

MEMO TO: Mayor and City Councilmembers
FROM: Patrick H. Burtch, City Manager PHB
DATE: February 12, 2019
SUBJECT: CDBG and HOME Financial Summaries through November 30, 2018

Recommendation:

Accept and place on file the CDBG and HOME Financial Summaries through November 30, 2018.


Attached is a memo from Jennifer Morris, Director of Neighborhood and Economic Operations, regarding November 2018 CDBG and HOME financial summaries which include personnel costs, city attorney code enforcement costs, and Martin Luther King Trail lighting progress payment.

I recommend Council receive the attached CDBG and HOME Financial Summaries through November 30, 2018 and place on file. Your consideration and concurrence is appreciated.

PHB

DEPARTMENTAL REPORT

MEMO TO: Patrick Burtch, City Manager

FROM: Jennifer Morris, Director of Neighborhood and Economic Operations 

DATE: February 12, 2019

RECOMMENDATION: To accept and place on file the CDBG and HOME Financial Summaries through November 30, 2018

SUMMARY

Attached please find the Financial Summaries for the CDBG and HOME funds for the month ending November 30, 2018. Monthly expenses include personnel costs, city attorney code enforcement costs, and Martin Luther King Trail lighting progress payment.

My recommendation is to accept and place on file the CDBG and HOME Financial Summaries through November 30, 2018.

ATTACHMENTS

City of Jackson
Community Development Block Grant
Monthly Financial Summary
For the Five Months Ended November 30, 2018

	<u>Budgeted</u>	<u>Expended Prior Year</u>	<u>Actual Month-to-Date</u>	<u>Actual Year-to-Date</u>	<u>Total Funds Expended- to-Date</u>	<u>Balance</u>	<u>Percent Spent</u>
<u>Administration</u>							
1 Administration & Planning							
FY 2016/2017	117,500	113,306	-	4,194	117,500	-	100.0%
FY 2017/2018	139,100	44,339	3,018	23,387	67,726	71,374	48.7%
FY 2018/2019	81,102	-	-	-	-	81,102	0.0%
<u>Code Enforcement</u>							
2 City Code Enforcement - Rehabilitation							
FY 2016/2017	76,750	74,049	-	2,701	76,750	-	100.0%
FY 2017/2018	123,500	-	2,662	12,411	12,411	111,089	10.0%
3 City Attorney Office							
FY 2018/2019	30,000	-	-	2,032	2,032	27,968	6.8%
<u>Rehabilitation Projects</u>							
4 Homeowner Rehabilitation							
FY 2015/2016	98,886	82,947	-	-	82,947	15,939	83.9%
FY 2016/2017	75,000	-	-	-	-	75,000	0.0%
5 City Emergency Hazard Repair Program							
FY 2016/2017	77,316	50,951	-	8,680	59,631	17,685	77.1%
FY 2018/2019	226,635	-	-	-	-	226,635	0.0%
6 Downtown-Investor Rehabilitation							
FY 2016/2017	453,607	341,502	-	44,828	386,330	67,277	85.2%
FY 2017/2018	69,788	-	-	-	-	69,788	0.0%
7 John George Home (FY 2015/2016)	33,559	25,895	-	-	25,895	7,664	77.2%
8 Kitchen/Market Incubator	450,000	-	-	-	-	450,000	0.0%
9 City Rehab Administration (Denied Loans)							
FY 2016/2017	3,000	2,009	-	210	2,219	781	74.0%
<u>Street Projects</u>							
10 Steward to Wildwood to RR (FY 2017/2018)	40,800	2,317	-	22,442	24,759	16,041	60.7%

	<u>Budgeted</u>	<u>Expended Prior Year</u>	<u>Actual Month-to-Date</u>	<u>Actual Year-to-Date</u>	<u>Total Funds Expended- to-Date</u>	<u>Balance</u>	<u>Percent Spent</u>
11 Homecrest- Louis Glick to VanBuren (FY 2017/2018)	22,700	1,512	-	18,110	19,622	3,078	86.4%
12 First St- Franklin to Washington (FY 2017/2018)	306,600	-	-	306,600	306,600	-	100.0%
13 MLK Trail Lighting (FY 2017/2018)	575,000	436,622	123,300	125,961	562,583	12,417	97.8%
14 Special Assessments (FY 2015/2016)	25,000	12,152	-	-	12,152	12,848	48.6%
15 Homecrest- Louis Glick to VanBuren (FY 2018/2019)	72,600	-	-	-	-	72,600	0.0%
16 Steward to Wildwood to RR (FY 2018/2019)	171,000	-	-	-	-	171,000	0.0%
17 Second St- Washington to Washington NW	167,922	-	-	109	109	167,813	0.1%
<u>Other Projects</u>							
18 Park Improvements							
FY 2017/2018	100,000	83,369	-	3,681	87,050	12,950	87.1%
FY 2018/2019	80,000	-	-	-	-	80,000	0.0%
<u>Public Improvements</u>							
19 Demolition							
FY 2015/2016	320,000	319,700	-	-	319,700	300	99.9%
FY 2016/2017	136,125	38,556	-	-	38,556	97,569	28.3%

City of Jackson
HOME
Monthly Financial Summary
For the Five Months Ended November 30, 2018

	<u>November</u>	<u>Budgeted</u>	<u>Total Prior Year Funds Expended</u>	<u>Actual Month-to-Date</u>	<u>Actual Year-to-Date</u>	<u>Total Funds Expended- to-Date</u>	<u>Balance</u>	<u>Percent Spent</u>
1 Rehabilitation Assistance Program								
FY 2016/2017		188,340	55,363	-	98,640	154,003	34,337	81.8%
FY 2018/2019		161,290	-	-	-	-	161,290	0.0%
2 New Construction								
FY 2017/2018		214,784	-	-	-	-	214,784	0.0%
3 HOME Administration								
FY2018/2019		28,000	-	-	-	-	28,000	0.0%
4 CAA - CHDO Acq/Rehab/Resale								
FY 2016/2017		54,032	53,606	-	-	53,606	426	99.2%
FY 2017/2018		40,000	-	-	-	-	40,000	0.0%
FY 2018/2019		175,584	-	-	-	-	175,584	0.0%
5 CAA-CHDO Operating								
FY 2018/2019		10,000	-	-	-	-	10,000	0.0%



CITY COUNCIL MEETING MINUTES

January 29, 2019

CALL TO ORDER:

The Jackson City Council met in regular session and was called to order at 6:31 p.m. by Mayor Derek J. Dobies.

PLEDGE OF ALLEGIANCE AND INVOCATION:

The Council joined in the Pledge of Allegiance. A moment of silence was offered by First Ward Councilmember Arlene Robinson.

ROLL CALL:

Present: Mayor Derek J. Dobies, Councilmembers Arlene Robinson, Freddie Dancy, Jeromy Alexander, Craig Pappin, Kelsey Heck, and Colleen Sullivan.

Absent: none.

Also present: City Manager Patrick Burtch, City Clerk Andrea Muray, City Attorney Bethany Smith, City Assessor Jason Yoakam, Director of Neighborhood and Economic Operations Jennifer Morris, City Engineer Jon Dowling, Director of Public Works Jonathan Greene, and Director of Police and Fire Services Elmer Hitt.

ADOPTION OF AGENDA:

Motion was made by Mayor Dobies to amend the agenda to add to New Business Item 11D, a resolution to allow deferment to "Affected Employees" of the government shutdown.

Councilmember Pappin made a motion to amend the agenda to add to New Business Item 11E, a public safety initiative.

Motion was made by Councilmember Pappin, seconded by Councilmember Sullivan to adopt the agenda as amended. Votes – Yeas: Mayor Dobies, Councilmembers Robinson, Dancy, Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

PRESENTATIONS/PROCLAMATIONS:

- A. **Presentation by Linda Hass regarding a second application for a Michigan Historical Marker in Bucky Harris Park honoring historically significant anti-slavery activities that took place in this park during the mid-1800's.**
- B. **City of Jackson's Audit Report for Fiscal Year 2018:**
Presentation by Mark Kettner, Rehmann Robson, LLC, of the City of Jackson's Audit Report for Fiscal Year ended June 30, 2018.

PUBLIC HEARINGS:

- A. **Conduct a Public Hearing to Receive Citizen Comment on general Housing and Community Development Needs in the City specific to CDBG and HOME funding. Preliminary allocations will be presented to City Council in February.**
Conduct a Public Hearing to receive citizen comment on general housing and community development needs in the City specific to Community Development Block Grant (CDBG) and HOME funding.

Cindy Eby spoke in opposition of the use of CDBG funds to demolish low income housing, the need for programs for home owners in the tax foreclosure process, and establishing programs for homeowners to fix their homes.

George Morhing spoke in regards of the Council giving the citizens an overview of the purpose of the funding.

Toby Berry spoke in regards of affordable housing for low income and extremely low income families, a rental rehab program, a community task force to address bed bug issues, and youth related services.

Delia Johnson spoke in regards of using funds for the Area Agency on Aging.

John King spoke in regards of bed bug programs and the need for the funds to be used outside of the downtown area.

Stacie Guthrie spoke in regards of affordable housing needs.

Susan Murdie spoke in regards of a need for a roof repair program for homeowners, rental property rehab program, assistance for extremely low income citizens, tax foreclosure education programs, and bed bug programs.

Sarah Allison spoke in regards of funding for harm reduction programs for drug users.

Tasha Carter spoke in reference to poverty statistics provided to the Council in a letter and the need for CDBG funds to be used to address those statistics including rental units for low income families, bed bug programs, youth programs, ex-convict reentry programs, and a home for those addicted to crack cocaine.

Peter Bormuth spoke in regards of using the funds for homeless and low income citizens and the potential for tiny homes to be utilized to address those housing needs, bed bug prevention program, and education program needs.

Israel Gray spoke in regards of establishing a home for children.

CITIZEN COMMENTS:

Citizen comments were heard and the meeting continued.

