempt Obligations.** The Refunding Bonds are designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of Section 265 of the Code, unless, at the time the Official Notice of Sale is circulated, the Refunding Bonds have been determined to be ineligible to be so designated on the basis of the City's reasonable expectations at the time of such publication. In such event, the Official Notice of Sale shall be changed appropriately and the Refunding Bond shall there be so designated.

20. **Defeasance or Redemption of Refunding Bonds.** If at any time,

- (a) the whole amount of the principal of and interest on all outstanding Refunding Bonds shall be paid, or
- (b) (i) sufficient moneys, or Government Obligations (as defined in this Section) not callable prior to maturity, the principal of and interest on which when due and payable will provide sufficient moneys, to pay the whole amount of the principal of and premium, if any, and interest on all outstanding Refunding Bonds as and when due at maturity or upon redemption prior to maturity shall be deposited with and held by a trustee or an escrow agent for the purpose of paying the principal of and premium, if any, and interest on such Refunding Bonds as and when due, and (ii) in the case of redemption prior to maturity, all outstanding Refunding Bonds shall have been duly called for redemption (or irrevocable instructions to call such Refunding Bonds for redemption shall have been given)

then, at the time of the payment referred to in clause (a) of this Section or of the deposit referred to in clause (b) of this Section, the City shall be released from all further obligations under this resolution, and any moneys or other assets then held or pledged pursuant to this resolution for the purpose of paying the principal of and interest on the Refunding Bonds (other than the moneys deposited with and held by a trustee or an escrow agent as provided in clause (b) of this Section) shall be released from the conditions of this resolution, paid over to the City and considered excess proceeds of the Refunding Bonds. In the event moneys or Government Obligations shall be so deposited and held, the trustee or escrow agent holding such moneys or Government Obligations shall, within 30 days after such moneys or Government Obligations shall have been so deposited, cause a notice signed by it to be given to the registered holders thereof not more than sixty (60) days nor less than forty-five (45) days prior to the redemption setting forth the date or dates, if any, designated for the redemption of the Refunding Bonds, (y) a description of the moneys or Government Obligations so held by it, and (z) that the City has been released from its obligations under this resolution. All moneys and Government Obligations so deposited and held shall be held in trust and applied only to the payment of the principal of and premium, if any, and interest on the Refunding Bonds at maturity or upon redemption prior to maturity, as the case may be, as provided in this Section.

The trustee or escrow agent referred to in this Section shall (a) be a bank or trust company permitted by law to offer and offering the required services, (b) be appointed by resolution of the City, and (c) at the time of its appointment and so long as it is serving as such, have at least \$25,000,000 of capital and unimpaired surplus. The same bank or trust company may serve as trustee or escrow agent under this Section and as Bond Registrar so long as it is otherwise eligible to serve in each such capacity.

As used in this Section, the term "Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

21. **Filing with Municipal Finance Division.** If necessary, the Chief Administrative Officer of the City is authorized and directed to:

- (a) apply to the Municipal Finance Division of the Michigan Department of Treasury for approval of the sale of the Refunding Bonds;
- (b) file with such application all required supporting material; and
- (c) pay all fees required in connection therewith.

22. **Competitive Sale – Official Notice of Sale:** The City hereby authorizes its Bond Counsel to publish a Notice of Sale at least seven days prior to the date fixed for receipt of bids of the purchase of the Bonds. The Notice of Sale shall be in substantially the form attached to this resolution as Appendix B with such changes therein as are not inconsistent with this resolution and as are approved by the Finance Director after conferring with Bond Counsel. Once all bids are received, the Finance Director shall determine the lowest true interest cost bid and thereafter award the Bonds to the bidder meeting that criteria. The Bond Counsel and Financial Advisor are hereby designated to act for and on behalf of the City to receive bids for the purchase of the Bonds and to take all other steps necessary in connection with the sale, issuance, transfer and delivery thereof in accordance with the provisions of this resolution.

23. **Retention of Bond Counsel.** The firm of Clark Hill PLC, attorneys of Detroit, Michigan, is hereby retained to act as bond counsel for the City in connection with the issuance, sale and delivery of the Refunding Bonds.

24. **Retention of Financial Consultants.** Municipal Financial Consultants Incorporated, Milford, Michigan, is hereby retained to act as financial consultant and advisor to the City in connection with the sale and delivery of the Refunding Bonds.

25. **Conflicting Resolutions.** All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

26. **Effective Date.** This Resolution shall become effective upon its ratification by the Authority and shall be recorded in the minutes of the Council as soon as practicable after adoption.

A roll call vote on the foregoing resolution was then taken, and was as follows:

YES: _____

NO: _____

ABSTAIN: _____

The resolution was declared adopted.

las.r2-por196

CERTIFICATION

STATE OF MICHIGAN)
) SS.
COUNTY OF KALAMAZOO)

The undersigned, being the City Clerk of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the City Council at a _____ meeting held on _____, 2018, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Council in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

_____ City Clerk

[SEAL]

APPENDIX A

**PROJECTED TAX INCREMENT REVENUES
AND DEBT SERVICE COVERAGE**

[PLEASE SEE ATTACHED SCHEDULE]

EXHIBIT A

UNITED STATES OF AMERICA-STATE OF MICHIGAN

CITY OF PORTAGE

County of Kalamazoo, State of Michigan

DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BOND, SERIES 2018

RATE MATURITY DATE DATE OF ISSUANCE CUSIP

_____, 1, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, the City of Portage (the "City"), County of Kalamazoo, State of Michigan, hereby acknowledges itself indebted and promises to pay (but only from the sources referred to herein) on the Maturity Date specified above to the Registered Owner specified above or its registered assigns, the Principal Amount specified above upon presentation and surrender of this bond (this "Refunding Bond") at the designated office of _____, _____, Michigan, as paying agent and bond registrar (the "Bond Registrar"), together with the interest thereon to the Registered Owner of this Refunding Bond, as shown on the books of the City maintained by the Bond Registrar, on the applicable date of record from the Date of Issuance specified above, or such later date through which interest has been paid, at the Rate per annum specified above, commencing on _____, _____, and semi-annually thereafter on the first day of _____ and _____ in each year to and including the Maturity Date. The date of record for each payment of interest shall be the 15th day of the month preceding the date such payment is due. Interest is payable by check or draft mailed by the Bond Registrar to the Registered Owner at the address shown on the books of the City maintained by the Bond Registrar on the applicable date of record and shall be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

This Refunding Bond is one of a series of bonds of like date and tenor except as to denomination, date of maturity and interest rate, numbered from 1 upwards, aggregating the principal sum of _____ Dollars (\$_____), issued by the City, pursuant to and in full conformity with the Constitution and statutes of the State of Michigan and especially Act No. 197, Public Acts of Michigan, 1975, as amended ("Act 197") and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") to provide funds to be deposited with _____, _____, Michigan, as escrow agent (the "Escrow Agent"), under an escrow agreement dated as of _____, _____. The Escrow Agent will use such proceeds to acquire non-callable direct obligations of the United States which, when paid in accordance with their terms, will provide sufficient funds (i) to pay when due, to and including _____, _____, the interest on the City's outstanding _____, dated _____, maturing in the years _____ through _____ (the "Refunded Bonds") and (ii) on _____, to redeem the Refunded Bonds maturing in the years _____ through _____, at a redemption price of _____% of the principal amount thereof.

The Refunding Bonds are being issued pursuant to the provisions of Act 197, and are being issued in anticipation of and are primarily payable from tax increment revenues ("Tax Increment Revenues") to be collected by the Authority for payment to the City, for each year until the principal of and interest on the Refunding Bonds has been paid in full.

In addition, the limited tax pledge of the City is to be irrevocably pledged to the prompt payment of the principal of and interest on the Refunding Bonds when due. If the foregoing Tax Increment Revenues are insufficient for any reason to make the payment of the principal of and interest on the Refunding Bonds when due, then moneys sufficient to meet the deficiency shall be advanced from the General Fund of the City. However, the City's ability to raise such funds is subject to applicable constitutional, statutory and tax limitations.

The Refunding Bonds maturing prior to _____ 1, ____ shall not be subject to redemption prior to maturity. Refunding Bonds on or after _____ 1, ____ shall be subject to redemption prior to maturity at the option of the Authority, in any order, in whole or in part on any date on or after _____ 1, _____. Refunding Bonds called for redemption shall be redeemed at par, plus accrued interest to the date fixed for redemption.

With respect to partial redemptions, any portion of a refunding bond outstanding in a denomination larger than the minimum authorized denomination may be redeemed provided such portion as well as the amount not being redeemed each constitute an authorized denomination. In the event that less than the entire principal amount of a refunding bond is called for redemption, upon surrender of the Refunding Bond to the bond registrar, the bond registrar shall authenticate and deliver to the registered owner of the Refunding Bond a new refunding bond in the principal amount of the principal portion not redeemed.

Notice of redemption shall be sent to the registered holder of each refunding bond being redeemed by first class mail at least thirty (30) days prior to the date fixed for redemption, which notice shall fix the date of record with respect to the redemption if different than otherwise provided in the resolution authorizing the issuance of the refunding bonds. Any defect in such notice shall not affect the validity of the redemption proceedings. Refunding Bonds so called for redemption shall not bear interest after the redemption date, provided funds are on hand with the bond registrar to redeem the same.

This Refunding Bond shall be transferable on the books of the City maintained by the Bond Registrar with respect to the refunding bonds upon the surrender of this Refunding Bond to the Bond Registrar together with an assignment executed by the Registered Owner or his or her duly authorized attorney in form satisfactory to the Bond Registrar. Upon receipt of a properly assigned bond, the Bond Registrar shall authenticate and deliver a new bond or bonds in authorized denominations in equal aggregate principal amount and like interest rate and maturity to the designated transferee or transferees.

This Refunding Bond may likewise be exchanged for one or more other bonds with the same interest rate and maturity in authorized denominations aggregating the same principal amount as the bond or bonds being exchanged. Such exchange shall be effected by surrender of the bond to be exchanged to the Bond Registrar with written instructions signed by the Registered Owner of the bond or his or her attorney in form satisfactory to the Bond Registrar. Upon receipt of a bond with proper written instructions the Bond Registrar shall authenticate and deliver a new bond or bonds to the Registered Owner of the bond or his or her properly designated transferee or transferees or attorney.

The Bond Registrar is not required to honor any transfer or exchange of refunding bonds during the fifteen (15) days preceding an interest payment date. Any service charge made by the Bond Registrar for any such registration, transfer or exchange shall be paid for by the City, unless otherwise agreed by the City and the Bond Registrar. The Bond Registrar may, however, require payment by a bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection with any such registration, transfer or exchange.

This Refunding Bond and the other bonds of this series have ____ been designated as "qualified tax-exempt obligations" for purposes of Paragraph 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Refunding Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit until the certificate of authentication hereon has been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that all things, conditions and acts required to exist, happen and be performed precedent to and in connection with the issuance of this Refunding Bond and the other bonds of this series, existed, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Michigan, and that the total indebtedness of the City, including the series of refunding bonds of which this is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Portage, County of Kalamazoo, Michigan, has caused this Refunding Bond to be executed in its name with the facsimile signatures of its Mayor and its City Clerk, has caused a facsimile of its seal to be affixed hereto, and has caused this Refunding Bond to be authenticated by the Bond Registrar, as the City's authenticating agent, all as of the Date of Issuance set forth above.

CITY OF PORTAGE

By:
Mayor

[SEAL]

By:
City Clerk

DATE OF AUTHENTICATION:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is Refunding Bond is one of a series of bonds designated "City of Portage Downtown Development Limited Tax Refunding Bonds, Series 2018".

By: _____, Michigan
as Bond Registrar and Authenticating Agent
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ this Refunding Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer this Refunding Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature:

Notice: The signature(s) to this assignment must correspond with the name as it appears upon the face of this Refunding Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The transfer agent will not effect transfer of this Refunding Bond unless the information concerning the transferee requested below is provided:

Name and Address: _____

(Include information for all joint owners if bond is held by joint account)

PLEASE INSERT SOCIAL SECURITY NUMBER OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Insert number for first named transferee if held by joint account)

EXHIBIT B

ORDER ADJUSTING MATURITIES

\$ _____
CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018

The undersigned, City Finance Director, as authorized in the Award Resolution for the above referenced refunding bonds adopted by the City Council on _____ 1, _____, hereby establishes the final maturities for said refunding bonds with interest rates thereon, as follows:

Due		
<u>Oct. 1</u>	<u>Amount</u>	<u>Rate</u>

Dated: _____

City Finance Director

ESCROW AGREEMENT

CITY OF PORTAGE

This escrow agreement (the "Agreement"), dated as of _____ 1, _____, is between the City of Portage (the "City"), County of Kalamazoo, Michigan, and _____, Michigan, as escrow agent (the "Escrow Agent").

WHEREAS, the City has previously issued the following bonds of which the principal amount listed below remains outstanding (all of such outstanding bonds being referred to as the "Prior Bonds", and the Prior Bonds to be refunded referred to as the "Refunded Bonds"):

<u>Prior Bonds</u>	<u>Outstanding Principal</u>	<u>Principal to be Refunded</u>
City of Portage Downtown Development Limited Tax Bonds, Series 2003	\$ _____ maturing in _____ the years _____ thru _____	\$ _____ maturing in _____ the years _____ thru _____

all bearing interest, due as to principal and subject to redemption as more fully described in *APPENDIX I* to this Agreement.

WHEREAS, for the purpose of refunding the Refunded Bonds the City has, pursuant to a refunding bond resolution adopted on _____, _____ (the "Refunding Bond Resolution") authorized the issuance of an issue of refunding bonds dated _____, _____, as designated and described in the Bond Resolution and hereafter (the "Refunding Bonds"); and

WHEREAS, pursuant to the Refunding Bond Resolution the Escrow Agent has been appointed by the City for the purpose of assuring the payment of the principal of, premium, if any, and interest on the Prior Bonds and the Mayor has been authorized and directed to execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below the City and the Escrow Agent agree as follows for the respective equal and proportionate benefit and security of the holders of the Prior Bonds;

Section 1. Appointment of Escrow Agent. The Escrow Agent is hereby appointed and agrees to act in such capacity to comply with all requirements of this Agreement, and to be custodian of the escrow fund (the "Escrow Fund"), to perform its duties as custodian of the Escrow Fund created under this Agreement, but only upon and subject to the following express terms and conditions:

(a) The Escrow Agent may perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standards specified in this Agreement and shall be entitled to advice of counsel concerning all matters of and the duties under this Agreement, and may in all cases pay such reasonable compensation to

such counsel and in addition to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the same. The Escrow Agent may act upon the opinion or advice of any counsel. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(b) The Escrow Agent shall not be responsible for any recital in this Agreement, or in the Refunding Bonds or for the validity of the execution by the City of this Agreement or of any supplements to it or instruments of further assurance. The Escrow Agent shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City, except as set forth in this Agreement. The Escrow Agent shall be only obligated to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

(c) The Escrow Agent may become the owner of the Refunding Bonds or Prior Bonds with the same rights which it would have if not Escrow Agent.

(d) The Escrow Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telex, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Escrow Agent pursuant to this Agreement upon the request or consent of any person who at the time of making such request or consent is the owner of any Prior Bond, shall be conclusive and binding upon all future owners of the same Prior Bond.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled to rely upon a certificate of the City signed by (i) the Mayor, or (ii) any other duly authorized person as sufficient evidence of the facts contained in it, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the Mayor to the effect that a resolution in the form attached to such certificate has been adopted by the City as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Escrow Agent to do things enumerated in this Agreement shall never be construed as a duty. The Escrow Agent shall only be responsible for the performance of the express duties outlined in this Agreement and it shall not be answerable for other than its gross negligence or willful default in the performance of those express duties.

(g) At any and all reasonable times the Escrow Agent and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the City pertaining to the Prior Bonds, and to take such memoranda from and in regard to the same as may be desired.

(h) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the powers contained in or otherwise in respect to this Agreement.

(i) Before taking any action under this Agreement (except making investments, collecting investments and making payments to the paying agents with respect to the Prior Bonds) the Escrow Agent may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability except liability which is adjudicated to have resulted from gross negligence or willful default by reason of any action so taken.

Section 2. Escrow Fund. On _____, _____ the City will irrevocably deposit with the Escrow Agent for the account of the City from the proceeds of the Refunding Bonds and from other City funds available therefor to establish an Escrow Fund for the Prior Bonds an amount which together with the investment income therefrom, shall be held in the Escrow Fund to be maintained by the Escrow Agent and used to pay interest on the Prior Bonds when due to and including _____, _____ and on that date to redeem and pay principal of and call premiums on the Refunded Bonds in accordance with Section 3 hereof.

Section 3. Redemption of Refunded Bonds. The City will redeem, prior to their scheduled maturity, Refunded Bonds as follows:

<u>Prior Bonds</u>	<u>Principal to be Refunded</u>
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City of Portage Downtown Development Limited Tax Bonds, Series 2003 \$ _____	maturing in the years
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The City by execution of this Escrow Agreement, hereby authorizes the Escrow Agent to give the paying agent for the Refunded Bonds irrevocable instructions to call the Refunded Bonds and at the expense of the City not more than forty five (45) nor less than 30 (30) days before _____ 1, _____, their redemption date. The Escrow Agent shall give to the paying agent for the Refunded Bonds such notice, in substantially the form attached to this Agreement as *APPENDIX III*. The paying agent for the Refunded Bonds shall mail such notice on or before thirty (30) days prior to the redemption date, as set forth in *APPENDIX III*, to the registered owner or owners at the addresses listed on the registration books of the Authority maintained by the paying agent for the Refunded Bonds.

Section 4. Investments. As directed by the City, moneys deposited in the Escrow Fund shall be immediately invested in direct obligations of the United States of America and/or obligations the principal of, premium, if any, and interest on which are fully guaranteed by the United States of America described on *APPENDIX IV* ("Investment Securities").

The investment income from the Investment Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Escrow Agent shall not sell any Investment Securities. All moneys not invested as provided in this Agreement shall be held by the Escrow Agent as a trust deposit.

Section 5. Use of Moneys. Except as expressly provided in this Agreement, no paying agents' fees for the payment of principal of, premium, if any, or interest on the Refunding Bonds or the Prior Bonds or other charges may be paid from the escrowed moneys or Investment Securities prior to retirement of all Prior Bonds, and the City agrees that it will pay all such fees from its other legally available funds as such payments become due prior to such retirement.

Section 6. Deficiency in Escrow Fund. At such time or times as there shall be insufficient funds on hand in the Escrow Fund for the payment of principal of, premium, if any, and interest falling due on the Prior Bonds, the Escrow Agent shall promptly notify the City of such deficiency.

Section 7. Reports to City. The Escrow Agent shall deliver to the Mayor of the City a semi-annual statement reflecting each transaction relating to the Escrow Fund; and on or before the first day of _____ of each year shall deliver to the City a list of assets of the Escrow Fund as of December 31 of such year and an operating statement for the Escrow Fund for the year then ended.

Section 8. Fees of Escrow Agent. The Escrow Agent agrees with the City that the charges, fees and expenses of the Escrow Agent throughout the term of this Agreement (other than the acceptance fee of the Escrow Agent) shall be the total sum of _____ Dollars (\$_____) payable on the date of closing, which charges, fees and expenses shall be paid from monies deposited with the Escrow Agent from bond proceeds and other available funds of the City, subject to the provisions of Section 12 below.

Section 9. Payments from Escrow Fund. The Escrow Agent shall without further authorization or direction from the City, collect the principal of, premium, if any, and interest on the Investment Securities promptly as the same shall become due and, to the extent that Investment Securities and moneys are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Prior Bonds, of moneys sufficient for the payment of the principal of, premium, if any, and interest on such Prior Bonds as the same shall become due and payable, all as set out in *APPENDIX II*. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal of, premium, if any, and interest by such paying agent or agents without default. The City represents and warrants that the Escrow Funds will be sufficient to make the foregoing and all other payments required under this Agreement. The proper paying agent for the Prior Bonds is shown in *APPENDIX I*.

When the aggregate total amount required for the payment of principal of, premium, if any, and interest on the Prior Bonds has been paid to the paying agent as provided above, the Escrow Agent shall transfer any moneys or Investment Securities then held under this Agreement for the Prior Bonds to the City, and this Agreement shall cease.

Section 10. Interest of Bondholders Not Affected. The Escrow Agent and the City recognize that the holders from time to time of the Prior Bonds have a beneficial and vested interest in the Investment Securities and moneys to be held by the Escrow Agent as provided in this Agreement. It is therefore recited, understood and agreed that this Agreement shall not be subject to revocation or amendment and no moneys on deposit in an Escrow Fund for the Prior Bonds can be used in any manner for another series.

Section 11. Escrow Agent Not Obligated. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own moneys or otherwise incur financial liability in the performance of any of its duties or the exercise of any of its rights or powers under this Agreement. The Escrow Agent shall be under no liability for interest on any funds or other property received by it under this Agreement, except as expressly provided.

Section 12. Payment of Other Amounts. The City agrees that it will promptly and without delay remit to the Escrow Agent such additional sum or sums of money as may be necessary to assure the payment of any Prior Bonds and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of

the duties, terms or provisions of this Agreement that are in excess of the sums provided for under Section 8 above.

Section 13. Segregation of Funds. The Escrow Agent shall hold the Investment Securities and all moneys received by it from the collection of, principal and interest on the Investment Securities, and all moneys received from the City under this Agreement, in a separate escrow account.

Section 14. Resignation of Escrow Agent. The Escrow Agent may resign as such following the giving of thirty (30) days prior written notice to the City. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days prior written notice to the Escrow Agent by the City. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable); and, the Escrow Agent shall then deliver the balance of the Escrow Fund then in its possession to a successor Escrow Agent as shall be appointed by the City.

If the City shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief; and, any such resulting appointment shall be binding upon the City.

Upon acknowledgment by any successor Escrow Agent of the receipt of the then remaining balance of the Escrow Fund, the then acting Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

Section 15. Benefit. This Agreement shall be for the sole and exclusive benefit of the City, the Escrow Agent and the holders of the Prior Bonds. With the exception of rights expressly conferred in this Agreement, nothing expressed in or to be implied from this Agreement is intended or shall be construed to give to any person other than the parties set forth above, any legal or equitable right, remedy or claim under or in respect to this Agreement.

Section 16. Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions contained in this Agreement or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 17. Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by facsimile transmission, except reports as required in Section 7 which may be delivered by regular mail, as follows:

If to the City:

Attention: _____
FAX: _____

If to the Escrow Agent:

Attention: _____
FAX: _____

The City and the Escrow Agent may designate any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent and shall be required to provide written notification of said address change.

Section 18. **Costs of Issuance.** Simultaneously with the transfer of bond proceeds from the Refunding Bonds establishing the Escrow Fund, sufficient moneys from bond proceeds shall be transferred to the Trustee and used to pay all of the costs of issuance for the Refunding Bonds including, but not limited to, financial costs, consultant fees, counsel fees, printing costs, application fees, bond insurance premiums, rating fees and any other fees or costs incurred in connection with the financing. All such costs shall be authorized by the County Treasurer, under the "Instructions to Trustee for Disbursement of Expenses at Closing", and shall be paid on the date of closing.

Section 19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed it by their duly authorized officers as of the date first above written.

CITY OF PORTAGE

By: _____

Its Mayor

and

By: _____

Its Clerk

_____, as Escrow Agent

By: _____

Its: _____

APPENDIX I

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX BONDS, SERIES 2003**

Dated as of _____ 1, ____

SCHEDULE OF PRINCIPAL, PREMIUM AND INTEREST REQUIREMENTS

Bond Registrar and Paying Agent:

Attention: _____

NOTE: Bonds maturing prior to ____ shall not be subject to redemption prior to maturity. Bonds maturing in the years ____ through ____, inclusive, shall be subject to redemption prior to maturity, at the option of the City, in any order, in whole or in part, on or after _____, _____. Bonds so called for redemption at par, plus accrued interest to the date fixed for redemption.

APPENDIX II

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018**

Sources of Funds

Bond Proceeds	\$ _____
Issuer Contribution	_____
Good Faith Check Interest	_____
Accrued Interest	_____
TOTAL	\$ _____

Uses of Funds

Cost of Escrow Fund	\$ _____
Costs of Issuance	_____
Accrued Interest	_____
Underwriter's Discount	_____
TOTAL	\$ _____

APPENDIX III

NOTICE OF REDEMPTION

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX BONDS, SERIES 2003**

**KALAMAZOO COUNTY
STATE OF MICHIGAN**

DUE _____ THROUGH _____

NOTICE IS HEREBY GIVEN that the City of Portage, Kalamazoo County, Michigan has called for redemption, on _____, _____, (the "Redemption Date"), outstanding maturities of the subject Issue (the "Bonds"), at ____% of the par value, as follows:

<u>Maturity</u>	<u>Due</u>	<u>CUSIP</u>	<u>Rate</u>
\$____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%
____,000	_____	_____	____%

The Bonds to be redeemed should be surrendered on the Redemption Date. The Bonds shall not bear interest on and after the Redemption Date, whether the Bonds are presented for redemption or not.

Bonds may be surrendered for payment at the office of the Bond Registrar and Paying Agent indicated below. Method of delivery is at the option of the Holder, but if by mail, registered mail is suggested.

If by U.S Mail:

Otherwise:

CITY OF PORTAGE

By: _____

Dated: _____

NOTE: Under the provisions of the Interest and Dividend Tax Compliance Act of 1983 and the Comprehensive National Energy Policy Act of 1992, paying agents making payments of principal on municipal securities may be obligated to withhold a 31% tax from remittances to individuals who have failed to furnish the paying agent with a certified and valid Taxpayer Identification Number on a fully completed Form W-9. Holders of the above described Bonds, who wish to avoid the application of these provisions, should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption or for payment at maturity.

APPENDIX IV

**CITY OF PORTAGE
County of Kalamazoo, State of Michigan
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018**

Investment Securities to be Acquired Pursuant
to the Escrow Agreement

<u>Purchase</u>	<u>Investment</u>			
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>	<u>Investment Type</u>

EXHIBIT D
[FORM OF OFFICIAL NOTICE OF SALE]

§
CITY OF PORTAGE
County of Kalamazoo, State of Michigan

CITY OF PORTAGE
DOWNTOWN DEVELOPMENT LIMITED TAX REFUNDING BONDS, SERIES 2018

SEALED OR ELECTRONIC PROPOSALS: Sealed written proposals for the purchase of the bonds described herein (the "Refunding Bonds") will be received by the undersigned for and on behalf of the City of Portage (the "City") at the Office of the _____, _____, on _____, _____ until ____:____.m., Eastern _____ Time, at which time and place said proposals will be publicly opened and read.

In the alternative, sealed written proposals will also be received on the same date and until the same time by an agent of the undersigned at the Municipal Advisory Council of Michigan, Buhl Building, 535 Griswold, Suite 1850, Detroit, Michigan, 48226, where they will be publicly opened simultaneously. Proposals received at _____, Michigan, will be read first, followed by those proposals received at the alternate location. Proposers may choose either location to present proposals and good faith checks, but not both locations. Any proposer may submit a proposal in person to either proposing location. However, no proposer is authorized to submit a FAX proposal to _____.

Also in the alternative, electronic proposals will also be received on the same date and until the same time by an agent of the undersigned Bidcomp/Parity. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Eric Washington, 1359 Broadway, 2nd Floor, New York, NY, 10018, (212) 849-5021.

If any provision of this Official Notice of Sale shall conflict with information provided by Bidcomp/Parity as the approved provider of electronic proposing services, this Official Notice of Sale shall control.

The Refunding Bonds will be awarded or all proposals will be rejected by the City Finance Director at a proceeding to be held within twenty-four hours of the sale.

BOND DETAILS: The Refunding Bonds will be dated _____ 1, _____ and will be known as "City of Portage, Downtown Development Limited Tax Refunding Bonds, Series 2018". The Refunding Bonds will be fully registered Refunding Bonds in any one or more denominations of \$5,000 or a multiple of \$5,000, numbered from 1 upwards and will bear interest from their date payable _____ 1, _____ and semi-annually thereafter until maturity. The Refunding Bonds will mature on the 1st day of _____ in each year as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
-------------	---------------	-------------	---------------

PRIOR REDEMPTION: The Refunding Bonds shall not be subject to redemption prior to maturity.

PRESENT VALUE SAVINGS: The Refunding Bonds must generate present value savings. If after the proposals are received and the final refunding analysis has been calculated, there is no present value savings to the Authority, the Authority shall exercise its right to reject all the proposals and the Refunding Bonds shall not be awarded.

INTEREST RATE AND PROPOSING DETAILS: The Refunding Bonds shall bear interest at a rate or rates not exceeding ___% per annum, to be fixed by the proposals therefor, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only. All bonds maturing in any one year must carry the same interest rate. THE INTEREST RATE BORNE BY BONDS MATURING IN ANY YEAR SHALL NOT BE AT A RATE LOWER THAN THE RATE BORNE BY BONDS MATURING IN ANY PRECEDING YEAR. No proposal for the purchase of less than all of the Refunding Bonds, at a price less than ___% of their par value or at an interest rate or rates that will result in a net interest cost exceeding ___%, will be considered.

TERM BOND OPTION: Refunding Bonds maturing in the years ____ - ____, inclusive, are eligible for designation by the original purchaser at the time of sale as serial bonds or term bonds, or both. There may be more than one term bond maturity. However, principal maturities designated as term bonds shall be subject to mandatory redemption, in part, by lot, at par and accrued interest on _____ 1st of the year in which the Refunding Bonds are presently scheduled to mature. Each maturity of term bonds and serial bonds must carry the same interest rate. Any such designation must be made at the time the proposals are submitted.

BOOK-ENTRY-ONLY: The Refunding Bonds will be issued in book-entry-only form as one fully-registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Refunding Bonds. Purchase of the Refunding Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their interest in Refunding Bonds purchased. The book-entry-only system is described further in the nearly final official statement for the Refunding Bonds.

BOND REGISTRAR, PAYING AGENT AND DATE OF RECORD: _____, Michigan has been selected as paying agent and bond registrar (the "Bond Registrar") for the Refunding Bonds. The Bond Registrar will keep records of the registered holders of the Refunding Bonds, serve as transfer agent for the Refunding Bonds, authenticate the original and any re-issued refunding bonds and pay interest by check or draft mailed to the registered holders of the Refunding Bonds as shown on the registration books of the City kept by the Bond Registrar on the applicable date of record. The date of record for each interest payment shall be the 15th day of the month before such payment is due. The principal of and redemption premium, if any, on the Refunding Bonds will be paid when due upon presentation and surrender thereof to the Bond Registrar. As long as DTC, or its nominee Cede & Co., is the registered owner of the Refunding Bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Refunding Bonds is the responsibility of DTC participants and indirect participants as described in the nearly final official statement for the Refunding Bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The Refunding Bonds are to be issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "Act"), and Act No. 34, Public Acts of Michigan, 2001, as amended ("Act 34") and as specified in the Authority's development and tax increment financing plan, in anticipation of the collection of certain tax increment revenue payments from the City of Portage Downtown Development Authority (the "Authority") to the

City for the purpose of paying costs of refunding the outstanding City of Portage, Downtown Development Limited Tax Bonds, Series 2003 in the aggregate principal amount of \$1,945,000 maturing in the years 2019 through 2027 (the "Refunded Bonds"). In addition, the City has pledged its limited tax full faith and credit as additional security for the payment of the principal of and interest thereon, and pursuant to such pledge, should funds primarily pledged be insufficient for payment, the City is obligated to make such payment from its general funds or from any taxes which it may levy within applicable constitutional and statutory limitations. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity including those related to equitable subordination.

ESCROW AGENT: Proceeds from the Refunding Bonds will be transferred to _____, _____ as escrow agent (the "Escrow Agent") under an escrow agreement (the "Agreement"), who will use such proceeds to acquire investment obligations sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds when due or upon the first permissible redemption date for the Refunded Bonds.

ADJUSTMENT IN PRINCIPAL AMOUNT: The aggregate principal amount of this issue has been determined as the amount necessary to defease the Refunded Bonds and pay a portion or all of the costs of issuance of the Refunding Bonds, assuming certain conditions and events exist on the date of sale. The City reserves the right to increase or decrease the total par amount of the Refunding Bonds by any amount prior to the sale or following the opening of proposals. The purchase price will be adjusted proportionately to the increase or decrease in issue size, but the interest rates specified by the successful proposer for all maturities will not change. The successful proposer may not withdraw the proposal as a result of any changes made within these limits.

ADJUSTMENT IN DISCOUNT: In the event the principal amount of this issue is increased or decreased, the premium or discount bid, if any, will be adjusted upwards or downwards so that it is the same percent as the premium or discount originally bid.

BOND INSURANCE AT PURCHASER'S OPTION: If the Refunding Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the proposer/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the option and expense of the purchaser of the Refunding Bonds. Any increased costs of issuance of the Refunding Bonds resulting from such purchase of insurance shall be paid by the purchaser. Any rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE REFUNDING BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE REFUNDING BONDS FROM THE CITY.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a wire transfer in an amount equal to 2% (\$_____) of the face amount of the Refunding Bonds, and payable to the order of the Authority will be required of the successful proposer as a guarantee of good faith on the part of the proposer, to be forfeited as liquidated damages if such proposal be accepted and the proposer fails to take up and pay for the Bonds. If a check is used, it must accompany each proposal. If a wire transfer is used, the successful proposer is required to wire the good faith deposit not later than Noon, prevailing Eastern Time, on the next business day following the sale using the wire instructions provided by Municipal Financial Consultants Incorporated. The good faith deposit will be applied to the purchase price of the Bonds. No interest shall be allowed on the good faith checks, and checks of each unsuccessful proposer will be promptly returned to such proposer's representative or by

registered mail. The good faith check of the successful proposer will be cashed immediately, in which event, payment of the balance of the purchase price of the Bonds shall be made at the closing.

AWARD OF THE REFUNDING BONDS – TRUE INTEREST COST: : The Bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on: May 1, 2018 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment dates to May 1, 2018 in an amount equal to the price proposed, excluding accrued interest. May 24, 2018 is the anticipated date of delivery of the Bonds.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Clark Hill PLC, Detroit, Michigan (the "Bond Counsel"), a copy of which will be printed on the reverse side of each bond and the original of which will be furnished without expense to the Purchaser of the Bonds at the delivery thereof. The fees of Bond Counsel for its services in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue such opinion and as described in the official statement, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or other materials that have been or may be furnished in connection with the authorization, marketing or issuance of the Bonds and, therefore, has not expressed and will not express an opinion with respect to the accuracy or completeness of the official statement or any such financial documents, statements or materials.

TAX MATTERS: : It is the opinion of Clark Hill PLC, Bond Counsel, based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, the interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the individual federal alternative minimum tax. For corporations with tax years beginning after December 31, 2017, the corporate alternative minimum tax was repealed by Public Law No. 115-97 (the "**Tax Cuts and Jobs Act**") enacted on December 22, 2017, effective for tax years beginning after December 31, 2017. For tax years beginning before January 1, 2018, interest on the Bonds is not an item of tax preference for purposes of the corporate alternative minimum tax in effect prior to enactment of the Tax Cuts and Jobs Act; however, interest on the Bonds held by a corporation (other than an S Corporation, regulated investment company, or real estate investment trust) may be subject to the federal alternative minimum tax for tax years beginning before January 1, 2018 because of its inclusion in the adjusted current earnings of a corporate holder. The opinion set forth above is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds and the interest thereon.

In the opinion of Clark Hill PLC, Bond Counsel, based on its examination of the documents described in its opinion, under existing law as enacted and construed on the date of the initial delivery of the Bonds, [the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or a political subdivision thereof, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.]

"QUALIFIED TAX EXEMPT OBLIGATIONS": The Refunding Bonds have ____ been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

"ISSUE PRICE": The winning bidder shall assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form provided by Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel. All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Issuer is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that competitive sale requirements are satisfied, the winning bidder shall be expected to certify as to the reasonably expected initially offering price of the Bonds to the public.

In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer shall treat (i) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as of the sale date as the issue price of that maturity and (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds not satisfying the 10% test as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. Any maturity of the Bonds (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) that does not satisfy the 10% test as of the date and time of the award of the Bonds shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that any maturity of the Bonds is subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

By submitting a bid, each bidder confirms that, except as otherwise provided in its bid, it has an established industry reputation for underwriting new issuances of municipal bonds, and, further, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering

price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Issuer acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial

sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

DELIVERY OF BONDS: The City will furnish Refunding Bonds ready for execution at its expense. Refunding Bonds will be delivered without expense to the purchaser. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the Refunding Bonds, will be delivered at the time of delivery of the Refunding Bonds. If the Refunding Bonds are not tendered for delivery by twelve o'clock noon, Eastern Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful proposer may on that day, or any time thereafter until delivery of the Refunding Bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the Refunding Bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the Refunding Bonds shall be paid by the purchaser at the time of delivery. The Refunding Bonds will be delivered on May 24, 2018.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE: In order to assist proposers in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to resolutions adopted or to be adopted by their governing body), to provide annual reports and timely notice of certain events for the benefit of beneficial owners of the Refunding Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the City, a form of which is included in the nearly final official statement and in the final official statement.

OFFICIAL STATEMENT:

Hard Copy

A copy of the nearly final official statement (the "Nearly Final Official Statement") may be obtained by contacting Municipal Financial Consultants Incorporated at the address listed below. The Nearly Final Official Statement is in a form deemed final as of its date by the City for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion of a final official statement (the "Final Official Statement"). The successful proposer shall supply to the City, within twenty-four (24) hours after the award of the Refunding Bonds, all pricing information and any underwriter identification determined by Bond Counsel to be necessary to complete the Final Official Statement.

Internet

In addition, the City has authorized the preparation and distribution of a Nearly Final Official Statement containing information relating to the Refunding Bonds via the Internet. The Nearly Final Official Statement can be viewed and downloaded at www.i-dealprospectus.com or at www.tm3.com.

The City will furnish to the successful proposer, at no cost, 10 copies of the Final Official Statement within seven (7) business days after the award of the Refunding Bonds. Additional copies will be supplied upon the proposer's agreement to pay the cost incurred by the City for those additional copies.

The City shall deliver, at closing, an executed certificate to the effect that as of the date of delivery the information contained in the Final Official Statement, including revisions, amendments and completions as necessary, relating to the City and the Refunding Bonds is true and correct in all material respects, and that such Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Refunding Bonds, but neither the failure to print such numbers nor any improperly printed number shall constitute cause for the purchaser to refuse to accept delivery of or to pay for the Refunding Bonds. All expenses for printing CUSIP numbers on the Refunding Bonds shall be paid for by the City, except that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

ADDITIONAL INFORMATION: Further information may be obtained from the undersigned at the address specified above or from Municipal Financial Consultants Incorporated, 400 North Main Street, Milford, Detroit, Michigan 48381, John R. Axe, telephone (313) 330-9696 or from Steven Burke, CFA, telephone (313) 782-3011, email: os@mfcj.com.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL PROPOSALS.

