

# PRE-MEETING AGENDA

ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
JANUARY 4, 2010

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The City Commission will meet for a pre-meeting study session on Monday, January 4, 2010 at 5:30 p.m. on the 2<sup>nd</sup> floor Conference Room at the former City Hall, 100 E. Church Street, to discuss the following:

- I. Closed Session to Discuss Real Estate Acquisition
- II. Other Items as Time Permits

# COMMISSION AGENDA

**AGENDA  
ADRIAN CITY COMMISSION  
JANUARY 4, 2010  
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- I I. ROLL CALL
- I I I. APPROVAL OF MINUTES OF THE DECEMBER 21, 2009 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. PRESENTATION OF ACCOUNTS
- V. CONSENT AGENDA
  - A. RESOLUTIONS
    - 1. CR10-001. Resolution certifying the costs and directing the City Assessor to prepare a Special Assessment Roll for SAD #378 – W. Church Street from S. Winter to W. Maumee Streets.
    - 2. CR10-002. Resolution setting a public hearing date to hear and consider comments to the Special Assessment Roll for SAD #378 – W. Church Street from S. Winter to W. Maumee Streets.
    - 3. CR10-003. Resolution setting a public hearing date to hear and consider comments to establishment of a Special Assessment District for improvements on W. Summit St. from S. Winter to S. Main Streets (SAD #379).
    - 4. CR10-004. Resolution setting a public hearing date to hear and consider comments to establishment of a Special Assessment District for improvements on Mulberry Street from Elm to Ormsby Streets (SAD #380).
  - V I. PUBLIC COMMENTS
  - V I I. REGULAR AGENDA
    - A. SPECIAL ORDERS
      - 1. SO-1. Public Hearing to hear and consider comments to approval of an application from Inergy Automotive for an Industrial Facilities Exemption Certificate.
    - B. RESOLUTIONS

1. R10-001. Resolution to approve an application from Inergy Automotive for an Industrial Facilities Exemption Certificate.
2. R10-002. Resolution to amend previously filed annexation papers on certain properties shown as annexed to the City of Adrian and file documents with the Great Seal of Michigan to reflect that these parcels are located in Adrian Charter Township.
3. R10-003. Resolution to accept ownership and responsibility for the maintenance of four streetlights located in Sawmill Point.
4. R10-004. Resolution to approve a Uniform Video Service Local Franchise Agreement with Comcast and authorizing the City Administrator to execute the Franchise on behalf of the City of Adrian.
5. R10-005. Resolution to authorize the transfer of funds to meet local commitment for the Downtown Government Complex bond financing.

V I I I. PUBLIC COMMENTS

I X. COMMISSION COMMENTS

# MINUTES

**MINUTES  
ADRIAN CITY COMMISSION  
DECEMBER 21, 2009  
7:00 P.M.**

Official proceedings of the December 21, 2009 regular meeting of the City Commission, Adrian, Michigan.

The regular meeting was opened with a moment of silence and the Pledge of Allegiance to the Flag.

PRESENT: Mayor McDowell, Commissioners Osborne, Miller, Clegg, DuMars, Carrico and Warren

Mayor McDowell in the Chair.

Commissioner DuMars moved to approve the minutes of the December 7, 2009 regular meeting of the Adrian City Commission, seconded by Commissioner Osborne, motion carried by a unanimous vote.

**PRESENTATION OF ACCOUNTS**

Utility Department Receiving Fund Voucher #3164 through #3174	\$ 180,123.54
General Fund Vouchers #19591 through #19614	\$ 291,783.54
Clearing Account Vouchers amounting to	<u>\$ 743,543.85</u>
TOTAL EXPENDITURES	<u>\$1,215,450.93</u>

On motion by Commissioner Osborne, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

**COMMUNICATION**

1. Report from Finance Director regarding Debt Capacity Analysis

Bruce Caswell, who is running for State Senate (R) in District 16, introduced himself to the Commission.

**CONSENT AGENDA**

**RESOLUTION CR09-063**

**RE: POLICE DEPT. – Temporary Traffic Control Order Made Permanent**

WHEREAS, the City Administrator has approved certain temporary control orders, and after review has now made recommendation that they be made permanent, therefore, so be it

RESOLVED, that the permanent traffic control orders adopted October 6, 1958 be amended to include or change the following:

TCO 09-11 – Post “No Parking Here to Corner” signs approximately 40 feet south of Argyle Drive on the west side of Charles Street

#### **RESOLUTION CR09-064**

**RE: INERGY AUTOMOTIVE SYSTEMS, LLC. - ACT 198 INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE APPLICATION ESTABLISHMENT OF PUBLIC HEARING**

WHEREAS, the State of Michigan has adopted the Plant Rehabilitation and Industrial Facilities Development Districts Act, Public Act 198 of 1974, as amended (Act 198); and

WHEREAS, Act 198 provides for creation of Industrial Development and Rehabilitation Districts and for review and approval of exemption request certificates; and

WHEREAS, the City of Adrian has received an Industrial Facilities Exemption Certificate request from Inergy Automotive Systems, LLC for an investment of personal property within Adrian Industrial Development District #33; and

WHEREAS, Act 198 requires notification of the City Assessor and the legislative body of each taxing unit which levies ad valorem taxes on property within said Adrian Industrial Development District #33, and provision of an opportunity to be heard on this matter prior to consideration of action of the Industrial Facilities Exemption Certificate request.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission hereby acknowledges receipt of said Industrial Facilities Exemption Certificate from Inergy Automotive Systems, LLC, authorizes the scheduling of a public hearing for Monday, January 04, 2010 at 7:00 p.m. in the Adrian City Hall to receive comments on this matter, and directs the City Clerk to provide notice to the appropriate taxing units and the public as required by Act 198.

On motion by Commissioner DuMars, seconded by Commissioner Osborne, Consent Resolutions CR09-063 through CR09-064 were adopted by a unanimous vote.

#### **PUBLIC COMMENTS**

1. Margaret Noe, owner of 224 N. Winter and 147 N. Main St., wanted to be certain that the parking spots owned by the property owners would be taken into consideration when the downtown parking assessments were done.
2. Ken Solmonson, owner of 120-124 S. Winter St., wanted to be sure that if the special assessment districts were adopted, that there would be a long term/short term plan for maintenance and reconstruction of the downtown parking lots .