PETITIONS & COMMUNICATION FROM CITY STAFF AND OTHER GOVERNMENTAL ENTITIES:

- A. CDBG and HOME Financial Summaries through October 31, 2018.**
Accept and place on file the Community Development Block Grant and HOME Financial Summaries through October 31, 2018.

Motion was made by Councilmember Pappin, seconded by Councilmember Heck to accept and place on file. Votes – Yeas: Mayor Dobies, Councilmembers Robinson, Dancy, Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

CONSENT CALENDAR:

- A. Minutes of the Regular Meeting of January 15, 2019:**
Approve the minutes of the regular City Council meeting of January 15, 2019.
- B. Ella W. Sharp Park Board of Trustees Appointment:**
Approve the Mayor's recommendation to appoint Sarah Allison to the Ella W. Sharp Park Board of Trustees, for a three year term, beginning February 1, 2019, and ending January 31, 2022.
- C. Income Tax Board of Review Appointment:**
Approve the Mayor's recommendation to appoint Mia Williams to the Income Tax Board of Review for a three year term, beginning February 1, 2019, and ending January 31, 2022.

D. Public Arts Commission Appointment:

Approve the Mayor's recommendation to appoint Mia Williams to the Public Arts Commission filling a current vacancy, beginning immediately, and ending May 28, 2020.

E. Zoning Board of Appeals Appointment:

Approve the Mayor's recommendation to appoint Mia Williams to the Zoning Board of Appeals as an alternate member filling a current vacancy, beginning immediately, and ending December 31, 2019.

F. JNET Interlocal Agreement.

Approve and execute the Jackson Narcotics Enforcement Team (JNET) Interlocal Agreement.

G. Income Tax Board of Review.

Approve the Mayor's recommendation to appoint Kesha Hamilton to the Income Tax Board of Review filling a current vacancy and a three year term, beginning immediately, and ending January 31, 2022.

Motion was made by Councilmember Pappin, seconded by Councilmember Sullivan to approve. Votes – Yeas: Mayor Dobies, Councilmembers Robinson, Dancy, Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

OTHER BUSINESS:

A. Revised Resolution Approving Selected Projects for the 2020-2023 Transportation Improvement Plan (TIP) Projects:

Recommendation: *Adopt a revised resolution approving the street list as selected for inclusion in the 2020-2023 Transportation Improvement Plan (TIP), and to acknowledge that the City is willing to pay the local match for selected projects.*

Motion was made by Councilmember Sullivan, seconded by Councilmember Pappin to approve the resolution. Votes – Yeas: Mayor Dobies, Councilmembers Dancy, Alexander, Pappin, Heck, and Sullivan (6). Nays: Councilmember Robinson (1). Motion carried.

B. Change Order 15 to the Downtown Street and Parking Lot Rehabilitation Contract with Bailey Excavating, Inc.

Recommendation: *Approve and authorize the City Manager and City Engineer to execute Change Order 15 to the contract with Bailey Excavating, Inc., for Downtown Street and Parking Lot Rehabilitation in the increased amount of \$84,524.58 to balance contract quantities for various items substantially complete to match quantities placed in the field and add new items necessary for completion of work in the field.*

Motion was made by Councilmember Sullivan, seconded by Councilmember Robinson to approve Change Order 15. Votes - Yeas: Mayor Dobies, Councilmembers Alexander, Pappin, Heck, and Sullivan (5). Nays: Councilmembers Robinson and Dancy (2). Motion carried.

C. Ordinance No. 2019-02, for Relocation Assistance for Displaced Tenants. (Second/Final Reading)

Recommendation: *Final adoption of Ordinance No. 2019-02, to amend Chapter 14, City Code, to create a provision establishing property owner obligations with respect to tenants displaced from dwellings that have been vacated by the Chief Building Official due to violations of Chapter 14 of the Jackson Code of Ordinances.*

Motion was made by Councilmember Sullivan, seconded by Councilmember Heck for final adoption of Ordinance No. 2019-02.

Motion was made by Councilmember Pappin, seconded by Councilmember Alexander to table the item. Votes - Yeas: Councilmembers Robinson, Dancy, Alexander, Pappin (4). Nays: Mayor Dobies, Councilmembers Heck and Sullivan (3). Motion carried.

D. Ordinance No. 2019-03, Amending Chapter 18 of Article I to Extend the Prohibition of Disorderly Intoxication to Include Self-Endangering Behavior. (Second/Final Reading)

Recommendation: *Final adoption of Ordinance No. 2019-03, to amend Chapter 18, Article I, City Code, to extend the prohibition of disorderly intoxication to include self-endangering behavior, for the health, safety, and well-being of the citizens of Jackson.*

Motion was made by Councilmember Pappin, seconded by Councilmember Sullivan to adopt Ordinance No. 2019-03. Votes - Yeas: Mayor Dobies, Councilmembers Dancy, Alexander, Pappin, Heck, and Sullivan (6). Nays: Councilmembers Robinson (1). Motion carried.

E. Ordinance No. 2019-04, to Establish Penalties for Marihuana Offenses not Specifically Penalized in the Michigan Regulation and Taxation of Marihuana Act. (Second/Final Reading)

Recommendation: *Final adoption of Ordinance No. 2019-04, to amend Sections of Division 2, Article I, Chapter 18, City Code, to establish prohibitions and penalties for certain marihuana offenses.*

Motion was made by Councilmember Pappin, seconded by Councilmember Sullivan to adopt Ordinance No. 2019-04. Votes - Yeas: Mayor Dobies, Councilmembers Robinson, Dancy Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

NEW BUSINESS:

- A. Ordinance Amending Article XVIII, Chapter 16, City Code, to Permit and Regulate Certain Medical Marihuana Facilities. (First Reading)**
Recommendation: *Approve amendments to an Ordinance amending Article XVIII, Chapter 16, City Code, to permit and regulate certain Medical Marihuana Facilities.*

Motion was made by Councilmember Pappin, seconded by Councilmember Alexander to approve. Votes- Yeas: Mayor Dobies, Councilmembers Robinson, Alexander, Pappin, Heck, and Sullivan (6). Nays: Councilmember Dancy (1). Motion carried.

- B. Ordinance amending Medical Marihuana use Setbacks as Outlined in Section 28-140, Article V, Chapter 28, City Code, Development Approval Procedures. (First Reading)**
Recommendation: *Introduce an Ordinance, and recommend the second reading and final adoption the amendments to the medical marihuana use setbacks as outlined in Section 28-140, of Article V, Development Approval Procedures, of Chapter 28 of the City's Code of Ordinance.*

Motion was made by Councilmember Pappin, seconded by Councilmember Sullivan to approve. Votes - Yeas: Mayor Dobies, Councilmembers Robinson, Dancy, Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

- C. Repeal of Ordinance No. 501 and approve a revised PILOT Ordinance for GenCap Limited Dividend Housing Association. (First Reading)**
Recommendation: *Repeal Ordinance No. 501, and approve adoption of an ordinance granting a Payment in Lieu of Taxes (PILOT) Exemption to GenCap Limited Dividend Housing Association LLC.*

Motion was made by Councilmember Sullivan, seconded by Councilmember Robinson to approve. Votes - Yeas: Mayor Dobies, Councilmembers Robinson, Dancy Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

- D. Resolution - Affected Employees of the Federal Government Shut Down.**
Recommendation: *Approve a resolution allowing the City Manager to assist "Affected Employees" of the Federal Government Shut Down in deferring payments due to the City which accrued during the Shutdown.*

Motion was made by Councilmember Sullivan, seconded by Councilmember Heck to approve the resolution. Votes - Yeas: Mayor Dobies, Councilmembers Heck, and Sullivan (3). Nays: Councilmembers Robinson, Dancy, Alexander, and Pappin (4). Motion failed.

E. Public Safety Initiative – Gunfire Sensor Technology

Recommendation: *Schedule a presentation by the company ShotSpotter at a future meeting for Council to get details on how their services could be used in the City of Jackson.*

Motion was made by Councilmember Pappin, seconded by Councilmember Alexander to schedule a presentation. Votes – Yeas: Mayor Dobies, Councilmembers Robinson, Dancy Alexander, Pappin, Heck, and Sullivan (7). Nays: none. Motion carried.

CITY COUNCILMEMBERS’ COMMENTS:

Mayor Dobies, Councilmembers Robinson, Dancy, Alexander, Pappin, Heck, and Sullivan all offered comments.

MANAGER’S COMMENTS:

City Manager Patrick Burtch offered comments.

ADJOURNMENT:

No other business being offered, a motion to adjourn was made by Councilmember Dancy, seconded by Councilmember Alexander. Vote was done by voice with all in favor. Mayor Dobies adjourned the meeting at 9:20 p.m.

Sharon Hasen

From: Kelli Hoover
Sent: Tuesday, February 05, 2019 5:49 AM
To: Sharon Hasen
Subject: Fwd: Parks Board and Ella Sharp Board

Sent from my iPhone

Begin forwarded message:

From: Cheryl Ennis <ennisch1@yahoo.com>
Date: February 4, 2019 at 9:37:28 PM EST
To: Kelli Hoover <khoover@cityofjackson.org>
Subject: Parks Board and Ella Sharp Board

Parks Board and Ella Sharp Board of Trustees:

I am resigning from the Parks Board and the Ella Sharp Board due to moving out of the city. Thank you for your hard work and commitment to the city of Jackson. It was a pleasure to serve.

Cheryl Ennis ❀

Cheryl Ennis ❀

On Feb 4, 2019, at 3:19 PM, Kelli Hoover <khoover@cityofjackson.org> wrote:

Can you please put Ella and park board.

Sent from my iPhone

MEMO TO: Mayor and City Councilmembers
FROM: Patrick H. Burtch, City Manager
DATE: February 12, 2019
SUBJECT: **Interim Balancing Change Order 7 to the 2017 Water Main Replacement Contract with Dunigan Brothers, Inc.**

Recommendation:

Approve Interim Balancing Change Order 7 to the 2017 Water Main Replacement contract with Dunigan Brothers, Inc. in the increased amount of \$17,897.35 to balance contract quantities for various Grinnell Street items that are substantially complete to match quantities placed in the field and authorize the City Manager and City Engineer to execute the appropriate document.

