

City Commission  
November 7, 2016

Mayor Mark Warba called the regular meeting of the City Commission to order at 6:30 p.m.

Present: Commissioners Lynn Anderson, Tom Hogenson, Lorraine James, and Dan Rothstein; Mayor Mark J. Warba; City Attorney Eric D. Williams; and City Treasurer Aaron Kuhn.

Absent: None

There were 13 people in the audience.

**PLEDGE OF ALLEGIANCE**

**APPROVAL OF THE AGENDA**

**APPROVAL OF MINUTES**

Commissioner Anderson moved, seconded by Commissioner Hogenson that the minutes of October 19, 2016 regular meeting be accepted.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

**SPECIAL ORDERS OF THE DAY** - None

**STUDY SESSION** - NONE

**PUBLIC COMMENT**

Rose Mary Jennings commented how beautiful the new Baldwin Street Bridge is as you are crossing it.

Art Adleman, previous County Commissioner, stated that he will be moving and expressed his enjoyment with living in Big Rapids and being able to contribute to the community as a County Commissioner. On one of his walks on the Riverwalk, he experienced someone cutting down a tree with a chainsaw. He commented that it took away the peacefulness of his walk. Mr. Gifford explained that a resident had asked if they could cut down a Cottonwood tree for wood carving and that is what he heard.

**RESOLUTION NO. 16-114**

Commissioner Anderson moved, seconded by Commissioner Rothstein, the adoption of the following:

**RESOLUTION AWARDING BID FOR TWO 2017  
ALL-WHEEL DRIVE, 4-DOOR UTILITY, POLICE VEHICLES FOR THE  
DEPARTMENT OF PUBLIC SAFETY**

WHEREAS, the City solicited bids for the purchase of two all-wheel drive 4-door utility police vehicles for the Department of Public Safety, and

WHEREAS, two bids were received with staff recommending that the low and best bid of Owosso Motors Inc., Owosso, MI, be accepted in the amount of \$ 62,828, for two 2017 police utility vehicles, which includes a 5 yr./100,000 warranty.

NOW, THEREFORE, BE IT RESOLVED, that the bid of Owosso Motors, Inc. be accepted in the amount of \$62,828.00 for two, all-wheel drive, 4-door utility police vehicles.

BE IT FURTHER RESOLVED, that the cost be expensed from Account Number 661-444-981.095 (police vehicles).

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the Resolution adopted.

Dated: November 7, 2016

**RESOLUTION NO. 16-115**

Commissioner Anderson moved, seconded by Commissioner Hogenson, the adoption of the following:

**RESOLUTION APPROVING TRAFFIC CONTROL ORDER NO. 518  
FOR RELOCATING THE NO PARKING SIGN ON IVES AVENUE**

WHEREAS, in accordance with the provisions of Act 32, Public Acts of 1956, Section 2.53, the Department of Public Safety has authorized the following traffic control order:

*Move the No Parking sign on the west side of Ives, north of the driveway from Ferris State University's Lot 57, which is across from Chestnut St., 20 feet to the north from its current location.*

BE IT RESOLVED, that the City Commission hereby approves the above Traffic Control Order.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the Resolution adopted.

Dated: November 7, 2016

Mr. Bill Routley has expressed interest in the past to acquire 10 feet of this parcel because his driveway encroaches on the property and he would like to construct a garage. Recently, Mr. Routley applied to the Zoning Board of Appeals for a variance to reduce the setbacks for his proposed garage. Mark Sweppenheiser commented that the ZBA did approve Mr. Routley's variance at their last meeting and that Mr. Routley was very happy to receive the variance.

Mr. Sweppenheiser commented that this was the second parcel that the City has looked at as surplus property because someone was interested in acquiring a portion of the property. Mr. Sweppenheiser recommends that if this happens again, that City Attorney, Eric Williams, write an opinion as to how that process should be reviewed. The Planning Commission struggled with declaring the property surplus and then having a portion go out for bid that is so small that it only benefits one person to bid on it.

There was discussion as to whether or not the City should sell portions of property that do not even meet the minimum size restrictions for the City, especially when there is only one eligible bidder that would benefit from the sale of this property. The general consensus was that if the parcel was already created and was deemed surplus, the City should sell it. If a person requests that a portion of a parcel be created only for them to purchase, the City should decline this request.