## **REGULAR AGENDA**

### **SPECIAL ORDER**

1. SO-1. Public Hearing to hear and consider comments to approval of a Special Assessment District to cover a portion of the expenses incurred for the maintenance and enforcement of the downtown parking lots.

### **RESOLUTIONS**

#### **RESOLUTION R09-201**

#### **RE: FINANCE DEPARTMENT – Downtown Parking Special Assessment**

WHEREAS, the City Administrator has recommended that downtown parking be partially maintained on a special assessment basis, has prepared and filed plans and specifications for the proposal, and has prepared and filed a report and recommendations relating thereto pursuant to the provisions of Article I, Section 70-6 of the Adrian City Code of Ordinances; and

WHEREAS, the Adrian City Commission, on December 7, 2009, adopted Resolution #CR09-058, Downtown Special Assessment – Notice of Intent, detailing the proposed Financial Plan and Proposed Special Assessment in the amount of \$30,000, establishing a Public Hearing in the City Commission Chambers at the former Adrian City Hall (100 E. Church Street) at 7:00 p.m. on Monday, December 21, 2009, and instructing the City Clerk to mail appropriate Notices of Intent to affected parties.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution:

1. Deems it necessary and declares its intention to maintain the downtown parking system;
2. Estimates the annual cost thereof to be \$114,100, to be defrayed by revenue from long-term parking meters, parking permits, parking enforcement, contributions from the Downtown Development Authority and City General Fund, as well as a Special Assessment to downtown property owners in the amount of \$30,000;
3. Specifies that the Special Assessment District within the Downtown Development District shall include the following land and premises located within the following boundaries:

North of Church Street  
West of Broad Street  
South of Front Street  
West Side of Winter Street  
East of College Avenue

4. Authorizes the Special Assessment to partially defray the cost of the proposal shall be levied on the lands and premises within the proposed Special Assessment District according to zoning;
5. Directs that the report of the City Administrator be filed with the City Clerk forthwith for public examination.

On motion by Commissioner Miller, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R09-202**

**RE: PARKS & RECREATION – PIOTTER CENTER – Approval of 2010-2012 Lease Agreement with Boys & Girls Club of Lenawee for Use of Piotter Center**

WHEREAS, the City of Adrian has had a long standing relationship with the Boys & Girls Club of Lenawee, providing facilities for after-school activities for young people throughout the community; and

WHEREAS, the Parks & Recreation Director recommends a continuation of this relationship by approving of the attached lease agreement that would renew the lease agreement for use of the following facilities at Piotter Center, located at 327 Erie St., Adrian, Michigan, for the period January 1, 2010 through December 31, 2012:

- A. One (1) room, # 9, approximately 30 feet by 30 feet which may be divided as per LESSEE's specification without structural changes for staff offices.
- B. Four rooms, # 5/6 and # 7/8, approximately 30 feet by 30 feet each, to be used as classrooms and/or activity rooms. Room # 5/6 may also be used, on occasion, by the City of Adrian. This should be coordinated/scheduled with the Boys & Girls Club Director. The Boys & Girls Club will have primary use and scheduling authority.
- C. Classroom # 4 will be a shared use between the City of Adrian, The Senior Center, and the Boys & Girls Club. The Senior Center will have primary use on Monday through Friday until 3:00 p.m., the Boys and Girls Club will have primary use on Monday through Friday from 3:00 p.m. until 8:00 p.m. and the City of Adrian will have primary use at all other times. The City reserves the right to schedule Classroom # 4 at earlier times on Monday through Friday, for which times the Program Director of the Boys and Girls Club will be notified. All other schedule alterations should be coordinated between the Senior Center Director and/or the Building Supervisor, the Recreation Facility Manager, and the Program Director.
- D. Other space as needed, if available. This should be coordinated/scheduled with the Senior Center Director and/or the Building Supervisor.

E. Scheduled use of the gymnasium to be approved by the Recreation Facility Manager and/or the Senior Center Director.

F. Unrestricted access to male and female restrooms; and

WHEREAS the rental rates, which include lessor provision of heat, electricity and water, are as follows:

	<u>Monthly</u>	<u>Annual</u>
Jan.1 thru Dec. 31, 2010	\$1,300.00	\$15,600.00
Jan.1 thru Dec. 31, 2011	\$1,350.00	\$16,200.00
Jan.1 thru Dec. 31, 2012	\$1,400.00	\$16,800.00

WHEREAS, the Boys & Girls Club Board of Directors has already reviewed and approved the proposed lease agreement; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of this resolution, authorizing the Mayor, City Clerk, and Parks & Recreation Director to sign the proposed lease agreement between the City of Adrian and the Boys & Girls Club of Lenawee for use of facilities at the Plotter Center for the period January 1, 2010 through December 31, 2012.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the lease agreement between the City of Adrian and the Boys & Girls Club of Lenawee for use of facilities at the Plotter Center for the period January 1, 2010 through December 31, 2012 and authorizes the Mayor, City Clerk, and Parks & Recreation Director to sign the said lease agreement.

On motion by Commissioner DuMars, seconded by Commissioner Osborne, this resolution was adopted by a unanimous vote.

### **RESOLUTION R09-203**

#### **RE: POLICE DEPARTMENT – Acquisition of Forensic Computer and Security Equipment for the new Police Facility**

WHEREAS, the Adrian City Commission, by Resolution #R09-195 dated December 7, 2009, accepted the Justice Assistance (Byrne) Grant Award (209-SB-B9-0449) in the amount of \$80,219 (\$59,745 for City of Adrian Forensic Computer and Security Equipment for the new Police Facility and \$20,474 for the Lenawee County Police Training Program) for the period March 1, 2009 through February 28, 2013; and

WHEREAS, the Police Chief has contacted State Electronics Security from Lansing, Michigan for the security and interview camera and recording equipment at the new station. The system will include:

- 7 cameras (outside and lobby) with mounts
- 3 cameras with microphones (interview rooms)
- 1 500 GB Ionit Proplus digital video recorder (2 months storage)
- 1 monitor
- Various wiring and hardware for installation
- Labor

- Total price, including installation, is \$13,186.51; and

WHEREAS, the Finance Director indicates that, as a result of the grant acceptance, there are sufficient funds for this purpose in account 101-301.00-977.000; and

WHEREAS, the Police Chief and City Administrator recommend approval of this resolution authorizing the purchase and installation of the security and interview camera and recording equipment at the new station in an amount not to exceed \$13,186.51 from State Electronics Security from Lansing, Michigan, and that the competitive bid process be waived.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes the purchase and installation of the security and interview camera and recording equipment at the new station in an amount not to exceed \$13,186.51 from State Electronics Security, Lansing, Michigan.