Attached is a report and documentation from Jon Dowling, City Engineer, regarding approval of Interim Balancing Change Order 7 to the 2017 Water Main Replacement contract.

I recommend approval of the change order. Your consideration and concurrence is appreciated.

PHB

Attachments

DEPARTMENTAL REPORT

MEMO TO: Patrick Burtch, City Manager
FROM: Jon H. Dowling, P.E., City Engineer
DATE: February 12, 2019

RECOMMENDATION: Approve Interim Balancing Change Order 7 to the 2017 Water Main Replacement contract with Dunigan Brothers, Inc. in the increased amount of \$17,897.35 to balance contract quantities for various Grinnell Street items that are substantially complete to match quantities placed in the field and authorize the City Manager and City Engineer to execute the appropriate document.

SUMMARY

The attached Interim Balancing Change Order 7 is to balance the Grinnell Street contract quantities for various items that are substantially complete to match quantities placed in the field.

BUDGETARY CONSIDERATIONS

This change order represents an increase of \$17,897.35, bringing the current contract amount to \$1,413,176.92.

HISTORY, BACKGROUND and DISCUSSION

On August 22, 2017, City Council approved the award of the contract to Dunigan Brothers, Inc. of Jackson, Michigan in the amount of \$427,593.85. The original contract was for the replacement of the water mains between First Street and Blackstone Street on both Cortland Street and Michigan Avenue. Subsequent Change Orders have been approved by City Council as follows:

C.O.	Approval Date	Amount	Description
1	10-17-17	\$ 63,363.60	Added preparation of Lydia Street roadbed for repaving with concrete by 3M Corporation for demonstrative purposes.
2	11-28-17	\$ (1,261.29)	Balanced quantities
3	01-16-18	\$ 20,405.05	Balanced quantities
4	07-17-18	\$ (16,994.09)	Balanced quantities
5	09-18-18	\$ 783,597.45	Added preparation work for resurfacing portions of Durand, Grinnell, Higby and Thompson.
6	11-13-18	\$ 118,575.00	Added asphalt paving for Grinnell Street

DISCUSSION OF THE ISSUE

Work on the Grinnell Street category contained within this contract is now substantially complete. As such, the attached Interim Balancing Change Order has been prepared to align contract quantities with quantities placed in the field for the Grinnell Street category. As demonstrated on the attached table, the final field quantities for some items are less than contract quantities while others are more. The quantities included in the original contract and subsequent change orders were estimates. This Change Order 7 represents a net increase of \$17,897.35 bringing the current contract amount to \$ 1,413,176.92.

POSITIONS

I request approval of Order 6 and authorization for the City Manager and the City Engineer to sign the document.

ATTACHMENTS

INTERIM BALANCING CHANGE ORDER NO. 7
To Contract for
2017 Water Main Replacement – Dunigan Brothers, Inc.
City of Jackson, Michigan

Notice is hereby given that the following additional information and changes shall become a part of the Contract Documents, Plans and Specifications of the above-named contract.

ORIGINAL CONTRACT AMOUNT	\$ 427,593.85
APPROVED CHANGE ORDER NO. 1	\$ 63,363.60
APPROVED CHANGE ORDER NO. 2	\$ (1,261.29)
APPROVED INTERIM BALANCING CHANGE ORDER NO. 3	\$ 20,405.05
APPROVED BALANCING CHANGE ORDER NO. 4	\$ (16,994.09)
APPROVED CHANGE ORDER NO. 5	\$ 783,597.45
APPROVED CHANGE ORDER NO. 6	\$ 118,575.00
CURRENT CONTRACT AMOUNT AS SET BY CHANGE ORDER NO. 6	\$ 1,395,279.57
CHANGE ORDER NO. 7	\$ 17,897.35
CURRENT CONTRACT AMOUNT AS SET BY CHANGE ORDER NO. 7	\$ 1,413,176.92

REASON FOR CHANGE:

To balance contract quantities to match quantities placed in the field for those portions of contract work that have been completed to date.

CONTRACT COMPLETION:

The contract completion remains unchanged.

Prepared by Troy R. White, P.E.
Assistant City Engineer

ACCEPTED BY:

Dunigan Bros., Inc.

Date:

ACCEPTED BY:

Jon H. Dowling, P.E., City Engineer

Date:

ACCEPTED BY:

Patrick H. Burtch, City Manager

Date:

**2017 WATER MAIN REPLACEMENT ON CORTLAND STREET AND MICHIGAN AVENUE
INTERIM BALANCING CHANGE ORDER NUMBER 7**

ADDITIONS AND SUBTRACTIONS: Quantities for Contract pay items shall be increased or decreased as follows:

Prop Line	Item Code	Item Description	Current Contract Quantity	Quantity Change	Final Quantity	Units	Unit Price	Amount	
								ADD	DEDUCT
0433	2040055	Sidewalk, Rem , West Side Overlay	1,780.00	104.53	1,884.53	Syd	\$ 9.00	\$ 940.77	\$ -
0434	4030005	Dr Structure Cover, Adj, Case 1 , West Side Overlay	158.00	6.00	164.00	Ea	\$ 360.00	\$ 2,160.00	\$ -
0435	4037050	Dr Structure, Temp Lowering, Modified, West Side C	158.00	6.00	164.00	Ea	\$ 220.00	\$ 1,320.00	\$ -
0436	4037050	Mh Cover, Std, West Side Overlay	158.00	4.00	162.00	Ea	\$ 467.00	\$ 1,868.00	\$ -
0437	5010002	Cold Milling HMA Surface , West Side Overlay	54,740.00	1,464.19	56,204.19	Syd	\$ 2.00	\$ 2,928.38	\$ -
0438	8020002	Curb, Conc, Det E2 , West Side Overlay	1,000.00	-156.00	844.00	Ft	\$ 25.50	\$ -	\$ (3,978.00)
0441	8030030	Curb Ramp Opening, Conc , West Side Overlay	620.00	62.50	682.50	Ft	\$ 24.50	\$ 1,531.25	\$ -
0442	8030036	Sidewalk Ramp, Conc, 6 inch , West Side Overlay	9,180.00	150.35	9,330.35	Sft	\$ 6.10	\$ 917.15	\$ -
0443	8030044	Sidewalk, Conc, 4 inch , West Side Overlay	6,720.00	2,222.80	8,942.80	Sft	\$ 3.50	\$ 7,779.80	\$ -
0451	5010025	Hand Patching , West Side Overlay	10.00	-10.00	0.00	Ton	\$ 150.00	\$ -	\$ (1,500.00)
0453	8120250	Plastic Drum, High Intensity, Furn , West Side Overla	0.00	150.00	150.00	Ea	\$ 24.00	\$ 3,600.00	\$ -
0454	8120251	Plastic Drum, High Intensity, Oper , West Side Overla	0.00	150.00	150.00	Ea	\$ 2.20	\$ 330.00	\$ -
Total:								\$ 23,375.35	\$ (5,478.00)
Net Change:								\$ 17,897.35	
Current Contract Amount:								\$ 1,395,279.57	
Revised Contract Amount:								\$ 1,413,176.92	

ORDINANCE NO. 2019-02

An ordinance amending Chapter 14 of the City of Jackson, Michigan Code of Ordinances, to provide safe replacement housing for tenants displaced from their homes as a result of the dwelling being declared unfit for human habitation by the Chief Building Official pursuant to Section 14-47 of the Code.

THE PEOPLE OF THE CITY OF JACKSON ORDAIN:

Section 1. Purpose.

The City Council adopts this Ordinance to create a provision establishing property owner obligations with respect to tenants displaced from dwellings that have been vacated by Chief Building Official due to violations of Chapter 14 of the Jackson Code of Ordinances.

Section 2. That Chapter 14 be amended to add an article providing for relocation assistance for displaced tenants as follows:

Article VII – RELOCATION ASSISTANCE FOR DISPLACED TENANTS

Sec. 14-500 – Title.

This article shall be known as the “Relocation Assistance for Displaced Tenants Ordinance.”

Sec. 14-501 – Findings and Purpose.

The city council finds that tenants who are required to vacate structures rented for residential purposes due to a Notice to Vacate issued pursuant to Chapter 14, Article II, Division 2, often encounter difficulty in finding suitable or affordable, temporary or replacement housing due to the short notice necessitated by the Notice to Vacate. Such difficulties create a financial hardship for said tenants and may result in homelessness. The city council also finds that those property owners who do not properly maintain non-owner occupied residential properties and who allow said dwellings to become unsafe or hazardous should bear responsibility for the hardships their actions create for their tenants. Additionally, the city will often spend time and resources assisting tenants displaced by a Notice to Vacate. These costs and expenses are not reimbursed by the property owner. Therefore, the city council finds and declares it necessary to enact this chapter to protect the public health, safety and welfare and to permit the city to seek reimbursement for the costs and expenses incurred. Nothing herein shall limit or preclude other remedies available to tenants under Michigan law.

Sec. 14-502 – Definitions.

Unless the context indicates otherwise, the following words used in this article shall have these meanings:

Landlord means an owner, lessor or sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or the agent, representative, predecessor or successor of any of the foregoing.

Lease means an agreement, whether oral or written, or implied, between a landlord and a tenant for use or occupancy of a rental unit and for housing services.

Property means all rental units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

Relocation assistance means a relocation payment and the right of first refusal to reoccupy a residential structure.