### **RESOLUTION NO. 16-116**

Commissioner Anderson moved, supported by Commissioner Rothstein, the adoption of the following:

#### **RESOLUTION ACCEPTING PLANNING COMMISSION RECOMMENDATION OF CITY OWNED PROPERTY AT 1509 CATHERINE STREET (PARCEL NO. 54-17-02-301-002) AS NOT SURPLUS PROPERTY**

WHEREAS, the City Commission, per Resolution 16-71, dated August 1, 2016, referred the discontinuation of City owned property identified as 1509 Catherine Street (Parcel No. 54-17-02-301-002) to the Planning Commission to determine if it may be surplus property, and

WHEREAS, the parcel is 6.4 and is zoned R-1, and

WHEREAS, at its September 21, 2016 meeting, the Planning Commission held a public hearing and recommended that Parcel No. 54-17-02-301-002 shall not be declared as surplus property.

NOW, THEREFORE, BE IT RESOLVED, that the City Commission accepts the Planning Commission recommendation and determines that Parcel No. 54-17-02-301-002 is not surplus property.

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the Resolution adopted.

Dated: November 7, 2016

**RESOLUTION NO. 16-117**

Commissioner Anderson moved, seconded by Commissioner James, the adoption of the following:

**RESOLUTION ON MAYORAL APPOINTMENTS  
TO BOARDS AND COMMISSIONS**

BE IT RESOLVED, that the City Commission hereby confirms the following Mayoral appointment/recommendation:

**DART LOCAL ADVISORY COUNCIL**

Raymond Miele appointed to a full term ending May 2019

Yeas: Anderson, Hogenson, James, Rothstein, Warba

Nays: None

The Mayor declared the Resolution adopted.

Dated: November 7, 2016

**PUBLIC HEARING**

The Mayor opened the Public Hearing at 7:00 p.m. to review an application for Obsolete Property Rehabilitation Exemption Certificate under P.A. 146 of 2000 for property located at 502 N. State Street.

Mr. Sobers commented that Gary Gerber applied for an Obsolete Property Rehabilitation Act Tax abatement for a project which will relocate the Social Security office from Watertown Road to the former Pioneer Newspaper building.

Mr. Gerber is projecting to spend \$1,033,433 on this renovation. It will include offices for Social Security as well as some other office rental space. A portion of the building will be removed to make space for parking. Marlies Manning will be designing the landscaping. All permits have been obtained at this point and construction has begun for a spring occupancy.

The abatement committee reviewed the application. The project expects to add one additional employee. The project is highly 'green' with insulation, lighting and other factors very environmentally friendly. Recycling usable materials in demolition is also highlighted. The owners are involved in the community on several levels including planning board (in their home town), various school projects, and other local projects of interest. Residents working for Social Security represent the majority of the employment. Local hires are expected to continue. The project falls within a targeted rehab district within the OPRA requirements.

The Social Security office signed a lease agreement for five years, with options to renew after that time. OPRA's may be made for up to 12 years on the increased value of the

building after completion of construction. Since this is a targeted improvement district, the committee recommended a 5-year abatement. Should the Social Security Office move after this 5-year term, then an additional 5-year option for renewing the OPRA can be considered. The feeling was that almost any replacement tenant would not be as profitable as Social Security and so that option incentive should have additional consideration.

There are many rules attached to the granting of an OPRA. Notification of affected taxing jurisdiction has been made, adoption of an OPRA district has been completed, narratives of activity and other future efforts have been reviewed. Acceptance of the construction has been granted by the Planning Commission and the Zoning Appeals Board, as well as the County Building Department. Staff has consulted with Emily Leike at the State (who will review the OPRA for final approval) to insure a complete and accurate submittal should the City Commission accept the recommendation of the abatement committee.

Mr. Gary Gerber commented that he has been working on this project for five years. The Social Security Administration is pleased with the location of 502 N. State Street. Mr. Gerber presented some pictures of what the building would look like after construction. There will be 26 parking spots for Social Security Administration employees and customers and five leased parking spots. The building will be energy efficient.

Mr. Jim Sandy, Mecosta County Development Corp., spoke in support of this OPRA. He believes that this is a way to clean up a part of town that needs it desperately.

Mr. Bill Stanek, Big Rapids Township Supervisor, spoke in support of this OPRA. There was no one to speak in opposition of this request, but one letter was received that was in opposition.

The following letter was received from Curtis Finch, Superintendent of the MOISD

October 28, 2016

Mr. Steve Sobers  
City of Big Rapids  
226 North Michigan Avenue  
Big Rapids, MI 49307

RE: Notice of Hearing on the Request for City Tax Relief Support for Gerber Brother Ventures, LLC

I am writing you to share information that you will find useful when making important decisions regarding tax relief for businesses in our area.

