

RESCHEDULED REGULAR MEETING OF THE WEST BRANCH CITY COUNCIL HELD IN THE COUNCIL CHAMBERS OF CITY HALL, 121 NORTH FOURTH STREET, TUESDAY, SEPTEMBER 6, 2016.

Mayor William Ehinger called the meeting to order at 6:00 p.m.

Present: Mayor William Ehinger, Council Members Kim Ervans, Jim Hasty, Denise Lawrence, Dave Lucas, Tim Schaiberger, and Rusty Showalter.

Absent: None

Other officers present: City Manager Heather Grace, Treasurer/Clerk John Dantzer, Police Chief Ken Walters, and Department of Public Works Superintendent Dennis Jameson.

All stood for the Pledge of Allegiance.

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Heather Neuhaus from the Chamber of Commerce presented Council with an updated "Shop West Branch" brochure, updated Council on the Quilt Farm Trail, and asked if the Chamber could sponsor a light pole decorating contest. It was the consensus to allow the Chamber of Commerce to sponsor a light pole decorating contest.

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Manager Grace noted that she would need a few Sole Source Vendor requests approved. The first was to purchase updated GIS software and not have it put out for bid because they would need the same company (E.S.R.I.) to provide the new software in order for the data that has already been accumulated to transfer seamlessly into the new product. The next was to approve additional work done to the police department for repairs to the building found while doing separate repairs. She noted that because a contractor was already on site, he could make the repairs immediately. The third was to bypass formal bidding on the selection of Anderson Radio to supply the new police department radios. She noted that one of the conditions of the grant that was awarded to cover the total cost of the radios was to provide Motorola Radios and Motorola only allows purchases through the local distributor.

MOTION BY EHINGER, SECOND BY SCHAIBERGER, TO APPROVE THE SOLE SOURCE VENDOR EXCEPTION REQUESTS AS SUBMITTED.

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

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MOTION BY SHOWALTER, SECOND BY LUCAS, TO APPROVE THE FOLLOWING RESOLUTION

RESOLUTION #16-14

WHEREAS, the original budget submitted to Council did not originally include in Fund 101 (General Fund) \$9,000 in revenues from a Department of Homeland Security grant for police department radios which is now anticipated, nor did Fund 101 originally include an expenditure of \$9,000 worth of police department radio expenses, which are now necessary due to previously unanticipated radio licensure fee issues; and

WHEREAS, the original budget for Fund 101 (General Fund) also did not originally include \$24,489 in revenues from a USDA grant for the purchase of a police department vehicle, nor did the original budget originally include an expenditure of \$44,525 for the purchase of a police department vehicle which is now anticipated, due to the fact that both the \$24,489 grant revenue and the corresponding \$44,525 expenditure were originally anticipated to occur during the previous fiscal year; and

WHEREAS, the original budget submitted to Council included in Fund 101 (General Fund) anticipated grant revenues from the Michigan Department of Natural Resources (DNR) as well as anticipated expenditures in Fund 101 Dept. 444 (Sidewalks) for corresponding recreational riverwalk trail expansion projects, both of which are no longer anticipated due to the DNR recently denying the City's grant applications for said projects for this fiscal year; and

WHEREAS, the original budget submitted to Council included in Fund 101 (General Fund) included anticipated expenditures of \$0 in Dept. 721 (Planning & Zoning), which now requires a previously unanticipated expenditure of \$1,350 due to the crashing of the outdated GIS software on the Assessor computer at City Hall following a power surge; and

WHEREAS, the original budget submitted to Council included in Fund 202 (Major Street) anticipated expenditures of \$0 in previously inactive Dept. 470.000 (Major Street Non-Motorized), which now includes \$18,200 of expenditures due to both increased reporting requirements of Act 51 as well as City Hall Administration's new ability to utilize BS&A Accounting software to more accurately track non-motorized transportation expenditures for Act 51 MTF reporting purposes via this line item as opposed to where the expenditures were previously budgeted; and

NOW, THEREFORE, BE IT RESOLVED, that the West Branch City Council hereby amends the budget in Funds 101 (General Fund) and 202 (Major Street) as follows:

	Budget	Amended
Fund 101		
Revenues		
634.400 Grant	90,000	30,000
634.401 Grant Economic Advancement	50,000	20,000
TOTAL REVENUES	1,644,603	1,554,603

	Budget	Amended
Fund 101		
Dept 301 Police		
634.400 Grant	0	33,489
TOTAL REVENUES	10,810	44,299

	Budget	Amended
Fund 101		
Dept 301 Police		
853.700 Telephone/Radio Communications	4,000	13,000
801.700 Contractual Services	5,500	50,025
TOTAL EXPENDITURES	345,258	398,783

	Budget	Amended
Fund 101		
Dept. 444 Sidewalks		
703.700 Salaries and Wages	54,000	0
710.700 Overtime	6,000	0
714.700 Mandatory Medicare	975	0
715.700 Social Security (Employer)	3,510	0
720.700 Workers Compensation Premium	2,010	0
727.700 Operating Supplies	12,000	0
801.700 Contractual Services	108,000	17,500
941.700 Equipment Rental	10,500	0
TOTAL EXPENDITURES	196,995	17,500

	Budget	Amended
Fund 101		
Dept 721 Planning & Zoning		
956.700 Expenses	0	1,350
TOTAL EXPENDITURES	8,200	9,550

	Budget	Amended
Fund 101		
Dept 751 Parks & Rec		
801.700 Contractual Services	9,000	29,000
TOTAL EXPENDITURES	53,155	9,550

Grand Total Expenditures	1,792,335	1,687,715
Carry Over	579,227.83	579,227.83
	Budget	Amended
Fund 202		
Dept 000.000 Major Street Revenues		
503.400 MAP 21 Federal Rev	0	250,000
TOTAL REVENUES	205,151	455,151
	Budget	Amended
Fund 202		
Dept 470.000 Major Street Non-Motorized		
703.700 Salaries and Wages	0	1,800
714.700 Mandatory Medicare	0	50
715.700 Social Security (Employer)	0	150
801.700 Contractual Services	0	15,000
941.700 Equipment Rental	0	1,200
TOTAL EXPENDITURES	0	18,200
Grand Total Expenditures	610,546	628,746
Carry Over	348,571.24	348,571.24

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

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Manager Grace shared correspondence from the Department of Treasury notifying the City that the State Tax Commission overturned the denial of the Industrial Facility Exemption Certificate for Lahti Fabrication Inc. She further noted that Council still had the option to decide on how long they would award the abatement for. She also submitted a new Tax Abatement Policy that would make the abatement process easier to handle in the future as follows:

Tax Abatement Policy

Whereas, the City of West Branch is desirous of providing a stable tax base as a means of providing for the needs of its residents; and

Whereas, an industrial tax base often generates more revenue than it consumes in services; and

Whereas, the State of Michigan has adopted laws that encourage industrial development by allowing for the granting of property tax relief by the municipality; and

Whereas, the City West Branch desires to make use of said laws,

Therefore, be it resolved, that the City of West Branch does hereby adopt the following industrial tax abatement policy:

Purpose

This policy, and its attached exhibits, sets forth the scope, procedures and process for consideration of requests for the granting of tax abatement in the form of Industrial Facility Exemption Certificate(s) (IFECs) consistent with the provisions of Michigan Public Act 198 of 1974, as amended (MCL 207.551 et seq.), and Public Act 206 of 1893, as amended (MCL211.1 et seq.), with the intent of:

- ❖ Allowing the City to administer a program which is efficient, effective, business-supportive, and accountable.
- ❖ Encouraging business growth, retention, and attraction.
- ❖ Strengthening the long-term competitiveness of local business and industry.
- ❖ Retaining and creating base manufacturing jobs.
- ❖ Generating new property tax dollars for the City.
- ❖ Enhancing the skills and employability of the unemployed, underemployed, and employed persons within the region.

Scope

This policy applies to all P.A. 198 of 1974, as amended, applications within the City of West Branch. In addition, this policy also applies to P.A 206 of 1893, as amended by P.A. 328 of 1998, applications which shall be considered on individual merit alone, without regard to any duration or other criteria set forth herein.