Relocation payment means:

- (1) The payment of one month's fair market value rent for a unit of comparable size, as established by the most current Federal Department of Housing and Urban Development schedule of fair market rents, or one month of the tenant's actual rent at the time of relocation, or total rent due for one month to the landlord under Section 8 of the Housing Act of 1937, whichever is greater, for a maximum of three months' rent payments, paid in monthly installments as is necessary, or other arrangements of equal benefit which are agreeable to the tenant as evidenced by a written agreement between the tenant and the property owner. Such agreement shall at a minimum contain each of the following components:
 - (a) The names of the current occupants of the rental unit being vacated, and an indication of who is considered the head of the household therein;
 - (b) The address and the number of the unit from which the tenant is being displaced;
 - (c) A statement indicating the amount of relocation payment to which the tenant is entitled, according to the most current Federal Department of Housing and Urban Development schedule of fair market rent for the size of the subject unit;
 - (d) A statement that the tenant has waived the right to such relocation payment, and describing what, if any, alternative arrangements of equal benefit the landlord has agreed to provide the tenant, which is acceptable to the tenant in lieu of relocation payment; and
 - (e) The address, if known, of the location to which the tenant plans to move.
- (2) A relocation payment shall be a separate requirement and obligation in addition to the refund of any security deposit pursuant to Michigan law.
- (3) The relocation payment must include the actual costs associated with the tenant's moving expenses, in an amount not to exceed \$1,000.00.
- (4) A relocation payment shall also include an additional amount consisting of any administrative costs incurred by the city including but not limited to, the hourly rate of any city employees that took any action in connection with assisting a tenant under this article, any inspection fees incurred pursuant to Sec. 14-43 for the property plus the costs incurred by the city related to the issuance of the notice to vacate of the rental unit.

Rental unit means any building, structure or part thereof, and land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes together with

all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the tenant.

Right of first refusal means the right of a tenant to reoccupy a residential structure on the site formerly occupied by said tenant, once the residential structure is repaired and becomes habitable, or once housing is redeveloped on the site.

Tenant means a tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a lease to the use or occupancy of any rental unit.

Sec. 14-503 – Relocation Assistance Requirements.

- (1) Relocation Payment Due. A landlord of a rental unit rented pursuant to a lease shall provide to the tenant a relocation payment as defined in Sec. 14-502 as follows unless one of the exceptions described in Sec. 15-504 applies: within one week of the notice to vacate or prior to the time the tenant vacates the unit, whichever occurs first, for any order requiring a tenant to vacate any rental unit due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence.
- (2) Proof of Compliance. In order to provide proof of compliance by the landlord with the relocation payment requirements of this code, the landlord shall make the payment to the city, at the Department of Neighborhood and Economic Operations; or a copy of the written agreement executed by the landlord and the tenant providing for and describing alternative arrangements shall be provided to the Chief Building Official and the director of the Department of Neighborhood and Economic Operations within five days of the date that the unit is vacated by the tenant. The landlord may make the rental payment directly to the owner of the alternative rental unit but must provide proof of such payment to the director of the Department of Neighborhood and Economic Operations.
- (3) Action by the City. The city will make reasonable efforts to locate suitable alternative rental unit of the same or similar type, size, and location as to the vacated rental unit whether or not the landlord has provided the relocation payment, and which is acceptable to the tenant. The alternative rental unit shall be in a condition acceptable to the Chief Building Official and satisfy the minimum room requirements contained in Section R304 of the Michigan Residential Code. Upon the request of the city, the landlord is required to provide the following information: the address of each rental unit being displaced, the number of bedrooms and bathrooms of each unit, the names of the tenant(s) and the other members occupying the rental unit and the amount of the monthly payments due under the lease and the length of the rental term. The city will locate temporary housing and pay the first five days' worth of rental for a suitable alternative rental unit and such payment shall be reimbursed by the landlord within ten days after issuance of an invoice by the city to the landlord. After the first five days after the vacating of the unit, the landlord shall be responsible for locating a suitable alternative rental unit of the same or similar type, size and location as the vacated unit.
- (4) Right of First Refusal. Any tenant evicted or required to vacate any rental unit pursuant to the provisions of this chapter shall be given the right of first refusal to reoccupy a rental unit on the site once said property becomes habitable, or once housing is redeveloped on the site.

- (a) The landlord shall, at the time the tenant vacates, provide written notice advising the tenant of the right of first refusal. Said notice shall include a current address and telephone number which can be used by the tenant to contact the owner.
- (b) It shall be the tenant's responsibility to provide the landlord with contact information consisting of the tenant's current address and/or telephone number to be used for future notification, and to provide updated contact information to the owner upon change of said information.
- (c) Thereafter, when the rental unit, or a redeveloped structure on the property, becomes habitable, the landlord shall give written notice to the tenant advising said tenant that the structure is ready for occupancy. Said written notice shall be made by certified mail, return receipt requested. Proof of compliance under this subsection must be provided by the landlord to the Director of Neighborhood and Economics Operations.
- (d) If the landlord cannot locate a previous tenant after two attempts over a period of two weeks, the landlord shall be deemed to have complied with the right of first refusal provision of this chapter, and the tenant's right of first refusal shall thereafter be forfeited. The landlord must provide notice to the Neighborhood and Economics Operations in the event that it is the landlord's determination that the tenant's right of first refusal has been forfeited.

Sec. 14-504 – Exceptions.

- (1) Any tenant evicted or required to vacate as a result of unsafe or hazardous living conditions or illegal use, who refused to vacate after the provision of the relocation payment is made, or who the Chief Building Official has determined has caused or substantially contributed to the condition(s) giving rise to the abatement or whose guest or invitee has caused or substantially contributed to the condition(s) giving rise to the abatement, shall not be entitled to receive relocation assistance from the landlord.
- (2) Landlords are not required to provide relocation assistance to any tenant evicted or required to vacate a rental unit that becomes unsafe or hazardous as a result of a natural disaster, fire, flood, or civil disturbance.
- (3) The Chief Building Official or his or her designee may make a determination as to whether any of the exceptions provided in subsections (1) or (2) are applicable and the Director of Neighborhood and Economic Operations may waive the landlord's obligations as to the specific tenant only for good cause shown.
- (4) If the landlord has already provided a suitable alternative rental unit of the same or similar type, size, and location as to the vacated rental unit to the tenant, and such replacement unit was accepted by the tenant as evidenced by a written agreement described in this article, and the landlord has agreed to pay the actual costs associated with the tenant's moving expenses, in an amount not to exceed \$1,000.00, the relocation payment shall no longer be required.
- (5) Landlords are not required to provide relocation assistance to any tenant who has been served with an order of eviction requiring the tenant to move from the rental unit.

- (6) Landlords are not required to provide relocation assistance to a tenant if the tenant and the landlord have entered into a consent judgment filed with the Court requiring the tenant to move from the rental unit.

Sec. 14-505 – No Waiver Permitted.

No landlord shall attempt to secure from a tenant any waiver of any provision of this Article. Any agreement, whether written or oral, whereby any provision of this Article is waived, is against public policy and is void. No person shall intentionally secure a waiver of any of the provisions, rights or benefits of this ordinance from a tenant by false pretenses or fraud. A violation of this section shall be punishable against the landlord as a misdemeanor.

Sec. 14-506 – Violation and Penalty.

Any violation of this Article, other than Sec. 14-505, is subject to the remedies and penalties provided in Chapter 2.5 of this Code and an administrative civil penalty of up to \$1,000.00 per day may be assessed for each day during which a landlord fails to provide relocation assistance required by Sec. 14-503 following issuance of a written order or notice of violation by the city, in addition to the hourly rate of any city employees that took any action in connection with the property under this article, plus the city's reasonable attorney's fees and court costs. Nothing herein shall limit the right of a tenant to enforce the obligations provided herein by civil action or by any other legal remedy which may be available to said tenant.

Sec. 14-507 – Severability.

If any provision of this article is determined to be unenforceable by a court, the remainder of this article shall be deemed severable and is to remain in full force and effect.

Section 3. This Ordinance takes effect thirty (30) days from the date of adoption.

ORDINANCE NO. 2019-02

An ordinance amending Chapter 14 of the City of Jackson, Michigan Code of Ordinances, to provide safe replacement housing for tenants displaced from their homes as a result of the dwelling being declared unfit for human habitation by the Chief Building Official pursuant to Section 14-47 of the Codea provision establishing property owner obligations with respect to tenants displaced from dwellings that have been vacated by Chief Building Official, due to violations of Chapter 14 of the Jackson Code of Ordinances.

THE PEOPLE OF THE CITY OF JACKSON ORDAIN:

Section 1. Purpose.

The City Council adopts this Ordinance to create a provision establishing property owner obligations with respect to tenants displaced from dwellings that have been vacated by Chief Building Official due to violations of Chapter 14 of the Jackson Code of Ordinances.

Section 2. That Chapter 14 be amended to add an article providing for relocation assistance for displaced tenants as follows:

Article VII – RELOCATION ASSISTANCE FOR DISPLACED TENANTS

Sec. 14-500 – Title.

This article shall be known as the “Relocation Assistance for Displaced Tenants Ordinance.”

Sec. 14-501 – Findings and Purpose.

The city council finds that tenants who are required to vacate structures rented for residential purposes due to a Notice to Vacate issued pursuant to Chapter 14, Article II, Division 2, often encounter difficulty in finding suitable or affordable, temporary or replacement housing due to the short notice necessitated by the Notice to Vacate. Such difficulties create a financial hardship for said tenants and may result in homelessness. The city council also finds that those property owners who do not properly maintain non-owner occupied residential properties and who allow said dwellings to become unsafe or hazardous should bear responsibility for the hardships their actions create for their tenants. Additionally, the city will often spend time and resources assisting tenants displaced by a Notice to Vacate. These costs and expenses are not reimbursed by the property owner. Therefore, the city council finds and declares it necessary to enact this chapter to protect the public health, safety and welfare and to permit the city to seek reimbursement for the costs and expenses incurred. Nothing herein shall limit or preclude other remedies available to tenants under Michigan law.

Sec. 14-502 – Definitions.

Unless the context indicates otherwise, the following words used in this article shall have these meanings:

Landlord means an owner, lessor or sublessor or any other person entitled to receive rent for the use and occupancy of any rental unit, or the agent, representative, predecessor or successor of any of the foregoing.