BE IT, FURTHER, RESOLVED that the bid process be waived, in accordance with the City's Purchasing Policy as specified in Chapter 12 of the City Charter and Chapter 9 of the Codified City Ordinances.

On motion by Commissioner Osborne, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

**RESOLUTION R09-204**

**RE: DEPARTMENT OF FINANCE – Authorization to Engage Plante & Moran, LLC to Perform Income Tax Implementation and Property Tax Reduction Feasibility Study**

WHEREAS, on August 4, 2009, the City of Adrian Purchasing Office issued a Request for Proposal (RFP) to eight (8) vendors to prepare an Income Tax Implementation and Property Tax Reduction Feasibility Study; and

WHEREAS, following a pre-proposal conference on August 25, 2009, the following three (3) vendors submitted sealed-bid proposals on October 1, 2009:

<u>Vendor</u>	<u>Location</u>	<u>Amount</u>
Page, Olson & Co., P.C., CPA's	Mt. Pleasant, MI	\$40,000
Plante & Moran, PLLC	Southfield, MI	\$35,000
Rehmann Robson, CPA's	Farmington Hills, MI	\$20,600

WHEREAS, as specified in the RFP, the proposals were evaluated based on the following criteria:

<u>Category</u>	<u>Maximum Points</u>
Expertise and Experience	45
Project Approach	30
Professional Fees	<u>25</u>
TOTAL	<u>100</u>

WHEREAS, the Administrative Evaluation Committee was composed of the following administrative officers:

Jeffrey C. Pardee, Finance Director  
Cindy L. Prue, Assistant Finance Director/Purchasing Officer  
Mark Gasche, Parks & Recreation Director; and

WHEREAS, the Evaluation Committee concluded that the strengths of Plante & Moran, PLLC did not compensate for the significant differential in professional fees and, therefore, preliminarily recommended Rehmann Robson as the preferred vendor; and

WHEREAS, however, shortly after notifying the respective finalists of the preliminary recommendation, the City was apprised that Rehmann Robson had spun-off its consulting business and will provide only audit services in the future; and

WHEREAS, as a result, subsequent negotiations with the next lowest bidder, Plante & Moran, were successful in lowering the bid price from \$35,000 to \$20,500; and

WHEREAS, based on the foregoing circumstances, the Finance Director and City Administrator recommend that the lowest qualified bidder, Plante & Moran, LLC, Southfield, MI, be engaged in the City's Standard Professional Services Contract to perform an Income Tax Implementation and Property Tax Reduction Feasibility Study at a cost not to exceed \$20,500 and that appropriate budget amendments be approved.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes the selection of the lowest qualified bidder, Plante & Moran, LLC, Southfield,, MI, and engagement in the City's Standard Professional Services Contract to perform an Income Tax Implementation and Property Tax Reduction Feasibility Study at a cost not to exceed \$20,500.

BE IT, FURTHER, RESOLVED that the sum of \$20,600 be appropriated from General Fund – Contingency Account (101-990.00-990.000) and that the FY2009-10 Budget be amended as follows:

<b><u>Expenditures</u></b>	<b><u>Amount</u></b>
(101-201.00-812.000) Finance Department – Consultant Fees	\$20,500
(101-990.00-990.000) General Fund – Contingency Account	<u>(20,500)</u>
Total	<u>\$ -0-</u>

On motion by Commissioner DuMars, seconded by Commissioner Miller, this resolution was adopted by a 5-2-0 vote.

YEAS: Mayor McDowell, Commissioners Osborne, Miller, Clegg and DuMars  
NAYS: Commissioners Warren and Carrico  
ABSTAINED: None

Prior to voting on the above resolution (R09-204), Commissioner DuMars questioned why Plante Moran had dropped their quote by \$15,000. Both Administrator Nelson and Jeff Pardee explained the circumstances that led to this and also that Rehmann Robson would no longer be offering this service. Commissioner Carrico questioned whether the City wanted to spend the \$20,500 for

the study, since the 3 cities listed in Plante Moran's proposal that had the study done chose not to pursue the income tax.

#### **RESOLUTION R09-205**

**RE: CITY OF ADRIAN ASSESSING OFFICE – Policy for Granting Poverty Exemption**

WHEREAS, Section 211.7u of the General Property Tax Act of 1893 (as amended) provides for the granting of hardship exemptions, in whole or in part, on the principal residence of persons who in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges; and

WHEREAS, in accordance with the Act, the Adrian City Commission shall determine and make available to the public the policy and guidelines the Assessing Office uses for granting of exemptions under this Act; and

WHEREAS, the guidelines shall include, but not be limited to, the specific income and asset levels of the claimant and total household income and assets; and

WHEREAS, the Board of Review shall follow the policy and guidelines as established by the City Commission for granting or denying an exemption under this policy, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant; and

WHEREAS, the City Assessor and Finance Director have prepared a proposed Policy for Granting Poverty Exemption, in accordance with the provisions of Section 211.7u of the General Property Tax Act of 1893 (as amended); and

WHEREAS, the City Administrator recommends adoption of the proposed Policy for Granting Poverty Exemption.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby adopts the attached Policy for Granting Poverty Exemption and delegates the administration of such to the City of Adrian Board of Review.