The adverse financial impact of tax relief on the operations of the Mecosta-Osceola Intermediate School Districts and the public educational systems in our two counties is significant. The MOISD operates a two-county special education school for our students with the most severe disabilities and a two-county Career and Technical Education Center. We also provide significant services to all of the Local Education Agencies (LEAs), Public School Academies (PSAs) and various private schools within our intermediate school district.

We understand that there are difficulties encountered in all sectors during this economic downturn. We also know that a strong educational system can provide a key to economic development and growth. We cannot improve our educational system without investing in it. Granting this tax relief will have the impact of divesting instead of investing in our educational system.

When making your decisions regarding tax relief, please consider the impact on all sectors of our community. We do not recommend approval of this request. Over time, these types of tax abatements result in thousands of dollars in loss revenue. Unlike local school districts, the State does not make up this loss of revenue to ISDs.

Sincerely,

Curtis E. Finch Jr., Ph.D.  
Superintendent.

The public hearing was closed at 7:20 p.m.

Commissioner Anderson stated that she had talked to Mr. Finch and the MOISD would be losing \$5,000 over five years if this abatement were to be approved. Commissioner Anderson commented that abatements take chunks of money away from schools. The MOISD handles not only career oriented groups they also handle special needs students. Commissioner Anderson believes that even though this is a wonderful project, abatements need to be used sparingly.

Mayor Warba asked if there were any other OPRAs in the city. The following were mentioned: The Gate, Comstock House, Pioneer Group, and the Chapman Housing building. These are all ready to expire in the next couple of years.

### **RESOLUTION NO. 16-118**

Commissioner Hogenson moved, seconded by Commissioner Rothstein, the adoption of the following:

#### **RESOLUTION APPROVING OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE APPLICATION FOR GERBER BROTHER VENTURES, LLC LOCATED AT 502 NORTH STATE STREET**

WHEREAS, pursuant to PA 146 of 2000, the City of Big Rapids is a qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the City of Big Rapids legally established the Obsolete Property Rehabilitation District #2, on January 20, 2004 after a public hearing held on January 20, 2004; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and

under Public Act of 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Big Rapids; and

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on November 7, 2016; and

WHEREAS, the Gerber Brother Ventures, LLC, is not delinquent in any taxes related to the facility; and

WHEREAS, the application was approved for less than 12 years and the following factors – that is, loss of the primary tenant (Social Security Administration Office) which would jeopardize the entire financial stability of the project – are necessary for extending the exemption for an additional five (5) years; and

WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant, Gerber Brother Ventures, LLC has provided answers to all required questions under the application instructions to the City of Big Rapids; and

WHEREAS, the City of Big Rapids requires that rehabilitation of the facility shall be completed by October 2017; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Big Rapids eligible under Public Act 146 of 2000 to establish such a district' and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment, retain employment, revitalize urban areas in which the facility is situated; and

WHEREAS, the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(1) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED, by the Commission of the City of Big Rapids:

Be and hereby is granted an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in Obsolete Property Rehabilitation District #2 at 502 North State Street for a period of five (5) years, beginning December 31, 2016 and ending December 30, 2021, pursuant to the provisions of PA 146 of 2000, as amended.

Yeas: Hogenson, James, Rothstein, Warba

Nays: Anderson

The Mayor declared the Resolution adopted.

Dated: November 7, 2016

**UNSCHEDULED BUSINESS**

- The Commission will interview internal applicant Mark Gifford for the City Manager’s position on November 22, 2016 at 5:00 p.m.
- Eric Williams gave a brief update on the Charter Amendment and ballot proposal that was sent to the Governor and Attorney General for approval. Mr. Williams received a phone call from an assistant attorney general who told him that the City’s ballot proposal was over 100 words and would have to be corrected because the 100-word limit was “statutory”. Mr. Williams reviewed this and in his opinion the City’s ballot proposal complies with MCL 117.21(2) and should be approved by both Governor Rick Snyder and Attorney General Bill Schuette. However, the City may be directed to shorten its ballot proposal to less than 100 words, which will require elimination of the existing charter section language from the ballot proposal. Mr. Williams is waiting to hear back from the State offices.
- Commissioner Hogenson thanked the City for putting on a soup luncheon to help United Way in reaching their goal of \$2,200.
- The local Chamber of Commerce was recognized as the “Michigan Outstanding Chamber of Commerce” by the MACP Association. This has come at a great time as they are breaking ground for their new Welcome Center building.

There being no further business to come before the City Commission, the Mayor declared the meeting adjourned at 7:30 p.m.

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Mayor Mark J. Warba

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Tamyra K. Gillis, City Clerk