ENVELOPES: Envelopes containing the proposals should be plainly marked "Proposal for City of Portage, Downtown Development Limited Tax Refunding Bonds, , Series 2018."

William Furry, Finance Director
City of Portage

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Final Preliminary Plat (engineering plans) for West Lake Estates, 9300 Portage Road.

SUPPORTING PERSONNEL: Chris Forth, Deputy Director of Planning, Development & Neighborhood Services

ACTION RECOMMENDED: Approve the Final Preliminary Plat (engineering plans) for West Lake Estates, 9300 Portage Road.

On February 27, 2018, City Council approved the Preliminary Plat of West Lake Estates, 9300 Portage Road. AEG Development, LLC has requested approval of the Final Preliminary Plat (engineering plans) for the twenty (20) lot subdivision that involves the following public improvements:

- Construction of a new public cul-de-sac (West Lake Trail) from Lakeview Drive. An approximate 2.65 acre wetland area exists along the northern portion of the property, along the south side of Lakeview Drive. A small portion of this wetland area is proposed to be modified to accommodate the proposed public street. The developer has been in communication with the Michigan Department of Environmental Quality (MDEQ) and this wetland modification will require appropriate approval/permitting from the MDEQ prior to construction of the plat.
- Installation of four-foot-wide concrete sidewalks along both sides of the new public street and along the south side of the realigned Lakeview Drive, from West Lake Trail to Portage Road. A five-foot-wide concrete sidewalk will also be installed along the Portage Road frontage.
- The sanitary sewer system will consist of 8-inch diameter sewer mains and individual laterals constructed to serve each lot in accordance with City of Portage requirements. The proposed system will connect to the existing sanitary sewer main located within Lakeview Drive.
- The water system will consist of 8-inch diameter ductile iron mains and 1¼-inch services to each individual lot. The proposed system will connect to the existing water main located along Lakeview Drive.
- Storm water from the majority of the proposed subdivision (Lots 4 through 18) will be collected and conveyed to a storm water infiltration basin located in the upland/southeast portion of the property, between Lots 3 and 4. Storm water from the northeast portion of the subdivision (Lots 1, 2, 3, 19 and 20) will be collected and conveyed to a storm water infiltration basin located along the north side of Lot 1, with an overflow discharge to the adjacent wetland area located to the west. The developer has been in communication with the MDEQ and appropriate approval/permitting from the MDEQ will be required prior to

construction of the plat. The design of the system will reduce the direct storm water flow to the existing wetland area located in the northern area adjacent to Lakeview Drive.

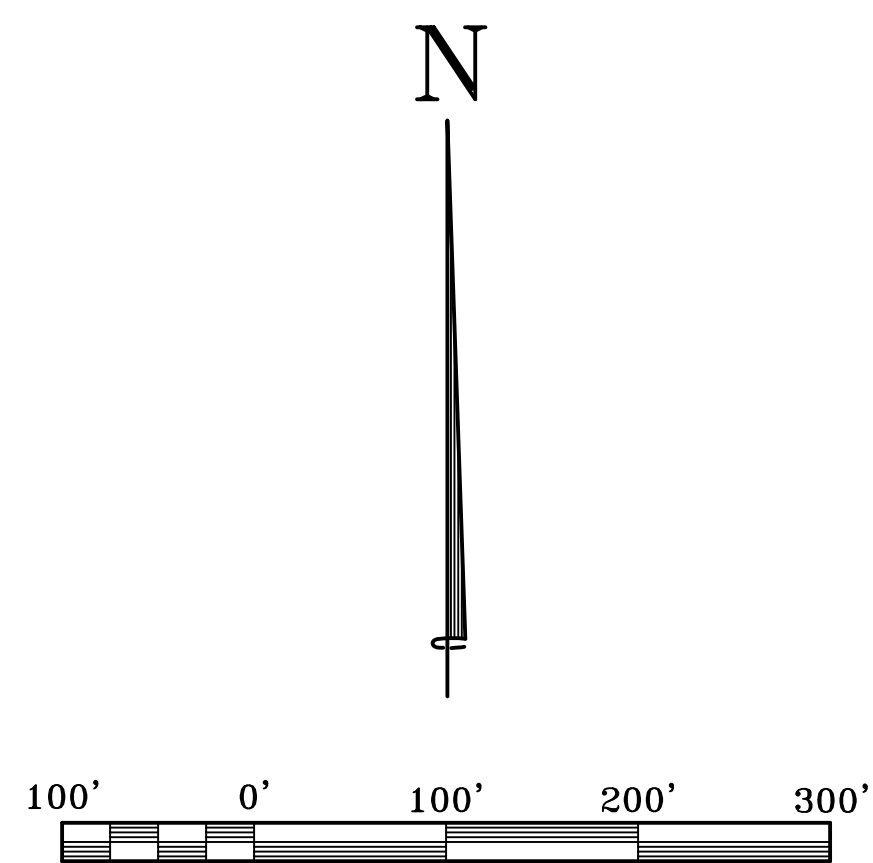
The departments of Community Development, Public Safety and Transportation and Utilities have reviewed the construction drawings and have determined that the plans are in conformance with city requirements. Based on the administrative review, it is recommended that Final Preliminary Plat approval be granted for West Lake Estates, 9300 Portage Road. This action will allow the developer to proceed with the construction of the infrastructure improvements. When construction is complete, the developer will request Final Plat approval from City Council and acceptance of the public improvements (street, water and sanitary sewer mains, storm water facilities) by the city.

FUNDING: Not applicable

Attachments: 1. Final Preliminary Plat (engineering plans) West Lake Estates, 9300 Portage Road

CONSTRUCTION PLANS for "WEST LAKE ESTATES"

(NOTE: THESE CONSTRUCTION PLANS ARE ALSO KNOWN AS THE 'FINAL PRELIMINARY PLAT')



ELEVATION BENCHMARK:
R.R. SPIKE ON SOUTH SIDE
OF UTILITY POLE.
ELEVATION = 859.39 (CITY DATUM)
(IN FRONT OF #1713
LAKEVIEW DRIVE)

ELEVATION BENCHMARK:
R.R. SPIKE ON SOUTH SIDE
OF UTILITY POLE.
ELEVATION = 860.66 (CITY DATUM)
(IN FRONT OF #2019
LAKEVIEW DRIVE)

REGULATED WETLAND
AREA IN ACCORDANCE
WITH PART 303,
WETLANDS PROTECTION,
OF THE NATURAL
RESOURCES AND
ENVIRONMENTAL
PROTECTION ACT, 1994
PA 451, AS AMENDED

R-1C ZONING INFORMATION:
(SUBJECT PROPERTY IS CURRENTLY ZONED R-1C)
MINIMUM 12,000 SQ. FT. AREA WITH SEWER & WATER
MINIMUM 100' LOT WIDTH WITH SEWER & WATER
MINIMUM 30' FRONT YARD SETBACK
MINIMUM 12' SIDE YARD SETBACK
MINIMUM 40' REAR YARD SETBACK
MAXIMUM BUILDING COVERAGE OF LOT = 25%
(ALSO SEE SEC. 42-551 & 42-552 OF CITY OF
PORTAGE LAND DEVELOPMENT REGULATIONS).

NOTE: NOTE LOTS 1 THROUGH 17
HAVE WIDTHS BETWEEN 90' AND
110'. THESE LOTS SHALL BE
DEVELOPED PER SECTION
42-350 D (AVERAGING OF
LOT SIZES) WITHIN THE CITY
OF PORTAGE LAND DEVELOPMENT
REGULATIONS.

FIRE DEPT. NOTES

COMBUSTIBLE BUILDING CONSTRUCTION SHALL NOT
COMMENCE UNTIL FIRE HYDRANTS ARE OPERABLE AND
AN ALL WEATHER ROAD SURFACE IS IN PLACE.

THE FIRE FLOW FOR EACH BUILDING IS 1000 GPM FROM
ONE HYDRANT WITHIN 400' OF ALL PORTIONS OF THE
BUILDING. THIS FLOW IS BASED ON THE FLOOR AREA OF
ALL FLOORS INCLUDING BASEMENT FOR A BUILDING OF TYPE
V-B CONSTRUCTION. SHOULD A BUILDING EXCEED 3600
SQUARE FEET, THE MINIMUM FIRE FLOW WILL BE BASED ON
THE SIZE AND TYPE OF CONSTRUCTION FOR THAT BUILDING.

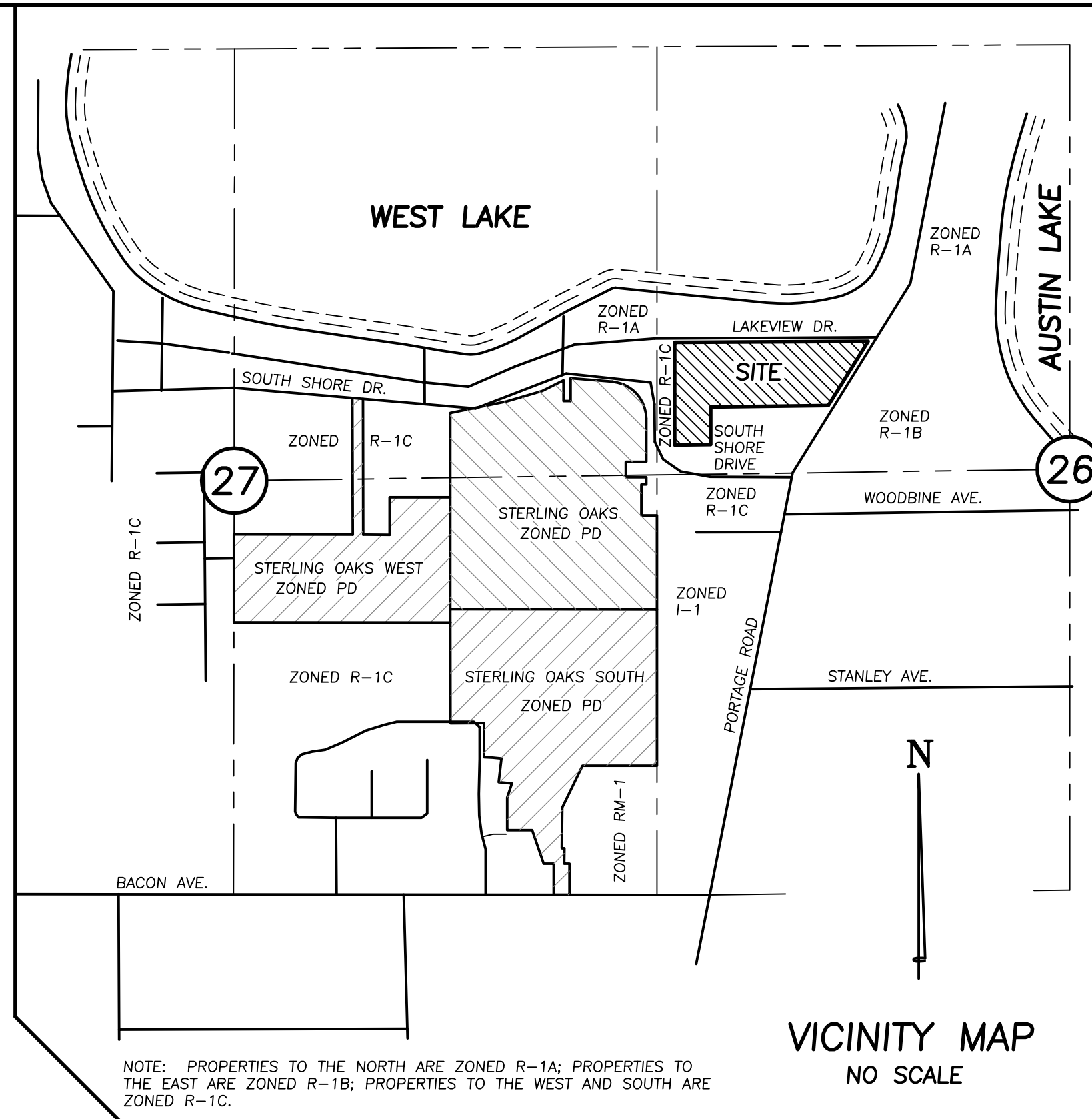
FIRE APPARATUS ACCESS ROADS 26 FEET WIDE OR WIDER
SHALL BE POSTED ON ONE SIDE AS A FIRE LANE.

A PDF FORMAT FILE OF THE APPROVED SITE PLAN SHALL BE
PROVIDED TO THE FIRE DEPARTMENT.

PARCEL DESCRIPTION: (NOTE: NEW METES & BOUNDS PARCEL DESCRIPTION IS PENDING)
A parcel of land situated in the Northwest quarter of Section 26, T. 3 S., R. 11 W., City
of Portage, Kalamazoo County, Michigan being more particularly described as follows:
SEC 26-3-11 S 880 FT OF SW 1/4 NW 1/4 SEC 26 LYING W OF PORTAGE RD EXC W 111
FT ALSO EXC BEG AT A PT 111 FT E AND 185 FT N OF W 1/4 POST SD SEC. TH E 225
FT, TH N 234 FT, TH E 680.27 FT TO CL PORTAGE ROAD, TH S 29 DEG 22 MIN W ALG SD
CL 475.71 FT TO S LY NW 1/4 SEC 26, TH W LY ALG S LY TO A PT 111 FT E OF W 1/4
POST, TH N 185 FT TO PL OF BEG.

NOTE: DEVELOPMENT OF "WEST
LAKE ESTATES" SHALL COMPLY
WITH ALL APPLICABLE CITY OF
PORTAGE AND MDEQ REQUIRE-
MENTS WITH REGARDS TO
ON-SITE WETLANDS AND
STORM WATER DISPOSAL.

NOTE: ALL ON-SITE DWELLINGS
SHALL HAVE A LOWEST FLOOR
ELEVATION THAT IS ABOVE
THE 100 YEAR FLOOD PLAIN
ELEVATION FOR WEST LAKE
AND ABOVE ANY SEASONAL
HIGH GROUNDWATER ELEVATION.
ADDITIONALLY, SOME SITES
MAY REQUIRE ADDITIONAL
PROVISIONS DUE TO ON-
SITE SOILS.



- GENERAL NOTES**
- 1) PROPOSED PLAT INCLUDES 20 LOTS SITUATED ON APPROXIMATELY 10 ACRES.
 - 2) LOTS SHALL CONFORM TO CITY OF PORTAGE ZONING REQUIREMENTS.
 - 3) SUBDIVISION SHALL CONFORM TO THE CITY OF PORTAGE REQUIREMENTS.
 - 4) ALL ROADWAYS SHALL HAVE A 60 FOOT WIDE RIGHT OF WAY AND SHALL BE PUBLIC.
 - 5) SITE SHALL BE SERVED BY MUNICIPAL SANITARY SEWER AND WATER MAIN.
 - 6) STORM SEWER SYSTEM SHALL DRAIN TO PROPOSED STORM WATER BASINS. STORM SEWER SHALL BE UNDER CITY OF PORTAGE JURISDICTION.
 - 7) SITE IS PRIMARILY TREE COVERED.
 - 8) ALL LOT DIMENSIONS ARE SUBJECT TO FINAL ADJUSTMENT. DIMENSIONS SHOWN ON CURVES ARE CHORD LENGTHS.
 - 9) SHOWN ELEVATIONS ARE BASED ON USGS DATUM. SHOWN TOPOGRAPHY & ELEVATION CONTOURS BASED ON A 2002 MAP PREPARED BY OTHERS.
 - 10) SIDEWALKS WILL BE PROVIDED ON BOTH SIDES OF ALL STREETS AND AROUND THE BULB OF ANY PERMANENT CUL DE SAC. PAVEMENT WIDTH SHALL BE 26.0 FEET (30.0 FEET BETWEEN BACKS OF CURBS). ALL UTILITIES SHALL BE UNDERGROUND.
 - 11) STREET NAME IS PRELIMINARY.
 - 12) PROPOSED SUBDIVISION DOES NOT LIE WITHIN A FLOOD HAZARD AREA AS IDENTIFIED BY F.E.M.A.
 - 13) EXISTING ON-SITE TREES AND NATURAL FEATURES SHALL BE PRESERVED AS MUCH AS POSSIBLE.

- SHEET INDEX:**
- 1) COVER SHEET
 - 2) PLAN & PROFILE SHEET
 - 3) GRADING PLAN
 - 4) CONSTRUCTION DETAILS & NOTES
 - 5) SOIL EROSION CONTROL PLAN
 - 6) STORM BASIN DETAIL

PROPERTY OWNER:
AEG DEVELOPMENT, LLC
2186 EAST CENTRE AVENUE
PORTAGE, MI 49002
(269) 321-2610

COVER SHEET "WEST LAKE ESTATES" NW 1/4 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN		DATE: 2/19/2018
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS		SHEET: 1
1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555		JOB No.: 36587



SCALES:
PLAN VIEW: 1" = 40'
PROFILE: 1" = 40' HORIZ.
1" = 4' VERTICAL

SEE ADDITIONAL ELEVATION
BENCHMARKS ON SHEETS
1 AND 3.

NOTE: PROPOSED CURBING AT
ENTRY MAY NEED TO BE
SHIFTED SLIGHTLY TO BLEND
WITH CITY'S LAKEVIEW DRIVE
PROJECT.

ELEVATION BENCHMARK:
R.R. SPIKE ON SOUTH SIDE
OF UTILITY POLE.
ELEVATION = 860.66 (CITY DATUM)
(IN FRONT OF #2019
LAKEVIEW DRIVE)

INGERSOLL, WATSON & McMACHEN, INC.
CIVIL ENGINEERS—LAND SURVEYORS
1209 EAST MILHAM AVENUE, SUITE B
PORTAGE, MICHIGAN 49002
269/344-6165

- GENERAL NOTES:
- 1) LIGHT POLES AND ANY UTILITY POLE/BOX SHALL BE LOCATED AT LEAST 5.0 FEET OFF BACK OF CURB.
 - 2) STREET NAME SIGNS SHALL BE AT LEAST 9" FROM TOP TO BOTTOM OF ACTUAL SIGN (& PLACED ATOP STOP SIGNS).
 - 3) ALL PAVEMENT MARKINGS AND ALL TRAFFIC SIGNAGE SHALL COMPLY WITH STANDARDS IN THE M.M.U.T.C.D. (CURRENT EDITION).
 - 4) U-CHANNEL POSTS REQUIRED FOR ALL SIGNS.
 - 5) SOIL EROSION & SEDIMENTATION CONTROL PERMIT SHALL BE OBTAINED AS REQUIRED BY STATE LAW.
 - 6) PERMIT(S) SHALL BE OBTAINED FROM THE CITY OF PORTAGE AS REQUIRED.
 - 7) M.D.E.Q. CONSTRUCTION PERMITS REQUIRED (FOR BOTH PUBLIC WATER MAIN & PUBLIC SANITARY SEWER) PRIOR TO THE COMMENCEMENT OF UTILITY INSTALLATION.
 - 8) "NO PARKING THIS SIDE OF STREET" SIGNS SHALL BE INSTALLED ATOP THE FIRE HYDRANT SIGNS AND MIDWAY BETWEEN THE FIRE HYDRANTS ON THE HYDRANT SIDE OF THE STREETS.
 - 9) FIVE INCH "STORZ" FITTINGS SHALL BE USED ON FIRE HYDRANTS.
 - 10) FOR ON-SITE DWELLINGS, BASEMENT FOOTINGS AND FOUNDATIONS SHALL COMPLY WITH BUILDING CODE REQUIREMENTS BASED ON TYPE OF SOIL PRESENT AND STABILITY OF SOIL.
 - 11) FOR ON-SITE DWELLINGS, REQUIRED RADON VENTING SYSTEM BELOW BASEMENT FLOOR SHALL, AS A PRECAUTION, BE PLUMBED TO ALSO BE A DRAINAGE SYSTEM DURING PERIODS OF HIGH GROUNDWATER.
 - 12) ALL PROPOSED STREET LIGHTS SHALL COMPLY WITH CITY OF PORTAGE STANDARDS AND CONSUMERS ENERGY STANDARDS WITH REGARD TO LOCATION AND LIGHT SPECIFICATION.
 - 13) ON-SITE SPEED LIMIT SHALL BE 25 MILES PER HOUR.
 - 14) UNDERGROUND GAS, ELECTRIC, TELEPHONE AND CABLE TV LINES SHALL BE DESIGNED BY UTILITY OWNERS AND SHALL NOT BE LOCATED IN PROPOSED STREET RIGHT-OF-WAYS UNLESS UTILITY IS CROSSING STREET (PERPENDICULAR TO CENTER LINE).
 - 15) AS-BUILT CONSTRUCTION PLANS SHALL BE SUBMITTED TO THE CITY UPON COMPLETION OF THE ROADWAY PROJECT.
 - 16) PRIOR TO START OF CONSTRUCTION, PRE-CONSTRUCTION MEETING SHALL BE HELD AT CITY OF PORTAGE OFFICES.

NOTE: ALL STREET TREES SHALL BE
INSTALLED AT LEAST 2.0' FROM WATER MAIN.

NOTE: IT IS RECOMMENDED THAT HYDRANTS WITH
6' BURY DEPTH BE USED TO REDUCE LIKELIHOOD
OF HYDRANT EXTENSIONS BEING REQUIRED.

NOTE: NATURAL GAS, ELECTRIC,
TELEPHONE, AND CABLE TV
UNDERGROUND LINES SHALL
BE CENTERED APPROXIMATELY
35.0' OFF CENTER LINE
OF PROPOSED ROAD.

NOTE: VEHICLE DRIVER'S SIGHT DISTANCE
REQUIREMENTS SHALL BE MAINTAINED AT
ALL INTERSECTIONS.

NOTE: 325' LINE OF SIGHT / SIGHT
DISTANCE SHALL BE MAINTAINED
AT PROPOSED INTERSECTION
FOR SAFETY IN ACCORDANCE
WITH CITY REQUIREMENTS

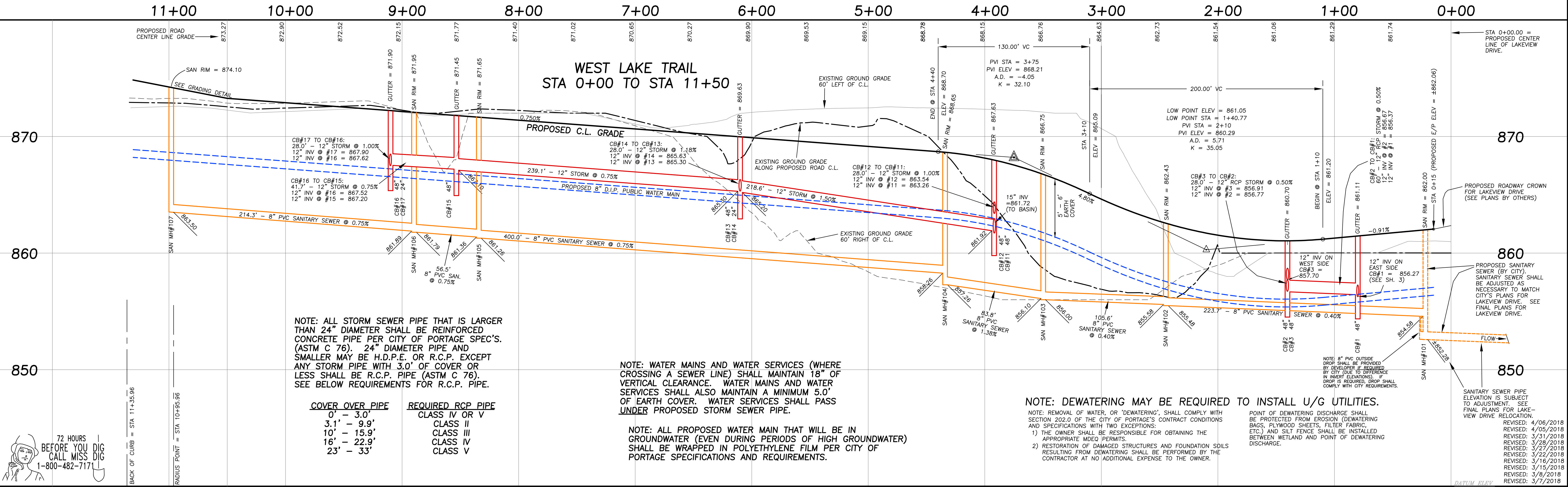
LEGEND

- PROPOSED FIRE HYDRANT ASSEMBLY (8" x 6" TEE, 6" GATE VALVE, & HYD.)
- PROPOSED STOP SIGN/STREET SIGN
- PROPOSED TRAFFIC CONTROL SIGN
- PROPOSED 4.0' WIDE CONCRETE SIDEWALK
- PROPOSED CROSSWALK
- BARRIER FREE RAMP (TYP.)
- SUGGESTED LOCATION OF PROPOSED STREET LIGHT

SEE PLANS FOR
LAKEVIEW DRIVE
RELOCATION
(BY OTHERS)

NOTE: ELEVATION DATUM SHOWN ON THESE PLANS
IS THE CITY OF PORTAGE DATUM. THE ELEVATION
DATUM SHOWN ON THE PLANS FOR LAKEVIEW
DRIVE RELOCATION (PLANS BY OTHERS) IS 0.86'
LOWER THAN CITY DATUM.

WEST LAKE TRAIL STA 0+00 TO STA 11+50



NOTE: ALL STORM SEWER PIPE THAT IS LARGER
THAN 24" DIAMETER SHALL BE REINFORCED
CONCRETE PIPE PER CITY OF PORTAGE SPEC'S.
(ASTM C 76). 24" DIAMETER PIPE AND
SMALLER MAY BE H.D.P.E. OR R.C.P. EXCEPT
ANY STORM PIPE WITH 3.0' OF COVER OR
LESS SHALL BE R.C.P. PIPE (ASTM C 76).
SEE BELOW REQUIREMENTS FOR R.C.P. PIPE.

COVER OVER PIPE	REQUIRED RCP PIPE
0' - 3.0'	CLASS IV OR V
3.1' - 9.9'	CLASS II
10' - 15.9'	CLASS III
16' - 22.9'	CLASS IV
23' - 33'	CLASS V

NOTE: WATER MAINS AND WATER SERVICES (WHERE
CROSSING A SEWER LINE) SHALL MAINTAIN 18" OF
VERTICAL CLEARANCE. WATER MAINS AND WATER
SERVICES SHALL ALSO MAINTAIN A MINIMUM 5.0'
OF EARTH COVER. WATER SERVICES SHALL PASS
UNDER PROPOSED STORM SEWER PIPE.

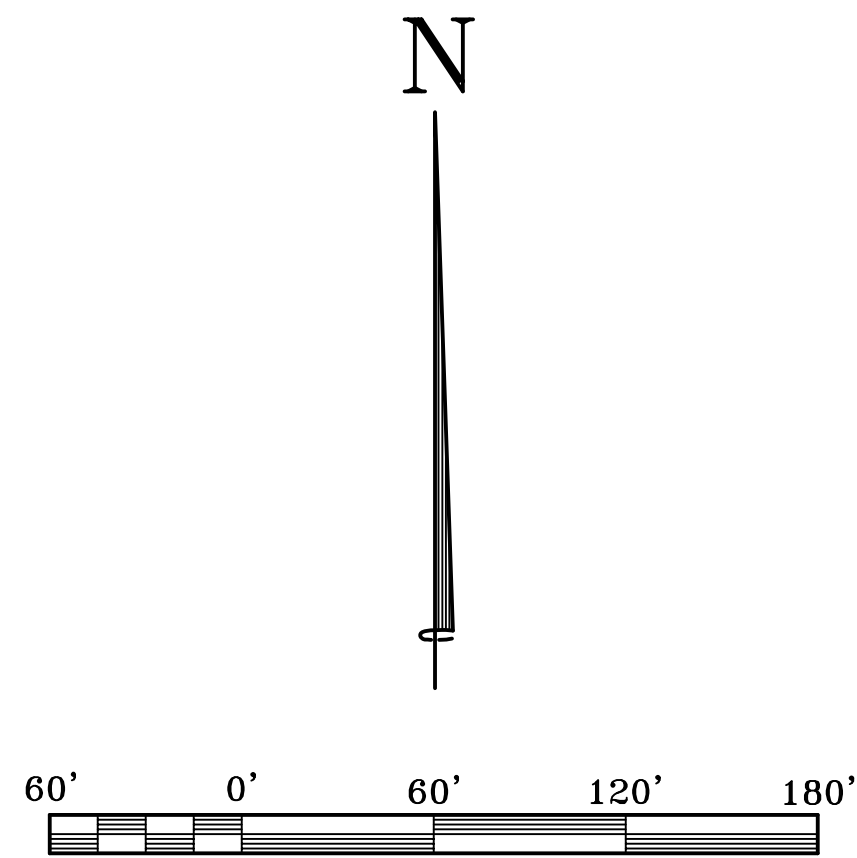
NOTE: ALL PROPOSED WATER MAIN THAT WILL BE IN
GROUNDWATER (EVEN DURING PERIODS OF HIGH GROUNDWATER)
SHALL BE WRAPPED IN POLYETHYLENE FILM PER CITY OF
PORTAGE SPECIFICATIONS AND REQUIREMENTS.

NOTE: DEWATERING MAY BE REQUIRED TO INSTALL U/G UTILITIES.

NOTE: REMOVAL OF WATER, OR "DEWATERING", SHALL COMPLY WITH
SECTION 202.0 OF THE CITY OF PORTAGE'S CONTRACT CONDITIONS
AND SPECIFICATIONS WITH TWO EXCEPTIONS:
1) THE OWNER SHALL BE RESPONSIBLE FOR OBTAINING THE
APPROPRIATE MDEQ PERMITS.
2) RESTORATION OF DAMAGED STRUCTURES AND FOUNDATION SOILS
RESULTING FROM DEWATERING SHALL BE PERFORMED BY THE
CONTRACTOR AT NO ADDITIONAL EXPENSE TO THE OWNER.

POINT OF DEWATERING DISCHARGE SHALL
BE PROTECTED FROM EROSION (DEWATERING
BAGS, PLYWOOD SHEETS, FILTER FABRIC,
ETC.) AND SILT FENCE SHALL BE INSTALLED
BETWEEN WETLAND AND POINT OF DEWATERING
DISCHARGE.

REVISIONS:
REVISED: 4/06/2018
REVISED: 4/05/2018
REVISED: 3/31/2018
REVISED: 3/28/2018
REVISED: 3/27/2018
REVISED: 1/22/2018
REVISED: 3/16/2018
REVISED: 3/15/2018
REVISED: 3/8/2018
REVISED: 3/7/2018



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R.R. SPIKE ON SOUTH SIDE
OF UTILITY POLE.
ELEVATION = 860.66 (CITY DATUM)
(IN FRONT OF #2019
LAKEVIEW DRIVE)

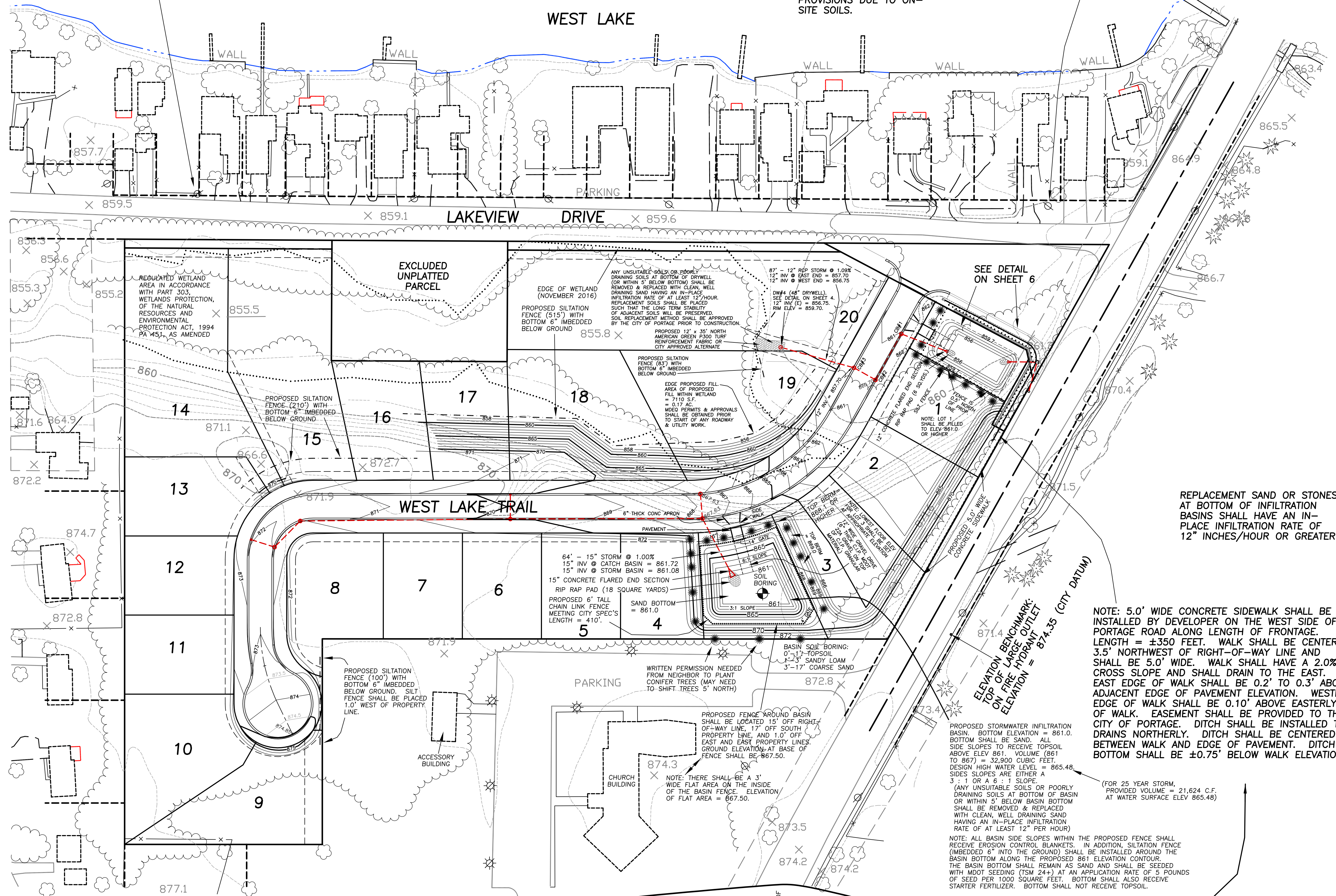
NOTE: DEVELOPMENT OF "WEST
LAKE ESTATES" SHALL COMPLY
WITH ALL APPLICABLE CITY OF
PORTAGE AND MDEQ REQUIRE-
MENTS WITH REGARDS TO
ON-SITE WETLANDS AND
STORM WATER DISPOSAL.

DEWATERING NOTES (IF REQUIRED):

- NOTE: REMOVAL OF WATER, OR "DEWATERING", SHALL COMPLY WITH
SECTION 202.0 OF THE CITY OF PORTAGE'S CONTRACT CONDITIONS
AND SPECIFICATIONS WITH TWO EXCEPTIONS:
- 1) THE OWNER SHALL BE RESPONSIBLE FOR OBTAINING THE
APPROPRIATE MDEQ PERMITS.
 - 2) RESTORATION OF DAMAGED STRUCTURES AND FOUNDATION SOILS
RESULTING FROM DEWATERING SHALL BE PERFORMED BY THE
CONTRACTOR AT NO ADDITIONAL EXPENSE TO THE OWNER.
 - 3) POINT OF DEWATERING DISCHARGE SHALL
BE PROTECTED FROM EROSION (DEWATERING
BAGS, PLYWOOD SHEETS, FILTER FABRIC,
ETC.) AND SILT FENCE SHALL BE INSTALLED
BETWEEN WETLAND AND POINT OF DEWATERING
DISCHARGE.

NOTE: A MAINTENANCE AND
INDEMNIFICATION AGREEMENT
BASIN SHALL BE PROVIDED
RELATIVE TO THE STORMWATER
OUTLET. EASEMENT(S) SHALL
ALSO BE PROVIDED AS REQUIRED.

NOTE: SOIL EROSION AND SEDIMENTATION CONTROL PERMIT
SHALL BE OBTAINED FROM THE CITY OF PORTAGE PRIOR
TO COMMENCEMENT OF ROADWAY AND UTILITY CONSTRUCTION.
EROSION CONTROL PERMIT APPLICATION SHALL BE SUBMITTED TO
THE CITY. ALSO SEE SHEET 5.



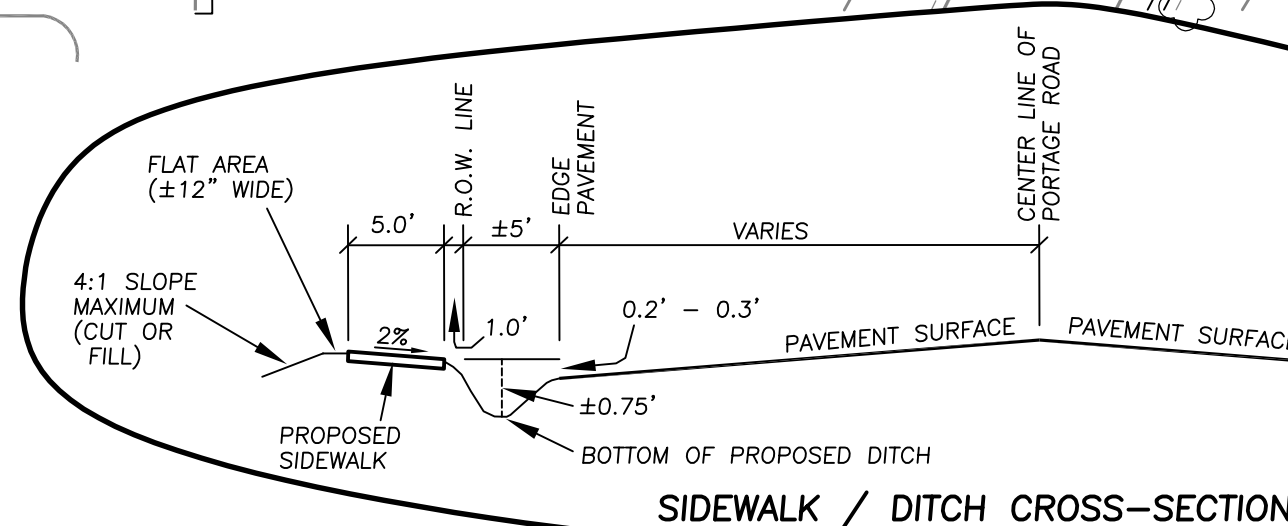
REPLACEMENT SAND OR STONES
AT BOTTOM OF INFILTRATION
BASINS SHALL HAVE AN IN-
PLACE INFILTRATION RATE OF
12" INCHES/HOUR OR GREATER

NOTE: 5.0' WIDE CONCRETE SIDEWALK SHALL BE
INSTALLED BY DEVELOPER ON THE WEST SIDE OF
PORTAGE ROAD ALONG LENGTH OF FRONTAGE.
LENGTH = ±350 FEET. WALK SHALL BE CENTERED
3.5' NORTHWEST OF RIGHT-OF-WAY LINE AND
SHALL BE 5.0' WIDE. WALK SHALL HAVE A 2.0%
CROSS SLOPE AND SHALL DRAIN TO THE EAST.
EAST EDGE OF WALK SHALL BE 0.2' TO 0.3' ABOVE
ADJACENT EDGE OF PAVEMENT ELEVATION. WESTERLY
EDGE OF WALK SHALL BE 0.10' ABOVE EASTERLY EDGE
OF WALK. EASEMENT SHALL BE PROVIDED TO THE
CITY OF PORTAGE. DITCH SHALL BE INSTALLED THAT
DRAINS NORTHERLY. DITCH SHALL BE CENTERED
BETWEEN WALK AND EDGE OF PAVEMENT. DITCH
BOTTOM SHALL BE ±0.75' BELOW WALK ELEVATION.