Lease means an agreement, whether oral or written, or implied, between a landlord and a tenant for use or occupancy of a rental unit and for housing services.

Property means all rental units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

Relocation assistance means a relocation payment and the right of first refusal to reoccupy a residential structure.

Relocation payment means:

(1) The payment of one month's fair market value rent for a unit of comparable size, as established by the most current Federal Department of Housing and Urban Development schedule of fair market rents, or one month of the tenant's actual rent at the time of relocation, or total rent due for one month to the landlord under Section 8 of the Housing Act of 1937, whichever is greater, for a maximum of three months' rent payments, paid in monthly installments as is necessary, or other arrangements of equal benefit which are agreeable to the tenant as evidenced by a written agreement between the tenant and the property owner. Such agreement shall at a minimum contain each of the following components:

- (a) The names of the current occupants of the rental unit being vacated, and an indication of who is considered the head of the household therein;
- (b) The address and the number of the unit from which the tenant is being displaced;
- (c) A statement indicating the amount of relocation payment to which the tenant is entitled, according to the most current Federal Department of Housing and Urban Development schedule of fair market rent for the size of the subject unit;
- (d) A statement that the tenant has waived the right to such relocation payment, and describing what, if any, alternative arrangements of equal benefit the landlord has agreed to provide the tenant, which is acceptable to the tenant in lieu of relocation payment; and
- (e) The address, if known, of the location to which the tenant plans to move.

(2) A relocation payment shall be a separate requirement and obligation in addition to the refund of any security deposit pursuant to Michigan law.

(3) The relocation payment must include the actual costs associated with the tenant's moving expenses, in an amount not to exceed \$1,000.00.

(4) A relocation payment shall also include an additional amount consisting of any administrative costs incurred by the city including but not limited to, the hourly rate of any city employees that took any action in connection with assisting a tenant under this article, any inspection fees incurred pursuant to Sec. 14-43 for the property plus the costs incurred by the city related to the issuance of the notice to vacate of the rental unit.

Rental unit means any building, structure or part thereof, and land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes together with all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the tenant.

Right of first refusal means the right of a tenant to reoccupy a residential structure on the site formerly occupied by said tenant, once the residential structure is repaired and becomes habitable, or once housing is redeveloped on the site.

Tenant means a tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a lease to the use or occupancy of any rental unit.

Sec. 14-503 – Relocation Assistance Requirements.

(1) **Relocation Payment Due.** A landlord of a rental unit rented pursuant to a lease shall provide to the tenant a relocation payment as defined in Sec. 14-502 as follows unless one of the exceptions described in Sec. 15-504 applies: within one week of the notice to vacate or prior to the time the tenant vacates the unit, whichever occurs first, for any order requiring a tenant to vacate any rental unit due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence.

(2) **Proof of Compliance.** In order to provide proof of compliance by the landlord with the relocation payment requirements of this code, the landlord shall make the payment to the city, at the Department of Neighborhood and Economic Operations; or a copy of the written agreement executed by the landlord and the tenant providing for and describing alternative arrangements shall be provided to the Chief Building Official and the director of the Department of Neighborhood and Economic Operations within five days of the date that the unit is vacated by the tenant. The landlord may make the rental payment directly to the owner of the alternative rental unit but must provide proof of such payment to the director of the Department of Neighborhood and Economic Operations.

(3) **Action by the City.** The city will make reasonable efforts to locate suitable alternative rental unit of the same or similar type, size, and location as to the vacated rental unit whether or not the landlord has provided the relocation payment, and which is acceptable to the tenant. The alternative rental unit shall be in a condition acceptable to the Chief Building Official and satisfy the minimum room requirements contained in Section R304 of the Michigan Residential Code. Upon the request of the city, the landlord is required to provide the following information: the address of each rental unit being displaced, the number of bedrooms and bathrooms of each unit, the names of the tenant(s) and the other members occupying the rental unit and the amount of the monthly payments due under the lease and the length of the rental term. The city will locate temporary housing

and pay the first five days' worth of rental for a suitable alternative rental unit and such payment shall be reimbursed by the landlord within ten days after issuance of an invoice by the city to the landlord. After the first five days after the vacating of the unit, the landlord shall be responsible for locating a suitable alternative rental unit of the same or similar type, size and location as the vacated unit.

- (4) Right of First Refusal. Any tenant evicted or required to vacate any rental unit pursuant to the provisions of this chapter shall be given the right of first refusal to reoccupy a rental unit on the site once said property becomes habitable, or once housing is redeveloped on the site.
 - (a) The landlord shall, at the time the tenant vacates, provide written notice advising the tenant of the right of first refusal. Said notice shall include a current address and telephone number which can be used by the tenant to contact the owner.
 - (b) It shall be the tenant's responsibility to provide the landlord with contact information consisting of the tenant's current address and/or telephone number to be used for future notification, and to provide updated contact information to the owner upon change of said information.
 - (c) Thereafter, when the rental unit, or a redeveloped structure on the property, becomes habitable, the landlord shall give written notice to the tenant advising said tenant that the structure is ready for occupancy. Said written notice shall be made by certified mail, return receipt requested. Proof of compliance under this subsection must be provided by the landlord to the Director of Neighborhood and Economics Operations.
 - (d) If the landlord cannot locate a previous tenant after two attempts over a period of two weeks, the landlord shall be deemed to have complied with the right of first refusal provision of this chapter, and the tenant's right of first refusal shall thereafter be forfeited. The landlord must provide notice to the Neighborhood and Economics Operations in the event that it is the landlord's determination that the tenant's right of first refusal has been forfeited.

Sec. 14-504 – Exceptions.

(1) Any tenant evicted or required to vacate as a result of unsafe or hazardous living conditions or illegal use, who refused to vacate after the provision of the relocation payment is made, or who the Chief Building Official has determined has caused or substantially contributed to the condition(s) giving rise to the abatement or whose guest or invitee has caused or substantially contributed to the condition(s) giving rise to the abatement, shall not be entitled to receive relocation assistance from the landlord.

(2) Landlords are not required to provide relocation assistance to any tenant evicted or required to vacate a rental unit that becomes unsafe or hazardous as a result of a natural disaster, fire, flood, or civil disturbance.

(3) The Chief Building Official or his or her designee may make a determination as to whether any of the exceptions provided in subsections (1) or (2) are applicable and the Director of Neighborhood and Economic Operations may waive the landlord's obligations as to the specific tenant only for good cause shown.

(4) If the landlord has already provided a suitable alternative rental unit of the same or similar type, size, and location as to the vacated rental unit to the tenant, and such replacement unit was accepted by the tenant as evidenced by a written agreement described in this article, and the landlord has agreed to pay the actual costs associated with the tenant's moving expenses, in an amount not to exceed \$1,000.00, the relocation payment shall no longer be required.

(5) Landlords are not required to provide relocation assistance to any tenant who has been served with an order of eviction requiring the tenant to move from the rental unit.

(6) Landlords are not required to provide relocation assistance to a tenant if the tenant and the landlord have entered into a consent judgment filed with the Court requiring the tenant to move from the rental unit.

Sec. 14-505 – No Waiver Permitted.

No landlord shall attempt to secure from a tenant any waiver of any provision of this Article. Any agreement, whether written or oral, whereby any provision of this Article is waived, is against public policy and is void. No person shall intentionally secure a waiver of any of the provisions, rights or benefits of this ordinance from a tenant by false pretenses or fraud. A violation of this section shall be punishable against the landlord as a misdemeanor.

Sec. 14-506 – Violation and Penalty.

Any violation of this Article, other than Sec. 14-505, is subject to the remedies and penalties provided in Chapter 2.5 of this Code and an administrative civil penalty of up to \$1,000.00 per day may be assessed for each day during which a landlord fails to provide relocation assistance required by Sec. 14-503 following issuance of a written order or notice of violation by the city, in addition to the hourly rate of any city employees that took any action in connection with the property under this article, plus the city's reasonable attorney's fees and court costs. Nothing herein shall limit the right of a tenant to enforce the obligations provided herein by civil action or by any other legal remedy which may be available to said tenant.

Sec. 14-507 – Severability.

If any provision of this article is determined to be unenforceable by a court, the remainder of this article shall be deemed severable and is to remain in full force and effect.

Section 3. This Ordinance takes effect thirty (30) days from the date of adoption.

Adopted: The foregoing Ordinance 2019-02 was adopted by the Jackson City Council on January 29, 2019 and a summary was published on February 3, 2019.

Andrea Muray, City Clerk

Derek J. Dobies, Mayor

MEMO TO: Mayor and City Councilmembers
FROM: Andrea Muray, City Clerk
DATE: February 12, 2019
SUBJECT: Second Reading and Adoption of Ordinance 2019-05

Recommendation:

Adopt Ordinance 2019-05 to amend Article XVIII, Chapter 16, City Code, to permit and regulate certain Medical Marihuana Facilities.

Attached is Ordinance 2019-05. Ordinance 2019-05 was considered for approval and moved for 2nd reading by the Council at the January 29, 2019 City Council meeting.

I recommend Ordinance 2019-05 be approved. Your consideration and concurrence is appreciated.

ORDINANCE NO. 2019-05

AN ORDINANCE OF THE CITY OF JACKSON, MICHIGAN TO ESTABLISH REQUIREMENTS FOR MEDICAL MARIHUANA FACILITIES AND RECREATIONAL MARIHUANA ESTABLISHMENTS, TO PROTECT THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE CITY OF JACKSON; TO SET LICENSING FEES FOR THE PURPOSE OF DEFRAYING THE COSTS ASSOCIATED WITH THE IMPLEMENTATION AND ENFORCEMENT; AND TO PROVIDE PENALTIES FOR VIOLATIONS.

THE PEOPLE OF THE CITY OF JACKSON ORDAIN:

Section 1. Purpose.

The purpose of this Ordinance is to exercise the police, regulatory, and land use powers of the City by licensing and regulating medical marihuana provisioning centers, medical marihuana grower facilities, medical marihuana safety compliance facilities and medical marihuana secure transporters to the extent permissible under State law to protect the public health, safety, and welfare of the residents of the City.