Summary of Procedure

Application shall be made on forms provided through the office of the West Branch City Clerk accompanied by documents required for application for an IFEC as listed on Exhibit B.

Completed applications, including all required supporting documentation, shall be filed with the West Branch City Clerk along with a non-refundable application fee of \$750.00 to cover the cost of processing, advertising and required public hearing(s). Incomplete applications, as reviewed by the West Branch City Clerk shall not be accepted.

Accepted applications will be placed on an available City Council agenda to schedule a public hearing. At the public hearing the applicant may present a summary of the application and supporting materials and answer questions from the Council. Upon the close of the public hearing the Council will take action regarding the application, including a determination of approval, number of years included in the certificate, and other permitted conditions.

Policy

1. The following standards will be applied to each request to receive an Industrial Facilities Exemption Certification (IFEC):

- IFEC applications in approved Industrial Development Districts and/or Plant Rehabilitation Districts may be approved for an initial period of up to six (6) years, subject to allocation of personal and real property taxes in accord with the statute. When determining the term of years (between 1 and 6 years) to grant initially, the City Council shall utilize the standards set forth in Exhibit E, along with considering the provisions of P.A. 198 of 1974, as amended by P.A. 94 of 1996.
- The City may require an evaluation after two (2) years. If at the two (2) year evaluation the company has met the commitments agreed to in the Industrial Facilities Tax Exemption Agreement, an additional six (6) years may be granted for a maximum real/personal abatement of twelve (12) years. Provisions of P.A. 198 of 1974, as amended by P.A. 94 of 1996 shall be utilized by the City when considering such an extension, along with Exhibit E.
- Tax abatements may be granted by the City Council, at its sole discretion, for the purpose of strengthening the competitive operation of applicant businesses.
- Each IFEC holder shall be required to enter into a legally-binding agreement with the City of West Branch, under the provisions of P.A. 198 of 1974 as amended by P.A. 334 of 1993, covering, but not limited to, such matters as:
 - continuation of operations in the City, · payment of taxes, · timely reporting for annual personal property statements, · annual submission of reports including the company's community support activities, and · non-discriminatory hiring practices.
- Job creation and retention commitments by the company shall be for the duration of the exemption certificate. In the case of job retention, the burden of proof is on the applicant to show how the approval of the tax abatement would avert substantial job loss.

- Certificate holders are encouraged to provide training to upgrade the skills of its employees so as to support their advancement to higher-paying jobs in the company.

[NOTE--See Exhibit F for a helpful explanation guide, as well as a possible list of FAQ's (which shall be developed by the City Clerk and modified at will by the Clerk's office, with administrative approval by the City Manager)]

- The City will not grant tax abatement for office equipment such as furniture and fixtures, either in Plant Rehabilitation or Industrial Development districts. However, computers and computer-related equipment shall be eligible items considered for tax abatement.

- To be eligible for a tax exemption certificate, the applicant shall not be delinquent in its payment of any local taxes.

- A certificate holder shall annually file a report in the City Clerk's office by August 15th of each year during the life of a IFEC regarding its record of job retention and job creation, the number of West Branch City residents and Ogemaw County residents hired during the time period of the report, any community support activities, and other business information that will assist the City in evaluating the company's activities and helping the City build economic stability. Annual reports must be posted by the certificate holder on-site for at least thirty (30) days after being submitted to the City to allow review by company employees. The City Clerk and City Manager will file a report to the City Council on the status of IFEC's in the City of West Branch not later than October of each year.

- Under certain conditions the City may consider an applicant eligible for a combination of P.A. 198 of 1974, as amended, and P.A. 328 of 1998 tax abatement. This is in the sole discretion of the City.

2. Plant rehabilitation projects qualify for approval only if there is a change in use, a change in ownership, or the value of the project substantially exceeds the statutory minimum requirements (10%), and the project is not attributable to delayed or deferred maintenance.