(FOR 25 YEAR STORM,
PROVIDED VOLUME = 21,624 C.F.
AT WATER SURFACE ELEV 865.48)

PROPOSED STORMWATER INFILTRATION
BASIN. BOTTOM ELEVATION = 861.0.
BOTTOM SHALL BE SAND. ALL
SIDE SLOPES TO RECEIVE TOPSOIL
SHALL BE 3:1. VOLUME (861
TO 867) = 32,900 CUBIC FEET.
DESIGN HIGH WATER LEVEL = 865.48.
SIDES SLOPES ARE EITHER A
3:1 OR A 6:1 SLOPE.
(ANY UNSUITABLE SOILS OR POORLY
DRAINING SOILS AT BOTTOM OF BASIN
OR WITHIN 5' BELOW BASIN BOTTOM
SHALL BE REMOVED & REPLACED
WITH CLEAN, WELL DRAINING SAND
HAVING AN IN-PLACE INFILTRATION
RATE OF AT LEAST 12" PER HOUR)

NOTE: ALL BASIN SIDE SLOPES WITHIN THE PROPOSED FENCE SHALL
RECEIVE EROSION CONTROL BLANKETS. IN ADDITION, SILTATION FENCE
(IMBEDDED 6" INTO THE GROUND) SHALL BE INSTALLED AROUND THE
BASIN BOTTOM ALONG THE PROPOSED 861 ELEVATION CONTOUR.
THE BASIN BOTTOM SHALL REMAIN AS SAND AND SHALL BE SEEDED
WITH WOOD SEEDING (TSM 24+) AT AN APPLICATION RATE OF 5 POUNDS
OF SEED PER 1000 SQUARE FEET. BOTTOM SHALL ALSO RECEIVE
STARTER FERTILIZER. BOTTOM SHALL NOT RECEIVE TOPSOIL.



GRADING PLAN "WEST LAKE ESTATES" NW 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN	
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS	
1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555	

REVISED: 4/06/2018
REVISED: 4/05/2018
REVISED: 3/31/2018
REVISED: 3/28/2018
REVISED: 3/27/2018
REVISED: 3/22/2018
REVISED: 3/16/2018
REVISED: 3/15/2018
REVISED: 3/8/2018
REVISED: 3/7/2018

DATE:	2/19/2018
SHEET:	3
JOB No.:	36587

GENERAL NOTES

- 1) CONTRACTOR SHALL NOTIFY MISS DIG AT 1-800-482-7171 72 HOURS PRIOR TO THE START OF CONSTRUCTION.
- 2) LOCATIONS OF UNDERGROUND UTILITIES SHOWN ON THESE PLANS ARE APPROXIMATE. ADDITIONAL UNDERGROUND UTILITIES MAY EXIST ON THIS SITE WHICH ARE NOT SHOWN ON THESE PLANS. CONTRACTOR SHALL BE RESPONSIBLE TO LOCATE AND PROTECT ALL UTILITIES ON SITE, WHETHER SHOWN ON THESE PLANS OR NOT.
- 3) CONTRACTOR SHALL PROVIDE ALL SIGNS, FENCING, LIGHTS, BARRICADES, ETC. NECESSARY TO PROVIDE FOR PUBLIC SAFETY DURING CONSTRUCTION.
- 4) REQUESTS FOR CONSTRUCTION STAKING SHALL BE DIRECTED TO THE ENGINEER A MINIMUM OF 48 HOURS PRIOR TO THEIR ACTUAL NEED.
- 5) IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO COORDINATE WITH ALL UTILITY COMPANIES FOR THE PROTECTION AND/OR RELOCATION OF EXISTING UTILITIES.
- 6) ALL MATERIALS PLACED DURING CONSTRUCTION SHALL BE IN NEW CONDITION, SHALL BE FREE FROM DEFECTS AND SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE CITY AND THEIR INSPECTOR.
- 7) ALL CONSTRUCTION SHALL BE SUBJECT TO CONSTRUCTION INSPECTION BY OWNER, OWNER'S REPRESENTATIVE, AND THE CITY OF PORTAGE.
- 8) ELEVATIONS SHOWN ON THESE PLANS ARE BASED ON USGS DATUM AS PROMULGATED WITHIN THE CITY OF PORTAGE.
- 9) ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF PORTAGE CONTRACT CONDITIONS AND SPECIFICATIONS.
- 10) A SOIL EROSION CONTROL PERMIT NEEDS TO BE OBTAINED PRIOR TO THE COMMENCEMENT OF ANY GRADING ACTIVITIES.

CONSTRUCTION NOTES

- 1) ALL PIPE LENGTH DISTANCES ARE FROM CENTER TO CENTER OF STRUCTURE.
- 2) ALL TRENCHING AND BACKFILLING FOR UTILITIES SHALL COMPLY WITH REQUIREMENTS OF THE CITY OF PORTAGE STANDARD SPECIFICATIONS AND THE REQUIREMENTS INDICATED ON THE CONSTRUCTION DRAWINGS.
- 3) ALL CONSTRUCTION SHALL COMPLY WITH ALL LOCAL, STATE, AND FEDERAL RULES, REQUIREMENTS, AND LAWS.

WATER MAIN NOTES

- 1) ALL 8" OR 10" WATER MAIN SHALL BE AWWA C151, CLASS 52 DUCTILE IRON PIPE. ALL 12" WATER MAIN SHALL BE AWWA C151, CLASS 53 DUCTILE IRON PIPE. ALL PIPE SHALL HAVE CEMENT LINING AND SHALL BE INSTALLED ACCORDING TO THE CITY OF PORTAGE STANDARD SPECIFICATIONS (AVAILABLE AT CITY OFFICES).
- 2) ALL WATER MAIN CONSTRUCTION SHALL BE SUBJECT TO INSPECTION BY A CITY OF PORTAGE APPROVED INSPECTOR.
- 3) MINIMUM 5.0' AND MAXIMUM 6.0' OF COVER OVER NEW WATER MAIN PIPE IS REQUIRED ONCE FINAL SITE GRADING IS COMPLETE.
- 4) WATER SERVICES SHALL BE INSTALLED IN ACCORDANCE WITH CITY OF PORTAGE STANDARD DETAIL SD-153, TYPICAL SERVICE LINE AND METER BOX INSTALLATIONS, PLUMBING PERMIT REQUIRED.
- 5) HYDRANT ASSEMBLIES SHALL BE INSTALLED IN ACCORDANCE WITH CITY OF PORTAGE STANDARD DETAIL SD-144, AUXILIARY VALVE LOCATION.
- 6) HYDRANT SIGNS SHALL BE INSTALLED IN ACCORDANCE WITH CITY OF PORTAGE STANDARD DETAIL SD-145, STANDARD HYDRANT SIGN.
- 7) ALL PROPOSED WATER MAIN THAT WILL BE IN GROUNDWATER (EVEN DURING PERIODS OF HIGH GROUNDWATER) SHALL BE WRAPPED IN POLYETHYLENE FILM PER CITY OF PORTAGE SPECIFICATIONS AND REQUIREMENTS.

SANITARY SEWER NOTES

- 1) ALL SANITARY SEWER PIPE SHALL BE SDR 26 PVC AND SHALL COMPLY WITH ASTM D 3034. PIPE SHALL BE INSTALLED ACCORDING TO MANUFACTURER'S INSTRUCTIONS.
- 2) ALL SANITARY SEWER CONSTRUCTION, INCLUDING MAINLINES, LATERALS, MANHOLES, AND APPURTENANCES, SHALL CONFORM WITH THE CITY OF PORTAGE REQUIREMENTS AND SPECIFICATIONS AND SHALL BE SUBJECT TO THEIR INSPECTION.

PRIVATE UTILITY NOTES

- 1) UNDERGROUND ELECTRIC, NATURAL GAS, TELEPHONE, AND CABLE TV PRIVATE UTILITIES SHALL BE SIZED AND INSTALLED BY UTILITY OWNERS.

STORM SEWER NOTES

- 1) STORM SEWER PIPE SHALL BE EITHER CORRUGATED POLYETHYLENE (H.D.P.E.) OR REINFORCED CONCRETE (R.C.P.). PIPE SHALL BE R.C.P. PIPE IF 3.0' OF COVER OR LESS. PIPE SHALL BE R.C.P. PIPE IF LARGER THAN 24" DIAMETER.
- 2) CORRUGATED POLYETHYLENE (C.P.E.) PIPE SHALL MEET THE REQUIREMENTS OF AASHTO M 294 TYPE S (DUAL WALL, SMOOTH INSIDE, CORRUGATED OUTSIDE, NO PERFORATIONS). THE JOINTS SHALL BE WATERTIGHT AND COMPLY WITH ASTM D 3212. (HANCOR HI-Q, ADS N-12, OR EQUIVALENT)
- 3) REINFORCED CONCRETE PIPE (R.C.P.) SHALL MEET THE REQUIREMENTS OF ASTM C 76. SEE ADDITIONAL PIPE SPECIFICATIONS ON SHEET 2. PIPE JOINTS SHALL BE WATERTIGHT AND SHALL COMPLY WITH ASTM C 443.
- 4) ~~NON-REINFORCED CONCRETE PIPE (N.R.C.P.) SHALL MEET THE REQUIREMENTS OF ASTM C 443.~~
- 5) PREMIUM WATERTIGHT JOINTS (RUBBER OR SLIP SEAL) ARE REQUIRED AT EACH STORM SEWER PIPE JOINT IN ACCORDANCE WITH CITY OF PORTAGE REQUIREMENTS.
- 6) PIPE CONNECTIONS AT ALL SOLID WALLED STRUCTURES SHALL BE MADE WITH A WATERTIGHT RESILIENT CONNECTOR (RUBBER TYPE BOOT WITH STAINLESS STEEL BANDS, OR OTHER TYPE AS APPROVED BY CITY OF PORTAGE).
- 7) STORM SEWER PIPE SHALL HAVE A MINIMUM OF 24 INCHES OF COVER IF R.C.P. PIPE. H.D.P.E. STORM SEWER PIPE SHALL HAVE A MINIMUM 3.1' OF COVER.
- 8) ALL STORM SEWER PIPE AND INSTALLATION SHALL COMPLY WITH CITY OF PORTAGE "CONSTRUCTION SPECIFICATIONS AND STANDARDS"
- 9) ALL STORM SEWER PIPE, JOINTS, AND GASKETS SHALL BE INSPECTED. ANY DEFECTIVE PRODUCTS SHALL NOT BE INSTALLED AND SHALL BE REMOVED FROM THE SITE.
- 10) ALL SOLID WALLED STRUCTURES SHALL HAVE CONCRETE BOTTOMS.
- 11) DEFLECTION TESTS SHALL BE PERFORMED ON ALL FLEXIBLE PIPE. THE TEST SHALL BE CONDUCTED AFTER THE BACKFILL HAS BEEN PLACED AND PRIOR TO INSTALLING ANY ASPHALT OR CONCRETE SURFACE. NO PIPE SHALL EXCEED A DEFLECTION OF FIVE (5) PERCENT. THE DEFLECTION TEST SHALL BE RUN USING A RIGID BALL OR MANDREL, HAVING A DIAMETER EQUAL TO 95% OF THE INSIDE DIAMETER OF THE PIPE.

SOIL EROSION CONTROL NOTES (SEE SHEET 5)

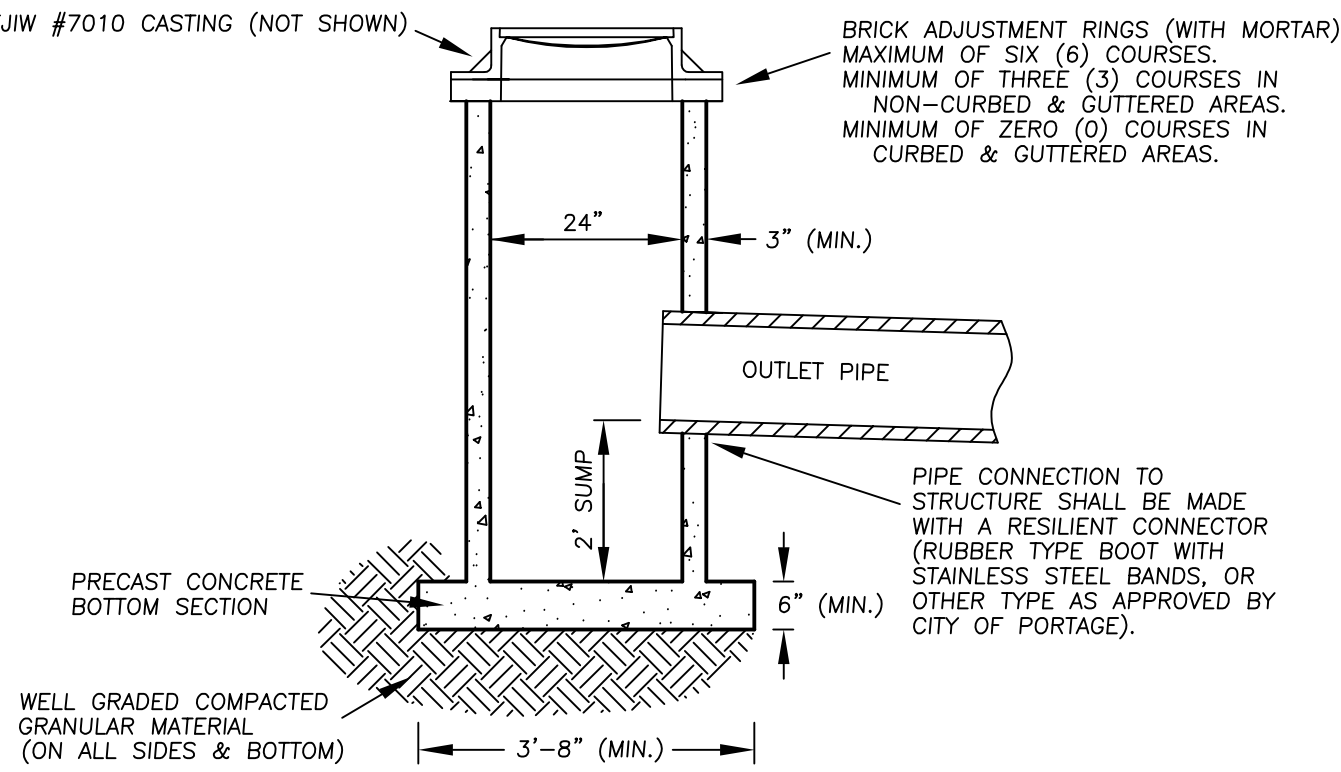
- 1) ALL CONSTRUCTION SHALL COMPLY WITH THE SOIL EROSION AND SEDIMENTATION CONTROL ACT (P.A. 451 OF 1994, AS AMENDED) AS ADMINISTERED BY THE CITY OF PORTAGE.
- 2) EARTHWORK CONTRACTORS SHALL BE RESPONSIBLE FOR THE FOLLOWING:
 - A) BERMING OR FILTERING OF RUNOFF AT PROPERTY LINES WHERE EROSION COULD OCCUR.
 - B) PROTECTION OF ALL EXISTING AND NEWLY CONSTRUCTED STORM SEWER STRUCTURES, WHETHER ADJACENT TO THE SITE OR ON THE SITE.
 - C) MINIMIZATION OF TRACKING OF MATERIAL OFF-SITE.
 - D) SWEEPING AND CLEANING OF ADJACENT STREETS AS NECESSARY.
- 3) OWNER SHALL OBTAIN "SOIL EROSION CONTROL PERMIT" FROM THE CITY OF PORTAGE.

RESTORATION NOTES

- 1) ALL DISTURBED AREAS SHALL BE RESTORED WITH MINIMUM 4" TOPSOIL AND GRASS SEED, OR OTHER REQUIRED LANDSCAPING.
- 2) EXISTING STREETS AND YARDS SHALL BE RESTORED TO A CONDITION AT LEAST EQUAL TO THAT WHICH EXISTED PRIOR TO CONSTRUCTION.

STREET TREES, STREET LIGHTS, & STREET SIGNS NOTES

- 1) DECIDUOUS TREES AT PLANTING SHALL HAVE A MINIMUM CALIPER OF 1.5" AT 6" ABOVE THE ROOT BALL; A CLEAR STEM OF 4 FEET; AND A BURLAP BALL SIZE OF AT LEAST 10 TIMES THE CALIPER. ALLOWED TREES INCLUDE NORWAY MAPLES, OAKS, LINDENS, ASHES, LONDON PLANES, HONEY LOCUST, BEECH AND OTHER TYPES WITH CITY APPROVAL.
- 2) STREET LIGHTS SHALL BE 8500 LUMEN, HIGH PRESSURE SODIUM VAPOR. DECORATIVE LIGHT POLES SHALL HAVE A HEIGHT OF 19 FEET. ALL LIGHT STANDARDS AND UTILITY POLES SHALL BE LOCATED AT LEAST 5 FEET OFF PROPOSED GRADE OF CURB.
- 3) ALL PAVEMENT MARKINGS AND TRAFFIC SIGNS MUST CONFORM TO THE STANDARDS SET FORTH IN THE CURRENT EDITION OF THE MICHIGAN MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES ("M.M.U.T.C.D.").
- 4) ALL STREET SIGNS SHALL CONFORM TO CITY OF PORTAGE PUBLISHED REQUIREMENTS. ALL SIGNS SHALL BE INSTALLED ON 3 POUND GALVANIZED U-CHANNEL POSTS AND SHALL HAVE A MINIMUM POST BURY OF 36 INCHES. DISTANCE FROM BOTTOM OF SIGN TO GROUND SHALL BE 7 FEET. ANYTHING NOT SPECIFIED IN THESE PLANS SHALL BE IN ACCORDANCE WITH THE M.M.U.T.C.D. STREET NAME SIGNS SHALL BE 9 INCHES TALL (VERTICAL DIMENSION OF ACTUAL SIGN).

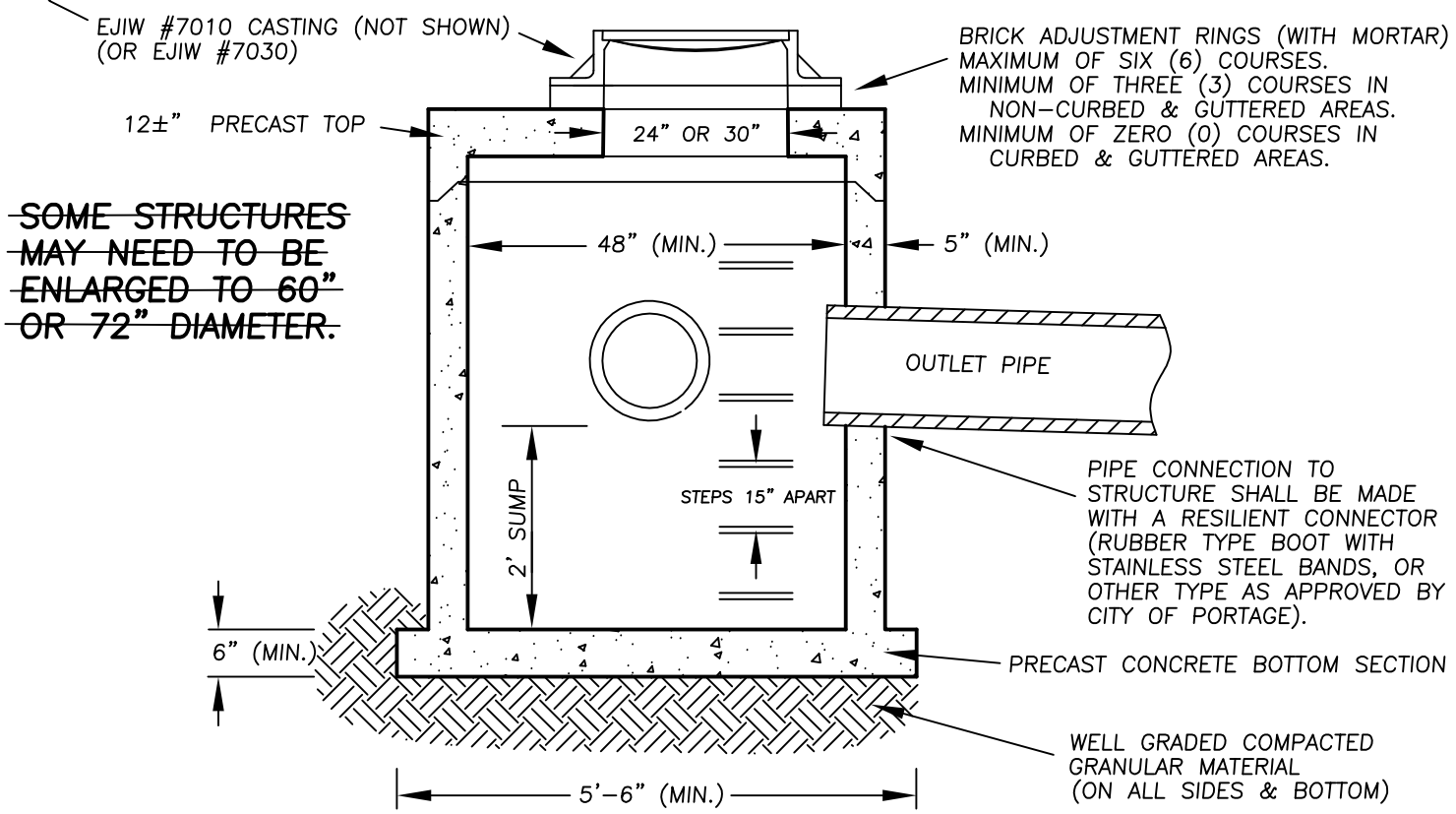


24" STORM SEWER INLET

- NO SCALE
- NOTES:
- 1) STRUCTURE SHALL HAVE A 2 FOOT SUMP UNLESS SLOPE OF OUTLET PIPE EQUALS OR EXCEEDS THREE (3) PERCENT.
 - 2) HEIGHT OF STRUCTURES WILL VARY BUT SHALL NOT EXCEED FIVE (5.0) FEET.
 - 3) STRUCTURES SHALL BE PRECAST CONCRETE AND CONFORM TO ASTM C-478.
 - 4) SEE RELATED CITY OF PORTAGE STANDARD DETAILS:
 - SD-102, 24" CATCH BASIN
 - SD-103, STANDARD CURB INLET CASTING
 - SD-104, STANDARD DROP CURB INLET CASTING

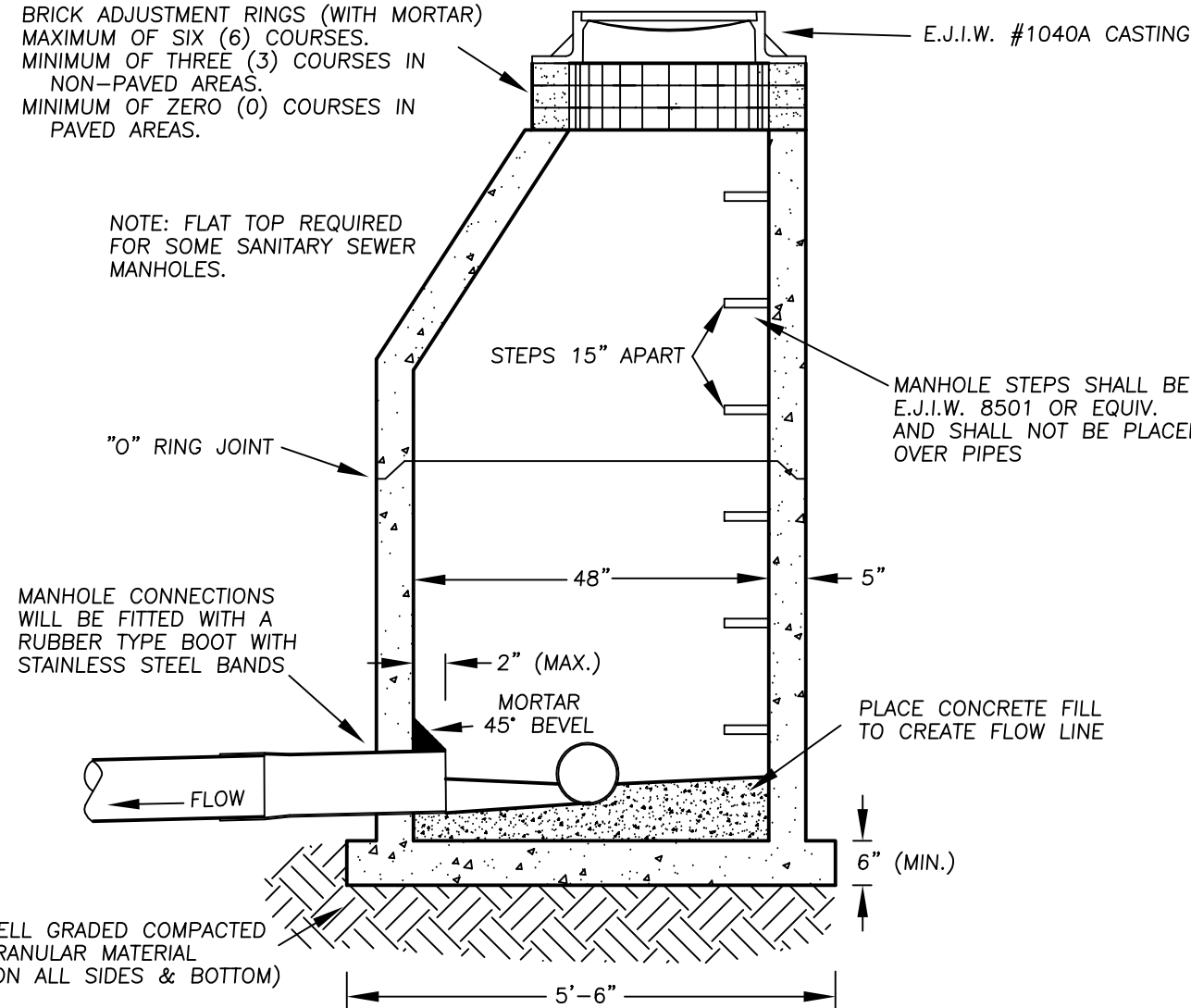
NOTE: CATCH BASINS CB#2 AND CB#3 SHALL ALL RECEIVE A EJIW #7030 FRAME WITH A 'M2' GRATE AND A 'T1' ADJUSTABLE BACK TO REDUCE THE POSSIBILITY OF STREET FLOODING. TOP OPENING WITHIN TOP SECTION SHALL BE SIZED ACCORDINGLY.

NOTE: CATCH BASINS CB#11 AND CB#12 SHALL ALL RECEIVE A EJIW #7030 FRAME WITH A 'M6' GRATE AND A 'T1' ADJUSTABLE BACK. TOP OPENING WITHIN TOP SECTION SHALL BE SIZED ACCORDINGLY.



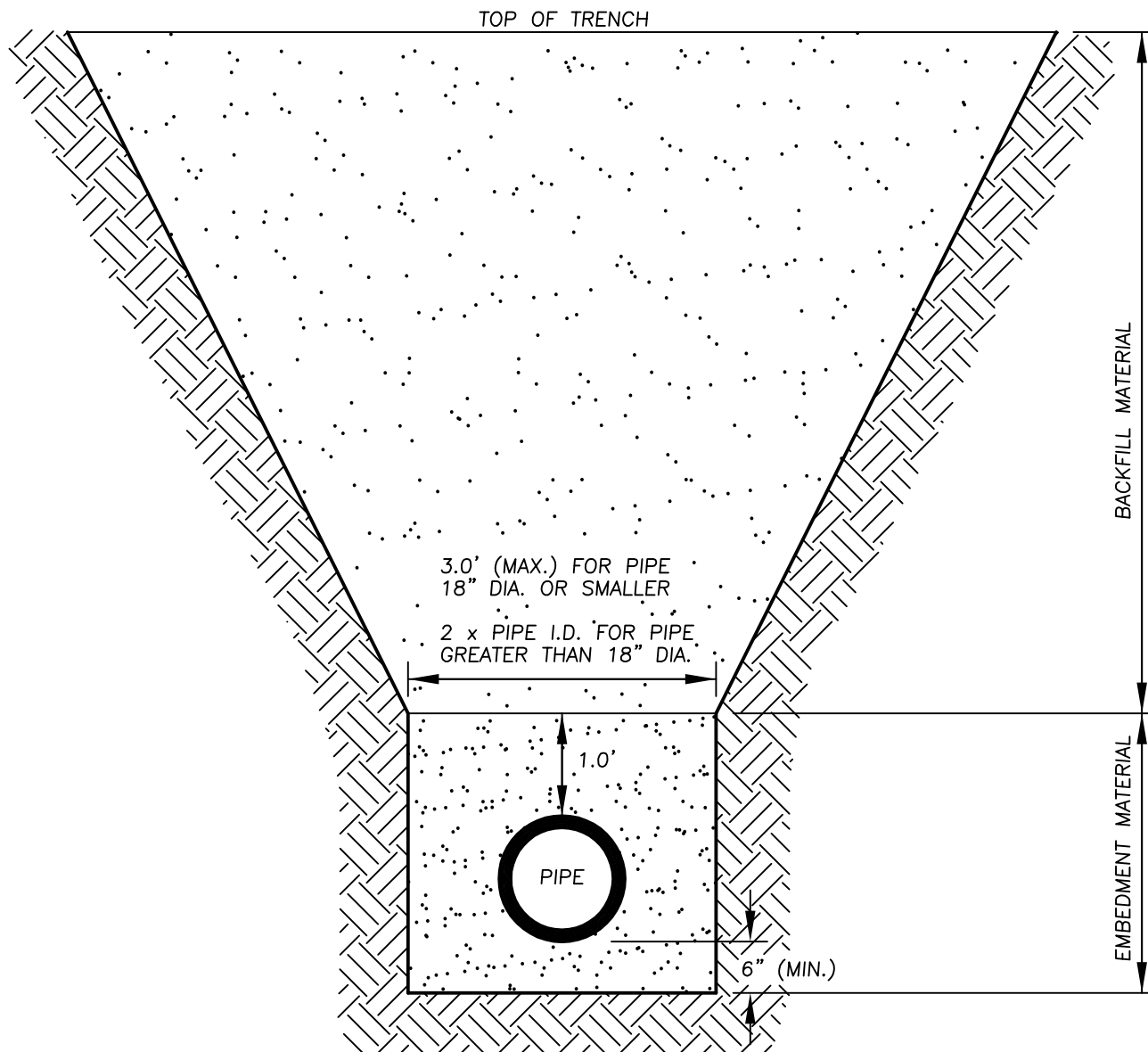
48" STORM SEWER STRUCTURE W/FLAT TOP

- NO SCALE
- NOTES:
- 1) MANHOLE STRUCTURES SHALL NOT HAVE A SUMP AND SHALL REQUIRE EJIW #1410 CASTING OR CITY APPROVED EQUIVALENT.
 - 2) HEIGHT OF STRUCTURES WILL VARY.
 - 3) STRUCTURES SHALL BE PRECAST CONCRETE AND CONFORM TO ASTM C-478.
 - 4) SOME STRUCTURES MAY HAVE TO BE ENLARGED TO ACCOMMODATE PIPES AND RESILIENT CONNECTORS. STRUCTURAL DIMENSIONS FOR LARGER DIAMETER STRUCTURES SHALL CONFORM TO ASTM C-478.
 - 5) MANHOLE STEPS SHALL BE EJIW #8501 OR EQUIVALENT.
 - 6) INSTALL STEPS AFTER STRUCTURE IS IN PLACE TO INSURE STEPS ARE LOCATED UNDER OPENING. TOP STEP SHALL BE NO MORE THAN 24 INCHES FROM TOP OF CASTING. BOTTOM STEP SHALL BE NO MORE THAN 24 INCHES FROM BENCH/BOTTOM OF STRUCTURE.
 - 7) SEE RELATED CITY OF PORTAGE STANDARD DETAILS:
 - SD-101, STANDARD 48" DRAINAGE STRUCTURE
 - SD-103, STANDARD CURB INLET CASTING
 - SD-104, STANDARD DROP CURB INLET CASTING
 - SD-108, STANDARD MANHOLE STEP
 - SD-130, STORM SEWER HEAVY DUTY MANHOLE CASTING



48" SANITARY SEWER MANHOLE

- NO SCALE
- NOTES:
- 1) HEIGHT OF STRUCTURES WILL VARY.
 - 2) STRUCTURES SHALL BE PRECAST CONCRETE AND CONFORM TO ASTM C-478 WITH O-RING RUBBER GASKET TYPE JOINTS. ASTM C-478 RUBBER GASKET SHALL NOT BE REMOVED.
 - 3) INSTALL STEPS AFTER STRUCTURE IS IN PLACE, IF NECESSARY, TO INSURE STEPS ARE LOCATED UNDER OPENING. TOP STEP SHALL BE NO MORE THAN 24 INCHES FROM TOP OF CASTING. BOTTOM STEP SHALL BE NO MORE THAN 24 INCHES FROM BENCH.
 - 4) SEE RELATED CITY OF PORTAGE STANDARD DETAILS:
 - SD-105, STANDARD MANHOLE
 - SD-106, SANITARY SEWER STANDARD MANHOLE CASTING
 - SD-107, SANITARY SEWER PRESSURE-TIGHT MANHOLE CASTING
 - SD-108, STANDARD MANHOLE STEP



UTILITY TRENCH DETAIL

- NO SCALE
- NOTES:
- 1) LARGE ROCKS, BOULDERS, AND STONES OVER ONE AND ONE HALF (1.5) INCHES IN DIAMETER SHALL BE REMOVED TO PROVIDE A CLEARANCE OF SIX (6) INCHES (MIN.) FROM ANY PART OF THE PIPE.
 - 2) ALL EMBEDMENT AND BACKFILL MATERIALS SHALL BE FREE FROM FROZEN EARTH, ICE, SNOW, TOPSOIL, MUCK, CONCRETE, ASHES, REFUSE, ORGANIC MATTER, BOULDERS, ROCKS, OR OTHER MATERIALS WHICH, IN THE OPINION OF THE ENGINEER, ARE UNSUITABLE.
 - 3) EMBEDMENT MATERIAL SHALL BE GRANULAR MATERIAL WITH MAXIMUM PARTICLE SIZE OF 1.5" COMPACTED TO 95% OF MAXIMUM UNIT WEIGHT AS DETERMINED BY THE MODIFIED PROCTOR METHOD.
 - 4) BACKFILL MATERIAL UNDER PAVEMENT AREAS AND AREAS WITHIN THREE (3) FEET OF BACK OF CURB OR EDGE OF PAVEMENT SHALL BE GRANULAR MATERIAL COMPACTED TO 95% OF MAXIMUM UNIT WEIGHT AS DETERMINED BY THE MODIFIED PROCTOR METHOD.
 - 5) BACKFILL MATERIAL FOR PIPE TRENCHES NOT UNDER PAVEMENT AREAS MAY BE NONGRANULAR NATIVE MATERIAL WHICH, IN THE OPINION OF THE ENGINEER, IS ACCEPTABLE MATERIAL AND IS ADEQUATELY COMPACTED TO PREVENT SETTLEMENT.
 - 6) BACKFILL MATERIAL MAY BE PLACED, SPREAD, AND COMPACTED WITH EQUIPMENT OPERATED LONGITUDINALLY ALONG THE PIPE LINE, PUSHING MATERIAL INTO THE TRENCH FROM THE SIDE WITHOUT LONGITUDINAL SPREADING AND COMPACTION SHALL NOT BE ALLOWED.
 - 7) SEE RELATED CITY OF PORTAGE STANDARD DETAIL:
 - SD-122, STANDARD TRENCH DETAIL

REVISED: 4/06/2018
REVISED: 3/28/2018
REVISED: 3/16/2018
REVISED: 3/15/2018
REVISED: 3/08/2018

CONSTRUCTION DETAILS AND NOTES
"WEST LAKE ESTATES"

NW FR'L 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN

Ingersoll, Watson & McMachen, Inc.

CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS

1209 East Milham Road • Portage, Michigan 49002 • Phone 269 344-6165 • Fax 269 344-0555

DATE:

2/19/2018

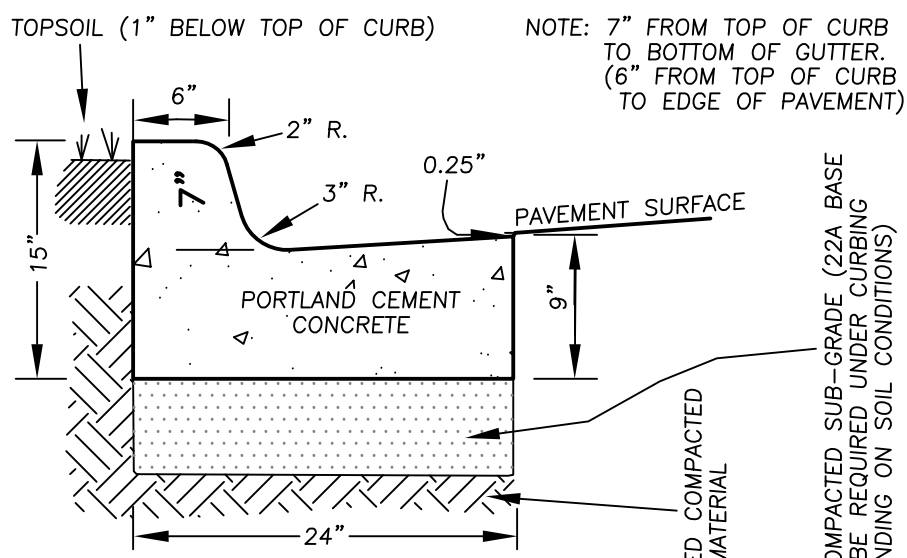
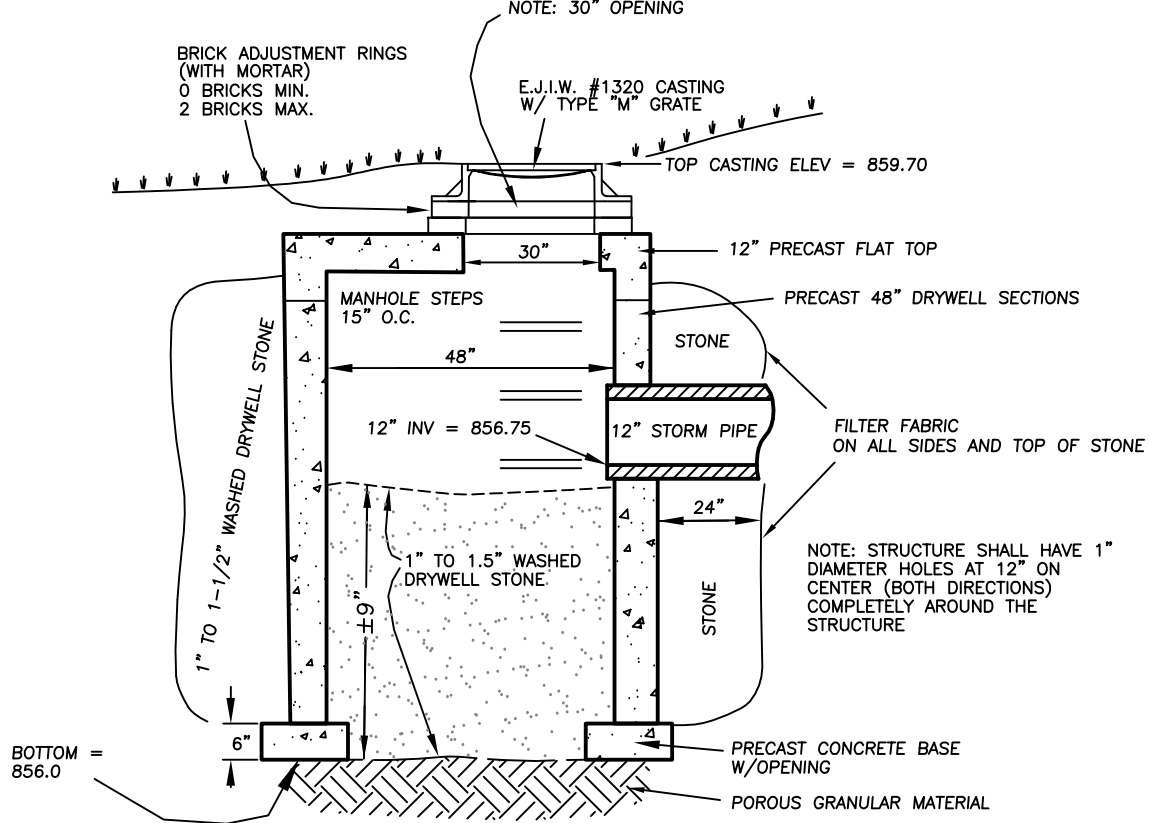
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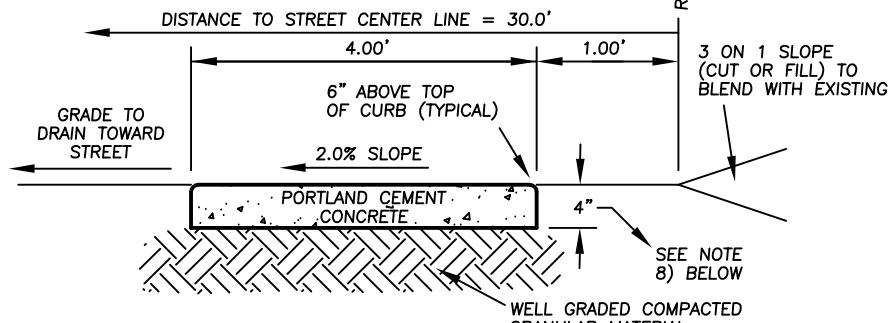
48" FLAT TOP DRYWELL/LEACHING BASIN



CURB & GUTTER

- NO SCALE
- NOTES:
- 1) CONCRETE SHALL BE MDOT GRADES 35P OR 35S, AND MEET THE FOLLOWING REQUIREMENTS:
 - ALL AGGREGATES SHALL BE LIMESTONE OR SLAG MATERIAL
 - ENTRAINED AIR = 6 TO 8 PERCENT
 - COMPRESSIVE STRENGTH AT 28 DAYS = 3500 P.S.I.
 - SLUMP = 1.5 TO 3 INCHES
 - MODULUS OF RUPTURE AT 28 DAYS = 650 P.S.I.
 - MINIMUM PORTLAND CEMENT CONTENT = 5.50 SACKS PER CUBIC YARD
 - 2) EXPANSION JOINTS SHALL BE PLACED AT SPRING POINTS AND UNIFORM INTERVALS OF NOT MORE THAN 100 FEET.
 - 3) PLANE OF WEAKNESS JOINTS SHALL BE PLACED AT UNIFORM INTERVALS OF TEN (10) FEET. IRREGULAR SECTIONS SHALL NOT BE LESS THAN EIGHT (8) FEET.
 - 4) CONCRETE SHALL BE CURED IN A MANNER APPROVED BY THE CITY OF PORTAGE.
 - 5) SEE RELATED CITY OF PORTAGE STANDARD DETAIL:
 - SD-113, STANDARD CURB

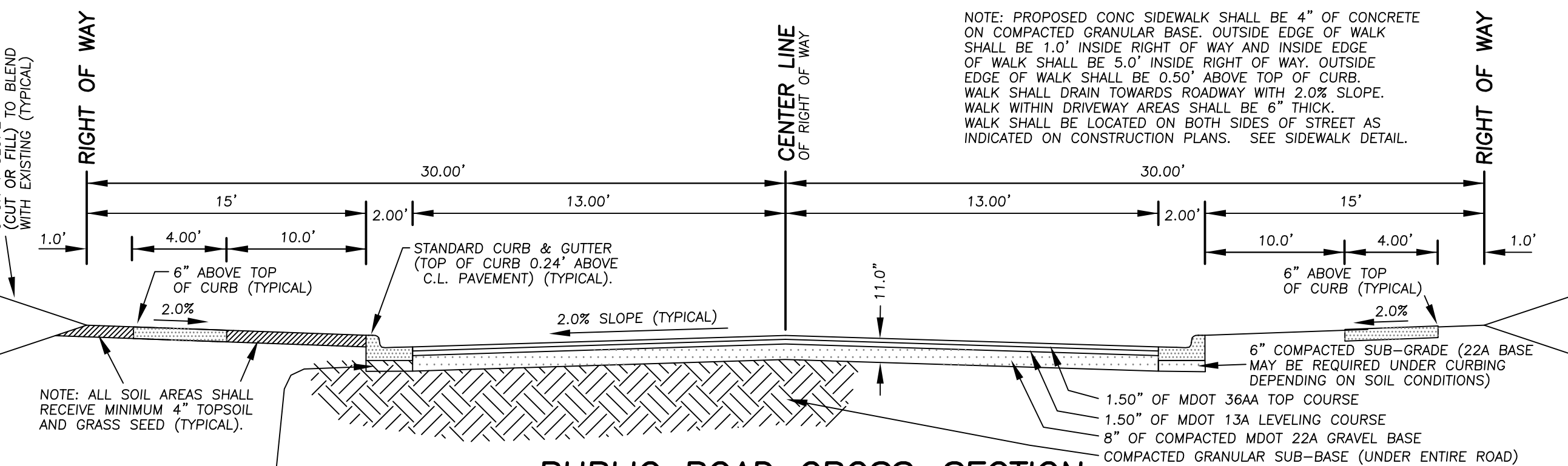
NOTE: SIDEWALK ALONG PORTAGE ROAD SHALL BE 5.0' WIDE



SIDEWALK

- NO SCALE
- NOTES:
- 1) CONCRETE SHALL BE MDOT GRADES 35P OR 35S, AND MEET THE FOLLOWING REQUIREMENTS:
 - ALL AGGREGATES SHALL BE LIMESTONE OR SLAG MATERIAL
 - ENTRAINED AIR = 6 TO 8 PERCENT
 - COMPRESSIVE STRENGTH AT 28 DAYS = 3500 P.S.I.
 - SLUMP = 1.5 TO 3 INCHES
 - MODULUS OF RUPTURE AT 28 DAYS = 650 P.S.I.
 - MINIMUM PORTLAND CEMENT CONTENT = 5.50 SACKS PER CUBIC YARD
 - 2) ONE (1) INCH TRANSVERSE EXPANSION JOINTS SHALL BE PLACED AT UNIFORM INTERVALS OF NOT MORE THAN 50 FEET.
 - 3) PLANE OF WEAKNESS JOINTS SHALL BE PLACED AT UNIFORM INTERVALS OF FOUR (4) FEET.
 - 4) ALL JOINTS SHALL BE CONSTRUCTED AT RIGHT ANGLES TO THE CENTERLINE OF THE WALK.
 - 5) ALL EDGES AND JOINTS SHALL BE PROPERLY TOOLED.
 - 6) THE SURFACE SHALL BE FINISHED WITH A WOOD FLOAT OR BRUSH TO PROVIDE A NON-SLIP SURFACE.
 - 7) CONCRETE SHALL BE CURED IN A MANNER APPROVED BY THE CITY OF PORTAGE.
 - 8) WALK WITHIN DRIVEWAY AREAS SHALL BE SIX (6) INCHES THICK.
 - 9) SEE RELATED CITY OF PORTAGE STANDARD DETAILS:
 - SD-117, RESIDENTIAL DRIVEWAY APPROACH WITH CURBED LOCAL STREET
 - SD-118, RAMMED SIDEWALK TYPE 1 DETAIL

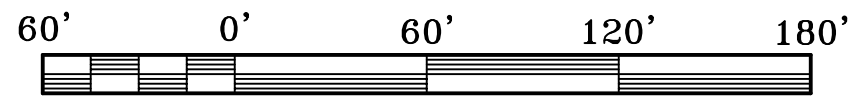
PUBLIC ROAD CROSS-SECTION



NOTE: CONTRACTOR SHALL SPECIFY UNDERCUTTING PROVISIONS AND PRICES WITHIN BID.

NOTE: COMPACTED MATERIAL SHALL BE COMPACTED TO 95 PERCENT OF MAXIMUM UNIT WEIGHT AS DETERMINED BY THE MODIFIED PROCTOR METHOD.





NOTE: DEVELOPMENT OF "WEST LAKE ESTATES" SHALL COMPLY WITH ALL APPLICABLE CITY OF PORTAGE AND MDEQ REQUIREMENTS WITH REGARDS TO ON-SITE WETLANDS AND STORM WATER DISPOSAL.

DEWATERING NOTES (IF REQUIRED):

- NOTE: REMOVAL OF WATER, OR "DEWATERING", SHALL COMPLY WITH SECTION 202.0 OF THE CITY OF PORTAGE'S CONTRACT CONDITIONS AND SPECIFICATIONS WITH TWO EXCEPTIONS:
- 1) THE OWNER SHALL BE RESPONSIBLE FOR OBTAINING THE APPROPRIATE MDEQ PERMITS.
 - 2) RESTORATION OF DAMAGED STRUCTURES AND FOUNDATION SOILS RESULTING FROM DEWATERING SHALL BE PERFORMED BY THE CONTRACTOR AT NO ADDITIONAL EXPENSE TO THE OWNER.
 - 3) POINT OF DEWATERING DISCHARGE SHALL BE PROTECTED FROM EROSION (DEWATERING BAGS, PLYWOOD SHEETS, FILTER FABRIC, ETC.) AND SILT FENCE SHALL BE INSTALLED BETWEEN WETLAND AND POINT OF DEWATERING DISCHARGE.

NOTE: ADDITIONAL SILT FENCE MAY BE REQUIRED BY THE CITY OR BY THE M.D.E.Q.

MICHIGAN UNIFIED KEYING SYSTEM

- | | |
|--|-------------------------------|
| | SEEDING (ALL DISTURBED AREAS) |
| | RIP RAP |
| | PAVING |
| | CURB & GUTTER |
| | STORM SEWER |
| | CATCH BASIN |
| | EROSION CONTROL BLANKET |
| | GEOTEXTILE SILT FENCE |
| | STONE ENTRY PAD |
| | M.U.K.S. DESIGNATION |
| | TEMPORARY/PERMANENT |

NOTE: EROSION CONTROL BLANKETS SHALL BE PROPERLY PLACED ON ALL PROPOSED BANKS THAT HAVE A SLOPE OF 4:1 (HORIZONTAL : VERTICAL) OR STEEPER.

NOTE: SOIL EROSION AND SEDIMENTATION CONTROL PERMIT SHALL BE OBTAINED FROM THE CITY OF PORTAGE PRIOR TO COMMENCEMENT OF ROADWAY AND UTILITY CONSTRUCTION.



72 HOURS
BEFORE YOU DIG
CALL MISS DIG
1-800-482-7171

ESTIMATED CONSTRUCTION SCHEDULE:

	JUNE '18	JULY '18	AUG. '18	SEPT '18
TREE CLEARING (MARCH '18)				
EARTHMOVING				
SANITARY SEWER				
STORM SEWER				
WATER MAIN				
CURBING & PAVING				
PRIVATE UTILITIES				
RESTORATION				

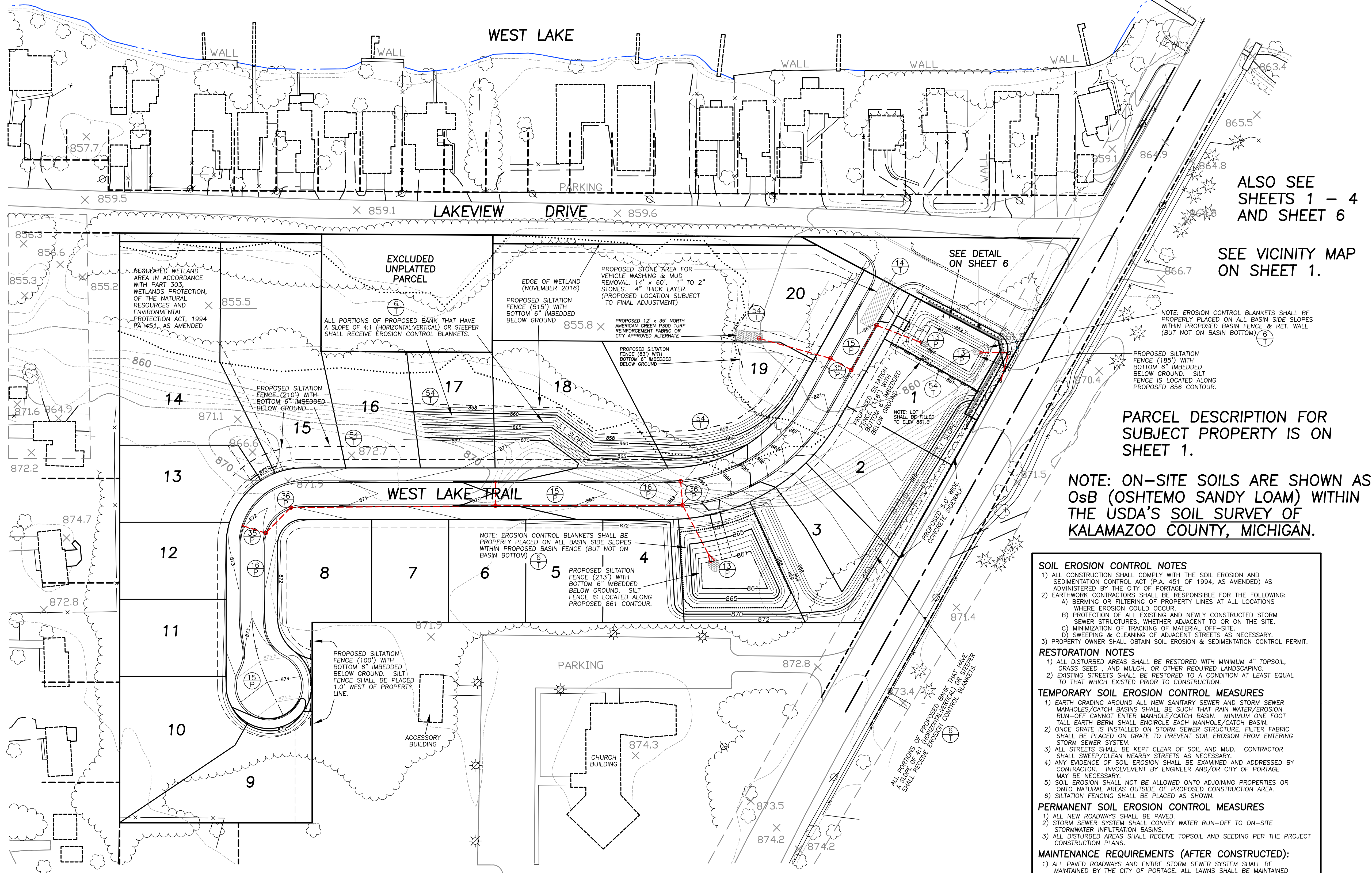
NOTE: CONSTRUCTION SCHEDULE SUBJECT TO CHANGE.

GENERAL SOIL EROSION CONTROL NOTES:

- 1) ALL CONSTRUCTION SHALL COMPLY WITH THE SOIL EROSION AND SEDIMENTATION CONTROL ACT (P.A. 451 OF 1994, AS AMENDED) AS ADMINISTERED BY THE CITY OF PORTAGE.
- 2) EARTHWORK CONTRACTORS SHALL BE RESPONSIBLE FOR THE FOLLOWING:
 - A) BERMING OR FILTERING OF RUNOFF AT PROPERTY LINES WHERE EROSION COULD OCCUR.
 - B) PROTECTION OF ALL EXISTING AND NEWLY CONSTRUCTED STORM SEWER STRUCTURES, WHETHER ADJACENT TO THE SITE OR ON THE SITE.
 - C) MINIMIZATION OF TRACKING OF MATERIAL OFF-SITE.
 - D) SWEEPING AND CLEANING OF ADJACENT STREETS AS NECESSARY.
- 3) OWNER SHALL OBTAIN "SOIL EROSION CONTROL PERMIT" FROM THE CITY OF PORTAGE.
- 4) ALL STORM SEWER INLETS/DRAINS SHALL HAVE GRATE WRAPPED IN FILTER FABRIC. FABRIC SHALL REMAIN UNTIL RIGHT-OF-WAY IS SUITABLY STABILIZED.

LEGEND

- 900 --- EXISTING ELEVATION CONTOUR
--- 900 --- PROPOSED ELEVATION CONTOUR



ALSO SEE SHEETS 1 - 4 AND SHEET 6

SEE VICINITY MAP ON SHEET 1.

NOTE: EROSION CONTROL BLANKETS SHALL BE PROPERLY PLACED ON ALL BASIN SIDE SLOPES WITHIN PROPOSED BASIN FENCE & RET. WALL (BUT NOT ON BASIN BOTTOM)

PARCEL DESCRIPTION FOR SUBJECT PROPERTY IS ON SHEET 1.

NOTE: ON-SITE SOILS ARE SHOWN AS OsB (OSHTOMO SANDY LOAM) WITHIN THE USDA'S SOIL SURVEY OF KALAMAZOO COUNTY, MICHIGAN.

SOIL EROSION CONTROL NOTES

- 1) ALL CONSTRUCTION SHALL COMPLY WITH THE SOIL EROSION AND SEDIMENTATION CONTROL ACT (P.A. 451 OF 1994, AS AMENDED) AS ADMINISTERED BY THE CITY OF PORTAGE.
- 2) EARTHWORK CONTRACTORS SHALL BE RESPONSIBLE FOR THE FOLLOWING:
 - A) BERMING OR FILTERING OF PROPERTY LINES AT ALL LOCATIONS WHERE EROSION COULD OCCUR.
 - B) PROTECTION OF ALL EXISTING AND NEWLY CONSTRUCTED STORM SEWER STRUCTURES, WHETHER ADJACENT TO OR ON THE SITE.
 - C) MINIMIZATION OF TRACKING OF MATERIAL OFF-SITE.
 - D) SWEEPING & CLEANING OF ADJACENT STREETS AS NECESSARY.
- 3) PROPERTY OWNER SHALL OBTAIN SOIL EROSION & SEDIMENTATION CONTROL PERMIT.

RESTORATION NOTES

- 1) ALL DISTURBED AREAS SHALL BE RESTORED WITH MINIMUM 4" TOPSOIL, GRASS SEED, AND MULCH, OR OTHER REQUIRED LANDSCAPING.
- 2) EXISTING STREETS SHALL BE RESTORED TO A CONDITION AT LEAST EQUAL TO THAT WHICH EXISTED PRIOR TO CONSTRUCTION.

TEMPORARY SOIL EROSION CONTROL MEASURES

- 1) EARTH GRADING AROUND ALL NEW SANITARY SEWER AND STORM SEWER MANHOLES/CATCH BASINS SHALL BE SUCH THAT RAIN WATER/EROSION RUN-OFF CANNOT ENTER MANHOLE/CATCH BASIN. MINIMUM ONE FOOT TALL EARTH BERM SHALL ENCLOSE EACH MANHOLE/CATCH BASIN.
- 2) ONCE GRATE IS INSTALLED ON STORM SEWER STRUCTURE, FILTER FABRIC SHALL BE PLACED ON GRATE TO PREVENT SOIL EROSION FROM ENTERING STORM SEWER SYSTEM.
- 3) ALL STREETS SHALL BE KEPT CLEAR OF SOIL AND MUD. CONTRACTOR SHALL SWEEP/CLEAN NEARBY STREETS AS NECESSARY.
- 4) ANY EVIDENCE OF SOIL EROSION SHALL BE EXAMINED AND ADDRESSED BY CONTRACTOR. INVOLVEMENT BY ENGINEER AND/OR CITY OF PORTAGE MAY BE NECESSARY.
- 5) SOIL EROSION SHALL NOT BE ALLOWED ONTO ADJOINING PROPERTIES OR ONTO NATURAL AREAS OUTSIDE OF PROPOSED CONSTRUCTION AREA.
- 6) SILTATION FENCING SHALL BE PLACED AS SHOWN.

PERMANENT SOIL EROSION CONTROL MEASURES

- 1) ALL NEW ROADWAYS SHALL BE PAVED.
- 2) STORM SEWER SYSTEM SHALL CONVEY WATER RUN-OFF TO ON-SITE STORMWATER INFILTRATION BASINS.
- 3) ALL DISTURBED AREAS SHALL RECEIVE TOPSOIL AND SEEDING PER THE PROJECT CONSTRUCTION PLANS.

MAINTENANCE REQUIREMENTS (AFTER CONSTRUCTED):

- 1) ALL PAVED ROADWAYS AND ENTIRE STORM SEWER SYSTEM SHALL BE MAINTAINED BY THE CITY OF PORTAGE. ALL LAWNS SHALL BE MAINTAINED BY LOT OWNERS.
- 2) TEMPORARY EROSION CONTROL MEASURES SHALL BE REMOVED ONLY AFTER ENTIRE SITE HAS BEEN STABILIZED.

REVISED: 4/06/2018
REVISED: 4/05/2018
REVISED: 3/31/2018
REVISED: 3/28/2018

PROPERTY OWNER:
AEG DEVELOPMENT, LLC
2186 EAST CENTRE AVENUE
PORTAGE, MI 49002
(269) 321-2610

SOIL EROSION CONTROL PLAN
"WEST LAKE ESTATES"

NW 1/4 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN

Ingersoll, Watson & McMachen, Inc.

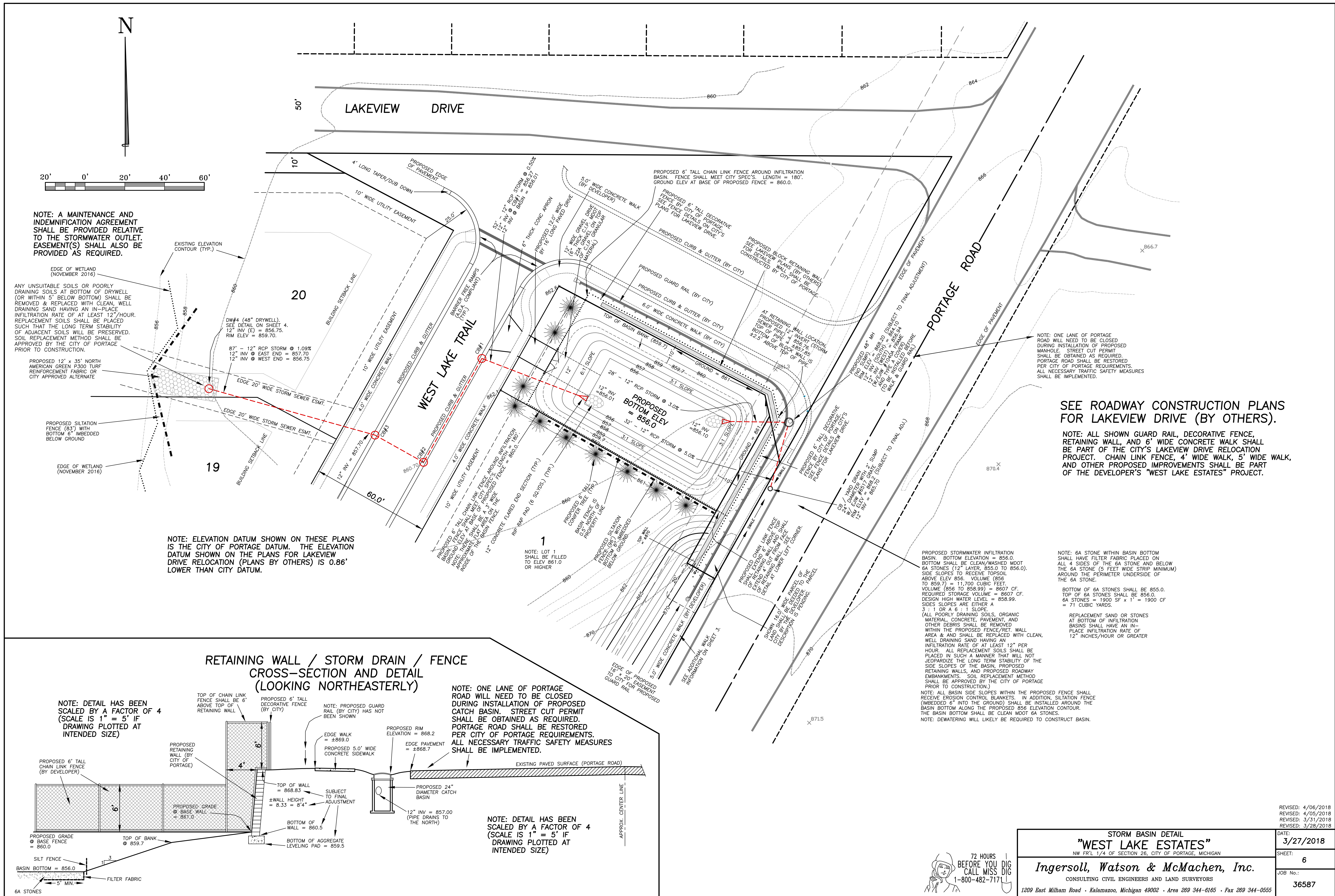
CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS

1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555

DATE:
3/21/2018

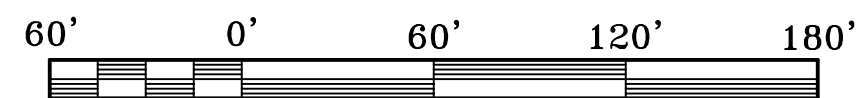
SHEET:
5

JOB No.:
36587



STORM BASIN DETAIL "WEST LAKE ESTATES" NW 1/4 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN		DATE: 3/27/2018
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS 1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555		SHEET: 6
72 HOURS BEFORE YOU DIG CALL MISS DIG 1-800-482-7171		JOB No.: 36587

N



-sizing for southerly storm basin (25 yr storm):

Rational Method Detention Basin Sizing Tool

Version 1.0

Location: Kalamazoo County
Project: West Lake Estates
Job No.: 36587
Date: 3/9/2018
By: NWM / Pat Flanagan

Contributing Area [ac] = 3.71
Runoff "C" Value = 0.54
Allowable Release Rate [cfs/ac] = 0.00183
Rainfall Frequency = 25-year
Site Release Rate [cfs] = 0.3406893
Factor of Safety = 1.25
Required Storage Volume [cfs] = 21624
Time to Empty [hr] = 17.6

Time [hr]	Rainfall Intensity [in/hr]	Runoff Volume [cfs]	Discharge Volume [cfs]	Storage Volume [cfs]	Storage Volume [ac-ft]	Time to Empty [hr]
0.167	5.580	6763	204	8199	0.19	6.7
0.250	4.800	6727	307	10525	0.24	8.6
0.333	4.180	10085	409	12095	0.28	9.9
0.500	3.300	11999	613	14233	0.33	11.6
0.667	2.749	13327	818	15837	0.36	12.7
0.750	2.543	13871	920	16189	0.37	13.2
0.833	2.369	14358	1022	16669	0.38	13.6
1.000	2.000	15189	1226	17166	0.40	14.2
2.000	1.290	16763	2453	20387	0.47	16.6
3.000	0.950	20726	3679	21308	0.49	17.4
4.000	0.763	22205	4908	21824	0.50	17.6
5.000	0.642	23392	6132	21925	0.49	17.6
6.000	0.557	24290	7356	21163	0.49	17.3
7.000	0.494	25147	8585	20702	0.48	16.9
8.000	0.445	25889	9812	20007	0.46	16.4
9.000	0.406	26544	11028	19382	0.44	15.8
10.000	0.373	27130	12265	18892	0.43	15.2
12.000	0.323	28144	14719	16783	0.39	13.7
18.000	0.232	30398	22077	10402	0.24	8.5
24.000	0.185	32382	29436	9858	0.08	3.0

- Notes:**
- Runoff volume is calculated by multiplying the Rational formula discharge, CIA, by the time, t . $V_R = (CIA) t$
 - Discharge volume is calculated by multiplying the site release rate, Q_R , by the time, t . $V_R = Q_R t$
 - Storage volume is calculated by subtracting the discharge volume from the runoff volume and multiplying by the factor of safety. $V_S = (V_R - V_D) f_s$
 - The time to empty is the storage volume divided by the site release rate.
- Disclaimer:**
- This Excel spreadsheet is furnished by the Kalamazoo County Drain Commissioner and FPC&M for the convenience of the recipient to show compliance with the Kalamazoo County Site Development Rules.
- Any additional conclusions or information obtained or derived from this spreadsheet program will be at the user's sole risk.

-sizing for southerly storm basin (100 yr storm):

Rational Method Detention Basin Sizing Tool

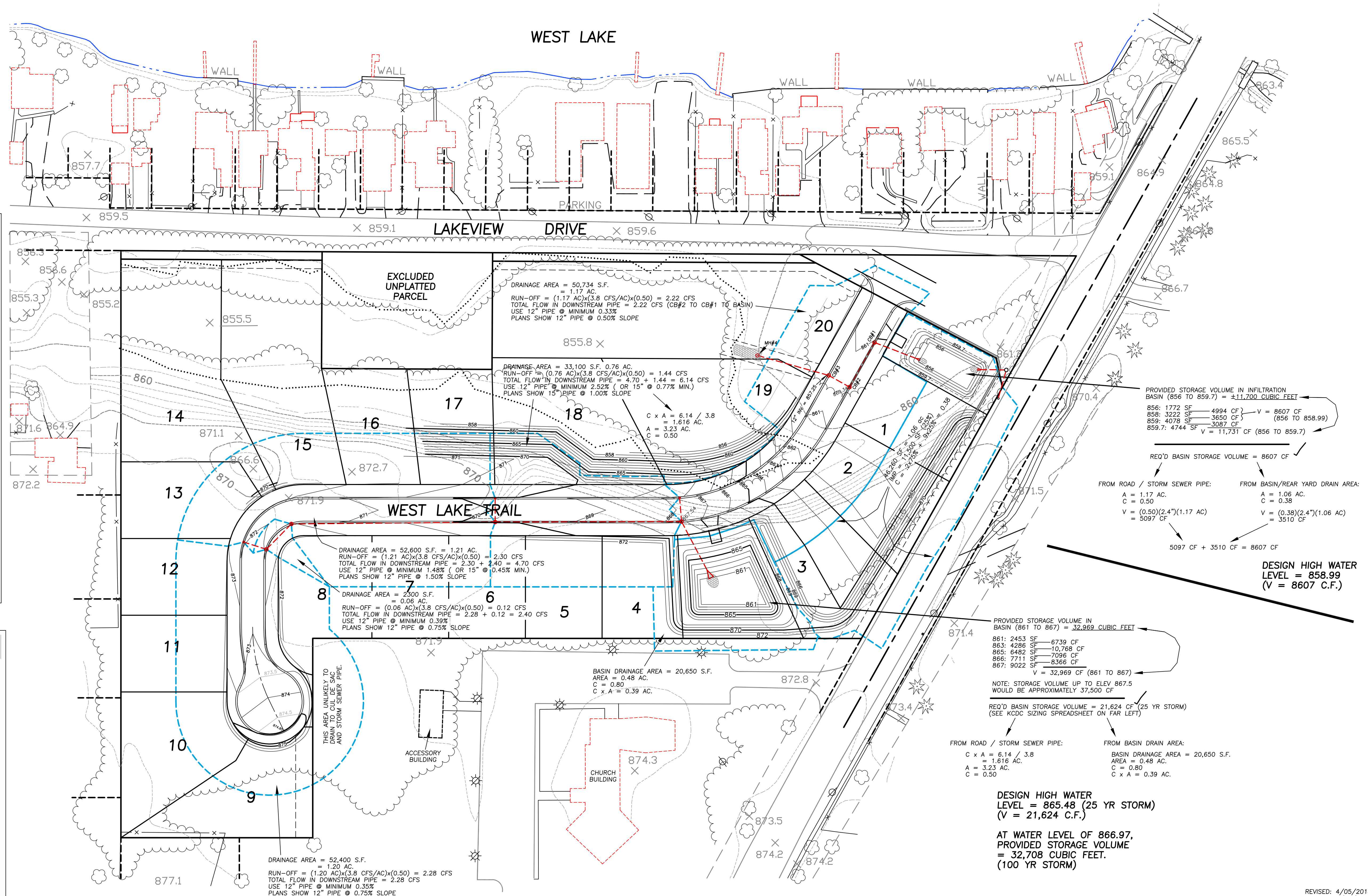
Version 1.0

Location: Kalamazoo County
Project: West Lake Estates
Job No.: 36587
Date: 3/9/2018
By: NWM / Pat Flanagan

Contributing Area [ac] = 3.71
Runoff "C" Value = 0.54
Allowable Release Rate [cfs/ac] = 0.00183
Rainfall Frequency = 100-year
Site Release Rate [cfs] = 0.3406893
Factor of Safety = 1.25
Required Storage Volume [cfs] = 32708
Time to Empty [hr] = 26.7

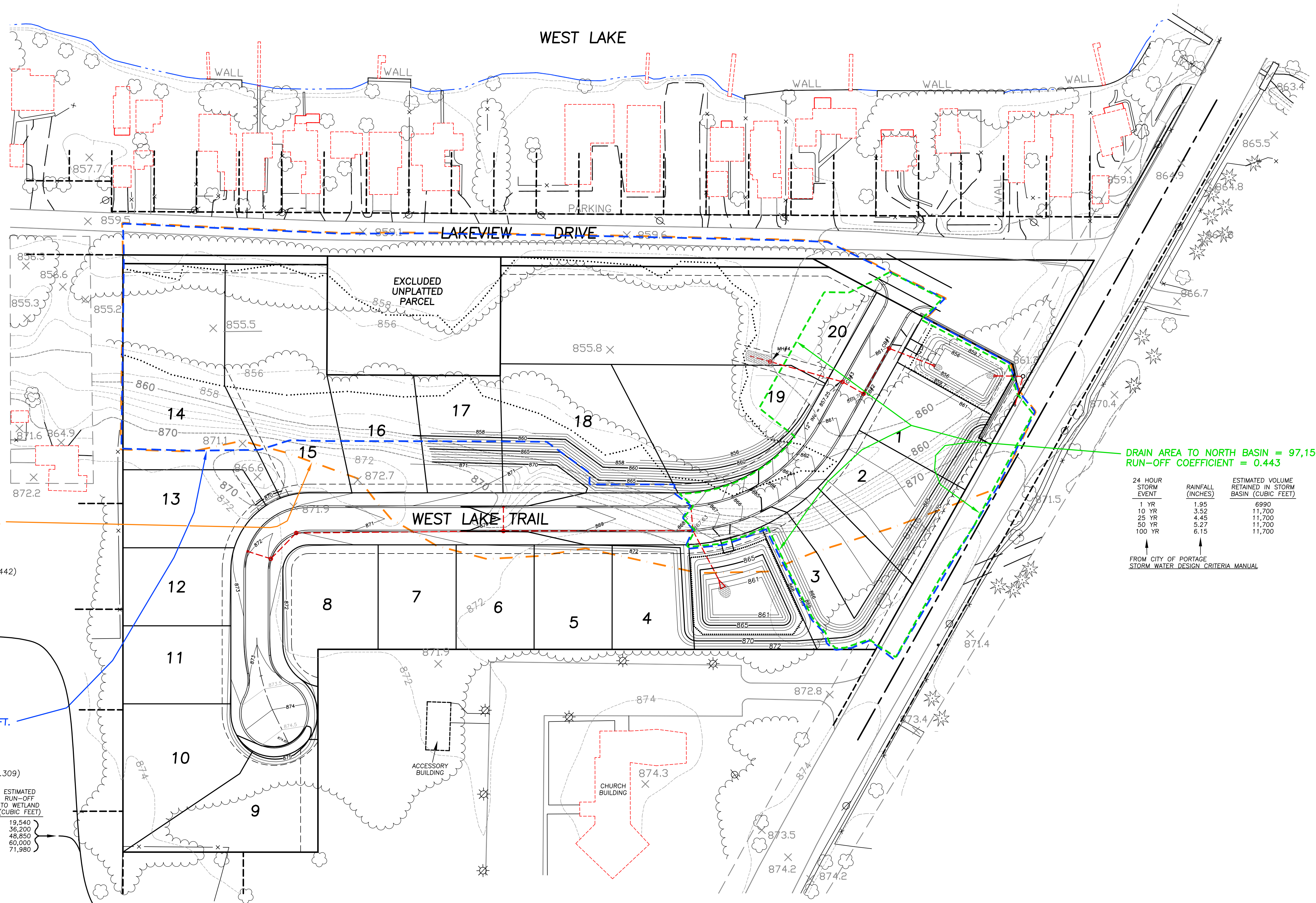
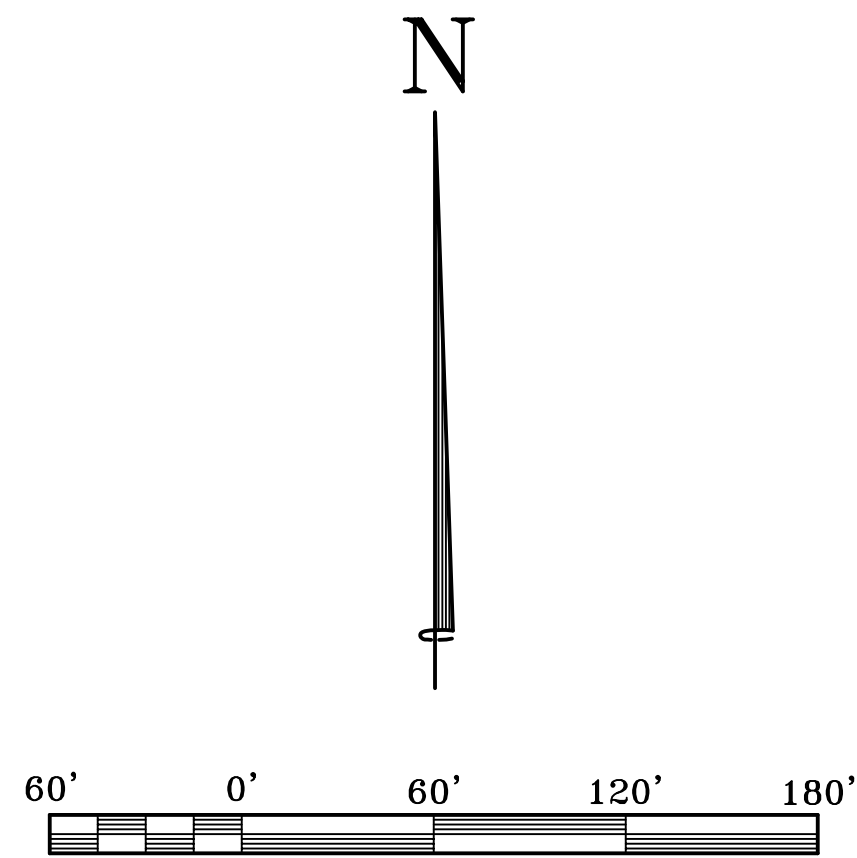
Time [hr]	Rainfall Intensity [in/hr]	Runoff Volume [cfs]	Discharge Volume [cfs]	Storage Volume [cfs]	Storage Volume [ac-ft]	Time to Empty [hr]
0.167	7.740	9381	204	11471	0.26	9.4
0.250	6.840	12072	307	14707	0.34	12.0
0.333	6.150	12943	409	16918	0.39	13.8
0.500	4.590	15581	613	19960	0.46	16.3
0.667	3.800	18422	818	22004	0.51	17.9
0.750	3.516	19176	920	22820	0.52	18.6
0.833	3.275	19850	1022	23535	0.54	19.2
1.000	2.890	21017	1226	24738	0.57	20.2
2.000	1.785	25962	2453	29387	0.67	24.0
3.000	1.313	28853	3679	31217	0.72	25.5
4.000	1.055	30675	4908	32212	0.74	26.3
5.000	0.887	32244	6132	32839	0.75	26.8
6.000	0.768	33505	7356	32708	0.75	26.7
7.000	0.682	34722	8585	32671	0.75	26.6
8.000	0.615	35759	9812	32454	0.74	26.4
9.000	0.560	36673	11028	32044	0.74	26.1
10.000	0.516	37492	12265	31533	0.72	25.7
12.000	0.446	38907	14719	30237	0.69	24.7
18.000	0.321	42034	22077	24947	0.57	20.3
24.000	0.256	44725	29436	19112	0.44	15.8

- Notes:**
- Runoff volume is calculated by multiplying the Rational formula discharge, CIA, by the time, t . $V_R = (CIA) t$
 - Discharge volume is calculated by multiplying the site release rate, Q_R , by the time, t . $V_R = Q_R t$
 - Storage volume is calculated by subtracting the discharge volume from the runoff volume and multiplying by the factor of safety. $V_S = (V_R - V_D) f_s$
 - The time to empty is the storage volume divided by the site release rate.
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- Any additional conclusions or information obtained or derived from this spreadsheet program will be at the user's sole risk.