On motion by Commissioner DuMars, seconded by Commissioner Miller, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R09-206**

**RE: ADMINISTRATION – Comcast Cable-Public Access Channels 20 & 23**

WHEREAS, the City of Adrian has operated Public Access Channels 20 and 23 after having received funding from the holder of the cable television franchise for equipment necessary to operate said system; and

WHEREAS, Comcast, Inc. is the current franchise holder and has agreed to only pay \$500.00 per quarter to support these channels, which is insufficient to cover the cost of equipment and needed programming; and

WHEREAS, an increased investment would be necessary to move the equipment from old City Hall to new City Hall and to provide adequate equipment and programming needs.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City Administrator is hereby directed to discontinue the operation and programming for Channels 20 and 23 on the Comcast cable television system.

On motion by Commissioner Miller, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

#### **MISCELLANEOUS**

1. Parks & Recreation Quarterly Report
2. Departmental Report
3. Fire Department Report
4. D.A.R.T. Passenger Ridership Report
5. Bohn Pool 10-Year Summary Comparison
6. Skate & Bike Park 5-Year Attendance & Revenue/Expense Comparison

#### **PUBLIC COMMENTS**

1. Steve Rosales, owner of the Grasshopper Restaurant, asked about a previous request regarding property on Pearl Street. Administrator Nelson said he would get back with Mr. Rosales within the next day or so.

#### **COMMISSION COMMENTS**

1. Commissioner Warren thanked the workers of the City for the great job they do and apologized for not yet understanding everything about his new position.

The next regular meeting of the Adrian City Commission will be held on Monday, January 4, 2010, at 7:00 p.m. in the Commission Chambers on the 2<sup>nd</sup> floor of the former City Hall, 100 E. Church St., Adrian, MI 49221.

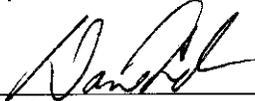
Gary E. McDowell  
Mayor

Pat Baker  
City Clerk

CHECK  
REGISTER

January 4, 2010

I have examined the attached vouchers and recommend approval of them for payment.

  
\_\_\_\_\_  
Dane C. Nelson  
City Administrator

DCN:bjw

RESOLVED, that disbursements be and they are hereby authorized for warrants directed to be drawn on the City Treasurer for the following:

Utility Department Vouchers	
Vouchers #3175 through #3179.....	\$ 85,043.59
General Fund	
Vouchers #19615 through #19637	\$480,218.50
Clearing Account Vouchers	
amounting to .....	<u>\$390,928.29</u>
TOTAL EXPENDITURES .....	<u>\$956,190.38</u>

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was  
\_\_\_\_\_ by a \_\_\_\_\_ vote.

**UTILITY DEPARTMENT VOUCHERS**

January 4, 2010

<b>CHECK #</b>	<b>AMOUNT</b>	<b>PAYER</b>	<b>DESCRIPTION</b>
3175	\$211.86	City of Adrian Utilities	Utility Bills
3176	\$31,925.13	City of Adrian Clearing Acct	Check Register Nov. 21
3177	\$34,702.43	Consumers Energy	Electric Bills
3178	\$50,087.43	City of Adrian Payroll	Payroll for 12/23
3179	\$41.87	Verizon North	Telephone Bills
	\$116,968.72	Total	
	-\$31,925.13	Less Ck 3176	
	<b>\$85,043.59</b>		
Wastewater	\$68,302.60		
Water	\$48,666.12		