3. The City may require a statement of intent by an applicant seeking to establish a Plant Rehabilitation district regarding the scope and nature of its Plant Rehabilitation project. The City shall retain the right to dissolve the district if the applicant's subsequent application is not consistent with the statement of intent.

4. The City may dissolve all, or a portion of, Plant Rehabilitation districts after an Industrial Facilities Exemption Certificate (IFEC) is issued.

5. The applicant shall agree that should ownership of the business and/or facility for which a IFEC is issued be changed in the future, thereby requiring a hearing before the City of West Branch Board of Trustees under state law, the transferee or new owner shall abide by all the terms and conditions originally granted.

6. A tax exemption certificate may be revoked if a certificate holder:

fails to meet the terms of its certificate agreement, including payment of taxes and assessments;
abandons its facilities; or
fails to complete construction or rehabilitation of a facility within two (2) years as required by statute.

Effective Date

September 6, 2016

Attachments

Exhibit A – Definitions Exhibit B – Checklist of Documents Required for Application for IFEC Exhibit C – Act 198 Agreement Form Exhibit D – Information summary and Affidavit of Fees

See Also

Michigan P.A. 198 of 1974; P.A. 334 of 1993; and P.A. 94 of 1996. Any conflict between this policy and state law shall be controlled by state law.

EXHIBIT A

Definitions

Plant Rehabilitation District: A Plant Rehabilitation District is established by a finding and determination that property aggregating not less than 50% of the State Equalized Value (SEV) of the industrial property within the district is “obsolete”.

Obsolete Industrial Property: Means a manufacturing plant which is currently operating at below-efficiency levels and requires a major investment in the way of equipment replacement or structural changes, or both, to eliminate or reduce the cause of inefficiency and enable the company to continue to operate in a more competitive and more economic situation. Under the law, industrial property is considered obsolete if its condition is in substantially less than an economically efficient functional condition. In other words, the desirability and usefulness of this property is impaired due to the need for changes in design, construction, technology or improved production, processes or because of external influencing factors which make the property less desirable and valuable for continued use.

Replacement: Means the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility.

Restoration: Indicates changes to obsolete industrial property, other than replacement, which are needed to eliminate that condition of obsolescence. Generally speaking, restoration means major renovation of obsolete industrial property. If the planned improvements amount to less than 10% of the true cash value of the industrial property, they will be considered delayed maintenance and will not be eligible for tax exemption.

Replacement Facility: Is an industrial property which is designed to replace existing obsolete industrial property located within a plant rehabilitation district. Most “replacement facility” projects will fall within one of the following categories:

- **Total rehabilitation of an existing plant:** A manufacturing facility can no longer operate efficiently due to obsolescence. The company proposes to restore the plant by improving the buildings and replacing machinery throughout the plant; or the plant may be so obsolete that rather than restore the same, the company finds it more economical to replace the old plant with a new one. This is allowed as long as the replacement plant is built within the same municipality where the old plant is situated.
- **Partial rehabilitation of an existing plant:** If only a portion of an existing plant is obsolete and the company proposes to rehabilitate this portion by improving the building and replacing the obsolete property within the obsolete section of the plant, then this particular section of the plant can be certified for exemption while the remaining portion will continue to be fully taxable.
- **Rehabilitation of buildings only:** If the obsolescence affects only the buildings and the company plans to restore the same or replace them with newly constructed buildings while continuing to use the same machinery and equipment as before, then the exemption will apply to the real property only while the personal property will remain advalorem taxable.

Exhibit A – Definitions, continued...