A secondary purpose of this Ordinance is to state the City of Jackson's intention to opt in to the Michigan Regulation and Taxation of Marihuana Act with the specific regulations for recreational marihuana facilities to be determined at a later date after the State of Michigan has developed laws and rules for such establishments.

The City finds that the operation of medical marihuana facilities and recreational marihuana establishments is helpful to the public health and welfare of its citizens and it is therefore necessary to regulate and enforce safety and health practices related to such facilities.

Section 2. That Article XVIII of Chapter 16 of the City of Jackson Code of Ordinances be amended as follows:

ARTICLE XVIII. MARIHUANA USES.

Sec. 16-510. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. In addition, any term defined by the Michigan Medical Marihuana Act, Initiated Law 1 of 2008, MCL 333.26421 et seq., as amended ("MMMA"), the Medical Marihuana Facilities Licensing Act ("MMFLA"), 2016 PA 281, and/or the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018 ("MRTMA"), shall have the definition given in the MMMA, as amended,

the MMFLA, as amended or the MRTMA as amended. If the definition of a word or phrase set forth in this Chapter conflicts with the definition in the MMMA, the MMFLA, or the MRTMA or if a term is not defined but is defined in the MMMA, the MMFLA or the MRTMA, then the definition in the MMMA, the MMFLA and/or the MRTMA shall apply. Also, any term defined by 21 USC 860(E) referenced in this Chapter shall have the definition given by 21 USC 860(E).¹

* * *

Applicant means a person who applies for a state medical marijuana facility operating license. Applicant includes, with respect to disclosures in an application, for purposes of ineligibility for a license under section 402 of the MMFLA, or for purposes of prior board approval of a transfer of interest under section 406 of the MMFLA, a managerial employee of the applicant, a person holding an indirect ownership interest of 10% or more in the applicant, and the following for each type of applicant:

(i) For an individual or sole proprietorship: the proprietor and spouse.

(ii) For a partnership and limited liability partnership: all partners and their spouses. For a limited partnership and limited liability limited partnership: all general and limited partners, not including a limited partner holding a direct or indirect ownership interest of less than 10% and who does not exercise control over or participate in the management of the partnership, and their spouses. For a limited liability company: all members and managers, not including a member holding a direct or indirect ownership interest of less than 10% and who does not exercise control over or participate in the management of the company, and their spouses.

(iii) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of less than 10%, and their spouses.

(iv) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, not including those holding a direct or indirect ownership interest of less than 10%, and their spouses.

(v) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive 10% or more of the gross or net profit from the enterprise during any full or partial calendar or fiscal year.

(vi) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.

¹ Only the terms from Section 16-510 that either need revised or need added have been included in this Ordinance. This ordinance does not delete or alter any definition from Section 16-510 that is not specifically included here and all other definitions remain effective.

Industrial Hemp means the plant *Cannabis sativa* L. and any part of that plant, including the viable seeds of that plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3% on a dry weight basis. Industrial hemp includes industrial hemp commodities and products and topical or ingestible animal and consumer products derived from the plant *Cannabis sativa* L. with a delta-9-tetrahydrocannabinol concentration of not more than 0% on a dry weight basis.

Industrial Hemp Research and Development Act means the act of the same name, Public Act 547 of 2014 as amended.

Marihuana means that term as defined in section 7106 of the public health code, 1978 PA 368, MCL 333.7106 and does not include industrial hemp as defined in the Industrial Hemp Research and Development Act.

Marihuana Establishments means a recreational marihuana grower, marihuana safety compliance facility, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by LARA. This term does not include an industrial hemp grower or processor-handler.

Marihuana facility means a location at which a licensee is licensed to operate under the MMFLA and the Code. This term does not include an industrial hemp growing or processing facility.

Medical marihuana facility means a grower, provisioning center, safety compliance facility or secured transporter as defined herein and as defined in the Michigan Medical Marihuana Facilities Licensing Act and its rules and regulations, as amended that has a current license to operate from both the State of Michigan and the City of Jackson. This term does not include an industrial hemp growing or processing facility.

* * *

Sec. 16-515. License Applications Process and Submissions.

The Medical Marihuana Facility Licensing Process shall consist of three phases. The first phase shall be review of the location of the facility and the building plan for the structure that will contain the facility. The second phase shall be review of the entity that is applying. The third phase will be approval of licenses by the City Council.

(A) Phase One – Facility Review.

1. An applicant that has already received a Step One Pre-licensure from the State of Michigan to operate a medical marihuana facility may begin the process for approval of the structure and location of the facility. If the applicant does not have a Phase One Pre-licensure from the State of Michigan, the applicant may not begin the City application process.

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2. The Applicant shall submit the following as a Site and Structure Application to the Neighborhood and Economic Operations Department for approval of the site and structure that will contain the medical marihuana facility:
 - (a). A complete application for building and site plan review;
 - (b). A complete site plan signed and sealed by a licensed engineer or architect;
 - (c). A complete set of building drawings signed and sealed by a licensed engineer or architect; and
 - (d). A copy of the applicant's pre-licensure application to the State of Michigan and a copy of the Step One Pre-licensure from the State of Michigan.
 3. The Director of NEO or designee shall have until September 6, 2019 to review the Site and Structure application to determine if all applicable information has been submitted. If the Site and Structure application is not complete, the Director of NEO shall notify the applicant in writing and the applicant shall have until October 7, 2019 to resubmit the required information.
 4. If the application is complete, the Director of NEO and staff shall review and coordinate any requested changes to verify compliance with the City of Jackson Code of Ordinances between October 7, 2019 and January 20, 2020.
 5. Provided that the applicant receives approval of the site plan and building drawings from the Director of NEO and the Chief Building Official, the Chief Building shall issue building permits beginning on January 31, 2020 to applicants to begin construction of the structure containing the medical marihuana facility. Building permits are valid for one (1) year pursuant to the Stille-Derossett-Hale Single State Construction Act. No building permits for medical marihuana facilities shall be issued to any applicant under any circumstances prior to January 31, 2020.

(B) Phase Two - Entity Review.

1. Once the applicant has received a building permit, the applicant may submit a final application for a full medical_marihuana facility license to the City Clerk on or before April 24, 2020 on the form provided by the City. Additional complete copies of the application must also be provided to the City Clerk to distribute to the following City staff:
 - (a) The City Attorney;
 - (b) The City Engineer;
 - (c) The City Manager;
 - (d) The Director of Neighborhood and Economic Operations;
 - (e) The Director of Police and Fire Services; and
 - (f) The City Treasurer.

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2. Licensees shall report any other change in the information required to the City Clerk within ten (10) days of the change. Fees shall be set by Council Resolution for any applicant or employee background check and review added after the original Application is filed.
 3. Comments from the staff listed in subsection (B)(1) shall be given to the Clerk on or before June 26, 2020. Once comments are given by staff, the City Clerk shall then submit the final application to the Medical Marihuana Licensing Review Committee and the Director of NEO shall submit the Site and Structure Application to the Medical Marihuana Licensing Review Committee.
 4. The Marihuana Licensing Review Committee shall have until April 24, 2021, or the date that the final applicant has received a certificate of occupancy for the applicant's proposed medical marihuana facility, whichever occurs earlier, to make a recommendation to the City Council for final license approval.

(C) Phase Three - Approval of City Council and Issuance of Licenses.

1. The final, full license to operate the applicant's proposed medical marihuana facility will not be issued by the City Council to the applicant and applicants will not be permitted to operate the medical marihuana facility until the following occur:
 - (a) The City Manager has certified to the City Council that the structure is complete, that a certificate of occupancy for the structure containing the facility has been issued to the applicant, and that a zoning compliance certificate for the structure containing the facility has been issued to the applicant;
 - (b) The City Treasurer certifies to the City Council that the applicant, nor any person or entity considered an applicant under the MMFLA, is in default to the City;
 - (c) The City Attorney certifies that there are no criminal or civil actions pending against the applicant or any person or entity considered an applicant under the MMFLA that were not disclosed by the applicant in the application; and
 - (d) The applicant has filed a copy with the Clerk of the final, Step Two State of Michigan license to operate the proposed facility.
2. City Council shall make its final decision regarding the granting of licenses to applicants no later than July 31, 2021. An applicant must have received its Phase Two final license from the State of Michigan on or before April 24, 2021, and provided a copy to the City Clerk, in order for the City Council to consider granting a license to the applicant.

(D) License Renewal and Subsequent Applications. Application and other licensing deadlines for subsequent years will be determined by the City Council by Resolution. Upon the expiration of an existing license, a license will be automatically renewed by the City of Jackson for one (1) year if:

1. There are no uncured administrative violations in the prior year;
2. The applicant has paid the annual licensing fee for the renewal period;
3. Any changes of any person or entity considered an applicant under the MMFLA have been fully disclosed to the City of Jackson;
4. Neither the applicant nor any person or entity considered an applicant under the MMFLA are in violation of any provision of the Code;
5. The property where the facility will be located has been certified by the Director of Neighborhood and Economic Operations to be in compliance with the City of Jackson's building design standards and the approved site plan for the property;
6. The applicant has no unpaid delinquent taxes, special assessments, fees or charges of any type owed to the City; and
7. The applicant has paid and received the renewal of its State license.