**GENERAL FUND  
CHECK REGISTER**

January 4, 2010

CHECK #	AMOUNT	PAYER	DESCRIPT
19615	\$49,131.72	City of Adrian - Utilities	Water Bills
19616	\$73.08	Verizon North	Phone Bill-Rec
19617	\$0.22	City of Adrian - Trust Fund	Accounting adjustment
19618	\$2,075.16	City of Adrian - Utilities	Water Bills
19619	\$40.00	St. Mary's Church	Piotter Rental Refund
19620	\$3,000.00	City of Adrian-Dial-a-Ride	EFT Transfer
19621	\$161.52	City of Adrian - Utilities	Payment Transfer
19622	\$4,000.00	City of Adrian Trust Fund	Funds Transfer
19623	\$28.57	City of Adrian - Utilities	Payment Transfer
19624	\$550,996.52	City of Adrian Clearing Account	Nov. 21 Check Registe
19625	\$4,350.92	Quick Service Trans Inc	Payroll w/e 12/19
19626	\$28,818.48	Consumers Energy	Electric Bills
19627	\$226,033.99	City of Adrian Payroll	Payroll for 12/23
19628	\$14,404.65	First Federal Bank	Soc. Sec deposit 12/23
19629	\$10.00	City of Adrian	Dog Swim Gift Cert
19630	\$216.84	City of Adrian Petty Cash	Replenish Petty Cash
19631	\$24,608.41	Avery Oil	Fuel Purchase
19632	\$118,600.89	Blue Cross Blue Shield	Jan Insurance
19633	\$269.84	Verizon North	Telephone Bills
19634	\$3,994.54	Quick Service Trans Inc	Payroll w/e 12/26
19637	\$399.67	Verizon North	Telephone Bills
	\$1,031,215.02		
	-\$550,996.52	Less ck# 19624	
	<b>\$480,218.50</b>		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. A.M.E. ENTERPRISES	382.00		
2. ACP	420.00		
3. ADRIAN DODGE CHRYSLER PLYMOU	17.95		
4. ADRIAN PAINTERS SUPPLY & EQU	16.84		
5. ADVANCE AUTO PARTS COMMERCIA	7.49		
6. AMERICAN OFFICE SOLUTIONS	56.88		
7. ELIZABETH ARNOLD	99.36		
8. CHRIS ATKIN	89.10		
9. BADER & SONS CO	102.98		
10. BAKER & TAYLOR BOOKS	521.23		
11. BANK OF NEW YORK	200.00		
12. BELL EQUIPMENT CO	624.54		
13. BEST AIRE LLC	1,208.87		
14. BLACK SWAMP EQUIPMENT	70.00		
15. BOOK OF THE MONTH CLUB	44.27		
16. BOOKPAGE	270.00		
17. CDW-G COMPUTER SUPPLIES	4,769.77		
18. CHAMBERS CONTROL COMPANY	297.50		
19. COAST TO COAST DELI	55.74		
20. COMCAST	253.34		
21. COMMSPEC, INC.	480.00		
22. COMPUTER CARE COMPANY, INC.	239.85		
23. CONTINENTAL SERVICE	1,277.85		
24. D & N UPHOLSTERY, INC.	245.00		
25. D&B	734.50		
26. DEXTER'S INC.	47.65		
27. DIGITAL ALLY	260.00		
28. EARLY LITERACY STATION	3,192.00		
29. FEDERAL EXPRESS	55.43		
30. FIRST TOWING LLC	304.00		
31. FISHER SCIENTIFIC COMPANY LL	618.11		
32. FLORIDA MICRO LLC	281.00		
33. FORT MEIGS AUTO ELECTRIC	53.76		
34. FRIENDS COMMUNICATIONS	95.48		
35. GALE	269.51		
36. GALL'S INC	195.31		
37. HERBERT GARDNER	27.25		
38. GAYLORD BROS INC	93.38		
39. GEOGRAPHIC INFORMATION SERVI	1,470.00		
40. GREAT LAKES BOOK DISTRIB	28.90		
41. GREAT OAKS PLUMBING, INC.	5.00		
42. GREY HOUSE PUBLISHING	130.25		
43. HACH COMPANY	605.41		
44. HOBBY LOBBY	51.96		
45. HUBBARDS AUTO CENTER	346.61		
46. HURON LIME INC.	5,938.52		
47. I.T. RIGHT	1,145.00		
48. ICMA RETIREMENT CORPORATION	155.76		
49. INGRAM LIBRARY SERVICES	111.69		
50. INTERNATIONAL ASSOC OF	120.00		
51. J.E. JOHNSON DEVELOPMENT GRO	310,928.00		
52. JACKSON TRUCK SERVICE INC.	50.18		
53. JAMES DELIVERY SERVICE	190.00		
54. KRIEGHOFF-LENAWEE COMPANY	3,005.00		
55. WALTER GREG LANFORD	27.51		
56. LANSING SANITARY SUPPLY INC	399.00		
57. LEARNING WORKS & WONDERS	50.00		
58. LENAWEЕ COUNTY REGISTER OF D	17.00		
59. LENAWEЕ INTERMEDIATE SCHOOL	420.00		
60. BRENDA LEONARD	105.91		
61. LEXIS-NEXIS MATTHEW BENDER	189.52		
62. MANPOWER OF LANSING MI INC.	489.60		
63. MCGOWAN ELECTRIC SUPPLY INC	27.70		
64. MERGENT INC.	4,490.00		
65. METROPOLITAN UNIFORM CO	471.92		
66. MICHIGAN MUNICIPAL TREASURER	50.00		
67. MICHIGAN REC & PARK ASSOC	1,406.00		
68. MICROMARKETING LLC	846.96		
69. MIDWEST TAPE	416.12		
70. MORLEY'S FLOOR COVERING	776.64		
71. MORTON INTERNATIONAL	17,150.79		
72. MUNICIPAL UNEMPLOYMENT COMP	1,262.69		
73. NEXTEL COMMUNICATIONS	988.24		
74. OHIO BELTING & TRANSMISSION	370.87		
75. OMNIGRAPHICS INC.	161.78		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. PET'S SUPPLIES PLUS	52.98		
77. PLATINUM PLUS	3,642.56		
78. QUICK SERVICE TRANSPORTATION	141.19		
79. RECORDED BOOKS LLC.	39.50		
80. RIO SUPPLY MICHIGAN METER, I	4,789.88		
81. ROBERTSON, EATON & OWEN, PC	800.00		
82. S N S CLEANING SERVICE	525.00		
83. S.L.C. METER SERVICE INC	1,612.33		
84. SERVICE ELECTRIC CO OF ADRIA	333.00		
85. SERVICE LAMP CORP.	161.99		
86. SIGN LANGUAGE SIGNS, INC.	45.00		
87. SPECTRUM PROCESS CONTROLS	914.00		
88. SUPER LAUNDROMAT &	151.00		
89. SUTPHEN CORPORATION	58.66		
90. T & L RENTALS	228.00		
91. T-MOBILE	29.99		
92. TRACY TIME SYSTEMS	55.00		
93. TRI STATE SUPPLY LLC	61.74		
94. U S POSTMASTER	1,800.00		
95. WARREN HOLDING CO LLC	1,370.00		
96. WORLD BOOK SCHOOL & LIBRARY	1,738.00		
<b>**TOTAL ALL CLAIMS**</b>	<b>390,928.29</b>		

# CONSENT AGENDA

CR-1

December 22, 2009

**MEMORANDUM**

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Church St. SAD #378



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In conjunction with the Capitol Project Plan and Two-way traffic conversion the following projects was completed per plan. We are now requesting the special hearing to finalize the special assessment rolls. This information will be forthcoming from the finance department.

Due to weather considerations and later than expected completion of this project it is not 100% complete and final payment has not been made to the contractor. However, all items for the special assessment items have been completed and paid. The items remaining all relate to permanent pavement markings.

The total contract amount was \$1,375,431.84 we have paid the entire contract minus a retainage of \$108,702.64 for a few incidentals and pavement markings. The final assessment amounts came to a total of \$34,784.99

I am requesting that at the Jan. 4, 2009 meeting a public hearing be set for this SAD at the Jan. 19, 2010 City Commission meeting.

**RE: ENGINEERING DEPT. – Certifying Costs for SAD #378 – W. Church St. from Maumee to Winter Streets**

**RESOLUTION**

WHEREAS, the City Clerk has certified to the City Administrator the total cost of improvements on W. Church Street from Maumee to Winter Streets, said project known and designated as Special Assessment District #378; and

WHEREAS, the City Administrator has forwarded said report to the City Commission and recommends that it be approved.

NOW, THEREFORE, BE IT RESOLVED:

- 1. That the total cost of said improvements in the amount of One Million Three Hundred Seventy Five Thousand, Four Hundred Thirty One Thousand and Eighty-Four Cents (\$1,375,431.84) is approved. Of this amount, \$108,702.64 will remain unpaid until pavement markings and other incidentals are completed next spring.
- 2. That the City Assessor is directed to apportion the total cost as follows:
  - a. Thirty Four Thousand Seven Hundred Eighty Four Dollars and Ninety Nine Cents (\$34,784.99) shall be spread upon the Special Assessment Roll according to the frontage against the portion of land especially benefitted which lies within the corporate limits of the City of Adrian, which shall be known and designated as Special Assessment Roll #378, and which is described as follows:
 

W. Church Street from S. Winter to W. Maumee
  - b. One Million Three Hundred Forty Thousand Six Hundred Forty Six Dollars and Eighty Five Cents (\$1,340,646.85) shall be the City's portion of said project.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.