New Facility: Is industrial property (other than a “replacement facility”) to be built in a plant rehabilitation district or industrial development district. Most “new facility” projects will fall within one of the following categories:

- A completely new plant: A new company proposes to construct a new building and equip the same with new machinery and equipment to begin a new manufacturing operation. Or this may be an existing company that is proposing to branch out at another location.
- An expansion of an existing plant: A growing company wants to expand its capacity and proposes to build an additional to the existing building and purchase new machinery and equipment to be housed in the new addition.
- A new plant developed from an existing shell building or other existing building: A company acquires an existing shell building or other unused building and proposes to utilize the same for manufacturing. The “new facility” will, in this case, encompass the acquisition and installation of any new machinery and equipment and the value of any changes and additions to the existing structure which are needed for the new plant.
- A new building: A company proposes to construct a new building but plans no new machinery and equipment acquisitions. This may occur when the company’s existing facilities will no longer be available (expiration of lease) or adequate, and new facilities are needed to continue operating. The “new facility” project will only cover the new building, as the company plans to continue using their existing machinery and equipment. The construction of a warehouse will also fall under this heading when no personal property acquisitions are required as part of the project.
- New machinery and equipment only: These are projects involving no new construction. They cover cases in which new plants are developed utilizing existing buildings which require only minor changes. They also cover cases in which new machinery and equipment is acquired (to expand capacity or add a new line) and the same is installed within the existing plant.

EXHIBIT B Checklist of Documents Required for Application for Industrial Facilities Tax Exemption (IFT) Certificate

**CITY OF WEST BRANCH 121 N. 4th St., WEST BRANCH, MI
48661; (989) 345-0500**

Please include the following required information with a completed application package and submit all materials to the West Branch City Clerk (West Branch City Hall, 121 N. 4th St., West Branch, MI 48661).

- One (1) completed original and three (3) copies of the completed IFT Certificate Application form (Form L4380) as established by the State Tax Commission. The application can be obtained by visiting the State Treasury website at www.michigan.gov/treasury, then scroll down to the “Treasury Forms” box and click on: Property Tax Forms, then Property Tax Abatement/Exemption. This form will ask the application to provide the following:
 - A complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, type, identification, date of (expected) acquisition/installation by month/day/year, and (expected) cost.
 - If construction has already commenced, proof of the date construction started (groundbreaking) such as building permits, footing inspection reports, certified statements or affidavit from the contractor. Start of construction may not occur more than six (6) months before the filing of this application (§207.559(2)(c) of PA 198 of 1974).
 - Verification that the petitioner bears the tax liability for both ad valorem and personal tax for the subject property. You may use the Affidavit of Ownership form.
 - Two (2) copies of Proof of Ownership; Land Contract, Affidavit of Land Contract, Option/Purchase Agreement, Deed, etc.
 - An accurate legal description showing the specific location of the property within which the proposed exempt use will take place.
 - An application fee in the amount of \$750.00.

APPLICANTS TAKE NOTICE OF THE FOLLOWING:

- 1 **Legal Basis.** This application packet was prepared in accordance with Public Act 198 of 1974, as amended. All section references, except where otherwise noted, refer to this Act.
- 2 **Submitted Deadline.** Submittal of an IFT application **MUST** be received by the City no later than six (6) months after commencement of the project. The Industrial Development District must be established before an IFT application can be accepted.
- 3 **Attendance Required at Public Hearing.** The West Branch City Board of Trustees requires the Petitioner or their Representative to be present at the public hearing, otherwise the item will be tabled to another meeting date.

INDUSTRIAL FACILITIES TAX EXEMPTION (IFT) CERTIFICATE REVIEW PROCESS

STEP 1: Applicant submits a completed application form as prescribed by the State Tax Commission. Items required include a general description of the facility and its proposed use, the general nature and extent of the proposed restoration, replacement or construction, a descriptive list of equipment that will be part of the facility and a timeline for the project.

STEP 2: The Clerk's Office will verify that the property in question is located in a previously established IDD. If an IDD has not already been established, the applicant must first request the City Board establish a district as required by law.

STEP 3: The Clerk's Office will send a copy of the application to the City Attorney for review and verification. A copy is also sent to the City Assessor for their files.

STEP 4: If approved by the attorney, the item will be placed on the next available Board of Trustees agenda for consideration of the application. The Board of Trustees will set a public hearing date.

STEP 5: The item is placed on the next available Board of Trustees agenda for a public hearing (see MCL 207.555 (2)). Notice of the hearing shall be sent by regular mail to the City Assessor and the legislative body of each taxing unit within the district that collects ad valorem taxes (see MCL 207.555 (2)). **The applicant must be present at the public hearing.**

STEP 6: The Clerk's Office drafts a Resolution and Abatement Agreement, according to State requirements, for consideration by the Board to either approve or disapprove the application.