(E) Contents of Final City Application. A final application for a Medical Marijuana Facility license required by this chapter shall contain the following:

1. The appropriate non-refundable application and licensee fee per Resolution of the City Council;
2. A complete copy of the application package submitted to the State of Michigan for the facility license;
3. If the applicant is an individual, the applicant's name, date of birth, physical address, copy of government issued photo identification, email address, and one or more phone numbers, including emergency contact information;
4. If the applicant is not an individual, the names, physical addresses, email addresses, and one or more phone numbers of each person considered an applicant under the MMFLA, including designation of the highest ranking member of the applicant entity, or the highest ranking managerial employee as an emergency contact person and contact information for the emergency contact person, articles of incorporation, articles of organization, or assumed name registration documents, Internal Revenue Service SS-4 EIN confirmation letter, and a copy of the operating agreement of the applicant, if a limited liability

company, a copy of the partnership agreement, if a partnership, or a copy of the by-laws or shareholder agreement, if a corporation;

5. The name and address of the proposed Medical Marihuana Facility and any additional contact information deemed necessary by the City Clerk;
6. For the applicant and/or for each stakeholder of the applicant, an affirmation under oath that they are at least 18 years of age and have never been convicted of or pled guilty to any criminal offense under the laws of any jurisdiction for a controlled substance related crime. If convicted of such an offense, the applicant must provide information of the conviction, including the date, name and location of the court, arresting agency, and prosecuting agency, the case caption, the docket number, the offense, the disposition, and the location and length of incarceration.
7. A signed release authorizing the Department of Police and Fire Services to perform a criminal background check to ascertain whether the applicant, each stakeholder of the applicant, each managerial employee (if known at the time of application) and employee (if known at the time of application) of the applicant meet the criteria set forth in this Ordinance. For any managerial or other employee hired after the date of the license application, this release must be provided within ten (10) days of the commencement of employment.
8. A signed release consenting to and authorizing the Department of Police and Fire Services to inspect the premises of the facility for compliance with the provisions of this Code;
9. The name, date of birth, physical address, copy of photo identification, and email address for any managerial employee or employee of the Medical Marihuana Facility, if other than the applicant. For any managerial or other employee hired after the date of the license application, this information must be provided within ten (10) days of the commencement of employment.
10. An affirmation under oath as to whether the applicant has ever applied for or has been granted any commercial license or certificate issued by a licensing authority in Michigan or any other jurisdiction that has been denied, restricted, suspended, revoked, or not renewed and a statement describing the facts and circumstances concerning the application, denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority, the date each action was taken, and the reason for each action;
11. A copy of the proof of financial responsibility submitted to LARA with the state application.
12. One of the following:

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- (a) Proof of an ownership interest of the entire premises wherein the Medical Marihuana Facility is to be operated. Co-ownership with a person or person who are not the owner, member or shareholder of the licensee is not permitted; or
 - (b) Written consent from the property owner for use of the premises in a manner requiring licensure under this chapter along with a copy of the lease for the premises;
 13. Proof of an adequate premise liability and casualty insurance policy in the amount not less than \$1,000,000 per occurrence, covering the Medical Marihuana Facility and naming the City as an additional insured party, available for the payment of any damages arising out of an act or omission of the applicant or any person or entity considered an applicant under the MMFLA, agents, employees, or subcontractors;
 14. A description of the security plan meeting all requirements of the Emergency Rules for the Medical Marihuana Facility, including, but not limited to, any lighting alarms, and recording/monitoring devices. The security plan must contain the specification details of each piece of security equipment and must be approved by the Director of Police and Fire Services;
 15. A copy of the marihuana facility plan required by LARA as well as a floor plan of the Medical Marihuana Facility, and a scale diagram illustrating the property upon which the Medical Marihuana Facility is to be operated, including all available parking spaces, and specifying which parking spaces, if any, are handicapped-accessible;
 16. An affidavit that neither the applicant nor any person or entity considered an applicant under the MMFLA is in default to the City. Specifically, that neither the applicant or any person or entity considered an applicant under the MMFLA has not failed to file or pay any income taxes, property taxes, special assessments, fines, fee or other financial obligations to the City;
 17. An affidavit that the transfer of Marihuana to and from Medical Marihuana Facilities shall be in compliance with the MMMA and the MMFLA or other applicable state laws;
 18. A staffing plan listing all employees expected to be hired and the titles of the employees as well as each employee's duties;
 19. Any proposed text or graphical materials to be shown on the exterior of the proposed Medical Marihuana Facility;

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20. A business plan containing the following: an executive summary, a market analysis, a description of the organization management of the applicant, the sales strategies to be used by the applicant, the funding requirements for the facility, and the financial projections of the applicant.
 21. A location area map of the Medical Marihuana Facility and surrounding area that identifies the relative locations and the distances (closest property line to the subject Medical Marihuana Facility's building) to the subject Medical Marihuana Facility to the closest real property types of property identified in Section 16-524 (A) of this Article. The applicant must also submit a boundary and ALTA survey at a standardized engineering scale, with the scale being chosen by City staff;
 22. A facility sanitation plan to protect against any Marihuana being ingested by any person or animal, indicating how the waste will be stored and disposed of, and how any Marihuana will be rendered unusable upon disposal. Disposal by on-site burning or introduction in the sewerage system is prohibited;
 23. Copies of the financial statement of assets, copies of documents submitted to LARA to meet LARA's capitalization requirements, and copies of the CPA-attested financial statements required by the MMFLA, Emergency Rules and Advisory Bulletins.
 24. An affidavit that the liquid assets identified in the documents submitted in response to subsection 24 above will still be in liquid form at the time the license is issued by the City;
 25. As it relates to a Grower Facility, the following additional items shall be required:
 - (a) A grower plan that includes at a minimum a description of the Grower methods to be used, including plans for the growing mediums, treatments and/or additives;
 - (b) A production testing plan that includes at a minimum a description of how and when samples for laboratory testing by a state approved Safety Compliance Facility will be selected, what type of testing will be requested, and how the test results will be used;
 - (c) An affidavit that all operations will be conducted in conformance with the MMMA, the MMFLA or other applicable State laws and such operations shall not be cultivated on the premises at any one time more than the permitted number of Marihuana Plants per the MMMA, as amended, and the MMFLA, as amended; and
 - (d) A chemical and pesticide storage plan that states the names of pesticides to be used and where and how pesticides and chemicals will be stored in the facility, along with a plan for the disposal of unused pesticides.

* * *

Sec. 16-518. Licenses Generally.

- (A) To the extent permissible, all information submitted in conjunction with an application for a license or license renewal required by this Chapter is confidential and exempt from disclosure under the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231 et seq. Furthermore, no personal information such as date of birth, social security number, home address, and home phone number of the applicant, any person or entity considered an applicant under the MMFLA, or employees shall be submitted in any public document.
- (B) Licensees may transfer a license issued under this Chapter to a different location upon receiving written approval from the City Council after recommendation from the Committee. A request for a new location will require that the licensee go through the application approval process again and the licensee must make a written request to the City Clerk, indicating the current license location and the proposed license location. The applicant must also pay a facility transfer fee as set by Resolution of the City Council.
- (C) Licensees may transfer a license issued under this Chapter to a different individual or entity upon receiving written approval by the City Council after recommendation from the Committee. In order to request approval to transfer a license to a different individual or entity, the licensee must make a written request to the City Clerk, indicating the current licensee and the proposed licensee and must follow the full application process. The applicant must also pay a licensee transfer fee as set forth by Resolution of the City Council.
- (D) Licensees shall report any other change in the information required by this Chapter to the City Clerk within ten (10) business days of the change. Failure to do so may result in suspension or revocation of the license.

* * *

Sec. 16-522 Minimum Operational Standards of Safety Compliance Facility.

There are no additional regulations above the regulations applicable to all Medical Marihuana Facilities found in State law and Section 16-519. If a safety compliance facility takes or receives industrial hemp for testing purposes, the testing must be done according to the Industrial Hemp Research and Development Act and the rules promulgated therefore, as amended.

* * *

Section 3. Effective Date.

This Ordinance takes effect on the same date that a zoning ordinance for medical marihuana becomes effective.

Adopted: The foregoing Ordinance 2019-05 was adopted by the Jackson City Council on February 12, 2019 and a summary was published on February 17, 2019.

Andrea Muray, City Clerk

Derek J. Dobies, Mayor

MEMO TO: Mayor and City Councilmembers
FROM: Andrea Muray, City Clerk
DATE: February 12, 2019
SUBJECT: Second Reading and Adoption of Ordinance 2019-06

Recommendation:

Adopt Ordinance 2019-06 amending Chapter 28, City Code, to amend the development approvals procedures for Medical Marihuana Facilities.

Attached is Ordinance 2019-06. Ordinance 2019-06 was considered for approval and moved for 2nd reading by the Council at the January 29, 2019 City Council meeting.

I recommend Ordinance 2019-06 be approved. Your consideration and concurrence is appreciated.

ORDINANCE 2019-06

An Ordinance amending Chapter 28 of the Code of Ordinances, City of Jackson, Michigan to amend the development approval procedures for medical marihuana facilities.

THE PEOPLE OF THE CITY OF JACKSON ORDAIN:

Section 1. Purpose. To amend the development approval procedures for medical marihuana facilities to be consistent with the intent of the previous City Council adopted Chapter 16 amendments specific to setbacks from State licensed day care facilities.

Section 2. That Chapter 28 of the Code of Ordinances of the City of Jackson, Michigan, and the same hereby is, amended to read as follows:

ARTICLE V. - DEVELOPMENT APPROVAL PROCEDURES

Sec. 28-140. - Additional development requirements for certain permitted uses.

The following minimum nondiscretionary standards must be met for the permitted uses specified in this section:

- (2) *Medical marihuana facility use setbacks.* Medical marihuana facilities, excluding transport facilities, must comply with the following use setback requirements:
- a. Setback of one thousand (1,000) feet of any public or private elementary, vocational, or secondary school or a public or private college, junior college, or university;
 - b. Setback of one thousand (1,000) feet of a park or playground;
 - c. Setback of one thousand (1,000) feet of a housing facility owned by a public housing authority;
 - d. Setback of one thousand (1,000) feet of a State licensed day care facility as defined by P.A. 116 of 1973, as amended, along with any associated rules as established by the State of Michigan, including any and all accessory uses/facilities.
 - e. Setback of two hundred and fifty (250) feet of a residentially zoned parcel;
 - f. Setback of five hundred (500) feet of a church or other house of worship that has received tax exempt status from the City Assessor;
 - g. Setback of five hundred (500) feet of another medical marihuana business establishment as measured from the closest building line unless co-location has been approved by the City;
 - h. Setback one hundred (100) feet of a public or private youth center, swimming pool, or video arcade facility;
 - i. All distances shall be measured from property line to property line except as noted in subsection (2)f above;

- j. For parcels upon which the use setbacks extend into the property lines, the building setbacks (see Sec. 28-74 and Sec. 28-75) shall be measured from said use setbacks instead of the property line. The remaining portion of the parcel that lies within the required use setback must be returned to its natural state (no structures shall remain). All other Chapter 28 zoning requirements shall apply;

(A graphic will be inserted into the Code to clarify use setback inside property lines.)