REVISED: 4/05/2018
REVISED: 3/31/2018
REVISED: 3/28/2018
REVISED: 3/22/2018
REVISED: 3/15/2018
REVISED: 3/8/2018
REVISED: 3/7/2018

DATE: 2/19/2018	
SHEET: 1	
JOB No.: 36587	
DRAINAGE PLAN "WEST LAKE ESTATES" NW 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN	
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS 1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555	



PRE-DEVELOPMENT DRAIN AREA = 324,000 SQ.FT.
WETLAND PORTION = 115,200 SQ.FT. (35.5%)
STEEP PORTION = 50,000 SQ.FT. (15.4%)
IMPERVIOUS = 16,000 SF (4.9%)
FLATTER PORTION = 44.2%
RUN-OFF C = 0.8(.355) + 0.3(.154) + 0.9(.049) + 0.2(.442)
= 0.463

24 HOUR STORM EVENT	RAINFALL (INCHES)	ESTIMATED RUN-OFF TO WETLAND (CUBIC FEET)
1 YR	1.95	24,380
10 YR	3.52	44,000
25 YR	4.45	55,630
50 YR	5.27	65,880
100 YR	6.15	76,880

POST-DEVELOPMENT DRAIN AREA = 298,500 SQ.FT.
WETLAND PORTION = 108,000 SQ.FT. (36.2%)
STEEP PORTION = 50,000 SQ.FT. (16.8%)
IMPERVIOUS = 48,000 SQ.FT. (16.1%)
FLATTER PORTION = 30.9%
RUN-OFF C = 0.8(.362) + 0.3(.168) + 0.9(.161) + 0.2(.309)
= 0.547

24 HOUR STORM EVENT	RAINFALL (INCHES)	ESTIMATED RUN-OFF (CUBIC FEET)	ESTIMATED VOLUME RETAINED IN STORM BASIN (CUBIC FEET)	ESTIMATED RUN-OFF TO WETLAND (CUBIC FEET)
1 YR	1.95	26,530	6990	19,540
10 YR	3.52	47,900	11,700	36,200
25 YR	4.45	60,550	11,700	48,850
50 YR	5.27	71,700	11,700	60,000
100 YR	6.15	83,680	11,700	71,980

FROM CITY OF PORTAGE
STORM WATER DESIGN CRITERIA MANUAL

NOTE: RUN-OFF "C" VALUES HAVE BEEN ESTIMATED AT 0.8 FOR
WETLAND AREAS, 0.3 FOR STEEP SLOPES, 0.9 FOR IMPERVIOUS
AREAS, AND 0.2 FOR FLATTER AREAS.

ESTIMATED RUN-OFF = (RAINFALL AMOUNT) x (SIZE OF DRAIN AREA) x (RUN-OFF "C")

RUN-OFF COMPARISON

24 HOUR STORM EVENT	PRE-DEVELOPMENT ESTIMATED RUN-OFF TO WETLAND (CUBIC FEET)	POST-DEVELOPMENT ESTIMATED RUN-OFF TO WETLAND (CUBIC FEET)
1 YR	19,540	19,540
10 YR	36,200	36,200
25 YR	48,850	48,850
50 YR	60,000	60,000
100 YR	71,980	71,980

FROM CITY OF PORTAGE
STORM WATER DESIGN CRITERIA MANUAL

NOTE: THE ESTIMATED RUN-OFF VOLUMES TO THE WETLAND ARE ANTICIPATED
TO ARRIVE AT THE WETLAND WITHIN 12 HOURS OF THE RAINFALL EVENT.
THE ESTIMATED POST-DEVELOPMENT RUN-OFF VOLUME IS LESS THAN THE
ESTIMATED PRE-DEVELOPMENT RUN-OFF VOLUME DUE TO THE ESTIMATED
RUN-OFF VOLUME THAT IS RETAINED IN THE NORTHERLY INFILTRATION
BASIN. SEVERAL DAYS OR WEEKS AFTER THE RAINFALL EVENT, THE
IMPACT ON THE WETLAND (PRE TO POST DEVELOPMENT) IS ANTICIPATED
TO BE NEGLIGIBLE.

DRAIN AREA TO NORTH BASIN = 97,150 SQ.FT.
RUN-OFF COEFFICIENT = 0.443

24 HOUR STORM EVENT	RAINFALL (INCHES)	ESTIMATED VOLUME RETAINED IN STORM BASIN (CUBIC FEET)
1 YR	1.95	6990
10 YR	3.52	11,700
25 YR	4.45	11,700
50 YR	5.27	11,700
100 YR	6.15	11,700

FROM CITY OF PORTAGE
STORM WATER DESIGN CRITERIA MANUAL

RUN-OFF COMPARISON "WEST LAKE ESTATES" NW 1/4 1/4 OF SECTION 26, CITY OF PORTAGE, MICHIGAN		DATE: 3/28/2018
Ingersoll, Watson & McMachen, Inc. CONSULTING CIVIL ENGINEERS AND LAND SURVEYORS		SHEET: 1
1209 East Milham Road • Kalamazoo, Michigan 49002 • Area 269 344-6165 • Fax 269 344-0555		JOB No.: 36587

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Oakland Drive Reconstruction (West Milham Avenue to I-94) Bid Tabulation

SUPPORTING PERSONNEL: Kendra Gwin, Director of Transportation & Utilities

ACTION RECOMMENDED: Award a construction contract in the amount not to exceed \$549,239.25 to Rieth-Riley Construction Company of Kalamazoo, Michigan for the reconstruction of Oakland Drive from West Milham Avenue to I-94 and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The 2017-2018 Capital Improvement Program budget provides funding for the reconstruction of Oakland Drive from West Milham Avenue to I-94. The project entails milling and resurfacing of the street to include Americans with Disability Act (ADA) ramps at intersections, hydrant extensions at Hemlock Avenue and Rosewood Avenue, replacement of water main across Oakland Drive at Rosewood Avenue, stamped concrete between sidewalks and curb and gutter in narrow sections and restoration. Through coordination and a signed agreement with the owner of the proposed Portage Prosperity Condominium project at 5717 Oakland Drive, installation of a sanitary sewer manhole in Oakland Drive and water main extension to serve the private development has been included in the project.

In the State of Michigan, street conditions are rated using PASER (Pavement Surface Evaluation Rating) system. The standard breakdown for the PASER ratings with a general description are as follows:

Rating	Description
9-10	Excellent (new pavement)
8	Very Good (little to no maintenance required)
6-7	Good (sound structural condition with crack seal maintenance)
4-5	Fair (candidates for pavement overlay)
3	Poor (needs patching and repair to remove failed areas prior to an overlay)
2	Very Poor (severe deterioration, needs reconstruction with total base repair)
1	Failed (requires total reconstruction)

On a scale of 1-10, this section of Oakland Drive has a PASER rating of 3, which is poor condition. The resurfacing of this section of roadway will improve the structural strength of the pavement, add longevity to the pavement life and provide a smooth driving surface. This project meets standard asset

management strategies for this rating and will bring the roadway to a 9 PASER rating when the project is complete.

On August 22, 2017, City Council awarded a contract in the amount of \$246,400 to Wightman & Associates, Incorporated, for the design and construction engineering of the 2018 Major Street Reconstruction project, which included the subject project and the West Centre Avenue Reconstruction project. Project design on Oakland Drive is complete and on March 29, 2018 two bids for construction were received, with the low bid being submitted by Rieth-Riley Construction Company of Kalamazoo, Michigan in the amount of \$549,239.25. If awarded, the project construction would begin in May 2018 and be completed by August 2018.

Therefore, it is recommended that City Council award a construction contract in an amount not to exceed \$549,239.25 to Rieth-Riley Construction Company of Kalamazoo, Michigan for the reconstruction of Oakland Drive from West Milham Avenue to I-94, and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: The Oakland Drive Reconstruction project is part of the larger 2018 Major Street Reconstruction program in the 2017-2018 CIP, with the total appropriation for this fund at \$3,735,000. Also included is \$60,000 in the Water Fund in the 2017-2018 CIP for the water main replacement and hydrant extension work.

Attachments:

1. Bid Tabulation
2. Recommendation of Award

BID TABULATION
OAKLAND DRIVE RESURFACING

<u>BIDDER</u>	<u>GRAND TOTAL</u>
Rieth-Riley Construction Co., Inc. 911 Hatfield Ave. Kalamazoo, MI 49001	\$549,239.25
Michigan Paving & Materials Co. 2300 Glendenning Rd. Kalamazoo, MI 49001	\$618,669.19



WIGHTMAN & ASSOCIATES, INC.

ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

Allegan Office:
1670 Lincoln Road
Allegan, MI 49010

Telephone:
(269)673-8465

Fax:
(269)927-1300

Website:
www.wightman-assoc.com

March 30, 2018

City of Portage
Transportation & Utilities
7919 South Westnedge Avenue
Portage, MI 49002

Attention: Kendra Gwin, Director of Transportation & Utilities

RE: OAKLAND DRIVE RESURFACING – MILHAM TO I-94

Dear Ms. Gwin:

On March 29, 2018 bids were opened for the Oakland Drive Resurfacing project and two bids were received for this project. The low bid was submitted by Rieth-Riley Construction Company, Inc. of Kalamazoo, Michigan in the amount of \$549,239.25. Rieth-Riley has successfully completed several previous projects for the City. Rieth-Riley also submitted a list of sub-contractors they intend to use on the project and Wightman has successfully worked with them on previous projects.

It is recommended that the City of Portage award a contract in the amount of \$549,239.25 to Rieth-Riley Construction Company, Inc. for the Oakland Drive resurfacing project.

I have enclosed a copy of the bid tabulation and the Council Summary report for your use.

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

Very truly yours,

WIGHTMAN & ASSOCIATES, INC.

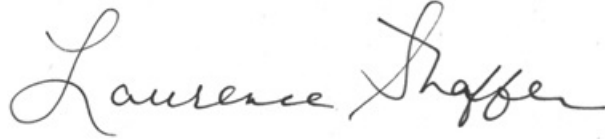
Aaron Neitling, P.E., Project Engineer
aneitling@gowightman.com

Enclosures (2)

cc: Ms. Jamie Harmon – City of Portage

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Lovers Lane Reverse Curve Alignment Correction and Improvements Project -
Tabulation of Proposals

SUPPORTING PERSONNEL: Kendra Gwin, Director of Transportation & Utilities

ACTION RECOMMENDED: Award a contract in the amount not to exceed \$80,900 to Hurley & Stewart, LLC, to perform engineering services for the reverse curve alignment correction and improvements of Lovers Lane from Ramona Avenue to East Milham Avenue and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The proposed fiscal year 2018 – 2019 Capital Improvement Program budget contains funding for the correction of the reverse curve alignment on Lovers Lane. This work includes 700 feet of roadway reconstruction on Lovers Lane where two adjacent horizontal curves cause drivers to shift their vehicles abruptly, causing a safety concern. Also included in the project is the mill and resurface of Lovers Lane north and south of the reconstruction area from Ramona Avenue to East Milham Avenue. With the ongoing construction of the Stryker facilities and Stryker Way connecting Lovers Lane to Portage Road, a significant increase in traffic is anticipated in this area. It is essential to complete this project prior to the opening of the Stryker facilities in the fall of 2019.

A request for proposals for professional engineering service was issued and on March 29, 2018, six proposals were received for design and construction engineering services for the Lovers Lane project. Based upon review of the proposals, staff has determined that the low proposal in the amount of \$80,900 from Hurley & Stewart, LLC best fits the needs of the project. Hurley & Stewart, LLC has experience with the city's policies and procedures and completed the civil engineering for the Stryker site and new Stryker Way boulevard that will connect Lovers Lane and Portage Road.

Therefore, it is recommended that City Council award a contract in the amount not to exceed \$80,900 to Hurley & Stewart, LLC to perform engineering services for the Lovers Lane Reverse Curve Alignment Correction and Improvements from Ramona Avenue to East Milham Avenue and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: To enable an earlier start on engineering design of the proposed fiscal year 2018-2019 Major and Local Street Reconstruction project, City Council approved a budget transfer of \$500,000 from the General Fund to the Capital Fund on February 12, 2018. Funds are therefore available in the 2017-2018 Capital Improvement Program budget.

Attachments: 1. Tabulation of Proposals

TABULATION OF PROPOSALS
LOVERS LANE REALIGNMENT

<u>FIRM</u>	<u>TOTAL COST</u>
Hurley & Stewart, LLC 2800 S. 11th St. Kalamazoo, MI 49009	\$80,900.00
WBK Engineering, LLC 68 East Michigan Ave. Battle Creek, MI 49017	\$87,940.00
Fleis & VandenBrink 4798 Campus Dr. Kalamazoo, MI 49008	\$90,800.00
Abonmarche Consultants, Inc. 95 W. Main Street Benton Harbor, MI 49022	\$95,505.00
C2AE 211 E. Water Street, Ste. 213L Kalamazoo, MI 49007	\$113,000.00
Williams & Works 549 Ottawa Ave. NW Grand Rapids, MI 49503	\$115,840.00
Wightman & Associates, Inc. 9835 Portage Rd. Portage, MI 49002	\$119,733.00

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: FY 2016-2017 Local Development Finance Authority Annual Report

SUPPORTING PERSONNEL: Chris Forth, Deputy Director of Planning, Development & Neighborhood Services

ACTION RECOMMENDED: Accept the FY 2016-17 Local Development Finance Authority Annual Report.

The Local Development Finance Authority (LDFA) was established in 1990. Tax increment revenue from the Upjohn Company (now Pfizer) was utilized to fund three infrastructure improvements: The Romence Road extension, Milham Avenue water main installation and Bishop Road street improvements. In 2003, the LDFA was again utilized to finance land acquisition, public street improvements, as well as water and sewer improvements to facilitate expansion of the Stryker Corporation on East Centre Avenue. The projects financed through the LDFA in 2003 are complete with the exception of Public Improvements #5 and #7.

Project #5 - East Milham - Kalamazoo/Battle Creek International Airport Water Main Extension

This project was replaced with an alternate plan that involves replacement of the Haverhill water tower with a new, larger water tower. Construction of the new water tower was initially programmed in the Capital Improvement Program for FY 2014-2015 but has been reprogrammed for FY 2019-2020. However, a city-wide water reliability study is scheduled to be completed during FY 2018-2019. The study will include an analysis of the water flow and pressures on the east side of the city, including the Sprinkle Road Industrial Corridor. After completion of the study and review of the findings/recommendations, the project to replace the Haverhill Water Tower will be re-evaluated. Additionally, installation of a water main beneath airport property is an option that is again being considered.

Project #7 - Zylman Avenue Improvements

This project has been deferred as the Stryker Corporation chose not to use Zylman for access when its East Centre Avenue facility was constructed.

In May 2009, Council adopted a resolution for the revision to Projects #5 and #7.

The City of Portage Local Development Finance Authority (LDFA) met on March 19, 2018 to review and approve the accompanying resolution conveying the Annual Financial Report for FY 2016-2017 to City Council and the State Tax Commission. The FY 2016-2017 LDFA Annual Financial Report includes final audited information for the 2016-2017 fiscal year and is attached as Appendix A to the resolution. As shown in the Revenues, Expenditures and Changes in Fund Balances table at the end of the report, the fund balance was \$1,967,925 at the end of FY 2016-2017, a slight decrease from

\$2,016,798 at the end of FY 2015-2016. Expenditures were more than revenues for FY 2016-2017 due to a decline in personal property tax revenue not offset by State of Michigan personal property tax reimbursement. The accompanying LDFA Annual Finance Report has been prepared in conformance with state statute and is provided to City Council as information.

FUNDING: Not applicable

Attachments:

1. LDFA Resolution and Annual Financial Report
2. March 19, 2018 LDFA (draft) minutes

CITY OF PORTAGE

At a regular meeting of the Board of the Local Development Finance Authority of the City of Portage, Michigan, held on March 19, 2018 at 8:00 a.m. at the City Hall, Portage, Michigan, there were:

PRESENT: Fox, McGraw, Wenzel, Zajac, Colestock and Collins

ABSENT: Brooks, Gardner, Seely, Killips and Dekam

The following preamble and resolution were offered by McGraw and supported by Collins:

RESOLUTION APPROVING AND AUTHORIZING THE TRANSMISSION OF THE FINANCIAL REPORTS ON THE STATUS OF THE TAX INCREMENT FINANCING PLAN

WHEREAS, the Local Development Finance Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 281 of the Public Acts of Michigan of 1986 (the "Act") and the Board of the Authority has been duly appointed and sworn into office; and

WHEREAS, the Authority is required by statute to transmit annually to the City Council of the City of Portage and the State Tax Commission a Financial Report on the Status of the Tax Increment Financing Plan which report shall include certain matters as required by Section 13(3) of the Act; and

WHEREAS, such material has been prepared and is attached hereto as Appendix A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE, as follows:

1. The Financial Reports on the Status of the Tax Increment Financing Plan attached hereto as Appendix A is approved.

2. The Director of the Authority is authorized to transmit said financial report to the City Council of the City of Portage and the State Tax Commission.

The results of a roll-call vote on the foregoing resolution were as follows:

YES: Fox, McGraw, Wenzel, Zajac, Colestock and Collins

NAYS: None

ABSTAIN: None

THE RESOLUTION WAS DECLARED ADOPTED.

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a regular meeting held on March 19, 2018, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Board in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



Karla Colestock, Secretary

Dated: March 19, 2018

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE

LOCAL DEVELOPMENT FINANCE AUTHORITY

For

FY 2016 - 2017

Portage, Michigan

APPENDIX A

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF
THE CITY OF PORTAGE

2003 AMENDED DEVELOPMENT PLAN/TAX INCREMENT FINANCE PLAN

FY 2016-17 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

March 19, 2018

INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, (Act 281), the City of Portage (the "City") has established the Local Development Finance Authority of the City of Portage (the "Authority"). Act 281 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 281, shall prepare and submit a tax increment financing plan to the City Council. Act 281 further provides that a tax increment financing plan shall include a development plan.

In 2003, a new opportunity to utilize the LDFA and again forge a public-private cooperative program became available. The City Administration facilitated additional growth and expansion of the manufacturing sector that would benefit the city and other local taxing jurisdictions. As a tool used to spur manufacturing growth, the LDFA financing mechanism was proposed to accomplish public improvements and eligible activities and provide incentives for Pfizer Incorporated to expand in this community. An investment of approximately \$30 million was planned by Pfizer. Additionally, the Stryker Corporation indicated plans to significantly expand its manufacturing capacity by investing up to nearly \$70 million, with significant job retention and job creation possibilities, and incentives to facilitate new manufacturing facilities in Portage and to encourage this investment were proposed. Amending the boundaries of LDFA District No. 1 to include properties along Sprinkle Road were included as part of this initiative.

Pfizer Incorporated proposed new/expanded facilities at the manufacturing complex on Portage Road, including a 98,000 square foot warehouse facility. Public infrastructure improvements facilitated this expansion effort by the company. The manufacturing facilities are operational and construction of the warehouse is nearly complete. In 2017, it was reported that 2,260 full time jobs are located at this facility plus an approximate 600 contract workers.

Stryker Corporation proposed a new and also reconstructed/expanded manufacturing, research, and distribution facilities at 3800 East Centre Avenue, 4100 East Milham Avenue and at 6300 Sprinkle Road. The company invested \$68 million in these new manufacturing and expanded facilities and are now operational. In addition, the Stryker Corporation purchased 288 acres bounded on the east by Portage Road, on the west by Lovers Lane, on the north by East Milham Avenue, and on the south by Ramona Avenue. The first phase of development involves construction of a new 485,000 square foot research and development facility for the Instruments Division located at 6520 Portage Road. Construction began during the summer of 2017 and is expected to be completed in the fall of 2019. The total new building construction and infrastructure costs for the development are estimated at \$130 to \$150 million. It is estimated that the company employs 2,790 people locally.

The purpose of the 2003 Amended Development Plan/Tax Increment Finance Plan is to provide for the acquisition, construction and financing of public facilities and other eligible activities (as defined in Act 281) necessary for the planned projects by these two companies.

The acquisition and construction of certain public facilities and land acquisition activities facilitated the construction and development of the projects by these companies and thereby created economic growth and development in the Authority District and other areas of the City of Portage and Kalamazoo County.

PROPOSED PUBLIC IMPROVEMENT / ACTIVITY PROJECTS

PUBLIC IMPROVEMENTS/ACTIVITIES	ESTIMATED COST	ESTIMATED TIME DESIGN & CONSTRUCTION
1. Sprinkle Road widening, East Centre to Zylman	\$1,010,000	12-24 months
2. Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$300,000	12-24 months

3. 80 acre land purchase	\$2,400,000	12 months
4. Water and Sewer facilities to serve interior property	\$110,000	12-24 months
5. East Milham-Kalamazoo/Battle Creek International Airport water main improvement	\$1,200,000	12-24 months
PUBLIC IMPROVEMENTS/ACTIVITIES	ESTIMATED COST	ESTIMATED TIME DESIGN & CONSTRUCTION
6. Water main Improvement, Sprinkle, Tiffany to Hayes*	\$880,000	12-24 months
7. Zylman Improvements*	\$1,210,000	12-24 months
8. Ramona Lane, Lovers to Portage water main improvement*	\$500,000	12-24 months
9. Ramona Lane, Lovers to Portage sanitary sewer improvement*	\$990,000	12-24 months
TOTAL \$8,600,000		

* Projects will be funded through tax increment revenue if available or other sources.

With regard to the proposed projects identified above:

Public Improvement/Activity Project #1: complete
Public Improvement/Activity Project #2: complete
Public Improvement/Activity Project #3: complete
Public Improvement/Activity Project #4: complete
Public Improvement/Activity Project #5: Haverhill water tower improvements substituted
Public Improvement/Activity Project #6: complete
Public Improvement/Activity Project #7: Pending further facility expansion by Stryker
Public Improvement/Activity Project #8: complete
Public Improvement/Activity Project #9: complete

FINANCIAL INFORMATION

This Annual Financial Report has been prepared pursuant to Section 13(3) of the Local Development Financing Act. The Annual Financial Report is for FY 16-17 and contains the information required by the Act.

Section 13(3)a: THE AMOUNT AND SOURCE OF TAX INCREMENTS RECEIVED

Tax increment revenue	\$ 199,544
State shared revenue	219,371
Interest	4,235
Total	\$ 423,150

Section 13(3)(b): THE AMOUNT IN ANY BOND RESERVE ACCOUNT

- In the LDFA Debt Service Fund balance there is \$ 1,967,925

Section 13(3)(c): THE AMOUNT AND PURPOSE OF EXPENDITURES OF TAX INCREMENT REVENUES

- Interest and paying agent fees on outstanding principal \$ 472,023

Section 13(3)(d): THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING

BONDED INDEBTEDNESS OF AUTHORITY

- \$5,359,924 as of June 30, 2017

Section 13(3)(e): THE INITIAL ASSESSED VALUE OF THE ELIGIBLE PROPERTY

- The initial value is established at \$ 21,061,140.

Section 13(3)(f): THE CAPTURED ASSESSED VALUE OF THE ELIGIBLE PROPERTY RETAINED BY THE AUTHORITY

- The captured value is established at \$15,617,486 for FY 2016-2017.

Section 13(3)(g): THE NUMBER OF JOBS CREATED AS A RESULT OF THE IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.

- 225 new jobs; 1600 existing jobs retained.

Section 13(3)(h): ANY ADDITIONAL INFORMATION THE GOVERNING BODY OR THE STATE TAX COMMISSION CONSIDERS NECESSARY.

1. Attached find pages excerpted from the FY 2016-2017 comprehensive annual financial report for the City of Portage. This information provides supporting documentation for this financial report.

PORTAGE LOCAL DEVELOPMENT FINANCE AUTHORITY

Monday, March 19, 2018

The Portage Local Development Finance Authority meeting on March 19, 2018 was called to order at 8:05 a.m. in Conference Room #1 of Portage City Hall, 7900 South Westnedge Avenue.

MEMBERS PRESENT:

Thomas Fox, Scott McGraw, Karla Colestock, Michael Collins, Tim Zajac and Tim Wenzel

MEMBERS EXCUSED:

Dennis Brooks, Jeff Gardner, Robert Seely, Rick DeKam and Larry Killips

IN ATTENDANCE:

Christopher Forth, Acting Director of Community Development; William Furry, Director of Finance; and Larry Shaffer, City Manager

APPROVAL OF MINUTES:

The minutes of the May 2, 2017 meeting were introduced for approval. A motion was offered by Fox and seconded by Collins to approve the meeting minutes as presented. The motion was approved 6 - 0.

BUSINESS:

1. Election of Officers. Wenzel reviewed the current officers of the Board. The current slate includes Wenzel, Chair; Brooks, Treasurer; and Colestock, Secretary. There was discussion of the continuation of the current officers. A motion was offered by Collins, seconded by Fox that Wenzel continue to serve as Chairman; Brooks as Treasurer; and Colestock as Secretary. The motion was approved 6-0.

2.

3. Articles of Incorporation. Chairman Wenzel indicates the Articles of Incorporation were attached for Board reference. Fox commented that the Articles of Incorporation establish the Board, responsibilities, among others. A motion was offered by Collins and seconded by Zajac to accept the Articles of Incorporation. The motion was approved 6-0.

3. Resolution Approving the FY2016-17 Annual Financial Report. Forth summarized the communication to the Board concerning the annual report included in the agenda. Following review by the Board, the information will be forwarded to City Council and then to the State Tax Commission.

Forth indicated that for FY2016-17 expenditures slightly exceeded revenues primarily due to a decline in personal property tax revenue that was not offset by State of Michigan personal property tax reimbursement. The uncompleted projects, Zylman Avenue improvements and Haverhill water tower project, were briefly discussed. The Zylman Avenue improvements will be completed when Stryker Medical completes the expansion project to the East Centre Avenue facility. With regard to the Haverhill water tower, City Manager Shaffer indicated the option to extend a water main under the airport property is again under consideration since the City of Portage is able to provide the necessary insurance. Shaffer

noted the Haverhill water tower is in good shape but would be refurbished. Extension of the water main underneath airport property and refurbishing the existing water tower would save the city several millions of dollars if the water tower were not replaced.

Finance Director Furry summarized the financial report. Wenzel noted there is a slight deficit of approximately \$48,000. Furry indicated the deficit is due to the lack of reimbursement from the State. Furry noted that for FY2017-18, revenues are up and by the end of the fiscal year, there will be a surplus. The Board also discussed the fund balance. Furry explained the fund balance is due to Zylman Avenue improvements and water tower replacement not yet being completed.

There being no further discussion, a motion was made by McGraw, seconded by Collins, to approve the resolution and authorize the transmission of the FY 2016-17 Annual Financial Report on the status of the tax increment financing plan. The motion was approved 6-0.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

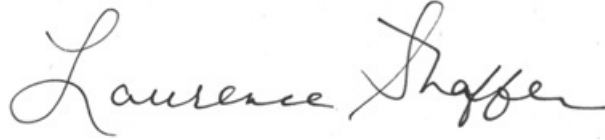
There being no further business to come before the Board, the meeting was adjourned at 8:30 a.m.

Respectfully Submitted,

Christopher Forth, AICP
Acting Director of Community Development

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Local Development Finance Authority Board Appointments

SUPPORTING PERSONNEL: Chris Forth, Deputy Director of Planning, Development & Neighborhood Services

ACTION RECOMMENDED: Confirm the City Manager appointments to the Local Development Finance Authority by adopting the Resolution to Appoint Members to the Local Development Finance Authority of the City of Portage.

The City of Portage Local Development Finance Authority (LDFA) and the boundaries of the Local Development Finance District were established in March 1990 and amended in 2003 by the actions of City Council. Membership on the Board of Directors is specified in PA281 of 1986 (The Local Development Finance Authority Act).

The LDFA Board is the governing entity and is comprised of 11 members. The Board for the Portage LDFA includes representatives from the following taxing jurisdictions:

- City of Portage (7 members)
- Kalamazoo County (1 member)
- Portage Public Schools (2 members)
- Kalamazoo Valley Community College (1 member)

Section 5 of the Local Development Financing Act specifies appointments to the Board and indicates that seven City of Portage members are appointed by the City Manager. This section of the statute also states that of the members first appointed, an equal number, as near as possible, shall have terms designated by the governing body creating the authority of one year, two years, three years and four years. In addition, the statute indicates that after the first appointment, each member shall serve for a term of four years. An appointment to fill a vacancy must be made in the same manner as the original appointment.

Pursuant to Section 5 of the statute, Mr. Rick Dekam and Mr. Tim Wenzel have been reappointed by the City Manager, as their terms expired in March 2018. Adoption of the attached resolution confirming the City Manager's reappointment of these two members is recommended.

As information, Portage Public Schools Superintendent Bielang has reappointed Ms. Karla Colestock and County Chairperson Moore reappointed Mr. Scott McGraw.

FUNDING: Not applicable

Attachments:

1. Resolution
2. Board Member Listing

**RESOLUTION
CITY OF PORTAGE, MICHIGAN
RESOLUTION TO APPOINT MEMBERS TO THE
LOCAL DEVELOPMENT FINANCE AUTHORITY**

At a regular meeting of the Council of the City of Portage, Kalamazoo County, Michigan, on April 10, 2018 at 7:00 p.m. local time at City Hall in the City of Portage, Kalamazoo County, Michigan.

PRESENT: _____

ABSENT: _____

The following resolution was offered by:

COUNCILMEMBER: _____ and

supported by

COUNCILMEMBER: _____.

WHEREAS, the City of Portage has created the Local Development Finance Authority of the City of Portage (the "Authority") under Act No. 281 of the Michigan Public Acts of 1986 (the "Act") incorporated by the City of Portage; and

WHEREAS, pursuant to the Act and the Articles of Incorporation there are to be seven members of the Board of the Authority who shall serve staggered terms an equal number of which, as near as possible, shall have terms designated by the City Council of one year, two years, three years, and four years; and

WHEREAS, after the initial appointment, each member shall serve for a term of four years; and

WHEREAS, the City Manager has appointed the persons shown below to the terms designated by the City Council; and

WHEREAS, the City Council wishes to confirm the appointments referred to above.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, MICHIGAN, AS FOLLOWS:

1. The appointments of the following persons to the Board of the Local Development Finance Authority of the City of Portage, are hereby approved for the terms expiring as shown:

- a. Rick Dekam for a term expiring March 31, 2022.
- b. Tim Wenzel for a term expiring March 31, 2022.

2. All resolutions and parts of resolutions insofar as they conflict with the foregoing resolution are hereby rescinded.

The results of a roll-call vote on the foregoing resolution were as follows:

ADOPTED: _____

AYES: Councilmember _____

NAYS: Councilmember _____

ABSENT: Councilmember _____

Adam Herringa, City Clerk

CERTIFICATION

I, Adam Herringa, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage, Michigan, and that the foregoing resolution was adopted by the City of Portage on the ____ day of _____, 2018.

Adam Herringa, City Clerk

Approved as to form:

Date: 3/27/2018

City Attorney

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Local Development Finance Authority Board Member Listing

Member Name	Address	Term Exp.	Representative of
Rick DeKam	Midwest Realty, 2314 Helen Avenue, Portage MI 49002	3/31/2018	City of Portage
Tim Wenzel	3630 East Shore Drive, Portage MI 49002	3/31/2018	City of Portage
Scott McGraw	10608 Dandale Street, Portage MI 49002	3/31/2018	Kalamazoo County
Dennis Brooks	3119 Woodhams, Portage MI 49002	3/31/2019	City of Portage
Thomas Fox	1330 E. Osterhout Avenue, Portage MI 49002	3/31/2019	City of Portage
Tim Zajac	Mann + Hummel, 6400 S. Sprinkle Road, Portage MI 49002	3/31/2020	City of Portage
Larry Killips	7461 Farmington Drive, Kalamazoo MI 49009	3/31/2020	Portage Public Schools
Michael Collins	KVCC, PO Box 4070, Kalamazoo MI 49003	3/31/2020	KVCC
Jeff Gardner	5770 Venture Park, Kalamazoo MI 49009	3/31/2021	City of Portage
Robert Seely	9129 Austin Drive ,Portage MI 49002	3/31/2021	City of Portage
Karla Colestock	5915 Old Mission Street, Portage MI 49024	3/31/2021	Portage Public Schools
Victoria Georgeau, Ex Officio			

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Special Meeting for Board and Commission Applicants

SUPPORTING PERSONNEL: Adam Herringa, City Clerk

ACTION RECOMMENDED: Set a Special Meeting on Tuesday, May 8, 2018, beginning at 5:15 p.m., to interview Board and Commission applicants.

Section 2 – Article 7 of the Code of Ordinances affirms that City Council recognizes and appreciates the value and importance each Board or Commission member provides in advising the Council in the decision-making process. Board and Commission interviews are performed each year in October, January and May.