CR-2

**CR10-002**

January 4, 2010

**RE: ENGINEERING DEPT. – Set Public Hearing Date for SAD #378 – W. Church Street from W. Maumee to S. Winter Streets**

**RESOLUTION**

WHEREAS, the City Assessor has completed the Special Assessment Roll for improvements on W. Church from W. Maumee to S. Winter Streets, together with a certificate that the Special Assessment Roll conforms to the direction of the City Commission and the provisions of the Adrian City Code.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Special Assessment Roll for SAD #378 for improvements on W. Church St. from W. Maumee to S. Winter Streets be filed forthwith in the office of the City Clerk for public examination.
2. That the City Commission will meet on the 2<sup>nd</sup> floor of the former City Hall, 100 E. Church St., Adrian, MI, at 7:00 p.m. on Tuesday, January 19, 2010, for the purpose of reviewing the said roll and hearing and considering any objections thereto.
3. That the City Clerk is hereby directed to give notice that said Special Assessment Roll is on file for public examination and to give notice of said meeting and hearing set forth above pursuant to the provisions of Title I, Chapter 8, Section 1.213 of the Adrian City Code.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.

SPECIAL ASSESSMENT DISTRICT											
Improvement: W. Church Street			Location: Maumee to Winter			Unit Prices:		\$19.35	\$2.86	\$3.16	\$3.36
Tax ID No.	Owner	Address	Description			Curb & Gutter	4" Sidewalk	6" Sidewalk	Corner Lot Deduction	Drive Approach	
XA0-210-1007-00	DOUBLE, PAMELA J & LARRY L	204 S. Winter	LOT 7 & N 48.5 FT LOT 6 BLK 1 ASSESSORS PLAT NO. 2	Amount	\$2,611.16	\$1,876.95	\$0.00	\$0.00		\$734.20	
				Units		97.00				218.51	
XA0-210-1009-00 thru XA0-210-1015-00	SALVATION ARMY	217 W. Church	LOT 9 BLK 1 ASSESSOR'S PLAT NO 2	Amount	\$8,368.33	\$7,343.33	\$0.00	\$0.00		\$1,013.00	
				Units		379.50				301.49	
XA0-210-1016-00	VALENTINE BROS. DEVELOPMENT LLC	251 W. Church	LOT 16 & E 1/2 LOT 17 & LOT 23 BLK 1 ASSESSOR'S PLAT NO 2	Amount	\$2,254.24	\$1,552.84	\$0.00	\$0.00		\$701.40	
				Units		80.25				208.75	
XA0-210-1017-00	JOHNSTON TRUST, MARK L	405 College	W 1/2 OF LOT 17 BLK 1 ASSESSOR'S PLAT NO	Amount	\$585.34	\$585.34	\$0.00	\$0.00		\$0.00	
				Units		30.25				0.00	
XA0-210-1020-01	ADRIAN RIVERVIEW TERRACE LTD	400 College	LOTS 1, 2, 3, 4, 5, 6, 7 AND 8 BLOCK 2 ASSESSOR'S PLAT NO 3 ALSO LOT 20 AND PART OF LOT 25 BLK 1 ASSESSOR'S PLAT NO 2 DESC AS BEG AT THE MOST W'LY COR OF LOT 20 RUNN TH N 53 DEG 38'0"E 100 FT ALG E'LY LI OF COLLEGE AVETO NE COR LOT 20 TH S 58 DEG 5'44"	Amount	\$3,541.05	\$3,541.05	\$0.00	\$0.00		\$0.00	
				Units		183.00				0.00	
XA0-215-3001-02	VAN OPYNEN, RICHARD M & VICKY	403 W. Maumee	LOTS 1-2 & 3 BLK 3 ASSESSOR'S PLAT NO 3	Amount	\$3,540.49	\$2,721.00	\$0.00	\$0.00		\$819.49	
				Units		140.62				243.90	
XA0-385-0004-00	HAMERMAN, WILLIAM S	148 S. Winter	S 20 FT LOT 4 & ALL LOTS 5-6-7-8-9 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$3,034.83	\$2,181.71	\$0.00	\$0.00		\$852.92	
				Units		112.75				253.84	
XA0-385-0010-00	CITY OF ADRIAN	212 W. Church	LOT 10 & E 1/2 LOT 11 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$725.63	\$725.63	\$0.00	\$0.00		\$0.00	
				Units		37.50				0.00	
XA0-385-0012-00	CITY OF ADRIAN	218 W. Church	W 1/2 LOT 11 & ALL LOT 12 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$725.63	\$725.63	\$0.00	\$0.00		\$0.00	
				Units		37.50				0.00	
XA0-385-0013-00	BSVAK LLC	220 W. Church	LOT 13 & E 1/2 LOT 14 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$1,050.63	\$725.63	\$0.00	\$0.00		\$325.00	
				Units		37.50				96.73	
XA0-385-0015-00	NAGY, ROBERT J	224 W. Church	W 1/2 LOT 14 & ALL LOT 15 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$1,067.33	\$725.63	\$0.00	\$0.00		\$331.70	
				Units		37.50				98.72	
XA0-385-0016-00	NAGY, ROBERT J	228 W. Church	LOTS 16-17 & N 16 FT LOT 18 JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$1,304.04	\$967.50	\$0.00	\$0.00		\$336.54	
				Units		50.00				100.16	
XA0-385-0018-00	APOSTOLIC ASSEMBLY OF	234 W. Church	LOT 18 EX N 16 FT JAMES BERRYS SUB OF COMSTOCK HOMESTEAD	Amount	\$483.76	\$483.75	\$0.00	\$0.00		\$0.00	
				Units		25.00				0.00	