- j. All other applicable Chapter 28 regulations shall apply to such uses; and
- l. The outdoor cultivation of medical marihuana must comply with the LARA Rules and applicable State law, as amended.

Section 3. This Ordinance takes effect on the date that a companion licensing ordinance for marihuana goes into effect.

Adopted: The foregoing Ordinance 2019-06 was adopted by the Jackson City Council on February 12, 2019 and a summary was published on February 17, 2019.

Andrea Muray, City Clerk

Derek J. Dobies, Mayor

MEMO TO: Mayor and City Councilmembers
FROM: Andrea Muray, City Clerk
DATE: February 12, 2019
SUBJECT: Second Reading and Adoption of Ordinance No. 503

Recommendation:

Adopt Ordinance No. 503 granting a Payment in Lieu of Taxes Exemption to GenCap Limited Dividend Housing Association LLC.

Attached is Ordinance No. 503. Ordinance No. 503 was considered for approval and moved for 2nd reading by the Council at the January 29, 2018 City Council meeting.

I recommend approval of Ordinance No. 503. Your consideration and concurrence is appreciated.

ORDINANCE NO. 503

AN ORDINANCE TO PROVIDE FOR A SERVICE CHARGE IN LIEU OF TAXES FOR A HOUSING PROJECT FOR LOW INCOME PERSONS AND FAMILIES TO BE FINANCED WITH A federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

WHEREAS, the City of Jackson has received an offer from GenCap Jackson Limited Dividend Housing Association, LLC, a Michigan limited liability company organized under the laws of the State of Michigan and in accordance with Chapter 7 of the State Housing Development Authority Act of 1966, as amended, to acquire and rehabilitate a housing development for persons of low income, which offer is subject to the offeror's receipt of a Mortgage Loan; and

WHEREAS, the offer provides that it may be accepted by the enactment of a tax exemption ordinance providing for the payment of a service charge in lieu of property taxes for the class of housing development.

NOW, THEREFORE, THE CITY OF JACKSON ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "City of Jackson Tax Exemption Ordinance – GenCap Jackson Limited Dividend Housing Association LLC "

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The City of Jackson is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the City of Jackson will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The City of Jackson acknowledges that the Sponsor (as defined below) has offered, subject

to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project on certain property to be located at 200, 204 and 214 South Jackson Street, Jackson, Michigan with the attached legal description in the City of Jackson to serve low income persons and families, and that the Sponsor has offered to pay the City of Jackson on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

As used in this Ordinance:

- A. Act means the State Housing Development Authority Act, Public Act 346 of 1966, as amended. (MCL 125.1401, et seq; MSA 16.114(1), et seq.).
- B. Authority means the Michigan State Housing Development Authority.
- C. Disabled means any person or family whose head, spouse, or sole member is a Person with disabilities as defined in 24 C.F.R. §5.403.
- D. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.
- E. Gross Potential Rents means the total potential assumed market rate rents (as set forth in the schedule of charged rents that is to be provided to the City of Jackson on or before December 31 of each tax year) that could be charged to all sources if all units are occupied.
- F. Sponsor means GenCap Jackson Limited Dividend Housing Association, LLC, and any entity that receives or assumes a Mortgage Loan.
- G. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.
- H. LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan. It is further determined that Sponsor's proposed apartments are of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The City of Jackson acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate and operate the housing project, the City of Jackson agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan or cash payment, the annual service charge shall be six (6%) percent of the gross potential rents charged and six (6%) percent of any consideration of any form given in return for occupancy. There is no reduction for any utilities. There is also no reduction for rents charged but not paid or not paid timely. The Sponsor shall file on or before December 31 of each tax year a schedule of charged rents for each unit of the housing project.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the City of Jackson and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the City of Jackson and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before June 1 of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq.*).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid, and the housing project remains subject to income and rent restrictions under the LIHTC Program, but not more than twenty-two (22) years; provided, that:

- A. Sponsor files with the City Assessor a one-time initial certified notification of exemption, as required by Section 15a(1) of the Act; and

- B. Pursuant to Section 15a(6) of the Act, the annual service charge to be paid in lieu of taxes for that part of the Housing Development which is occupied by other than persons of low income, shall be equal to the full amount of taxes that would be paid on that portion of the Housing Development if the Housing Development were not exempt; and
- C. Acquisition of the Housing Development occurs within one (1) year of the effective date of this Ordinance.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

SECTION 12. Effective Date.

This ordinance shall become effective thirty (30) days from the date of its adoption. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of their conflict.

Adopted: The foregoing Ordinance 503 was adopted by the Jackson City Council on February 12, 2019 and a summary was published on February 17, 2019.

Andrea Muray, City Clerk

Derek J. Dobies, Mayor

Exhibit A

200 South Jackson Street, Jackson, Michigan

Property in the City of Jackson, County of Jackson and State of Michigan legally described as:

Parcel 1:

The North 61.8 feet of Lot 1, Block 2 South, Range 1 West, City of Jackson, according to the Plat of the Village of Jacksonburgh (now City of Jackson) recorded in Liber 10 of Deeds, Page 600, and rerecorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The North 123.75 feet of Lot 2 and the North 123.75 feet of Lot 6, Block 2 South, Range 1 West, Original Plat of the Village of Jacksonburgh, now City of Jackson, including the vacated 16.5 foot alley between the North 123.75 feet of Lot 2 and the North 123.75 feet of Lot 6, being a strip of land 16.5 feet wide measured East and West, and 123.75 feet measured North and South, South of Cortland Street; Also the vacated alley lying between the North 123.75 feet of Lots 6 and 7, being strip of land 16.5 feet wide, measured East and West and 123.75 feet measured North and South, South of Cortland Street. All in Block 2 South, Range 1 West.

Also: The North 123.75 feet of the East 30 feet of Lot 7, Block 2 South, Range 1 West, Original Plat of the Village of Jacksonburgh, according to the recorded plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The East 38 feet of the West 102 feet of Lot 7 Except the South 8.25 feet of Block 2 South, Range 1 West, according to the original plat of the Village of Jacksonburgh (now City of Jackson) according to the recorded plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Tax Parcel Number: 4-0161.1000

204 South Jackson Street, Jackson, Michigan

Property in the City of Jackson, County of Jackson and State of Michigan legally described as:

Parcel 2:

A part of Lot 1, Block 2 South, Range 1 West, City of Jackson, according to the plat of the Village of Jacksonburgh (now City of Jackson) recorded in Liber 4 of Plats, Page 2, Jackson County Records, and more fully described as: Commencing at a point on the West line of Jackson Street 61.8 feet South of the South line of Cortland Street, thence West at right angles to Jackson Street a distance of 66 feet

more or less to the West line of said Lot 1, thence South at right angles and along said West line a distance of 35 feet, thence East at right angles and parallel to the North line of the premises hereby particularly described a distance of 66 feet more or less to the West line of Jackson Street, thence North and along the West line of Jackson Street, 35 feet more or less to the place of beginning.

Tax Parcel Number: 6-015900000

214 South Jackson Street, Jackson, Michigan

Property in the City of Jackson, County of Jackson and State of Michigan legally described as:

Parcel 3:

The South 107 feet of the West ½ of Lot 5, Block 2 South, Range 1 West, of the City of Jackson, Michigan, Original Plat Village of Jacksonburgh, according to the recorded Plat thereof, as recorded in Liber 4 of Plats, Page 2 of Jackson County Records.

Also: The East ½ of the South 107 feet of Lot 5, Block 2 South, Range 1 West, in the City of Jackson, Michigan, except the West 27 feet in width thereof, according to the recorded Plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The West 27 feet of the East ½ of Lot 5 in Block 2 South, Range 1 West, except the North 25 feet thereof, Original Plat of the City of Jackson, according to the recorded Plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The North 25 feet of Lot 5 and South 8.25 feet of Lot 6, Block 2 South, Range 1 West, Original Plat of the Village of Jacksonburgh, now the City of Jackson, also the West ½ of the vacated alley lying East of the South 8.25 feet of Lot 6, and East of the North 25 feet of Lot 5 being a strip of land 8.25 feet wide measured East and West and 33.25 feet long, measured North and South, being in the recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: Commencing on the West line of Jackson Street 8 feet 3 inches North of the Southeast corner of Lot 1, Block 2 South, Range 1 West, running thence West parallel with the South line of said Lot 8 rods to the West line of Lot 2, thence South 3 rods thence East 8 rods to Jackson Street, thence North 3 rods to the place of beginning, being a part of the Original Plat of Jacksonburgh, now City of Jackson, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: Lot 4 and the South 1 ½ rods in width of Lot 3 in Block 2 South, Range 1 West, of the Village of Jackson, now City of Jackson, according the recorded Plat thereof as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The South 8.25 feet of the East 38 feet of the West 102 feet of Lot 7 and the East 38 feet of the West 102 feet of Lot 8, Block 2 South, Range 1 West, according to the Original Plat of the Village of Jacksonburgh (now City of Jackson) according to the recorded Plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Also: The South 8.25 feet of the East 30 feet of Lot 7 and the East 30 feet of Lot 8, Block 2 South, Range 1 West, Original Plat of the Village of Jacksonburgh, according to the recorded Plat thereof, as recorded in Liber 4 of Plats, Page 2, Jackson County Records.

Tax Parcel Number: 4-0163.1000