Per the *Policy for Appointments to Citizen Advisory Boards*, applicants for the following Boards and Commissions and any other vacancies that arise will be interviewed:

Youth Advisory Committee	14 Expiring Terms, 16 Vacancies
Construction Board of Appeals	2 Expiring Terms
EDC/TIFA and BRA	1 Vacancy
Historic District Commission	1 Vacancy
Planning Commission	2 Expiring Terms, 2 Vacancies
Senior Citizens Advisory Board	1 Vacancy
Zoning Board of Appeals	1 Vacancy

As reflected on the attached Board and Commission Vacancy Summaries, Council will interview applicants to fill vacancies on the Youth Advisory Committee, Construction Board of Appeals, Economic Development Corporation/Tax Increment Finance Authority and Brownfield Redevelopment Authority, Historic District Commission, Planning Commission, Senior Citizen Advisory Board and Zoning Board of Appeals. It is recommended that City Council set a Special Meeting on Tuesday, May 8, 2018, beginning at 5:15 p.m., to interview Board and Commission applicants.

FUNDING: N/A

Attachments:

1. Youth Applicants (as of 4-2-18)
2. Board Applicants (as of 4-2-18)

**YOUTH ADVISORY COMMITTEE VACANCY SUMMARY
FOR MAY 8, 2018 SPECIAL MEETING**

	INTERVIEWS	5:15 pm	
	APPLICANTS	YAC 17 vacancies 13 exp terms 1 yr terms	STATUS
	Clarice Bryant	Applicant	
	Colin Carrol	Member	Appointed 05/09/17
	Riya Chaudhary	Member	Appointed 05/10/16
	Thomas Chen	Member	Appointed 05/09/17
	Megan Chow	Member	Appointed 05/10/16
	Casey Flanagan	Member	Appointed 05/10/16
	Lauren Hart	Member	Appointed 05/10/16
	Brennan Ketteler	Member	Appointed 05/09/17
	Sydney Kruggel	Member	Appointed 05/09/17
	Samuel Mayer	Member	Appointed 05/09/17
	Arushi Mithal	Applicant	
	Sheila Mwanda	Member	Appointed 05/10/16
	Sadiyah Sajjad	Member	Appointed 05/09/17
	Sana Syed	Member	Appointed 05/10/16
	Henry Zimmerman	Member	Appointed 05/09/17

NOTE: Legend on Page 2

Page 1 of 2

04/02/18

BOARD/COMMISSION VACANCY SUMMARY FOR MAY 8, 2018 SPECIAL MEETING

INTERVIEWS	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
APPLICANTS	PC	ZBA	CBA	SR CITZ	HDC	EDC/TIFA and BRA	STATUS
	2 vacancies 2 exp terms 3 yr terms	1 vacancy partial term	2 exp terms 3 yr terms	1 vacancy partial term	1 vacancy partial term	1 vacancy partial term	
Danny Corradini	Member						Appointed 07/11/17
Jeremy P. Custer					Applicant		
Todd Gasaway			Member				Appointed 10/10/17
Gary Gilchrist			Member				Appointed 05/10/11
Joao Graca Lobo		Applicant		Applicant			
Kris O. Mbah	Applicant						
Wayne Stoffer	Member						Appointed 05/12/09
Jay Woodhams	Applicant						

NOTE: Alternate – currently serving as an Alternate Member of a Board or Commission and is seeking appointment or reappointment.

Member – currently serving as a Member of a Board or Commission and is seeking reappointment.

Applicant – new applicant seeking appointment to a Board or Commission.

Minutes of Boards & Commissions

CITY OF PORTAGE HUMAN SERVICES BOARD

Minutes of Meeting March 1, 2018

CALL TO ORDER: 6:30 p.m.

MEMBERS PRESENT: Elma (Pat) Maye, Diane Durian, Alice Mwanda, Effie Kokkinos, Ray LaPoint, Nadeem Mirza, Fiorella Spalvieri and Stephanie Upshaw

STAFF PRESENT: Tom McCoy, Neighborhood Program Specialist

MOTION TO EXCUSE ABSENT MEMBERS: Upshaw moved and Kokkinos supported motion to excuse Woodin. Motion passed 8-0

APPROVAL OF MINUTES: Kokkinos moved and Maye supported approval of the February 1, 2018 minutes with one spelling correction. Motion passed 8-0.

NEW BUSINESS:

- 1) **FY 2018-19 Human/Public Service Funding Recommendation:** LaPoint began discussion by reviewing draft memo to City Council prepared by LaPoint and Woodin regarding proposed recommendation to increase percentage of general fund designated for Human/Public Service funding from the current .55% to .65%. LaPoint also provided a spreadsheet for the board to use in determining potential funding allocations should the board decide to proceed with the recommendation. An explanation of the suggested \$7,000 increased allocation to PCC contained in the memo indicated that this amount was equal to the expected shortfall in the PCC budget for direct assistance to individuals experiencing difficulty paying water and sewer bills and facing possible shut off in the upcoming fiscal year. A discussion regarding whether the city would be able to provide options for these utility payments such as monthly or automatic payment options. Maye moved and Spalvieri supported a motion to submit a memo from the board requesting the percentage increase to .65% for a period of three years with an increase to .75% thereafter going forward and to reserve the right to make adjustments as conditions warrant. It was also agreed to convey as part of the recommended funding increase memo a request for the city to pursue such alternate payment options as well as a strategy to allow sufficient time for those customers facing imminent shut off to apply for and potentially receive assistance from other agencies such as DHS. Motion passed 8-0. Subsequent to the decision to submit a request for increased funding, the Board calculated the suggested respective allocations for the potential additional funds for each of the 8 agencies who had applied for funding based on the scoring criterion and type of services provided by each agency, affordable housing being the highest priority. As part of the discussion, it was suggested that some of the agencies who may receive increased funding be required to supply more detailed reporting data regarding specific services provided to Portage residents. These proposed allocations were recorded in a spreadsheet to be included in the memo. LaPoint agreed to revise his and Woodin's previously provided memo to include all new information and to provide the revised version to staff in order to facilitate preparation of a final memo to be sent to Council from the Board. Spalvieri moved and LaPoint supported a motion to recommend the allocations as

recorded contingent on the approval of the proposed increased funding. Motion passed 7-0 (Mwanda had left the meeting during the discussion and was not present to vote, but had expressed her support in concept for the motion prior to her departure). As a secondary recommendation in the event that an increase in funding percentage is not approved, the board agreed to make a second recommendation based on the current funding level. LaPoint moved and Maye supported a motion in the event that funding is not increased to recommend option 1 from the funding allocation summary spreadsheet as presented by staff. Motion passed 7-0.

- 2) **Draft of 2018-19 Annual Action Plan:** McCoy provided information to the Board regarding the preparation and distribution of the FY2018-19 CDBG Annual Action Plan and agreed to email a copy to each board member for their review during the 30 day public comment period and to receive comments and feedback from the Board prior to or at the April meeting.

ADJOURNMENT: Maye moved and LaPoint supported adjournment at 8:00 p.m. Motion passed 7-0.

Respectfully Submitted,

Tom McCoy, Neighborhood Program Specialist

City of Portage
Historic District Commission
Wednesday, March 07, 2018

Meeting Called to Order: 8:33 A.M.

Members Present: Forrest, Duniphin, Barton, Lopez, Nemeth, vanLonkhuyzen.

Members Excused: Maytnier, Grunert, Henicky.

Staff: Erica Eklov, Deputy City Clerk and Kyle Mucha, Zoning & Codes Administrator.

Guest(s): Debbie Newsome, 2663 Mandigo Avenue.

Approval of Minutes: Forrest moved, seconded by Barton, to approve the February 07, 2018 meeting minutes as submitted. Motion approved 5-0-1 (Nemeth abstaining).

Forrest moved, seconded by Duniphin, to approve the Special Committee Meeting Minutes of February 07, 2018 as submitted. Motion approved 5-0-1 (Nemeth abstaining).

Old Business:

- a. Election of Officers: Due to the absence of four members, the election of officers was tabled until the April regular meeting.
- b. Study Committee Final Report: Barton moved, seconded by Forrest, to accept the Study Committee's Final Report as submitted. Motion approved 5-0-1 (Nemeth abstaining).

New Business:

- a. 2663 Mandigo Avenue: Owner, Debbie Newsome, was present to speak on behalf of her applications and provide an update on the work currently being done with regards to property cleanup. Newsome informed the Commission that multiple refuse dumpsters have been used to clean out the ranch home. Mr. Newsome has been coordinating repair work (roof replacement, electrical upgrades) with the Department of Community Development. Mrs. Newsome informed the Commission that the corn crib needs to come down due to the structural integrity. Discussion followed about potential plans for the adjacent existing barn and chicken coop. vanLonkhuyzen informed the applicant that typically a preservation plan is needed in order for approval to be granted to remove a structure from a historic property. vanLonkhuyzen referenced the expertise of Mick Lynch (American Hydrogeology Corporation) as a local historic preservationist. Barton motioned, seconded by Forrest, to post-pone any decisions on the corn crib, barn & chicken coop until such a time that Mick Lynch can be contacted by the property owner for a third-party review of what material can be salvaged from the corn crib, barn & chicken coop. Motion passed 6-0.
- b. Community Awareness: Duniphin discussed the need for volunteers at the Portage Green-A-Thon event. Discussion followed about what the volunteers would be needed for.

Duniphin provided an update to the Commission with regards to the May event about current sponsorships that have been secured and the need for additional sponsors. Duniphin provided a mockup of the ticket book, currently in the design phase and referenced a completion date within the next few weeks. Duniphin provided a mockup of potential event shirts/polo's for Commissioners consideration.

Member Comments: vanLonkhuyzen inquired about the status of the 3221 W. Milham barn reconstruction. Mucha informed the Commission that items still remain to be completed, and that the Certificate of Appropriateness expired on February 20, 2018. Mucha informed the Commission that city staff will inspect the property and determine what is still needs to be completed and report back at the April meeting.

Adjournment: there being no further comments or business, Nemeth moved, seconded by Duniphin, to adjourn the March 07, 2018 Historic District Commission meeting at 09:50 A.M.

Respectfully submitted,

Kyle Mucha
Zoning & Codes Administrator

PLANNING COMMISSION

March 15, 2018

The City of Portage Planning Commission meeting of March 15, 2018 was called to order by Vice-Chairman Shoup at 7:00 p.m. in Council Chambers of Portage City Hall, 7900 South Westnedge Avenue. Four citizens were in attendance.

PLEDGE OF ALLEGIANCE:

Vice-Chairman Shoup led the Commission, staff and citizens in the Pledge of Allegiance.

IN ATTENDANCE:

Michael West, Senior City Planner and Randy Brown, City Attorney.

ROLL CALL:

Mr. West called the roll: Bosch (yes), Patterson (yes), Shoup (yes), Schimmel (yes); Joshi (yes); and Corradini (yes). A motion was then made by Commissioner Schimmel, seconded by Commissioner Corradini, to approve the Roll excusing Commissioners Stoffer, Place and Harrell-Page.

APPROVAL OF MINUTES:

Vice-Chairman Shoup referred the Commission to the March 1, 2018 meeting minutes contained in the agenda packet. A motion was made by Commissioner Schimmel, seconded by Commissioner Bosch, to approve the minutes as submitted. The motion was unanimously approved 6-0.

SITE/FINAL PLANS:

1. Final/Site Plan: Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail. Mr. West summarized the March 15, 2018 revised staff report regarding the request by American Village Development II to construct the third and final phase of the Whisper Rock Condominiums. Mr. West stated that since the original report was issued last Friday, the applicant had finalized the remaining engineering issues and therefore the recommended condition of approval was no longer necessary. Mr. West indicated that Phase III of Whisper Rock Condominiums would include a total of 28 residential condominium dwellings (14, 2-unit attached buildings) and associated site improvements along the interior/southern portion of the subject property. Mr. West discussed access to the site, storm water management, sidewalks and indicated the third and final phase of the Whisper Rock has been designed in substantial conformance with the January 2016 approved tentative plan for the overall Oakland Hills at Centre Planned Development.

Jack Gesmundo, American Village Development II, was present to support the application and discuss the development project. After a brief discussion, a motion by Commissioner Patterson, seconded by Commissioner Joshi, to recommend to City Council that the Final/Site Plan for Whisper Rock Condominiums (Phase III), 2200 Whisper Rock Trail, be approved. The motion was unanimously approved 6-0.

PUBLIC HEARING:

1. Final Report: Rezoning Application #17/18-2, 6050 Constitution Boulevard. Mr. West summarized the March 9, 2018 staff report regarding a request from Village Green Properties to rezone the north approximate 130-feet of 6050 Constitution Boulevard from OS-1, office service to RM-1, multiple family residential. Mr. West discussed the surrounding land use/zoning pattern, existing split zoning of the subject parcel and related development challenges, and the Comprehensive Plan/Future Land Use Map designations of the subject property and surrounding properties. Mr. West stated that staff was supportive of the applicant's request to rezone the northern 130-feet of the subject property to RM-1 so that a consistent zoning pattern would be present across the entire parcel.

Matt McDade of the Meyer C. Weiner Company (representing Village Green Properties) was present to support the rezoning request. Mr. McDade provided a brief history of development along Constitution Boulevard and the surrounding area and discussed plans for construction of two duplexes on the subject parcel. In response to concerns and requests from the adjacent neighborhood, Mr. McDade stated that development of the property will incorporate preservation of the natural tree buffer along the western portion of the parcel.

The public hearing was reconvened by Vice-Chairman Shoup. No citizens spoke in regards to the proposed rezoning. A motion was then made by Commissioner Bosch, seconded by Commissioner Patterson, to close the public hearing. The motion was unanimously approved 6-0. After additional discussion, a motion was then made by Commissioner Bosch, seconded by Commissioner Patterson, to recommend to City Council that Rezoning Application #17/18-2 be approved and the north 130-feet of 6050 Constitution Boulevard be rezoned from OS-1, office service to RM-1, multiple family residential with a finding that the RM-1 district is appropriate in this area of the city and is consistent with the Comprehensive Plan, Future Land Use Map and surrounding land use/zoning pattern. The motion was unanimously approved 6-0.

OLD BUSINESS:

1. Kalamazoo County Master Plan Update. Mr. West reviewed the March 9, 2018 staff report which summarized the previous review/comment provided by the Commission regarding the Kalamazoo County Master Plan Update Initiative. Following the January 19, 2017 meeting, the Commission and staff recommended changes to the Portage City Master Plan summary page. While these recommended changes were conveyed to Kalamazoo County representatives, Mr. West stated the Portage City Master Plan one page summary included in the final draft version of the Kalamazoo County Master Plan does not include these changes. Mr. West indicated that staff was recommending that the January 2017 Planning Commission revised one page summary of the Portage City Master Plan be forwarded again to Kalamazoo County. After a brief discussion, a motion was made by Commissioner Bosch, seconded by Commissioner Patterson, to forward the January 2017 Planning Commission revised one page summary of the Portage City Master Plan be forwarded again to Kalamazoo County and their consultant with a request to insert into the Kalamazoo County Master Plan. The motion was unanimously approved 6-0.

NEW BUSINESS:

1. 2018 Village of Schoolcraft Master Plan Update. Mr. West referred the Commission to the 2018 Village of Schoolcraft Master Plan Update that was included in the agenda packet. Mr. West indicated the document was being provided to the Commission for review with comments requested by April 23rd. Mr. West stated that staff would be reviewing the document over the next couple weeks and would provide the Commission a summary with the April 5th agenda materials. Mr. West advised the Commission to review the document between now and the April 5th meeting and be prepared to discuss further at the April 5th meeting. Vice-Chairman Shoup stated he would be supportive of a connected trailway between Portage and the Village of Schoolcraft.

STATEMENT OF CITIZENS/COMMISSIONERS:

Commissioner Schimmel read a Resolution honoring Vice-Chairman Raymond Shoup for his service to the Planning Commission. Vice-Chairman Shoup stated he was moving outside of the boundaries of the City of Portage and thanked his fellow Commissioners and staff for their assistance over the past two years.

ADJOURNMENT:

There being no further business to come before the Commission, the regularly scheduled meeting was adjourned at 7:25 p.m.

Respectfully submitted,

Michael West, AICP
Senior City Planner

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TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Industrial Tax Abatement Application: Pharmacia & Upjohn Company (Pfizer Inc.)
- 7171 Portage Road

SUPPORTING PERSONNEL: Chris Forth, Deputy Director of Planning, Development & Neighborhood Services
Meshia Rose, Deputy City Assessor

ACTION RECOMMENDED:

1. Adopt Resolution No. 4-18, approving the Industrial Facilities Exemption Certificate for the Pharmacia & Upjohn Company, LLC (Pfizer Inc.); and
2. Approve the tax abatement agreement and affidavit between the City of Portage and Pharmacia & Upjohn, LLC (Pfizer Inc.).

On March 27, 2018, City Council adopted Resolution No. 3, setting a public hearing for an Industrial Facilities Exemption Certificate for real property investments in the estimated amount of \$148 million with Industrial Development District No. 91. At this meeting, Council was also provided a preliminary analysis of the tax abatement application package, a review of the approval process, as well as the environmental analysis, project impact and property tax issues associated with the application.

As indicated in the application, Pfizer plans to construct a new modular aseptic processing facility (400,000 square feet with two floors) and upgrade existing facilities, site utilities and other infrastructure. The new facility will house multiple mobile manufacturing modules that are entirely segregated from other manufacturing lines. As a result of the project, Pfizer will retain at least 200 jobs and add an additional 450 jobs.

Since the March 27, 2018 meeting, the City Administration has been in discussion with representatives of Pfizer and the Michigan Economic Development Corporation concerning the City of Portage approving a 15-year abatement period requested by Pfizer. This 15-year abatement period includes three years Pfizer needs to construct the new facility plus 12-years after construction is complete. During the three year construction phase, taxes are abated based on a partial assessment). Public Act 198 allows the abatement period (up to 12-years) to begin after completion of the facility and the State Tax Commission limits the construction period to no more than three years. Although the exemption certificate is for a 12-year period, taxes paid during the construction portion of the project are also abated once the State Tax Commission approves the exemption certificate. The preliminary analysis presented to the Council during the March 27, 2018 meeting has been updated to include a 15-year abatement period and is attached for Council review.

This significant, once in a lifetime investment, which includes building/site improvements and creation of 450 high quality, skilled jobs proposed by the Pfizer Corporation is acknowledged by City Administration. For these reasons, The City Administration is recommending approval of the industrial facilities exemption certificate that will expire in December of 2033 to allow for a 12-Year abatement of the completed facility following a 3-Year construction period. For Council information, although Public Act 198 requires a local unit to either approve or disapprove an industrial facilities exemption certificate, the State Tax Commission has the final decision regarding issuance of the certificate.

This project is important not only to the Portage community but to the greater Kalamazoo metropolitan area. In an effort to facilitate this important facility, approval of a 15 year abatement period is recommended. In addition to approval of the industrial facilities exemption certificate, approval of the Affidavit with Regard to Fees and the Tax Abatement Agreement is recommended.

FUNDING: N/A

- Attachments:**
1. Tax Abatement Agreement 3-9-18
 2. Resolution No. 4 - Pfizer Tax Abatement
 3. Revised Project Impact Analysis
 4. Pfizer Inc. Tax Abatement Application
 5. Project Impact Analysis - w/out Benefits

TAX ABATEMENT AGREEMENT

This Agreement is made between THE CITY OF PORTAGE, a Michigan Municipal Corporation, of 7900 South Westnedge Avenue, Portage, Michigan 49002, hereinafter referred to as "CITY", and Pharmacia & Upjohn Company, LLC, a Delaware Corporation, of 7171 Portage Road, Portage, Michigan 49001, hereinafter referred to as "APPLICANT."

THE PARTIES AGREE AS FOLLOWS:

1. The CITY has established an industrial development district #91 in which the APPLICANT proposes to locate a facility in the City of Portage, County of Kalamazoo, State of Michigan and which is described as follows:

See Exhibit "A"

2. The APPLICANT has filed an application (which is incorporated herein by reference) with the CITY requesting an industrial facilities exemption certificate, (hereinafter "Certificate"), for real property and building improvements located at 7171 Portage Road, Portage, Michigan, within Industrial Development District #91.

3. The APPLICANT has represented that the application relates to a new or replacement facility within the meaning of Public Act 198 of 1974, MCLA 207.551, et seq.

4. The term of the certificate granted by the CITY shall be twelve (12) years after completion of the facility for real property (building). This agreement shall remain in force as to each certificate granted for the term of said certificate.

5. The APPLICANT has represented to the CITY that granting of the certificate will enable the facility to be completed, which will have the reasonable likelihood to create employment, retain employment, and prevent a loss of employment within the CITY.

6. The APPLICANT agrees to maintain 200 existing employees and hire at least 450 new employees during the term of the certificate. Failure to hire and maintain these positions shall be considered a material breach of this Agreement unless APPLICANT can show by clear and convincing evidence that the breach was caused by unfavorable economic business conditions, loss of business, or some other reason beyond the control of APPLICANT.

7. The APPLICANT agrees to maintain the facility for the entire period of the Certificate within the CITY and not to move or relocate the facility, business, or any portion of either outside the industrial development district without first obtaining the permission of the CITY. If APPLICANT relocates the facility, business, or any portion of either outside of the industrial development district during the period in which the industrial facilities exemption certificate is in effect, the APPLICANT is liable to the CITY for an

amount equal to the difference between the industrial facilities tax to be paid by the owner or lessee of that facility for that facility for the tax years remaining under the industrial facilities exemption certificate that is in effect and the general ad valorem property tax that the Applicant would have paid if the Applicant did not have an industrial facilities exemption certificate in effect for those years. The payment provided in this section shall be distributed in the same manner as the industrial facilities tax is distributed.

8. The APPLICANT agrees that during the term of the certificate, all CITY taxes shall be timely paid. Further, APPLICANT agrees that by accepting the benefits of the tax abatement, it waives appeal of real property tax assessments concerning property which is the subject of the certificate. Appeal of the real property taxes which is the subject of the certificate during the term of the certificate shall result in revocation of the certificate and/or termination of the district and APPLICANT shall repay to the CITY and all taxing authorities the amount of taxes that were abated by reason of the certificate.

9. The APPLICANT further agrees that during the term of the certificate, the APPLICANT shall be in full compliance with all applicable CITY codes.

10. The APPLICANT further agrees that during the term of the certificate, the APPLICANT shall not discriminate against any person on the basis of race, creed, color, sex, religious orientation, or other criteria not reasonably related to the job and will comply with the City of Portage Non-Discrimination Ordinance and state and federal statutes pertaining to civil rights and non-discrimination.

11. The APPLICANT further agrees to submit an annual project performance report to the CITY, addressed to City Council, provided under oath, setting forth the progress in attaining and maintaining the requirements of this Agreement and the provisions of the certificate application. Such reports shall be furnished in duplicate on or before July 1 of each year and shall contain, at minimum, the following:

- (a) The number of new jobs promised in the certificate and the actual number of new jobs created.
- (b) The number of employees at the time of the application and the current number of employees.
- (c) The average and actual annual salary of new jobs created.
- (d) If projection for creation or retention of jobs was not reached, give explanation. If the projection for average and actual salary of new jobs create was not reached, give explanation.
- (e) The estimated project cost given in the application and the actual project cost.
- (f) If actual project costs differ substantially from projected cost, give explanation.

12. The APPLICANT agrees that if employment has not been retained or reached as represented, the construction and/or expansion project has not been completed or expenditures made as described in the Application, or if APPLICANT fails to fulfill any other provision of this Agreement as well as the provisions of Act 198 of 1974, the CITY shall have the right to reduce the term or revoke the certificate and APPLICANT shall repay to the CITY and all taxing authorities the amount of taxes that were abated by reason of the certificate plus all accrued interest, penalties and administrative fees applicable to said tax exemptions in the amount as would be collected if the same were considered delinquent. Any payments

due under this paragraph may be collected by either court proceedings or by adding to the next taxes due against the APPLICANT'S property on the next tax roll of the CITY.

13. After the certificate is issued, the CITY agrees to maintain the same in full force and effect during the term of the certificate, subject to any regulations and requirements of state law, and subject to any breach of the provisions of this agreement by APPLICANT.

14. The parties agree that the CITY, in approving the tax abatement, has relied on the actions, representations and promises (including the Application) of the APPLICANT. Default of any of the provisions of this Agreement may be enforced in law or equity. The parties agree that exclusive jurisdiction to resolve any disputes on this contract shall be Kalamazoo County, Michigan.

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

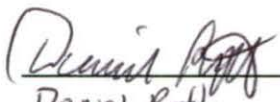
16. The benefits herein shall accrue to and the obligations hereof shall bind the successors, assignees, and transferees of the APPLICANT.

17. The APPLICANT further agrees that should ownership of the business and/or facility for which the Public Act 198 exemption certificate is issued be changed in the future, thereby requiring a hearing in front of the City of Portage Council under state law, that the transferee or new owner shall abide by all the terms and conditions of this Agreement, and that APPLICANT will communicate all terms and conditions of this Agreement to the transferee or new owner and assist the City in obtaining the signature of the authorized agent of the transferee or new owner on this Agreement or an identically worded Agreement.

By signatures of representatives of both the APPLICANT and the CITY below, it is understood that both the APPLICANT's investment in the project and the CITY's investment through the granting of a certificate is to encourage economic growth. It is also acknowledged that certain economic conditions can, at times, prohibit the maintenance of the APPLICANT's targeted status. It is understood that if such conditions exist at the time of the designated APPLICANT reports, the governing body of the CITY will carefully evaluate the APPLICANT's situation, and will inform the APPLICANT if any action is considered in order to give the APPLICANT an opportunity for correction.

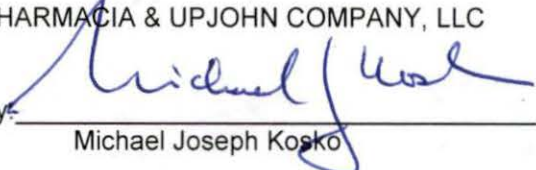
Dated: 3/18/2018, 2018

WITNESSED:


Daniel Roth


Paul D. FABER

PHARMACIA & UPJOHN COMPANY, LLC

By: 
Michael Joseph Kosko

Its: Vice-President



STATE OF MICHIGAN)
)SS
 COUNTY OF KALAMAZOO)

On this 26 day of March, 2018 before me personally came the above named Michael Joseph Kosko, as Vice-President, and on behalf of Pharmacia & Upjohn Company, LLC., who acknowledges that he has read the foregoing Tax Abatement Agreement by him subscribed and knows the contents thereof, and that he has the authority of said corporation to execute this Agreement, and acknowledges that he executed the same as his free act and deed.

Cathoun Haley L Sager, Notary Public
 Kalamazoo County, Michigan
 My Commission Expires: 03-05-2024

SIGNED, SEALED AND DELIVERED
 IN THE PRESENCE OF:

CITY OF PORTAGE, a Michigan Municipal Corporation

By: _____
 PATRICIA M. RANDALL
 Its: Mayor

By: _____
 ADAM HERRINGA
 Its: Clerk

STATE OF MICHIGAN)
)SS
 COUNTY OF KALAMAZOO)

On this _____ day of _____, 2018 before me personally came the above named Patricia M. Randall and Adam Herringa, to me personally known, who being duly sworn, did and each for themselves say that they are respectively the Mayor and Clerk of the municipal corporation named in and who executed the within instrument and that said instrument was signed on behalf of said corporation by authority of its City Council; and said Patricia M. Randall and Adam Herringa acknowledge said instrument to be the free act and deed of said municipal corporation.

_____, Notary Public
 Kalamazoo County, Michigan
 My Commission Expires: _____

Prepared by:
 Randall L. Brown
 Portage City Attorney
 1662 East Centre Avenue
 Portage, Michigan 49002

Approved as to Form:
 Date: 3/19/2018
 By: [Signature]
 City Attorney

EXHIBIT A

A parcel of land situated in the Northwest quarter of Section 13 and the Northeast quarter of Section 14, Town 3 South, Range 11 West, City of Portage, Kalamazoo County, Michigan being more particularly described as follows:

Commencing at the North quarter corner of Section 14, T3S, R11W; thence N 89°52'06" E 50.00 feet along the North line of of the Northeast quarter of said Section 14 to the East right-of-way line of Portage Road to the Place of Beginning; thence N 00°26'56" W 126.62 feet along said East right-of-way line to the South right-of-way line of Romence Road; thence S 86°07'31" E 201.42 feet along said South right-of-way line of Romence Road; thence Southeasterly 145.03 feet along said South right-of-way line along the arc of a curve to the right having a radius of 1050.00 feet, a central angle of 7°54'50" and a chord of S 82°10'06" E 144.91 feet; thence S 78°12'42" E 447.04 feet along said South right-of-way line to said North line of the Northeast quarter of Section 14; thence N 89°52'06" E 1820.14 feet along said North line to the Northeast corner of said Section 14; thence N 88°49'29" E 1239.24 feet along the North line of the Northwest quarter of Section 13, T3S, R11W to the Westerly Railroad right-of-way line; thence S 00°16'14" E 500.00 feet along said Westerly Railroad right-of-way line; thence S 89°51'56" W 1220.32 feet; thence S 00°23'44" W 235.12 feet; thence S 89°51'56" W 322.74 feet; thence S 00°08'04" E 969.95 feet; thence S 89°51'56" W 1856.72 feet; thence S 00°03'29" E 650.00 feet; thence N 89°51'56" E 358.72 feet; thence S 00°08'04" E 339.54 feet to the South line of said Northeast quarter of Section 14; thence S 89°51'39" W 767.01 feet along said South line to said East right-of-way line of Portage Road; thence N 00°47'10" W 2672.31 feet along said East right-of-way line to the Place of Beginning, containing 120.66 acres of land. The parcel being subject to easements, conditions and restrictions of record.

**AFFIDAVIT WITH REGARD TO FEES
OF 198 APPLICATION FOR
PHARMACIA & UPJOHN COMPANY, LLC**

STATE OF MICHIGAN)
)ss.
COUNTY OF KALAMAZOO)

NOW COME Affiants, Adam Herringa and Michael Joseph Kosko, and state as follows:

1. Adam Herringa is the City Clerk and an official for the City of Portage.
2. Michael Joseph Kosko is the Vice-President of the applicant, Pharmacia & Upjohn Company, LLC., who is an applicant for an industrial facilities exemption certificate.

3. Affiants are aware of the following provision, being Section 5(3) of Act No. 198 of the Public Acts of 1974:

The local government unit may charge the applicant an application fee to process an application for an industrial facilities exemption certificate. The application fee shall not exceed the actual cost incurred by the local government or unit in processing the application or 2% of the total property taxes stated under this Act for the term that the industrial facilities exemption certificate is in effect, whichever is less. A local government unit shall not charge an applicant any other fee under this Act.

4. Affiants state that no payment of any kind in excess of the fee allowed by the above provision of Act 198 as amended has been made or promised in exchange for favorable consideration of an exemption certificate application.

5. Affiants realize that any fee, payment in lieu of taxes, donations, or any other such payments as a condition precedent to approving industrial facilities exemption certificates would be contrary to the legislative intent of Act 198.

6. Each affiant has the authority to make this affidavit on behalf of the entity he or she represents.

CITY OF PORTAGE, a Michigan Municipal
Corporation

Date: _____, 20____

By: _____
ADAM HERRINGA
Its: City Clerk

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public
Kalamazoo County, Michigan
My commission expires: _____
Acting in Kalamazoo County, Michigan

Pharmacia & Upjohn Company, LLC.
A Delaware Corporation

Date: 3/26, 2018

By: Michael Joseph Kosko
Michael Joseph Kosko
Its: Vice President

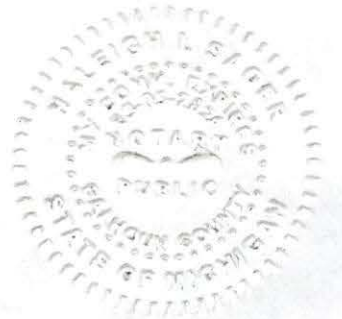
Subscribed and sworn to before me this 26 day of March, 2018.

Haley L. Sayer
Notary Public
Kalamazoo County, Michigan
My commission expires: 03/05/2024
Acting in Kalamazoo County, Michigan

canoun

Prepared by:
Randall L. Brown
1662 East Centre Avenue
Portage, MI 49002

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**CITY OF PORTAGE, MICHIGAN
RESOLUTION NO. 4-18**

**APPROVING THE APPLICATION OF
PHARMACIA & UPJOHN COMPANY, LLC
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR THE FACILITY IN PORTAGE INDUSTRIAL DEVELOPMENT
DISTRICT NO. 91**

Minutes of a regular meeting of the City Council of the City of Portage, Michigan held on the
day of _____, 2018 at 7:00 p.m., local time at the City Hall in the City of
Portage.

PRESENT: _____

ABSENT: _____

The following resolution was offered by:

Councilmember _____, and supported by

Councilmember _____.

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551 et seq., after a duly noticed public
hearing held on the _____ day of _____, 2018, this Council by resolution, established
Portage Industrial Development District No. 91 as requested by PHARMACIA & UPJOHN COMPANY, LLC,
sole owner of the property therein described; and;

WHEREAS, by resolution adopted _____, 2018, the City Council accepted
the application of PHARMACIA & UPJOHN COMPANY, LLC for an Industrial Facilities Exception
Certificate for a new facility in the Portage Industrial Development District No. 91, and directed the City
Clerk to notify the City Assessor and the legislative body of each taxing unit which levies ad valorem taxes
on the property located within said Industrial Development District No. 91, that the application for the

Facilities Exemption Certificates would be considered at a meeting of the City Council on _____, 2018, and that an opportunity to be heard would be provided to the Assessor and to a representative of each of the bodies so notified; and

WHEREAS, during a regular meeting of the City Council held _____, 2018, the applicant, the Assessor and representative of the affected taxing units were afforded an opportunity to be heard:

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. That this City Council finds:

- (a) That the construction of the facility had not begun earlier than six (6) months before _____, the date of acceptance of the application for the Industrial Facilities Exemption Certificate and shall be completed no later than three (3) years from the issuance of the Industrial Facilities Exemption Certificate;
- (b) That the application relates to a program which when completed will constitute a new facility within the meaning of 1974 PA 198 and will be situated in Portage Industrial Development District No. 91 (PHARMACIA & UPJOHN COMPANY, LLC) established in Portage on _____, by resolution of the City Council;
- (c) That completion of facility is calculated to, and will at the time of issuance of the certificates, have the reasonable likelihood to create employment, retain employment, or prevent a loss of employment in the City of Portage.
- (d) That the application applies to a new facility;
- (e) That the aggregate SEV of real exempt from ad valorem taxes within the City of Portage, after granting this certificates, will be _____ percent of an amount equal to the sum of SEV of the City plus the SEV of real property thus exempted; however, the City Council specifically finds that the granting of the exemption applied for will not substantially impede the operation of, or impair the financial soundness of, any unit of local government.

That the application of PHARMACIA & UPJOHN COMPANY, LLC for the Industrial Facilities Exemption Certificate with regard to the construction of a new facility located in Portage Industrial Development District No. 91 (PHARMACIA & UPJOHN COMPANY, LLC) be and is hereby approved for a period of ____ years after completion for the building (real property) with an ending date of _____, and is conditioned upon execution of an agreement between PHARMACIA & UPJOHN COMPANY, LLC and the City. PHARMACIA & UPJOHN COMPANY, LLC may, within the final year in which the certificates are

effective, apply for another certificate. If the City disapproves of said application, there is no right of appeal of that decision.

2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

ADOPTED: AYES: COUNCILMEMBER _____

NAYS: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

Adam Herringa, City Clerk

Certificate

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of the City of Portage, Michigan, Kalamazoo County, held on the _____ day of _____, 2018, the original of which is in the official proceedings of the City Council.

Adam Herringa, City Clerk

PREPARED BY:
Randall L. Brown
Portage City Attorney
1662 East Centre Avenue
Portage, Michigan 49002

Approved as to Form:
Date: 4/5/2018
By: [Signature]
City Attorney

Z:\JODY\PORTAGE\INDUSTRIAL\PHARMACIA & UPJOHN NO. 91\RESOLUTION #4.04518.DOCX

Revised Project Impact Analysis

Pfizer, Incorporated has submitted a PA 198 tax abatement application requesting approval of a 12-year Industrial Facilities Exemption Certificate associated with the construction of a new two-story, 400,000-square-foot modular aseptic processing facility at 7171 Portage Road. The 12 year abatement would begin after construction of the new facility is complete. The modular aseptic processing facility involves a total investment of \$465 million (\$148 million in real property investments and \$317 million in personal property improvements). Pfizer, Inc. expects the new facility to create 140 jobs within two years of project completion. Within six years, an additional 310 jobs are expected to be added, bringing the total to new 450 jobs with 200-400 jobs being retained. At the end of the six years, the economic benefit will be \$42 million in annual salaries/benefits.

As indicated in the application materials, the new modular aseptic processing facility will house multiple, self-contained mobile manufacturing modules that allow the various manufacturing processes to be separate from one another. The new facility will be located on the north side of Building 41, west of the new 98,000-square-foot warehouse as shown on the attached application materials. Approximately 300 existing parking spaces will be displaced but according to Pfizer officials, there are other existing on-site parking areas to accommodate the displacement. As a result of the new facility, upgrades to existing site utilities and other infrastructure will be necessary involving upgrades to an existing 50,000-square-foot facility.

City Council created Industrial Development District (IDD) #91 in August 2016 to facilitate construction of a 98,000-square-foot warehouse addition at the north end of Building #41 and an A.O.V. Work Center proposed inside the northern portion of Building #41. At that time, Pfizer indicated several additional projects were planned in the near future and have requested the boundaries of IDD #91 be expanded beyond the building footprints to encompass the finished product operations on the north end of the manufacturing campus located at 7171 Portage Road. The attached map shows the boundaries of IDD #91. Construction of the warehouse has been completed; work related to the A.O.V. Work Center is still underway. Since the proposed aseptic processing facility will be located within IDD #91, Resolutions 1 and 2 intended to establish a district are not necessary.

Summary of PA 198 Process

The process to receive a tax abatement is initiated with the filing of a request to establish an industrial development district. As noted above, this step was completed in August 2016. Following the creation of the district, the second step involves a review of the industrial facilities exemption certificate. As required by the State of Michigan, the city may not approve a new industrial facilities exemption certificate unless there is a written agreement between the city and the owner of the industrial facility, which must be formally filed with the Michigan Department of Treasury. Also, the Michigan State Tax Commission requires an affidavit, executed by the local unit of government and the applicant, which states that there are no additional payments or similar charges other than the required application fee. The tax abatement agreement is considered by the Council when the industrial facilities exemption certificate is reviewed and will include provisions related to the jobs created or retained, the facility to be constructed and related issues. The tax abatement procedure concludes when, within 60 days of the date of filing, City Council approves the resolution approving the application for an industrial facilities exemption certificate. The application materials are forwarded to the Tax Commission and the agreement is submitted to the Department of Treasury. If City Council adopts a resolution disapproving the application for the certificate, the applicant may still proceed and file the application with the Tax Commission, which renders final approval or disapproval of the industrial facilities exemption certificate.