SPECIAL ASSESSMENT DISTRICT											
Improvement: W. Church Street			Location: Maumee to Winter			Unit Prices:		\$19.35	\$2.66	\$3.16	\$3.36
Tax ID No.	Owner	Address	Description			Curb & Gutter	4" Sidewalk	6" Sidewalk	Corner Lot Deduction	Drive Approach	
XA0-850-0228-00	CITY OF ADRIAN-PARKS	CITY OF ADRIAN-PARKS	CITY PARKS	Amount	\$3,483.00	\$3,483.00	\$0.00	\$0.00		\$0.00	
				Units		180.00				0.00	
XA0-850-0228-00	CITY OF ADRIAN-PARKS	CITY OF ADRIAN-PARKS	CITY PARKS	Amount	\$2,031.75	\$2,031.75	\$0.00	\$0.00		\$0.00	
				Units		105.00				0.00	
Total Assessables Total Units				TOTAL	Amount	\$34,784.99					
				Units	1,533.37						

CURB & GUTTER COST / LF OF FRONTAGE AND/OR SIDEWALK = REMOVAL & PLACEMENT

BID PRICE

REM = \$3.86

+ 15.49 = PLACEMENT

\$19.35

DRIVE APPROACH COST / SF = REMOVAL & PLACEMENT

BID PRICE

REMOVAL = \$0.20 / SF

PLACEMENT + 3.16 / SF

\$3.20

CR-31 CR-4  
December 17, 2009

**MEMORANDUM**

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: 2010 Special Assessment Districts



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In conjunction with the Capitol Project Plan for the Fiscal Year 2009-10 the following projects have been scheduled for road reconstruction projects. As it has been the practice for at least the last 30 years, the costs for the concrete curb and drive approaches will be assessed to the property owners with frontages and sideages on the street to be reconstructed.

In staying consistent with this past practice, I am proposing the establishment of Special Assessment Districts (SAD) for the following streets:

<u>STREET</u>	<u>CROSS STREETS</u>	<u>TOTAL COST EST.</u>	<u>ESTIMATED ASSESSMENT</u>
W Summit St.	Winter to Main	\$ 283,853	\$ 58,250
Mulberry St.	Elm to Ormsby	\$ 69,086	\$ 14,691

These numbers are based on: \$19.00/LF Curb Removal & Replacement  
\$ 5.50/SF 6" thick Concrete Costs  
\$ 4.50/SF 4" thick Concrete Costs

Enclosed with this memo are the list of owners who currently own property on both E & W Summit St. and W Church St.

I am requesting that at the Jan. 4, 2009 meeting a public hearing be set for the establishment of these SAD's at the Jan. 19, 2010 City Commission meeting.

751 S. MAIN

XAO-340-0010-00  
SZEMAN, SHARON S  
166 CO RD 3800  
HOUSTON AL 35572

764 CATON AVE.

XAO-340-0088-00  
TOVAR, LUIS  
2332 LINDEN DR  
ADRIAN MI 49221

SUMMIT ST. - 379

XAO-340-0011-00  
✓ GONZALES, ANGELICA T TRUS  
803 S MAIN ST  
ADRIAN MI 49221

509 W. Summit

XAO-340-0087-00  
HUANG, QI HAN  
4361 SEYMORE RD  
JACKSON MI 49201

XAO-340-0086-00

✓ HERNANDEZ, PEDRO  
503 W SUMMIT ST  
ADRIAN MI 49221

XAO-340-0104-00

✓ BREHMER, RICHARD J  
807 CATON AVE  
ADRIAN MI 49221

XAO-340-0102-00

✓ HILL, BETTY J  
424 W SUMMIT ST  
ADRIAN MI 49221

422 W. Summit

XAO-340-0103-00  
FLORES, MERCEDES A  
02798 FAIRLAWN AVE  
ADRIAN MI 49221

410 W. Summit

XAO-340-0181-01  
CHRIST TEMPLE MINISTRIES I  
3665 DEERFIELD RD  
ADRIAN MI 49221

XAO-340-0180-00

✓ HOLTZ, MARTIN R  
752 HOCH AVE  
ADRIAN MI 49221

XAO-340-0178-00

✓ POWERS, DONNA J  
802 HOCH AVE  
ADRIAN MI 49221

409 W. Summit

XAO-340-0179-00  
WATTERS, GEORGE & BONNIE  
3201 KNIGHT HWY  
ADRIAN MI 49221

XAO-340-0191-00

✓ FRIEMOTH, PHYLLIS  
807 HOCH AVE  
ADRIAN MI 49221

804 Howell Ave

XAO-340-0263-00  
JENKINS, MARK  
2260 FAIRFIELD RD  
SAND CREEK MI 49279

XAO-340-0190-00

✓ TURNER, DAVID & KELLY  
326 SUMMIT ST  
ADRIAN MI 49221

XAO-340-0265-00

✓ COLE LIV TRUST, GENE E  
312 W SUMMIT ST  
ADRIAN MI 49221

XAO-340-0267-00

✓ GUERRA, STEPHEN J  
310 SUMMIT ST  
ADRIAN MI 49221

XAO-340-0272-00

✓ RIVERA, JUAN & RIVERA, GARI <sup>Lea</sup>  
751 HOWELL AVE  
ADRIAN MI 49221

XAO-340-0350-01

✓ DISBRO TRUST, NANCY R  
00738 S WINTER ST  
ADRIAN MI 49221

750. S. WINTER ST.

XAO-340-0349-00  
ALDRICH, DAVID R  
400 COLLEGE AVE APT 507  
ADRIAN MI 49221

XAO-340-0348-00

✓ HOWARD, MARVIN W  
804 S WINTER ST  
ADRIAN MI 49221

XAO-340-0276-01

✓ INGERLY, MICHAEL J & CAND  
811 HOWELL AVE  
ADRIAN MI 49221

**RE: ENGINEERING DEPT. – Establish Special Assessment District for Improvements on W. Summit from Winter to Main Streets (SAD #379)**

**RESOLUTION**

WHEREAS, the City Administrator has recommended that W. Summit St., from Winter to Main Streets, be improved by the construction of curb and gutter, driveway approaches, road base, asphalt surfaces and other appurtenances on a special assessment basis, has prepared and filed plans and specifications for the proposed construction, and has prepared and filed a report and recommendation relating thereto pursuant to the provisions of Section 1.205 of the Adrian City Code.