STEP 7: The Board holds the public hearing and takes action on the request. The Board shall, by resolution, state its decision to either approve or disapprove the application. If denied, the reasons shall be set forth in writing in the resolution. If approved, the Board shall set the number of years for which the district will be valid and they will instruct the clerk to sign the resolution (see MCL 207.556).

STEP 8: The City and the operator of the facility will execute an agreement outlining the conditions and recourses to be upheld during the abatement period.

STEP 9: If necessary, Forms T-1044A and/or T-1044, as created by the State Tax Commission, shall be completed. These are necessary if the abated SEV exceeds 5% of the City's total SEV.

STEP 10: If the application is approved, the Clerk shall forward the application, resolution and other necessary information to the State Tax Commission (see MCL 207.556).

STEP 11: After review by the State Tax Commission, they will send the Industrial Facilities Exemption Certificate, or notice that the application was denied, to the City by certified mail (see MCL 207.557(2)).

STEP 12: A copy of the Exemption Certificate shall be kept for the file, and another sent to the Assessor's Office for implementation.

**EXHIBIT C ACT 198
AGREEMENT FORM**



**CITY OF WEST BRANCH
OGEMAW COUNTY, MICHIGAN
ACT 198 AGREEMENT**

This agreement is between the City of West Branch, a local governmental unit, whose address is 121 N. 4th St., West Branch, Michigan 48661, and

_____, a _____
hereinafter referred to as the “Applicant”, whose address is: _____

WHEREAS, the City of West Branch is willing to approve the granting of an Act 198 Exemption Certificate, pursuant to Michigan Public Act 198 of 1974, as amended;

AND WHEREAS, Michigan Public Act 334 of 1993 requires that an Applicant and a local unit of government enter into an agreement as a condition to the approval of an Exemption Certificate;

AND WHEREAS, the City of West Branch has established certain terms and conditions in order for an Exemption Certificate to be approved;

AND WHEREAS, the Applicant is willing to accept and be bound by such terms and conditions in order to receive an Exemption Certificate which will grant tax relief to the Applicant.

NOW THEREFORE, the City of West Branch and the Applicant agree as follows:

1 Exemption Certificate. The City of West Branch hereby approves of the granting of an Exemption Certificate by the State of Michigan in accordance with its resolution approving the same for an application received on _____, 20____, with an estimated project cost of \$_____.

2 Terms and Conditions. The Applicant hereby agrees that in exchange for receiving such tax benefits as are permitted to holders of an Exemption Certificate that it shall be bound by the following terms and conditions during the time period the Exemption Certificate is in effect:

- A. That all utility bills to the City of West Branch are paid within thirty (30) days of billing;
- B. That all property tax bills are paid prior to such due dates after which interest would accrue;
- C. That all assessments, fees, and/or charges which may be incurred or levied in the development of the property are paid without protest or challenge;
- D. That the Applicant provide information periodically as requested by the City of West Branch and permit the City of West Branch and its agents to inspect the property and records of the Applicant during the term of the Exemption Certificate so as to verify property values and employment levels;

Exhibit C – Act 198 Agreement Form, continued...

- E. That the Applicant maintain employment levels in the City of West Branch as proposed in its application; and,
- F. That the Applicant abide by all ordinances and regulations of the City of West Branch, subject, however, to such exceptions as may be granted by a public body empowered to grant a legal exception to an ordinance or regulation of the City of West Branch;
- G. The Applicant is at all times in compliance with all federal, state and local laws, regulations and ordinances concerning environmental matters.

3. Revocation Reservation. The fulfillment of the conditions of this Agreement provided for in Paragraph 2 is a purpose for which the Certificate of Exemption was approved by the City of West Branch, in addition to the purposes established by law. Failure to uphold these conditions will be considered to be operating the facility in bad faith in a manner not consistent with the purposes of Act 198 of the Public Acts of Michigan, 1974, as amended, and will be considered to be circumstances within the control of the holder of the Exemption Certificate justifying the revocation of the Exemption Certificate.