Preliminary Environmental Analysis

A preliminary planning and environmental review of the proposed facility has been completed. The subject property is approximately 436 acres in size, zoned I-2, heavy industry and accommodates a large manufacturing campus with numerous buildings (approximately 1.5 million square feet in area), facilities, and supporting infrastructure. Building 41, constructed in 1950, was recently expanded with the new 98,000 square foot warehouse and improved with a new A.O.V. Work Center. Building 41 will again be expanded with the proposed 400,000-square-foot modular aseptic processing facility. The manufacturing facility has grown over the decades and has historically been used for pharmaceutical manufacturing purposes. Pfizer operates its own private water and sanitary sewer system, which is discharged to the City of Kalamazoo treatment facility. Although the Pfizer manufacturing campus is not connected to public water, the facility has developed an extensive private water system that properly services its operations. Stormwater drainage is controlled on site in conformance with the city "Storm Water Design Criteria Manual." Review of the area for environmental concerns revealed no compliance problems with either the Michigan Department of Environmental Quality or City of Kalamazoo. Compliance with state and federal regulations pertaining to hazardous material handling, storage and disposal will be required during the construction and operation of the proposed facility. The property is zoned I-2, heavy industrial, and adjacent properties are also zoned heavy industrial. The property is located within the Portage Road Industrial Corridor and is identified for industrial development in the City of Portage Comprehensive Plan.

Project Impact Analysis

Project impact analyses have been prepared for the proposed investment of \$148,000,000 in real property improvements. Personal property investments in the amount of \$317,000,000 will also be made; however, these improvements are considered Eligible Manufacturing Personal Property (EMPP) and are exempt from local taxation. The projects will retain 200 full-time equivalent employees and will add an additional 140 jobs within two years of project completion and 310 jobs within six years, bringing the total to 450 new jobs. The average annual salary for existing and new employees is approximately \$93,000, including benefits (without benefits, the average annual salary is approximately \$66,942). Assumptions utilized in the analyses are detailed on page one of the reports. Calculations are included on proceeding pages and a summary table and chart organizes the results of these calculations for City Council reference.

Based on the level of investment, the applicant has requested the 12-year real property tax abatement begin after construction of the new facility is complete. The applicant has indicated construction of the new facility will take three years and, as a result, the total length of the abatement period is proposed at 15 years (taxes during the construction phase of the project are abated based on a partial assessment). Commencement of the 12-year abatement period after construction is complete is not specified in the Tax Abatement Policy but given the community impact of this new facility and length of time needed for construction, this request is supported by the City Administration.

The analyses show the economic impact on the city General Fund and the broader community with a 50% real property abatement for a 15-year period. The following summarizes the cumulative outcomes of the investments:

Direct General Fund Abatement Cost	\$324,580
Cumulative Revenue to the City (20 Years)	\$25,918,976
Primary/Secondary Community Economic Benefits	\$15,317,812

The direct General Fund abatement cost to the city over the 15-year period is estimated to be \$324,580. However, the overall impact of this project on the city and area is significant. Cumulative revenue to the city over a 20-year period is estimated to be \$25.9 million while the additional broader community benefit is estimated to be \$15.3 million based on the level of real property investment and job creation. It is worth noting that by 2024 when the facility is expected to employ 450 people, the broader community benefit is expected to increase to approximately \$49.2 million.

Property Tax Analysis

An analysis of the impact of property taxes has also been prepared. With no abatement and the real property taxed at the full 60.909969 millage rate, the estimated taxes generated for all taxing units would total \$58,543,008 over a 15-year period. The information below provides the estimated total tax revenue foregone over a 15-year abatement period by local units of government.

City of Portage	\$5,248,065
Kalamazoo County	\$3,095,832
Central County Transportation Authority	\$360,428
Kalamazoo County Transportation Authority	\$151,139
KRESA	\$3,076,994
KVCC	\$1,349,873
Portage District Library	\$720,855

Portage Public Schools' revenue is subject to the 1994/1995 school aid legislation and is largely provided by the State of Michigan. The total tax abatement valuation percentage approved by the Council with the inclusion of this application would equal 8.28%. This figure reflects the active industrial tax abatements that have been approved by the Council as a percentage of the total city State Equalized Value.

This project is important not only to the Portage community but to the greater Kalamazoo metropolitan area. In an effort to facilitate this important facility, approval of a 15 year abatement is recommended. In addition to approval of the industrial facilities exemption certificate, approval of the Affidavit with Regard to Fees and the Tax Abatement Agreement for a twelve year real property abatement period is recommended.

PROJECT IMPACT ANALYSIS - Pfizer 2018

Assumptions used in the following calculations:

Market value of property to be added :	
Real property.....	\$148,000,000
Personal property.....	\$317,000,000
Percentage tax abatement requested: (consistent with City Council policy)	
Real property.....	50.00%
Personal property.....	0.00%
Years of abatement requested:	
Real property.....	15
Personal property.....	0
Non-recoverable City share costs of requested:	
Roadway improvements.....	\$0
Drainage improvements.....	\$0
Sanitary sewer improvements.....	\$0
Water delivery improvements.....	\$0
Number of new employees	140
Average annual income of each new employee.....	\$93,333
Percentage of new employees assumed to be residents.....	33.00%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%
County income multiplier.....	2.00
Percentage of new employees constructing new homes.....	20.00%
Value of new home as a factor of annual income.....	2.00
Number of members per household (2010-2014 5-year estimate)	2.40
Population, 2018 estimation.....	48,500
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements	\$20,762,902
Current General Fund millage rate.....	7.5000
Per capita state revenue sharing to General Fund.....	\$82.66
Average annual inflation rate (2013 to 2016).....	0.89%
Annual increase in industrial real property value.....	0.00%
Annual increase in residential real property value.....	1.50%

PROJECT IMPACT ANALYSIS - Pfizer 2018

CALCULATION OF ECONOMIC BENEFITS TO THE COMMUNITY:

Equation 1-Calculation of additional payroll generated

Number of new employees	Average annual income	Total new annual payroll
140	\$93,333	\$13,066,620

Equation 2-Calculation of primary economic benefit to the community from payroll income

Percentage of new employees assumed to be residents.....					33.00%
Propensity for resident employees to consume locally.....					60.00%
Propensity for non-resident employees to consume locally.....					50.00%
	Distribution of labor force	Average annual income	Propensity to consume locally	Primary economic benefit	
Resident employees.....	46	\$93,333	60.00%	\$2,575,991	
Non-resident employees.....	94	\$93,333	50.00%	\$4,386,651	
				\$6,962,642	\$6,962,642

Equation 3-Calculation of secondary economic benefit to the community from payroll income

	Total primary benefit	County income multiplier	Propensity to consume locally	Secondary economic benefit	
	\$6,962,642	2.00	60.00%	\$8,355,170	\$8,355,170
----ADDITIONAL ECONOMIC BENEFITS TO THE COMMUNITY.....					\$15,317,812

PROJECT IMPACT ANALYSIS - Pfizer 2018

CALCULATION OF ADDITIONAL GENERAL FUND REVENUE:

Equation 4-Calculation of gross taxes to be generated from new project

Market value of property to be added:				
Real property.....				\$148,000,000
Personal property.....				\$317,000,000
Current General Fund millage rate				7.50
First year				First year
property		Millage		property
SEV		rate		taxes
Real	\$74,000,000	7.50		\$555,000
Personal	\$144,235,000	7.50		\$1,081,763
				\$1,636,763

Equation 5-Calculation of additional property tax from new residents

Percentage of new employees constructing new homes.....					20.00%
Value of new home as a factor of annual income.....					2.00
Number	Avg market	Total SEV	General Fund		First year
of	value of each	of	millage		property
new homes	new home	new homes	rate		taxes
28	\$186,666	\$2,613,324	7.50		\$19,600
					\$19,600

Equation 6-Calculation of additional state revenue sharing to the General Fund

Number of members per household.....					2.40
Per capita state revenue sharing to General Fund.....					\$83
Number of	Number of	Number	Per capita		Additional
new resident	members per	of new	state revenue		state revenue
employees	household	residents	sharing		sharing
46	2.40	110	\$83		\$9,092
					\$9,092
----ADDITIONAL GENERAL FUND REVENUE.....					\$1,665,455

PROJECT IMPACT ANALYSIS - Pfizer 2018

Equation 7-Annual tax abatement costs

Percentage tax abatement requested:				
Real property.....			50.00%	
Personal property.....			0.00%	
Years of abatement requested:				
Real property.....			15	
Personal property.....			0	
First year General Fund property tax		Requested abatement rate	First year tax abatement	
Real	\$555,000	50.00%	\$277,500	
Personal	\$1,081,763	0.00%	\$0	\$277,500

Equation 8-Additional service costs

Population, 2018 estimation.....					48,500	
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements					\$20,762,902	
Costs of services	Number of residents	Cost per resident	Number of new residents	Additional cost for new residents		
\$20,762,902	48,500	\$428	110	\$47,080	\$47,080	

Equation 9-Public facilities cost, non-recoverable City share

Road improvements	Drainage improvements	Sanitary sewer improvements	Water delivery improvements	Total improvements	
\$0	\$0	\$0	\$0	\$0	\$0
---TOTAL ADDITIONAL GENERAL FUND COSTS.....					\$324,580

CALCULATION OF RELATIVE COMPARISON FACTOR

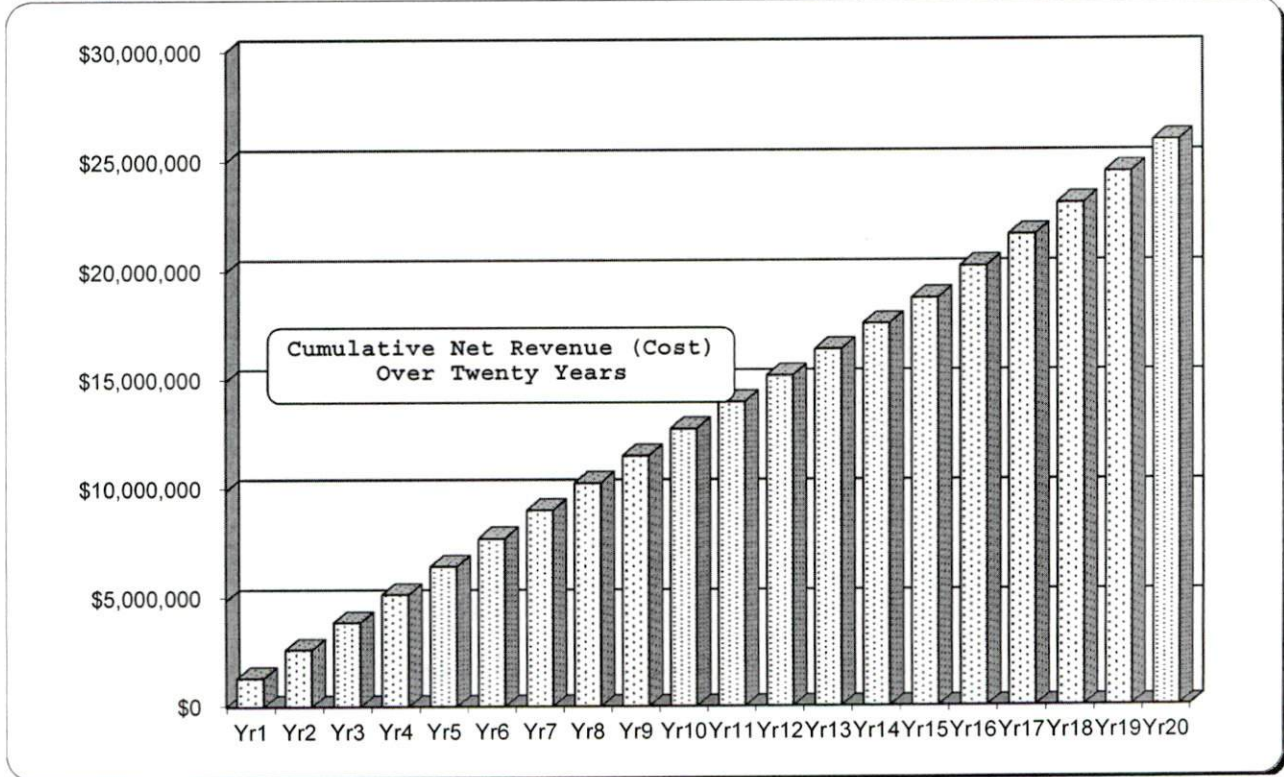
Equation 10-Relative comparison investment factor/initial cost per job created

Additional revenues	Additional (costs)	Net additional (cost)/revenue	Number of jobs created	Revenue/(Cost) per job created
\$1,665,455	(\$324,580)	\$1,340,875	140	\$9,578

Long term comparison of increased revenues to increased costs reflecting the effects of inflation on property values and General Fund expenditures and the decreasing value of personal property due to depreciation

PROJECT IMPACT ANALYSIS - Pfizer 2018

Year	Revenue	Infrastructure costs	General Fund real property tax abatement	General Fund personal prop. tax abatement	General Fund service costs	Expenditures	Net annual (cost)/revenue	Cumulative (cost)/revenue
Yr1	\$1,665,455	\$0	\$277,500	\$0	\$47,080	(\$324,580)	\$1,340,875	\$1,340,875
Yr2	\$1,651,955	\$0	\$277,500	\$0	\$47,498	(\$324,998)	\$1,326,957	\$2,667,832
Yr3	\$1,638,806	\$0	\$277,500	\$0	\$47,919	(\$325,419)	\$1,313,387	\$3,981,219
Yr4	\$1,626,001	\$0	\$277,500	\$0	\$48,344	(\$325,844)	\$1,300,157	\$5,281,376
Yr5	\$1,613,532	\$0	\$277,500	\$0	\$48,773	(\$326,273)	\$1,287,259	\$6,568,635
Yr6	\$1,601,389	\$0	\$277,500	\$0	\$49,206	(\$326,706)	\$1,274,683	\$7,843,318
Yr7	\$1,589,564	\$0	\$277,500	\$0	\$49,642	(\$327,142)	\$1,262,422	\$9,105,740
Yr8	\$1,578,051	\$0	\$277,500	\$0	\$50,083	(\$327,583)	\$1,250,468	\$10,356,208
Yr9	\$1,566,841	\$0	\$277,500	\$0	\$50,527	(\$328,027)	\$1,238,814	\$11,595,022
Yr10	\$1,555,928	\$0	\$277,500	\$0	\$50,975	(\$328,475)	\$1,227,453	\$12,822,475
Yr11	\$1,545,304	\$0	\$277,500	\$0	\$51,427	(\$328,927)	\$1,216,377	\$14,038,852
Yr12	\$1,534,961	\$0	\$277,500	\$0	\$51,884	(\$329,384)	\$1,205,577	\$15,244,429
Yr13	\$1,524,894	\$0	\$277,500	\$0	\$52,344	(\$329,844)	\$1,195,050	\$16,439,479
Yr14	\$1,515,096	\$0	\$277,500	\$0	\$52,808	(\$330,308)	\$1,184,788	\$17,624,267
Yr15	\$1,505,558	\$0	\$277,500	\$0	\$53,277	(\$330,777)	\$1,174,781	\$18,799,048
Yr16	\$1,496,278	\$0	\$0	\$0	\$53,749	(\$53,749)	\$1,442,529	\$20,241,577
Yr17	\$1,487,246	\$0	\$0	\$0	\$54,226	(\$54,226)	\$1,433,020	\$21,674,597
Yr18	\$1,478,459	\$0	\$0	\$0	\$54,707	(\$54,707)	\$1,423,752	\$23,098,349
Yr19	\$1,469,910	\$0	\$0	\$0	\$55,193	(\$55,193)	\$1,414,717	\$24,513,066
Yr20	\$1,461,592	\$0	\$0	\$0	\$55,682	(\$55,682)	\$1,405,910	\$25,918,976



Pharmacia & Upjohn Company LLC- PA-198 TAX ABATEMENT APPLICATION

7171 Portage Rd

Summary of Total Taxes Abated and Maximum Application Fee Calculation

Real & Personal Property

Total Real Property Taxes Abated (12 Year with 3 Year construction):	\$32,154,924
Total Personal Property Taxes Abated:	EMPP Exempt
Total Taxes Abated:	\$32,154,924
2% Application Fee Calculation:	2%
Maximum Allowable Fee Under Statute:	\$643,098
Application Fee per City Policy:	\$1,855

NOTE: With no abatement the estimated taxes generated for all taxing units over the 12 year (3-Year Construction Period) would be:

	Abatement Period	Full Tax Rate	Total Period TV	Unabated Tax Amt.
Real Property	12	60.909969	961,140,000	\$58,543,008
Personal Property *	0	-	-	-
Total Unabated Tax Liability:				\$58,543,008

* The Taxation of all New Eligible Manufacturing Personal Property is Exempt per MCL 211.9m

Report Created by City Assessor's Office 4-5-2018

Pharmacia & Upjohn Company LLC- PA-198 TAX ABATEMENT APPLICATION

7171 Portage Rd

Real Property Investment: \$148,000,000

Real Property Taxes Abated Over 12-Year Abatement Period & 3-Year Construction Period								
	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026
Cost	\$2,765,000	\$31,215,000	\$112,300,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000
SEV & TV	1,382,500	15,607,500	56,150,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000
Rate Abated	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550
Taxes Abated	\$46,252	\$522,149	\$1,878,497	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669
	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Totals Over 12-Year Abatement/ 3- Year Construction Period
Cost	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	
SEV & TV	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	961,140,000
Rate Abated	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	0.0334550	
Taxes Abated	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669	\$2,475,669	\$32,154,924

Detail of the Total Real Property Taxes Abated Over the 12-Year Period Including 3-Year Construction Period

Taxing Jurisdiction Name Tax Levy Description	PA-198 Est. Tax Rate (50% Level)	Combined TV	Total Taxes Abated
CITY OF PORTAGE	5.4602500	961,140,000	\$5,248,065
SCHOOL OPERATING	8.9091000	961,140,000	\$8,562,892
SCHOOL BUILDING/DEBT	3.6750000	961,140,000	\$3,532,190
STATE EDUCATION	6.0000000	961,140,000	\$5,766,840
KVCC	1.4044500	961,140,000	\$1,349,873
KRESA	3.2014000	961,140,000	\$3,076,994
KALAMAZOO COUNTY	3.0641000	961,140,000	\$2,945,029
KCTA TRANSPORTATION	0.1572500	961,140,000	\$151,139
CCTA TRANSPORTATION	0.3750000	961,140,000	\$360,428
PORTAGE DIST LIBRARY	0.7500000	961,140,000	\$720,855
CNTY JUVENILE	0.1070000	961,140,000	\$102,842
CNTY HOUSING FND	0.0499000	961,140,000	\$47,961
City of Portage 1% Tax Administration Fee	0.3015345	961,140,000	\$289,817
Total - All Taxing Entities	33.4549845		\$32,154,924

Report Created by City Assessor's Office 4-5-2018

Pharmacia & Upjohn Company LLC- PA-198 TAX ABATEMENT APPLICATION
7171 Portage Rd
Real Property Investment: \$148,000,000

Est. Real Property Tax Liability With NO ABATEMENT								
	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023	Year 6 2024	Year 7 2025	Year 8 2026
Cost	\$2,765,000	\$31,215,000	\$112,300,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000
SEV & TV	1,382,500	15,607,500	56,150,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000
Millage	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100
Tax Liability	\$84,208	\$950,652	\$3,420,095	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338
	Year 9 2027	Year 10 2028	Year 11 2029	Year 12 2030	Year 13 2031	Year 14 2032	Year 15 2033	Totals Over 12-Year (3-Year Construction) Period
Cost	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	\$148,000,000	
SEV & TV	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	74,000,000	961,140,000
Millage	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	0.0609100	
Tax Liability	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338	\$4,507,338	\$58,543,008

Detail - NO ABATEMENT Taxes Paid Over the 12-Year Period Including 3-Year Construction Period

Taxing Jurisdiction Name Tax Levy Description	Regular 100% Tax Rate	Combined TV	Total Taxes
CITY OF PORTAGE	10.9205000	961,140,000	\$10,496,129
SCHOOL OPERATING	17.8182000	961,140,000	\$17,125,785
SCHOOL BUILDING/DEBT	7.3500000	961,140,000	\$7,064,379
STATE EDUCATION	6.0000000	961,140,000	\$5,766,840
KVCC	2.8089000	961,140,000	\$2,699,746
KRESA	6.4028000	961,140,000	\$6,153,987
KALAMAZOO COUNTY	6.1282000	961,140,000	\$5,890,058
KCTA TRANSPORTATION	0.3145000	961,140,000	\$302,279
CCTA TRANSPORTATION	0.7500000	961,140,000	\$720,855
PORTAGE DIST LIBRARY	1.5000000	961,140,000	\$1,441,710
CNTY JUVENILE	0.2140000	961,140,000	\$205,684
CNTY HOUSING FND	0.0998000	961,140,000	\$95,922
City of Portage 1% Tax Administration Fee	0.6030690	961,140,000	\$579,634
Total - All Taxing Entities	60.9099690		\$58,543,008

Report Created by City Assessor's Office 4-5-2018

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, call (517) 373-3302.

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) Pharmacia & Upjohn Company LLC (Pfizer Inc)		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3254	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 7171 Portage Road, Kalamazoo, MI 49002		1d. City/Township/Village (indicate which) Portage, MI	1e. County Kalamazoo
2. Type of Approval Requested ☒ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment		3a. School District where facility is located Portage	3b. School Code 39140
		4. Amount of years requested for exemption (1-12 Years) 12 Years	

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.

Pending approval from the State of Michigan on an incentive package and this application, build a new modular aseptic processing facility (400,000 sq ft with 2 floors) & upgrade existing facilities, site utilities & other infrastructure. The new facility will house multiple mobile manufacturing modules that are entirely segregated from other manufacturing lines. We are seeking to ensure this investment occurs in Michigan. More details are attached.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	\$148,000,000.00
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	\$317,000,000.00
6c. Total Project Costs * Round Costs to Nearest Dollar	\$465,000,000.00
	Total of Real & Personal Costs

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	9/1/2018	9/1/2022	☒ Owned ☐ Leased
Personal Property Improvements	Phase 1: 9/1/2019	9/1/2024	☒ Owned ☐ Leased \$192 million
	Phase 2: 9/1/2020	9/1/2025	X Owned \$125 million

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 Not at time of application submission, but process was initiated.

9. No. of existing jobs at this facility that will be retained as a result of this project. 200-400
10. No. of new jobs at this facility expected to create within 2 years of completion. 140

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)
9/9/2016 (documents attached)
 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 Daniel J. Roth	13b. Telephone Number 269-833-8051	13c. Fax Number	13d. E-mail Address daniel.j.roth@pfizer.com
14a. Name of Contact Person Paul D. Faber	14b. Telephone Number 269-833-8365	14c. Fax Number	14d. E-mail Address paul.d.faber@pfizer.com
15a. Name of Company Officer (No Authorized Agents) Patrick S. McEvoy			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 2-6-2018
15e. Mailing Address (Street, City, State, ZIP Code) 7171 Portage Road, Kalamazoo, MI 49002		15f. Telephone Number 269-833-0169	15g. E-mail Address patrick.s.mcevoy@pfizer.com

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)		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)	
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			
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 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, and that any leases show sufficient tax liability.

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:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

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

STC USE ONLY				
1. LUCI Code	2. Begin Date Real	3. Begin Date Personal	4. End Date Real	5. End Date Personal

Project Description:

Pfizer is seeking to build a new, technically advanced, modular aseptic processing facility in Portage, Michigan. The cutting edge upgrades will provide dedicated facilities and equipment by product class, contemporize and enhance Pfizer's production of critical life-saving injectable medicines, and transform our sterile operations to enable increased supply reliability flexibility, and production capabilities. This advanced facility will enhance the position of the Portage Site, and Pfizer, as a leading manufacturer of sterile (aseptic) products.

The new facility is expected to contain 400,000 square feet comprised of two floors of 200,000 square feet each. The new facility will require significant upgrades to site utilities and other infrastructure. Similar upgrades are also needed in about 50,000 square feet in an existing facility. The new facility will house multiple, self-contained mobile manufacturing modules that allow the manufacturing line in each module to be entirely segregated from all other manufacturing lines. The total investment will take eight years to implement and is expected to be about \$465 million, with \$400 million occurring in the first five years. Without this investment, the Pfizer Portage site expects to see flat or declining production volume.

Project Alternatives:

Pfizer could potentially choose to make this investment in its sterile (aseptic) manufacturing capabilities at any Pfizer Global Supply (PGS) site or with one or more of its contract manufacturers located worldwide. For reference, Pfizer has a global footprint with more than 58 manufacturing sites around the world. Thirteen of these PGS sites are primarily focused on Sterile Injectable manufacturing including the Pfizer site in Portage, Michigan. This site produces a variety of finished drug products in addition to sterile injectables including: biologicals/biosimilars, liquids and semi-solids, powders, and surgical brands. Pfizer's Portage, Michigan site must remain cost competitive on a global basis as an off-patent finished drug product manufacturer with all of Pfizer's other sites, Pfizer's contracted manufacturers, and Pfizer's drug product competitors to remain viable. This project strengthens the site's ability to compete globally.

Historical Staffing:

Pfizer's Portage site has a major impact on the local economy. Our full time employee count on-site in Portage, Michigan has grown steadily over the last several years; more specifically: 2014 was 2,112; 2015 was 2,171; 2016 was 2,183; and 2017 was 2,240. Our annual capital investment has grown significantly; 2013 = \$92 million, 2014 = \$105 million, 2015 = \$140 million, 2016 = \$153 million, and 2017 = \$175 million. The capital investment trend will continue to grow with this project investment. The number of badged contractors supporting the Portage, Michigan site has grown by over 30% since 2014, from 1,967 to 2,588 badged contractors; this is due in significant part to the increased capital investment over this time period, which has led to expanded contractor needs. The number of badged contractors will continue to grow and align with the increased capital investments.

Investment Estimate, Equipment List and Asset Summary

Internal Category	Line Item	Investment	Tax Category
Process Equipment	Flexible Filling Line (Variosys) w/ Ampoule Module	\$15,603,000	Machinery & Equipment - Purchased
Process Equipment	Flexible Filling Line (Variosys) & (1) FD & Ampoule Module	\$22,927,000	Machinery & Equipment - Purchased
Process Equipment	Flexible Filling Line (Variosys) & (2) FD - APN Small Products	\$24,908,000	Machinery & Equipment - Purchased
Process Equipment	Flexible Filling Line (Variosys) & (2) FD - Bio Products	\$24,908,000	Machinery & Equipment - Purchased
Process Equipment	High Speed Filling Line - w/(2) 40m2 FD, 600vpm	\$51,473,000	Machinery & Equipment - Purchased
Process Equipment	High Speed Filling Line - 600vpm	\$34,785,000	Machinery & Equipment - Purchased
Process Equipment	Testing Materials (All Lines)	\$14,682,000	Machinery & Equipment - Purchased
Process Equipment	Demo Batches	\$7,341,000	Machinery & Equipment - Purchased
CSA	Pods, Dbl. Wide (Quote)	\$24,284,000	Machinery & Equipment - Purchased
Instrument & Controls	IT/Automation (Roughly 12% of Direct Cost)	\$67,538,000	Machinery & Equipment - Purchased
Commissioning	Commissioning	\$28,790,000	Machinery & Equipment - Purchased
Utility Equipment Non Qualified	Chillers, 2500 Ton	\$1,861,000	Building - New Construction
Utility Equipment Non Qualified	Chilled Water Pumps, 5000gpm	\$188,000	Building - New Construction
Utility Equipment Non Qualified	Cooling Tower	\$763,000	Building - New Construction
Utility Equipment Non Qualified	Cooling Tower Water Pumps	\$158,000	Building - New Construction
Utility Equipment Non Qualified	FD Jacket Cooling Skid	\$229,000	Building - New Construction
Utility Equipment Non Qualified	AG Filters	\$382,000	Building - New Construction
Utility Equipment Non Qualified	Soft Water Equipment	\$305,000	Building - New Construction
Utility Equipment Non Qualified	Waste Tank	\$229,000	Building - New Construction
Utility Equipment Non Qualified	Neutralization Skid	\$229,000	Building - New Construction
Utility Equipment Qualified	WFI Tank	\$614,000	Building - New Construction
Utility Equipment Qualified	WFI Pump	\$111,000	Building - New Construction
Utility Equipment Qualified	PW Tank	\$307,000	Building - New Construction
Utility Equipment Qualified	PW Pumps	\$111,000	Building - New Construction
Utility Equipment Qualified	Clean Steam Generator (CSG)	\$529,000	Building - New Construction
Utility Equipment Qualified	Utilities Equipment Spare Parts (6% of Equip. Purchase)	\$343,000	Building - New Construction
Piping/Ductwork Non Qualified	Chilled Water Piping/Headers	\$3,734,000	Building - New Construction
Piping/Ductwork Non Qualified	Chilled Water S&R to PODS & Facility HVAC Units	\$846,000	Building - New Construction
Piping/Ductwork Non Qualified	Cooling Tower Water Piping	\$229,000	Building - New Construction
Piping/Ductwork Non Qualified	Steam/Condensate and/or Forced Water	\$734,000	Building - New Construction
Piping/Ductwork Non Qualified	Process Waste	\$367,000	Building - New Construction
Piping/Ductwork Non Qualified	Neutralization Tank Line	\$367,000	Building - New Construction
Piping/Ductwork Non Qualified	Compressed Air	\$147,000	Building - New Construction
Piping/Ductwork Qualified	WFI Loops, 1,600lf each	\$1,562,000	Building - New Construction
Piping/Ductwork Qualified	PW Loop	\$781,000	Building - New Construction
Piping/Ductwork Qualified	Allowance to Replace 3" N-S PW Line from S. Water Room to APN with new 4" PW Line	\$391,000	Building - New Construction
Piping/Ductwork Qualified	Clean Steam Header	\$488,000	Building - New Construction
Piping/Ductwork Qualified	Pharm Air Header	\$146,000	Building - New Construction
Piping/Ductwork Qualified	Pharm N2 Header	\$146,000	Building - New Construction
Piping/Ductwork Qualified	Pod Piping	\$1,182,000	Building - New Construction
Electrical Production	Allowance for Feeds to Pods	\$514,000	Building - New Construction
Electrical Production	Power & Motor Control, FD's	\$771,000	Building - New Construction
Electrical Production	Power & Motor Control, FD Load/Unload Equip.	\$132,000	Building - New Construction
Electrical Production	Power & Motor Control, Flex Line Equip.	\$514,000	Building - New Construction
Electrical Production	Power & Motor Control, Filling Line Equip.	\$220,000	Building - New Construction
Electrical Production	Power & Motor Control, Stopper Processor	\$110,000	Building - New Construction
Electrical Production	Power & Motor Control, Support Equipment	\$367,000	Building - New Construction
Electrical Utilities	(2) 15KV Feeds for new Substations Serving the New Filling/FD Workcenter	\$355,000	Building - New Construction
Electrical Utilities	2000KVA Substation, Dbl. Ended	\$1,556,000	Building - New Construction
Electrical Utilities	Static Transfer Switches	\$1,222,000	Building - New Construction
Electrical Utilities	4160V Substation, Single Ended	\$763,000	Building - New Construction
Electrical Utilities	Ground Ring	\$147,000	Building - New Construction
Electrical Utilities	Feeds to MCC/Starters	\$734,000	Building - New Construction
Electrical Utilities	MCCs	\$367,000	Building - New Construction
Electrical Utilities	Power & Motor Control, Chillers	\$277,000	Building - New Construction
Electrical Utilities	Power & Motor Control, CHW Pumps	\$73,000	Building - New Construction
Electrical Utilities	Power & Motor Control, Cooling Tower Water Pumps	\$73,000	Building - New Construction
Electrical Utilities	Power & Motor Control, Cooling Tower Fans	\$147,000	Building - New Construction
Electrical Utilities	Power & Motor Control, PW and WFI Pumps	\$147,000	Building - New Construction
Insulation	Chilled Water Header Piping Insulation	\$942,000	Building - New Construction
Insulation	Chilled Water S&R Piping Insulation	\$291,000	Building - New Construction
Insulation	Other Utility Piping Insulation	\$664,000	Building - New Construction
CSA	Site Prep/U.G. Utility Relocations	\$2,202,000	Building - New Construction
CSA	Allowance for New Parking Lots	\$734,000	Building - New Construction
CSA	Building Shell with CNC/Interior Wall Liner Panels/Lighting/FP(Production Areas/Corridors/Gowning/Pods)	\$46,239,000	Building - New Construction
CSA	Building Shell with minimal Lighting/FP(Future/UnConditioned Space)	\$16,092,000	Building - New Construction
CSA	Fit Out, Arch., Bldg.Mech., HVAC & Elect, Ground Floor - (C&D) Hi-speed lines/40SqM FD's/Gowning/Prep/Form	\$48,098,000	Building - New Construction
CSA	Mezzanine	\$2,220,000	Building - New Construction
CSA	Enlarge North Qualified Utilities Room towards the East, including excavation, form & pour pit	\$470,000	Building - New Construction
CSA	Roof Top Pipe Supports for Chilled Water Header	\$1,205,000	Building - New Construction
CSA	Allowance for B41 Exterior wall/New FD WC Bldg Interface Modifications	\$734,000	Building - Renovations
Demo/Relocation	Allowance for demo/relo along N. exterior wall of APN (N2 tank, etc.)	\$367,000	Building - Renovations
Demo/Relocation	Demo facilities directly East of the North Qualified Utilities Room	\$66,000	Building - Renovations
Demo/Relocation	Demo existing Edwards FD's	\$1,468,000	Building - Renovations
Grand Total		\$465,000,000	

Capital Investment	Year 1 2018	Year 2 2019	Year 3 2020	Year 4* 2021	Year 5 2022	Year 6 2023	Total
Building - New Construction	\$2,465,000	\$27,550,000	\$80,185,000	\$34,800,000	\$0		\$145,000,000
Building - Renovations	\$300,000	\$900,000	\$900,000	\$900,000	\$0		\$3,000,000
Machinery & Equipment - Purchased	\$3,170,000	\$47,550,000	\$110,950,000	\$95,100,000	\$47,550,000	\$12,680,000	\$317,000,000
Total Capital Investment	\$5,935,000	\$76,000,000	\$192,035,000	\$130,800,000	\$47,550,000	\$12,680,000	\$465,000,000

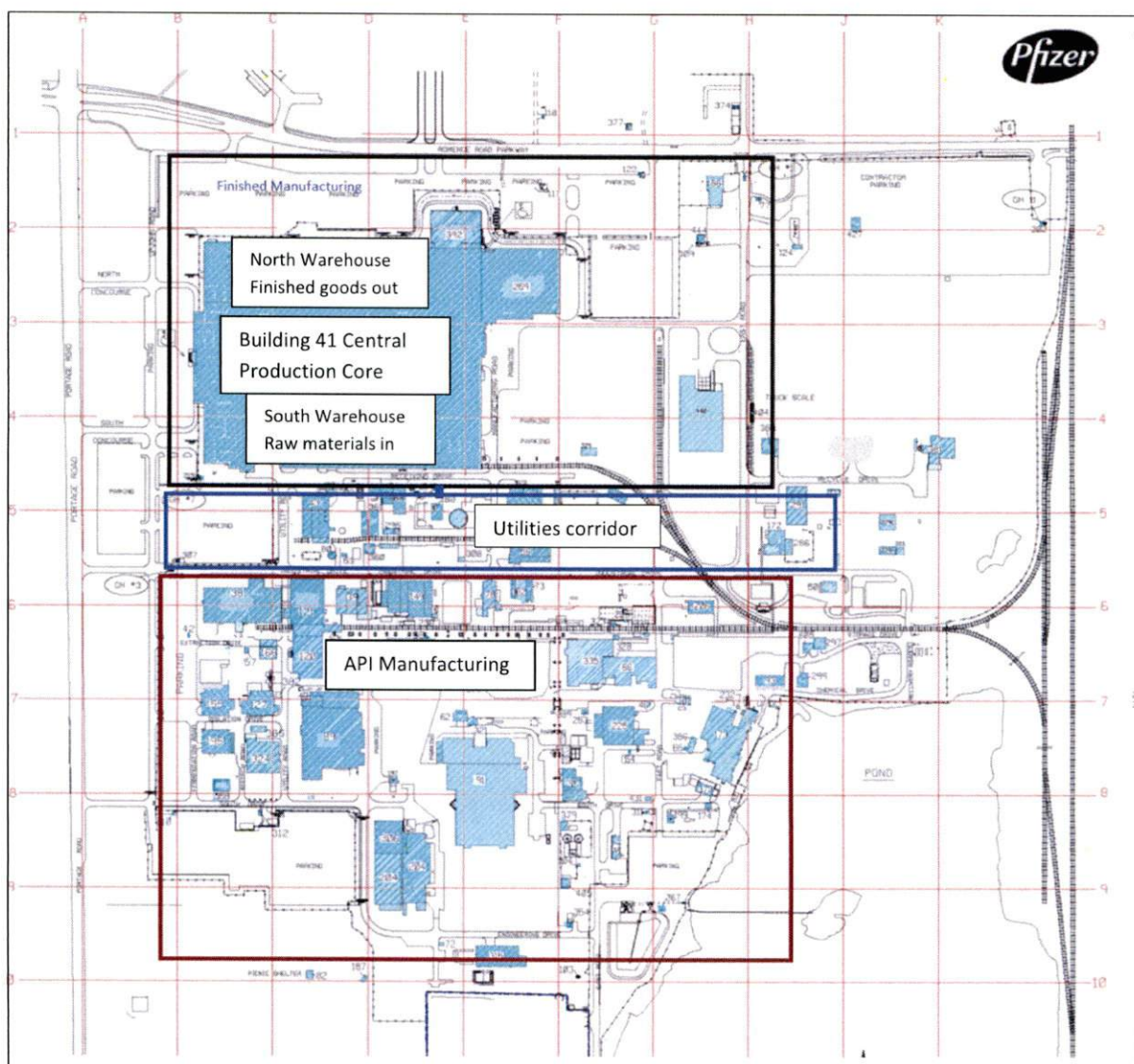
* Real Property cash flow completes 9/1/2021.