The City Board of the City of West Branch retains the right to revoke any Exemption Certificate for violation of any of the conditions stated in Paragraph 2 above. If the Applicant within three (3) years of commencing the operation after receiving an Industrial Facilities Exemption Certificate moves the operations outside the City of West Branch, then all of the abated tax will be paid to the City of West Branch. If the operations leaves after three (3) years but before six (6) years have expired, then one-half of the abated tax will be returned. After six (6) years no penalty will be applied. Likewise, if an Exemption Certificate is revoked for any of the reasons stated in Paragraph 2, then the same repayment of tax schedule shall be applied as if the Applicant had moved its operations outside of the City of West Branch.

4. Effect. This Agreement shall be binding upon the City of West Branch and the Applicant, and upon their successors and assigns. This Agreement shall be interpreted in accordance with the laws of the State of Michigan. Upon default, the other party shall be liable to the non-defaulting party for the reasonable attorney fees and court costs which may be incurred in enforcing a term or condition of this Agreement. This Agreement represents the entire Agreement of the parties, and replaces any prior oral, written or implied agreement of the parties. This Agreement may only be amended upon the mutual written agreement of the parties.

In witness thereof on the dates hereinafter indicated:

Witness:

City:

By: Its: Date:

Witness:

Applicant:

By: Its: Date:

EXHIBIT D INFORMATION SUMMARY & AFFIDAVIT OF FEES

The City of West Branch, Ogemaw County, Michigan Act 198 Information Summary

Name of Applicant: Telephone Number: Fax Number:

1. SIC Number:

2. Type of Product(s):

3. Year of Establishment of the Business:

4. Number of years the business has been located in the City of West Branch:

5. If not in the City of West Branch, number of years in community where presently located:

6. Total employment in the City of West Branch: Current Projected (next 12 months) Full-Time Part-Time

Temporaries TOTAL

7. Estimate of how many projected new jobs will be provided:

Dated

Industrial Facilities Tax Exemption Affidavit of Fees

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the Local Unit and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm that no payment of any kind, whether they be referred to as “fees”, “payments in lieu of taxes”, “donations”, or by other like items, such payments are contrary to the legislative intent of Act 198 that exemption certificates have the effect of abating all ad valorem property taxes levied by taxing units with the unit of local government with which approves the certificate.

We do swear and affirm by our signatures below that “no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application”.

City of West Branch

Signed:

Printed Name:

Title:

Dated:

Applicant/Company

Signed:

Printed Name:

Title:

EXHIBIT E

GUIDELINE FACTORS TO CONSIDER WHEN DETERMINING TERM OF YEARS FOR TAX ABATEMENT REQUESTS

When considering the term of years that should be assigned to a properly granted tax abatement request (be it an initial request or an additional term of years being considered after an evaluation), City Council shall follow all standards set forth in currently applicable state and federal law, including the provisions of P.A. 198 of 1974, as amended by P.A. 94 of 1996 (or other laws, as appropriate). In addition, the following recommendation factors (taken in combination) have been adopted by the West Branch City Council to help guide the Council when taking such factors into consideration:

Total Property Investment

\$200,000 - \$400,000

\$400,001 - \$500,000

\$500,001 - \$1,500,000

\$1,500,001 - \$2,500,000

\$2,500,0001 - \$5,000,000

\$5,000,000 +

Recommended Term Length

2 years

3 years

4 years

5 years

6 years

6 years plus recommendation to evaluate after 2 years to consider additional term at that time

Job Creation

1 - 10 jobs

11 - 25 jobs

26 - 50 jobs

51 - 75 jobs

75 - 100

100 - 125 + jobs

125 + jobs

Recommended Term Length

1 year

2 years

3 years

4 years

5 years

6 years

6 years plus recommendation to evaluate after 2 years to consider additional term at that time

MOTION BY SCHAIBERGER, SECOND BY EHINGER, TO APPROVE THE WEST BRANCH TAX ABATEMENT POLICY AS PRESENTED.

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

* * * * *

Manager Grace recommended postponing the decision on the length of the tax abatement for Lahti Fabrication in order to compare the request to the newly approved policy.

MOTION BY SHOWALTER, SECOND BY SCHAIBERGER, TO POSTPONE THE DECISION ON THE LAHTI FABRICATION TAX ABATEMENT IN ORDER TO HAVE MORE TIME TO COMPARE THE REQUEST TO THE NEWLY APPROVED POLICY.

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

* * * * *

Manager Grace submitted a new ORV parking location due to the fact that the land that was originally designated as the parking location was recently sold. She noted that the City owned some vacant land on North Fifth St. across from the West Branch Greenhouse. She noted that she could change the maps and designate the new location as the parking area as a policy adjustment.

MOTION BY SCHAIBERGER, SECOND BY EHINGER, TO APPROVE THE CHANGING OF THE ORV PARKING SPOT

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

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MOTION BY LAWRENCE, SECOND BY SCHAIBERGER, TO APPROVE THE MINUTES AND SUMMARY OF THE SPECIAL MEETING HELD AUG. 22, 2016.

Yes – Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent - None

Motion carried

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Manager Grace shared correspondence on the West Branch Regional Medical Center Quit Smoking for Life event, a Wausau sprinkler head replacement update, MDOT revenue sharing, and the grand opening of a new business opening in the City called Remotion.

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Member Ervans noted a street light out on N. Second St. over the bridge. Superintendent Jameson noted that it had been already turned into Consumers Energy.

Member Lawrence noted the upcoming Fabulous Fridays meeting and went to a Michigan Tourism meeting.

Member Hasty asked about the project on Thomas St. and if all parties had submitted payment agreements. It was noted that the City did receive written notices from all parties. Member Ervans asked how the vendor was chosen and it was noted that because Coca-Cola was paying the largest portion, they picked the contractor.

Member Showalter noted that he attended the award ceremony on behalf of the City at Consumers Energy for Janice Smith who received the prestigious US Dept. of Defense Patriot Award for going above and beyond to accommodate a short notice training requirement for employee and National Guard Reservist Eric Queener

Member Lucas asked about the letter going out to the Farmers Market participants. Manager Grace noted that the letter had not gone out yet because they were still waiting for approval on all of the potential new locations. Eric Young asked about the possibility of considering N. Fourth St. as a location. It was the consensus to look into that location as well.

Member Lucas asked about the upcoming MML Conference. Manager Grace noted she would be putting together information for everyone attending.

Member Hasty noted that he has had several requests about disposing hazardous waste and asked if the City could look into having a hazardous waste collection day.

Mayor Ehinger asked about the collection of TV's at the recycling center and it was noted that they are not receiving them any longer.

Mayor Ehinger noted he attended the West Branch Bridge Walk and that it seemed everyone had a good time.

Manager Grace noted that they had one more opening for the MML Conference. It was the consensus to ask Planning Commissioner Kara Faching to attend.

Manager Grace presented an idea she had to retire the gavel that previous Mayor Todd Thompson used to make it into a nice display and present it to him in honor of all of his years of service to the City. She also thought it would be a nice tradition to start and do for all future Mayors.

MOTION BY SHOWALTER, SECOND BY LUCAS, TO RETIRE THE GAVEL AND PRESENT IT TO FORMER MAYOR TODD THOMPSON AS WELL AS DO THIS FOR ALL FUTURE MAYORS.

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

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MOTION BY EHINGER, SECOND BY SHOWALTER, TO PAY THE BILLS IN THE AMOUNT OF \$284,289.95.

Yes –Ehinger, Ervans, Hasty, Lawrence, Lucas, Schaiberger, Showalter

No – None

Absent – None

Motion carried

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Superintendent Jameson noted that they were working on repairs needed to the Pocket Park.

Chief Walters updated Council on the recent radio purchase and the grant that he received that would pay 100% of the cost.

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Mayor Ehinger adjourned the meeting at 7:05 pm.

William Ehinger, Mayor

John Dantzer, Clerk