Site Plan

Introduction

The pharmaceutical manufacturing complex located at 7171 Portage Road, was originally constructed by the Upjohn Company starting in the late 1940's and is a unique facility which produces finished drug products and active pharmaceutical ingredients (API's). The complex is divided north to south with over 120 buildings that were installed primarily from the 1950's through the 1990's. The northern portion consists primarily of drug product production and includes Building 41 (our primary aseptic production facility), warehouse and laboratories. The central part of Plant is primarily our utility corridor which provides utilities (steam, water, power, etc.) for the entire site. The southern portion of the Plant is primarily API production.

Building 41 is primarily designed that raw materials come into the south side of the building, flow through the facility as the products are manufactured and packaged and then out the warehouse on the north side of the facility. See the diagram below for a Pfizer site orientation.



The drawing below helps illustrate the placement of the new MAP Facility. The new MAP Facility will be located at the northwest part of the site and is at the top left on the drawing on the prior page.



Pfizer plans to maintain a drive around the exterior of the new MAP Facility to support movement of vehicles via the same traffic patterns as occur now, support emergency vehicle traffic access near our facilities, and support emergency egress from the new MAP Facility. The MAP Facility does not significantly impact internal traffic flow to the new warehouse facility or the associated semi traffic patterns. The MAP Facility will displace about 300 parking spaces in order to construct the new production facility. There are sufficient parking spaces on-site to handle the dispersion of personal vehicles from this parking lot that will be removed. This change will have minor impacts to where people enter and vacate Pfizer property. This is not expected to have a significant impact on traffic patterns on Romence and Portage Roads. At the time of this application submission, Pfizer has not hired a design firm to create a more detailed site plan. The drawing included in this package illustrates the building perimeter and roadways will be extended around the new facility to support emergency vehicle and inter-site vehicle traffic. Pfizer and the City of Portage will need a more detailed look at the site plan as design continues later this year.

Existing Warehouse Elevation Photos

Photos of the existing North Warehouse are included below. Pfizer's goal is to provide a consistent look and appearance to the elevations from Portage Road and Romence Road.





Roth, Daniel J

To: Christopher Forth
Subject: Pfizer Industrial Tax Abatement Application - Revision

Chris, I appreciate your help today and your question. Below is the table to clarify the jobs added by year and by level. Attached is an amended submission with only two changes: 1) box #10 was edited to be 140 vs 450 and 2) an additional attachment was added to show the matrix below (the 450 added jobs by level).

Level	2019	2020	2021	2022	2023	2024	Total	Weekly Salary	Benefits
Managerial	4	4	4	5	3	3	23	\$60,844	\$23,242
Professional	52	14	8	8	1	4	87	\$190,221	\$73,218
Craftsman (skilled)	3	12	5	3	2	0	25	\$26,006	\$10,819
Operators (semi-skilled)	6	20	34	91	24	71	246	\$226,236	\$90,464
Technical	12	13	18	8	0	18	69	\$75,999	\$30,644
Total	77	63	69	115	30	96	450	\$579,306	\$228,386
Annual								\$30,123,929	\$11,876,071

The Weekly Salary column is based off the total jobs added column which is inclusive through year 2024. The average Weekly Salary by level is Managerial \$2,646; Professional \$2,186; Craftsman (skilled): \$1,040; Operators (semi-skilled): \$920; & Technical \$1,101.

Through year 2 (2020), the jobs added are 77+63=140. The \$42 million is the sum of the Weekly Salary plus Benefits at the end of year 2024.

Thank you,
Dan Roth
Sr. Mgr/TL Project Engineering – API, ENG, EHS, PPT, & SCO
269-833-8051

Dated: 3/13/2018 5:21 PM

New Jobs By Year – Peak Increase 450 Jobs & \$42 million per year

Level	2019	2020	2021	2022	2023	2024	Total	Total Weekly Salary / Benefits
Managerial	4	4	4	5	3	3	23	\$84,086
Professional	52	14	8	8	1	4	87	\$263,439
Craftsman (skilled)	3	12	5	3	2	0	25	\$36,825
Operators (semi skilled)	6	20	34	91	24	71	246	\$316,700
Technical	12	13	18	8	0	18	69	\$106,643
Total	77	63	69	115	30	96	450	\$807,692

NOTARIZED STATEMENT OF ENVIRONMENTAL COMPLIANCE

The undersigned, authorized representative of the company making the application for an Industrial Facilities Tax Abatement, certifies that to the best of my knowledge and belief, as of the date of this application, and after undertaking a reasonable inquiry, the Pharmacia & Upjohn Company LLC Portage Road facility is in compliance with applicable environmental requirements and is not under current enforcement action by the Michigan DEQ or US EPA.

Dated this 29 day of January, 2018.

PHARMACIA & UPJOHN
COMPANY, LLC

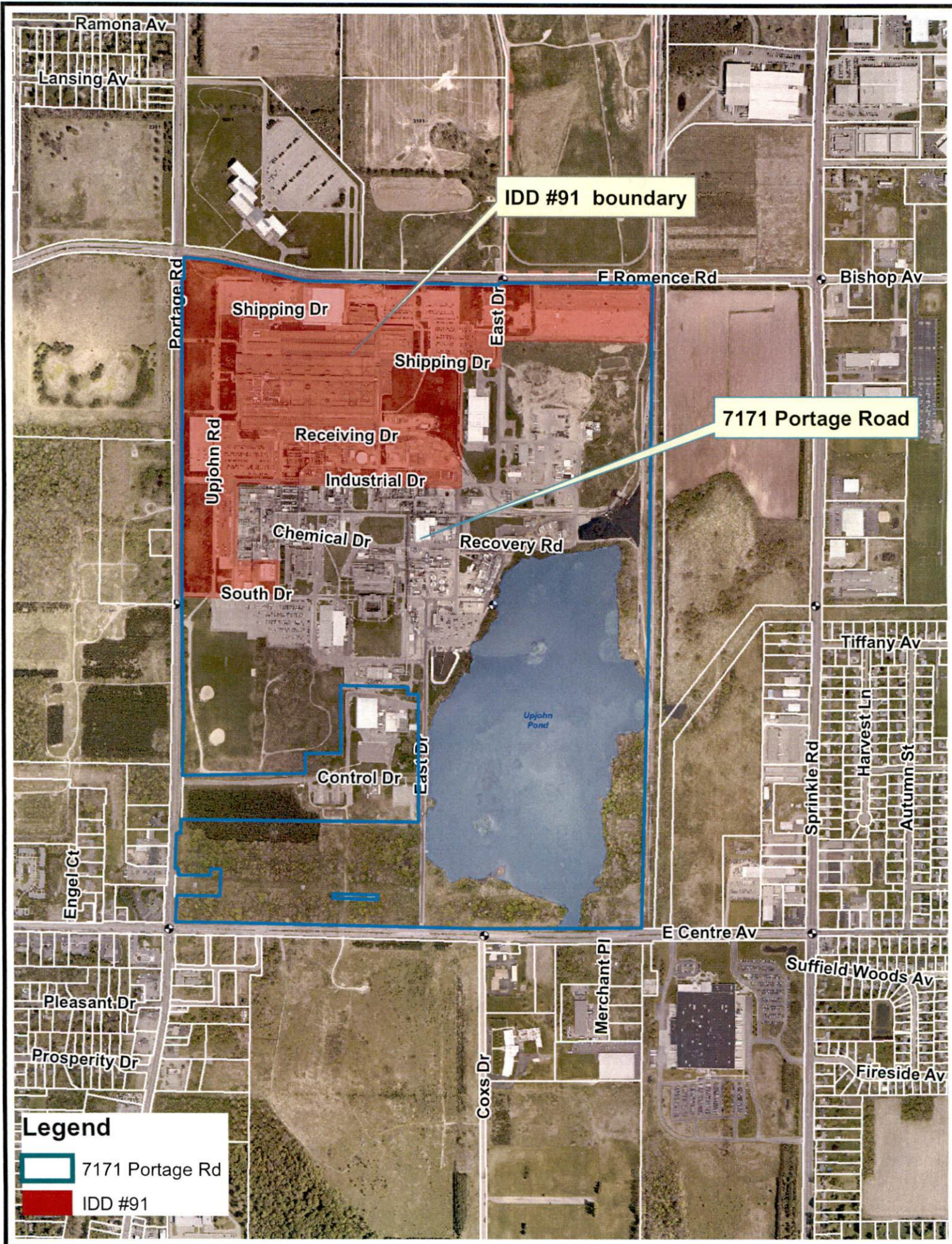
By Robert J. Betzig
Robert J. Betzig
Site Leader



STATE OF MICHIGAN)
COUNTY OF Kalamazoo) ss:

The foregoing instrument was acknowledged before me this 29 day of January, 2018, by Robert J. Betzig, Site Leader of the Pharmacia & Upjohn Company LLC, 7000 Portage Road, Kalamazoo, MI, a Delaware limited liability company, for the company.

Print Name: Jenica Delle Batt
Notary public, State of Michigan, County of Kalamazoo
My commission expires 21 April 2024
Acting in the County of Kalamazoo



1 inch = 1,000 feet
Date: 3/14/2018

Industrial Development District #91

PROJECT IMPACT ANALYSIS - Pfizer 2018

Assumptions used in the following calculations:

Market value of property to be added :	
Real property.....	\$148,000,000
Personal property.....	\$317,000,000
Percentage tax abatement requested: (consistent with City Council policy)	
Real property.....	50.00%
Personal property.....	0.00%
Years of abatement requested:	
Real property.....	15
Personal property.....	0
Non-recoverable City share costs of requested:	
Roadway improvements.....	\$0
Drainage improvements.....	\$0
Sanitary sewer improvements.....	\$0
Water delivery improvements.....	\$0
Number of new employees	140
Average annual income of each new employee.....	\$66,942
Percentage of new employees assumed to be residents.....	33.00%
Propensity for resident employees to consume locally.....	60.00%
Propensity for non-resident employees to consume locally.....	50.00%
County income multiplier.....	2.00
Percentage of new employees constructing new homes.....	20.00%
Value of new home as a factor of annual income.....	2.00
Number of members per household (2010-2014 5-year estimate)	2.40
Population, 2018 estimation.....	48,500
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements	\$20,762,902
Current General Fund millage rate.....	7.5000
Per capita state revenue sharing to General Fund.....	\$82.66
Average annual inflation rate (2013 to 2016).....	0.89%
Annual increase in industrial real property value.....	0.00%
Annual increase in residential real property value.....	1.50%

PROJECT IMPACT ANALYSIS - Pfizer 2018

CALCULATION OF ECONOMIC BENEFITS TO THE COMMUNITY:

Equation 1-Calculation of additional payroll generated

Number of new employees	Average annual income	Total new annual payroll
140	\$66,942	\$9,371,880

Equation 2-Calculation of primary economic benefit to the community from payroll income

Percentage of new employees assumed to be residents.....					33.00%	
Propensity for resident employees to consume locally.....					60.00%	
Propensity for non-resident employees to consume locally.....					50.00%	
	Distribution of labor force	Average annual income	Propensity to consume locally	Primary economic benefit		
Resident employees.....	46	\$66,942	60.00%	\$1,847,599		
Non-resident employees.....	94	\$66,942	50.00%	\$3,146,274		
				\$4,993,873		\$4,993,873

Equation 3-Calculation of secondary economic benefit to the community from payroll income

	Total primary benefit	County income multiplier	Propensity to consume locally	Secondary economic benefit	
	\$4,993,873	2.00	60.00%	\$5,992,648	\$5,992,648
----ADDITIONAL ECONOMIC BENEFITS TO THE COMMUNITY.....					\$10,986,521

PROJECT IMPACT ANALYSIS - Pfizer 2018

CALCULATION OF ADDITIONAL GENERAL FUND REVENUE:

Equation 4-Calculation of gross taxes to be generated from new project

Market value of property to be added:				
Real property.....				\$148,000,000
Personal property.....				\$317,000,000
Current General Fund millage rate				7.50
First year				First year
property		Millage		property
SEV		rate		taxes
Real	\$74,000,000	7.50		\$555,000
Personal	\$144,235,000	7.50		\$1,081,763
				\$1,636,763

Equation 5-Calculation of additional property tax from new residents

Percentage of new employees constructing new homes.....					20.00%
Value of new home as a factor of annual income.....					2.00
Number	Avg market	Total SEV	General Fund		First year
of	value of each	of	millage		property
new homes	new home	new homes	rate		taxes
28	\$133,884	\$1,874,376	7.50		\$14,058
					\$14,058

Equation 6-Calculation of additional state revenue sharing to the General Fund

Number of members per household.....					2.40
Per capita state revenue sharing to General Fund.....					\$83
Number of	Number of	Number	Per capita		Additional
new resident	members per	of new	state revenue		state revenue
employees	household	residents	sharing		sharing
46	2.40	110	\$83		\$9,092
----ADDITIONAL GENERAL FUND REVENUE.....					\$1,659,913

PROJECT IMPACT ANALYSIS - Pfizer 2018

Equation 7-Annual tax abatement costs

Percentage tax abatement requested:				
Real property.....			50.00%	
Personal property.....			0.00%	
Years of abatement requested:				
Real property.....			15	
Personal property.....			0	
	First year	Requested	First year	
	General Fund	abatement	tax	
	property tax	rate	abatement	
Real	\$555,000	50.00%	\$277,500	
Personal	\$1,081,763	0.00%	\$0	\$277,500

Equation 8-Additional service costs

Population, 2018 estimation.....					48,500	
General Fund expenditures net of certain offsetting revenues: i.e., user charges and fees, grants, reimbursements					\$20,762,902	
Costs	Number	Cost	Number of	Additional cost		
of	of	per	new	for new		
services	residents	resident	residents	residents		
\$20,762,902	48,500	\$428	110	\$47,080		\$47,080

Equation 9-Public facilities cost, non-recoverable City share

Road	Drainage	Sanitary	Water	Total	
improvements	improvements	sewer	delivery	improvements	
		improvements	improvements		
\$0	\$0	\$0	\$0	\$0	\$0
----TOTAL ADDITIONAL GENERAL FUND COSTS.....					\$324,580

CALCULATION OF RELATIVE COMPARISON FACTOR

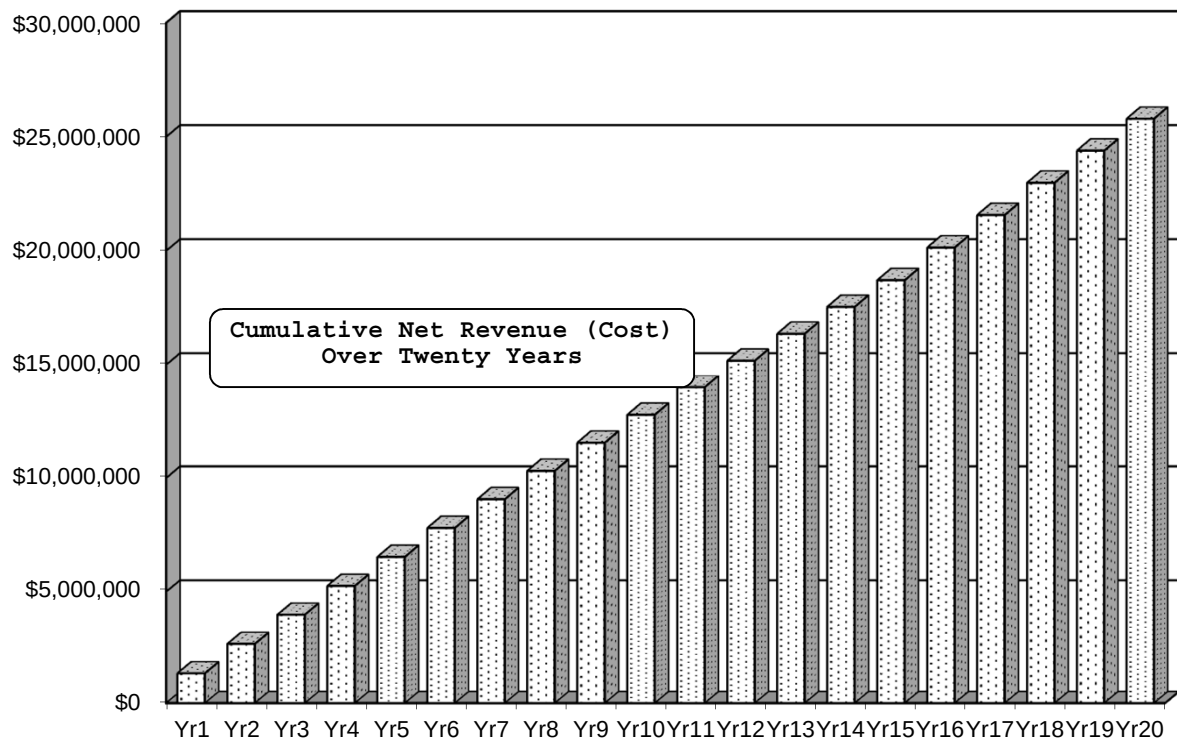
Equation 10-Relative comparison investment factor/initial cost per job created

Additional	Additional	Net	Number	Revenue/(Cost)
revenues	(costs)	additional	of jobs	per job
		(cost)/revenue	created	created
\$1,659,913	(\$324,580)	\$1,335,333	140	\$9,538

Long term comparison of increased revenues to increased costs
reflecting the effects of inflation on property values and General Fund expenditures
and the decreasing value of personal property due to depreciation

PROJECT IMPACT ANALYSIS - Pfizer 2018

Year	Revenue	Infrastructure costs	General Fund real property tax abatement	General Fund personal prop. tax abatement	General Fund service costs	Expenditures	Net annual (cost)/revenue	Cumulative (cost)/revenue
Yr1	\$1,659,913	\$0	\$277,500	\$0	\$47,080	(\$324,580)	\$1,335,333	\$1,335,333
Yr2	\$1,646,330	\$0	\$277,500	\$0	\$47,498	(\$324,998)	\$1,321,332	\$2,656,665
Yr3	\$1,633,097	\$0	\$277,500	\$0	\$47,919	(\$325,419)	\$1,307,678	\$3,964,343
Yr4	\$1,620,206	\$0	\$277,500	\$0	\$48,344	(\$325,844)	\$1,294,362	\$5,258,705
Yr5	\$1,607,650	\$0	\$277,500	\$0	\$48,773	(\$326,273)	\$1,281,377	\$6,540,082
Yr6	\$1,595,418	\$0	\$277,500	\$0	\$49,206	(\$326,706)	\$1,268,712	\$7,808,794
Yr7	\$1,583,505	\$0	\$277,500	\$0	\$49,642	(\$327,142)	\$1,256,363	\$9,065,157
Yr8	\$1,571,900	\$0	\$277,500	\$0	\$50,083	(\$327,583)	\$1,244,317	\$10,309,474
Yr9	\$1,560,598	\$0	\$277,500	\$0	\$50,527	(\$328,027)	\$1,232,571	\$11,542,045
Yr10	\$1,549,592	\$0	\$277,500	\$0	\$50,975	(\$328,475)	\$1,221,117	\$12,763,162
Yr11	\$1,538,872	\$0	\$277,500	\$0	\$51,427	(\$328,927)	\$1,209,945	\$13,973,107
Yr12	\$1,528,433	\$0	\$277,500	\$0	\$51,884	(\$329,384)	\$1,199,049	\$15,172,156
Yr13	\$1,518,268	\$0	\$277,500	\$0	\$52,344	(\$329,844)	\$1,188,424	\$16,360,580
Yr14	\$1,508,370	\$0	\$277,500	\$0	\$52,808	(\$330,308)	\$1,178,062	\$17,538,642
Yr15	\$1,498,732	\$0	\$277,500	\$0	\$53,277	(\$330,777)	\$1,167,955	\$18,706,597
Yr16	\$1,489,349	\$0	\$0	\$0	\$53,749	(\$53,749)	\$1,435,600	\$20,142,197
Yr17	\$1,480,213	\$0	\$0	\$0	\$54,226	(\$54,226)	\$1,425,987	\$21,568,184
Yr18	\$1,471,321	\$0	\$0	\$0	\$54,707	(\$54,707)	\$1,416,614	\$22,984,798
Yr19	\$1,462,665	\$0	\$0	\$0	\$55,193	(\$55,193)	\$1,407,472	\$24,392,270
Yr20	\$1,454,238	\$0	\$0	\$0	\$55,682	(\$55,682)	\$1,398,556	\$25,790,826



TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Amendment to Code of Ordinances - Purchasing

SUPPORTING PERSONNEL: Rob Boulis, Deputy City Manager

ACTION RECOMMENDED: Adopt the amendment to Division 2, Sections 2-171 and 2-173, Article 5 "Purchases and Sales" in the City of Portage Code of Ordinances.

A review of the City of Portage Code of Ordinances pertaining to Purchases and Sales is periodically performed to evaluate the dollar threshold where City Council purchase authorization is required. Specifically, Article 5, Division 2, Sections 2-171 and 2-173 set levels under which the City Manager can approve purchases without first seeking the approval of the City Council. Section 2-177 states, "The dollar amounts set forth in this division may, from time to time, be changed by ordinance of the Council without the necessity of amending the entire division." The Purchases and Sales ordinance was last changed in 2012 when increases were made reflective of the Consumer Price Index (CPI). Similarly, proposed changes to the purchasing ordinance have again been developed.

Rather than simply increasing the dollar amount, a tiered approach to dollar amounts for bidding requirements and City Council authorization levels is proposed and changes are summarized below:

Section	Description	Current Level	Proposed Level
2-171(b)	Quotes & Bids - Purchase requires informal quotes approved by the City Manager	\$4,000 - \$20,000	No Change
2-171(c)	Quotes & Bids - Purchase requires written quotes approved by the City Manager	New Section	\$20,001-\$40,000
2-171(d)	Sealed Bids/Proposals - Purchase requires sealed bids approved by City Council	Greater than \$20,000	Greater than \$40,000
2-173	Change Orders - Purchase approved by City Council	Greater than \$20,000	Greater than \$40,000

Allowing the City Manager to approve purchases up to \$40,000 has the potential to reduce the number of contracts/purchases brought to City Council by approximately 15-20 per year. Allowing the City Manager to approve all purchases up to \$40,000 will streamline the procurement process, while still ensuring that the best prices are obtained. A marked up version of the proposed ordinance revisions is

attached for reference.

The ordinance amendment was first read at the March 27, 2018 Council meeting. It is recommended that City Council adopt the amendment to Division 2, Sections 2-171 and 2-173; Article 5 “Purchases and Sales” in the City of Portage Code of Ordinances.

FUNDING: N/A

Attachments:

1. Comparison of Municipal Bidding Requirements
2. Purchasing Ordinance 2018 Redlined Changes
3. Proposed Ordinance

COMPARISON OF MUNICIPAL BIDDING REQUIREMENTS

City	Informal Quotes	Sealed Bids	Council Approval	2017 Population
Bloomfield Hills	No requirement	No requirement	If in budget, no approval needed	3,869
Kalamazoo	\$3,000	\$25,000	\$100,000	74,262
Battle Creek	\$2,000	\$10,000	\$50,000	52,347
Jackson	\$1,000	\$50,000	\$50,000	33,534
Ann Arbor	\$3,000	\$25,000	\$25,000	113,934
Portage	\$4,000	\$20,000	\$20,000	46,292
Midland	\$3,000	\$10,000	\$20,000	51,863
Novi	\$5,000	\$15,000	\$15,000	57,960
South Haven	\$3,000	\$15,000	\$15,000	4,738
Grand Rapids	\$500 for informal quotes, \$2500 for formal quotes	\$10,000	\$10,000	188,040
Holland	\$500	\$10,000	\$10,000	33,481
Kentwood	\$1,000	\$3,000	\$7,500	50,233
Birmingham	\$2,500	\$6,000	\$6,000	20,504
West Bloomfield	\$2,000	\$7,500	\$7,500	64,690

**AN ORDINANCE TO AMEND THE CODE OF ORDINANCES
OF THE CITY OF PORTAGE, MICHIGAN BY AMENDING ARTICLE 5, DIVISION 2,
PURCHASES AND SALES OF CHAPTER 2, ADMINISTRATION**

THE CITY OF PORTAGE ORDAINS:

That Chapter 2, Article 5 shall be amended as follows:

Sec. 2-171 Purchasing procedures; bids generally.

- (a) Purchases of \$4,000.00 or less. Purchases of \$4,000.00 or less may be made without the necessity of securing bids therefor or the approval of the city council. The contracts of purchase may be signed by the city manager.
- (b) Purchases of \$20,000.00 or less but over \$4,000.00. No purchases shall be made in an amount of \$20,000.00 or less but over \$4,000.00 unless an opportunity is afforded for competitive bids thereon. In cases where competitive bidding is required under this subsection, it need not be by written bids nor must the approval of the council be had. ~~In cases where competitive bidding is not made by written bids, the city manager or his designee shall keep a complete record of all bids or quotations requested or made.~~ The contracts of purchase may be signed by the city manager.
- (c) Purchases of \$40,000.00 or less but over \$20,000.00. Except as otherwise provided in this division, when the amount involved exceeds \$20,000.00 but is \$40,000.00 or less, competitive bidding shall be required and received. In cases where competitive bidding is required under this subsection, it shall be by written bids. The contracts of purchase may be signed by the city manager without the approval of the city council.
- (d) ~~(e)~~ Purchases over ~~\$20,000.00~~ \$40,000.00. Except as otherwise provided in this division, when the amount involved exceeds ~~\$20,000.00~~ \$40,000.00, sealed bids shall be requested and received. All sealed bids shall be opened by the city clerk or a member of the department of purchasing in public in a room designated for that purpose in a public building. The council may reject any or all bids. In each case of a purchase based upon bids, as provided in this section, the award of such purchase shall be based upon the lowest and best bid of a responsible bidder, as determined by the council. If the council rejects all bids, the council shall order a second submission of bids to be made or may, by a vote of five or more of its members, waive the requirement of a second submission of bids. If the council rejects all bids submitted at the second submission of bids or waives the second submission of bids, the council may direct the director of purchasing to negotiate for the purchase of the materials, supplies or services concerned in the open market to the best advantage of the city. In no event shall the cost of any such purchase of materials so purchased in the open market exceed the amount therefor set forth in the lowest and best bid submitted at the last submission of competitive bids therefor. The contracts of purchase shall be signed by the mayor and city clerk, or the council may direct the city manager to execute all contracts and documents necessary to implement the approved purchase.
- (e) ~~(d)~~ Petty cash purchases. With the approval of the council, the city manager may allow for purchases from petty cash by officers and departments of the city

designated by the council. A purchase from petty cash shall not exceed \$200.00 and shall be accounted for to, and approved by, the director of purchasing before the officer or department making such purchase may make any further purchase from the petty cash account allowed to such officer or department.

Sec. 2-172 No Change.

Sec. 2-173. Change orders to contracts.

The city manager may authorize change orders in any contract or extension to any contract approved by the council in an amount not to exceed ~~\$20,000.00~~ **\$40,000.00** without the necessity of securing bids or further approval of the council.

Sec. 2-174 – 2-177 No Change.

Dated: _____

Patricia M. Randall, Mayor

FIRST READING:
SECOND READING:
ORDINANCE #:
EFFECTIVE DATE:

CERTIFICATION

I, Adam Herringa, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing ordinance was adopted by the City of Portage on the _____ day of _____, 2018.

Adam Herringa, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
Portage City Attorney
1662 East Centre Avenue
Portage, MI 49002
(269) 323-8812

Approved as to Form:
Date: 7/26/2018

City Attorney

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**ADOPTION OF ORDINANCE
CITY OF PORTAGE, MICHIGAN
NOTICE**

TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Chapter 2, Section 2-171 Purchasing Procedures; bids generally and Section 2-173 Change Orders to Contracts of Chapter 2, Article 5, Division 2 of the Codified Ordinances of Portage, Michigan, was adopted by the City Council at a regular meeting held on the _____ day of _____, 2018, and will become effective _____, 2018.

NOTICE IS FURTHER GIVEN that Chapter 2, Article 5, Division 2, Purchases and Sales, of the Codified Ordinances of Portage, Michigan, has been amended as follows:

THE CITY OF PORTAGE ORDAINS:

That Chapter 2, Article 5 shall be amended as follows:

Sec. 2-171 Purchasing procedures; bids generally.

- (a) Purchases of \$4,000.00 or less. Purchases of \$4,000.00 or less may be made without the necessity of securing bids therefor or the approval of the city council. The contracts of purchase may be signed by the city manager.
- (b) Purchases of \$20,000.00 or less but over \$4,000.00. No purchases shall be made in an amount of \$20,000.00 or less but over \$4,000.00 unless an opportunity is afforded for competitive bids thereon. In cases where competitive bidding is required under this subsection, it need not be by written bids nor must the approval of the council be had. ~~In cases where competitive bidding is not made by written bids, the city manager or his designee shall keep a complete record of all bids or quotations requested or made.~~ The contracts of purchase may be signed by the city manager.
- (c) Purchases of \$40,000.00 or less but over \$20,000.00. Except as otherwise provided in this division, when the amount involved exceeds \$20,000.00 but is \$40,000.00 or less, competitive bidding shall be required and received. In cases where competitive bidding is required under this subsection, it shall be by written bids. The contracts of purchase may be signed by the city manager without the approval of the city council.
- (d) ~~(e)~~ Purchases over ~~\$20,000.00~~ \$40,000.00. Except as otherwise provided in this division, when the amount involved exceeds ~~\$20,000.00~~ \$40,000.00, sealed bids shall be requested and received. All sealed bids shall be opened by the city clerk or a member of the department of purchasing in public in a room designated for that purpose in a public building. The council may reject any or all bids. In each case of a purchase based upon bids, as provided in this section, the award of such purchase shall be based upon the lowest and best

bid of a responsible bidder, as determined by the council. If the council rejects all bids, the council shall order a second submission of bids to be made or may, by a vote of five or more of its members, waive the requirement of a second submission of bids. If the council rejects all bids submitted at the second submission of bids or waives the second submission of bids, the council may direct the director of purchasing to negotiate for the purchase of the materials, supplies or services concerned in the open market to the best advantage of the city. In no event shall the cost of any such purchase of materials so purchased in the open market exceed the amount therefor set forth in the lowest and best bid submitted at the last submission of competitive bids therefor. The contracts of purchase shall be signed by the mayor and city clerk, or the council may direct the city manager to execute all contracts and documents necessary to implement the approved purchase.

(e) ~~(d)~~ Petty cash purchases. With the approval of the council, the city manager may allow for purchases from petty cash by officers and departments of the city designated by the council. A purchase from petty cash shall not exceed \$200.00 and shall be accounted for to, and approved by, the director of purchasing before the officer or department making such purchase may make any further purchase from the petty cash account allowed to such officer or department.

Sec. 2-172 No Change.

Sec. 2-173. Change orders to contracts.

The city manager may authorize change orders in any contract or extension to any contract approved by the council in an amount not to exceed ~~\$20,000.00~~ **\$40,000.00** without the necessity of securing bids or further approval of the council.

Sec. 2-174 – 2-177 No Change.

PLEASE TAKE NOTICE that a copy of the Ordinance as amended may be purchased or inspected at City Hall on any business day except public and legal holidays from and after publication of this Notice from 8:00 a.m. to 5:00 p.m. local time.

Dated: _____

Adam Herringa, City Clerk

PREPARED BY:
Randall L. Brown (P34116)
Portage City Attorney
1662 East Centre Avenue
Portage, MI 49002

**AN ORDINANCE TO AMEND THE CODE OF ORDINANCES
OF THE CITY OF PORTAGE, MICHIGAN BY AMENDING ARTICLE 5, DIVISION 2,
PURCHASES AND SALES OF CHAPTER 2, ADMINISTRATION**

THE CITY OF PORTAGE ORDAINS:

That Chapter 2, Article 5 shall be amended as follows:

Sec. 2-171 Purchasing procedures; bids generally.

(a) Purchases of \$4,000.00 or less. Purchases of \$4,000.00 or less may be made without the necessity of securing bids therefor or the approval of the city council. The contracts of purchase may be signed by the city manager.

(b) Purchases of \$20,000.00 or less but over \$4,000.00. No purchases shall be made in an amount of \$20,000.00 or less but over \$4,000.00 unless an opportunity is afforded for competitive bids thereon. In cases where competitive bidding is required under this subsection, it need not be by written bids nor must the approval of the council be had. The contracts of purchase may be signed by the city manager.

(c) Purchases over \$20,000.00. Except as otherwise provided in this division, when the amount involved exceeds \$20,000.00 but less than \$40,000.00, competitive bidding shall be required and received. In cases where competitive bidding is required under this subsection, it shall be by written bids. The contracts of purchase may be signed by the city manager without the approval of the city council.

(d) Purchases over \$40,000.00. Except as otherwise provided in this division, when the amount involved is \$40,000.00 or more, sealed bids shall be requested and received. All sealed bids shall be opened by the city clerk or a member of the department of purchasing in public in a room designated for that purpose in a public building. The council may reject any or all bids. In each case of a purchase based upon bids, as provided in this section, the award of such purchase shall be based upon the lowest and best bid of a responsible bidder, as determined by the council. If the council rejects all bids, the council shall order a second submission of bids to be made or may, by a vote of five or more of its members, waive the requirement of a second submission of bids. If the council rejects all bids submitted at the second submission of bids or waives the second submission of bids, the council may direct the director of purchasing to negotiate for the purchase of the materials, supplies or services concerned in the open market to the best advantage of the city. In no event shall the cost of any such purchase of materials so purchased in the open market exceed the amount therefor set forth in the lowest and best bid submitted at the last submission of competitive bids therefor. The contracts of purchase shall be signed by the mayor and city clerk, or the council may direct the city manager to execute all contracts and documents necessary to implement the approved purchase.

(e) Petty cash purchases. With the approval of the council, the city manager may allow for purchases from petty cash by officers and departments of the city designated by the council. A purchase from petty cash shall not exceed \$200.00 and shall be accounted for to, and approved by, the director of purchasing before

the officer or department making such purchase may make any further purchase from the petty cash account allowed to such officer or department.

Sec. 2-172 No Change.

Sec. 2-173. Change orders to contracts.

The city manager may authorize change orders in any contract or extension to any contract approved by the council in an amount not to exceed **\$40,000.00** without the necessity of securing bids or further approval of the council.

Sec. 2-174 – 2-177 No Change.

Dated: _____

Patricia M. Randall, Mayor

FIRST READING:

SECOND READING:

ORDINANCE #:

EFFECTIVE DATE:

CERTIFICATION

I, Adam Herringa, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage and that the foregoing ordinance was adopted by the City of Portage on the _____ day of _____, 2018.

Adam Herringa, City Clerk

PREPARED BY:

Randall L. Brown (P34116)

Portage City Attorney

1662 East Centre Avenue

Portage, MI 49002

(269) 323-8812

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Approved as to Form:

Date: 3/21/2018

City Attorney

**FIRST READING AND NOTICE OF HEARING
CITY OF PORTAGE, MICHIGAN
NOTICE**

**TO THE RESIDENTS AND PROPERTY OWNERS OF THE CITY OF PORTAGE AND
ALL OTHER INTERESTED PERSONS.**

NOTICE IS HEREBY GIVEN, that an Ordinance to amend Sections 2-171 Purchasing Procedures; bids generally, 2.173 Change Orders to Contracts and 2-177 Amendment of dollar amounts of Chapter 2, Article 5, Division 2, of the Codified Ordinances of Portage, Michigan, was introduced for first reading at a regular meeting of the City Council held on _____, 2018, and that the Council will hold a public hearing on the proposed amendments at the Portage City Hall in said City on _____, 2018, at 7:00 p.m. or as soon thereafter as may be heard.

NOTICE IS FURTHER GIVEN that the proposed ordinance amendment reads as follows:

THE CITY OF PORTAGE ORDAINS:

The following dollar amounts in Sec. 2-171 and Sec. 2.173 are adopted.

1. Sec.2-171 Purchasing procedures; bids generally.
 - (a) Purchases of \$4,000.00 or less. Purchases of **\$4,000.00** or less may be made without the necessity of securing bids therefor or the approval of the city council. The contracts of purchase may be signed by the city manager.
 - (b) Purchases of **\$20,000.00** or less but over \$4,000.00. No purchases shall be made in an amount of **\$20,000.00** or less but over \$4,000.00 unless an opportunity is afforded for competitive bids thereon. In cases where competitive bidding is required under this subsection, it need not be by written bids nor must the approval of the council be had. The contracts of purchase may be signed by the city manager.
 - (c) Purchases over \$20,000.00. Except as otherwise provided in this division, when the amount involved exceeds **\$20,000.00 but less than \$40,000.00**, competitive bidding shall be required and received. In cases where competitive bidding is required under this subsection, it shall be by written bids. The contracts of purchase may be signed by the city manager without approve of the council.
 - (d) Purchases over \$40,000.00. Except as otherwise provided in this division, when the amount involved exceeds \$40,000.00, sealed bids shall be requested and received. All sealed bids shall be opened by the city clerk or a member of the department of purchasing in public in a room designated for that purpose in a public building. The council may reject any or all bids. In each case of a purchase based upon bids, as provided in this section, the award of such purchase shall be based upon the lowest and best bid of a responsible bidder, as determined by the council. If the council rejects all bids, the council shall order a second submission

of bids to be made or may, by a vote of five or more of its members, waive the requirement of a second submission of bids. If the council rejects all bids submitted at the second submission of bids or waives the second submission of bids, the council may direct the director of purchasing to negotiate for the purchase of the materials, supplies or services concerned in the open market to the best advantage of the city. In no event shall the cost of any such purchase of materials so purchased in the open market exceed the amount therefor set forth in the lowest and best bid submitted at the last submission of competitive bids therefor. The contracts of purchase shall be signed by the mayor and city clerk, or the council may direct the city manager to execute all contracts and documents necessary to implement the approved purchase.

- (e) Petty cash purchases. With the approval of the council, the city manager may allow for purchases from petty cash by officers and departments of the city designated by the council. A purchase from petty cash shall not exceed \$200.00 and shall be accounted for to, and approved by, the director of purchasing before the officer or department making such purchase may make any further purchase from the petty cash account allowed to such officer or department.

(Code 1983, § 206.10; Ord. No. 089-01, 1-17-1989)

2. Sec. 2.173. Change orders to contracts.

The city manager may authorize change orders in any contract or extension to any contract approved by the council in an amount not to exceed \$ _____ without the necessity of securing bids or further approval of the council.

(Code 1983, § 206.13; Ord. No. 089-01, 1-17-1989)

4. Sec. 2-177. Amendment of dollar amounts.

The dollar amounts set forth in this division may, from time to time, be changed by ordinance of the council without the necessity of amending the entire division.

(Code 1983, § 206.17; Ord. No. 089-01, 1-17-1989)

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

RESOLUTION EFFECTIVE:

ADOPTED: YEAS:

NAYS:

ABSENT:

ADAM HERRINGA, CITY CLERK.