NOW, THEREFORE, BE IT RESOLVED:

1. That the City Commission deems and declares its intention to improve W. Summit Street from Winter to Main Streets.
2. That the estimated cost thereof is \$283,853.
3. That \$58,250 of the said estimated cost shall be defrayed by special assessment and \$225,603 shall be paid by local street funds.
4. That the proposed special assessment district shall include the following land and premises:

Special Assessment Properties

W. Summit Street from Winter to Main Streets

5. That special assessments to defray the cost of the proposed improvements shall be levied on the lands and premises within the proposed special assessment district according to frontage.
6. That the report of the City Administrator be filed with the City Clerk forthwith for public examination.
7. That the City Commission will meet on the 2<sup>nd</sup> floor of the former City Hall, 100 E. Church St., Adrian, MI, at 7:00 p.m. on Tuesday, January 19, 2010 for the purpose of hearing and considering comments to the proposed improvements or to the inclusion of any property within the proposed special assessment district.
8. That the City Clerk will mail notice of the intention to make the said improvements to all interested parties pursuant to the provisions of Section 1.260 of the Adrian City Code.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.

OR-4

**CR10-004**

January 4, 2010

**RE: ENGINEERING DEPT. – Establish Special Assessment District for Improvements on Mulberry Street from Elm to Ormsby (SAD #380)**

**RESOLUTION**

WHEREAS, the City Administrator has recommended that Mulberry St., from Elm to Ormsby Streets, be improved by the construction of curb and gutter, driveway approaches, road base, asphalt surfaces and other appurtenances on a special assessment basis, has prepared and filed plans and specifications for the proposed construction, and has prepared and filed a report and recommendation relating thereto pursuant to the provisions of Section 1.205 of the Adrian City Code.

NOW, THEREFORE, BE IT RESOLVED:

1. That the City Commission deems and declares its intention to improve Mulberry Street from Elm to Ormsby Streets.
2. That the estimated cost thereof is \$69,086.
3. That \$14,691 of the said estimated cost shall be defrayed by special assessment and \$54,395 shall be paid by local street funds.
4. That the proposed special assessment district shall include the following land and premises:

Special Assessment Properties

Mulberry Street from Elm to Ormsby Streets

5. That special assessments to defray the cost of the proposed improvements shall be levied on the lands and premises within the proposed special assessment district according to frontage.
6. That the report of the City Administrator be filed with the City Clerk forthwith for public examination.
7. That the City Commission will meet on the 2<sup>nd</sup> floor of the former City Hall, 100 E. Church St., Adrian, MI, at 7:00 p.m. on Tuesday, January 19, 2010 for the purpose of hearing and considering comments to the proposed improvements or to the inclusion of any property within the proposed special assessment district.
8. That the City Clerk will mail notice of the intention to make the said improvements to all interested parties pursuant to the provisions of Section 1.260 of the Adrian City Code.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.

Mulberry St. 380

(007 Mulberry)

XA0-520-0012-01  
✓ LUCAS, JOHN L & JANE L  
707 MULBERRY ST  
ADRIAN MI 49221

XA0-520-0013-01  
✓ NILES, GENEVA M  
00916 ORMSBY ST  
ADRIAN MI 49221

XA0-520-0014-00  
✓ WEST, PAULA  
901 ELM ST  
ADRIAN MI 49221

XA0-370-0004-00  
✓ RITCHIE, TIMOTHY W, NEXTR.  
843 ELM ST  
ADRIAN MI 49221

XA0-370-0003-00  
✓ TREVINO, DOMINGO & MARIA  
00714 MULBERRY ST  
ADRIAN MI 49221

XA0-370-0002-00  
✓ SMITH, BOBBI JO & RESTIS, BEW  
836 ORMSBY ST  
ADRIAN MI 49221

REGULAR  
AGENDA

SO-1 R-1

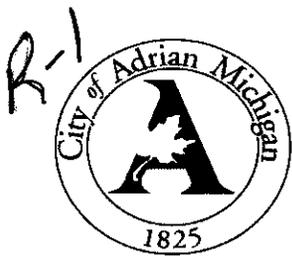
January 4, 2010

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to approval of an application from Inergy Automotive for an Industrial Facilities Exemption Certificate.

Discussion

When the Mayor called for final objections \_\_\_\_\_  
\_\_\_\_\_ and he declared the hearing closed.



## MEMO

135 E. Maumee St. Adrian, Michigan 49221

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**DATE:** December 28, 2009

**TO:** Hon. Gary McDowell, Mayor  
City Commission  
Dane Nelson, City Administrator

**FROM:** Chris Atkin  
Director of Community Development

**SUBJECT:** IFT Exemption Certificate for Inergy Automotive Systems, LLC.

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Inergy Automotive Systems, LLC submitted an application for an Industrial Facilities Tax Exemption (IFT) on December 09, 2009 requesting approval of a twelve (12) year tax abatement for new equipment purchases totaling \$6,259,201.00.

Inergy, a tier one automotive supplier, has been awarded a contract by the Ford Motor Company to produce automotive components for the 2010 Ford Edge product line and the 2011 Ford Focus product line. This contract will assist in the retention of 150 employees and create twenty-four (24) new positions over the next two years.

Inergy currently has two (2) active IFT's that will expire on December 30, 2017 and December 30, 2020, respectively. Combined, the Adrian Inergy facility has invested approximately \$21,439,147.00 in personal property since 2007 and continues to produce in a struggling automotive economy.

After careful review and consideration of Inergy Automotive Systems, LLC longevity and commitment to and with the City of Adrian, it is my recommendation to the City of Adrian Commission that the above IFT Exemption application be approved for a total of twelve (12) years, subject to execution of a City-Applicant IFT Letter of Understanding.

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Chris Atkin  
Community Development Director



## MEMO

135 E. Maumee St. Adrian, Michigan 49221

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**DATE:** December 28, 2009

**TO:** Hon. Gary McDowell, Mayor  
City Commission  
Dane Nelson, City Administrator

**FROM:** Chris Atkin  
Director of Community Development

**SUBJECT:** IFT Reporting

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Per your request, a review of the active IFT's in the City of Adrian is being conducted to ensure that all requirements stated in the Letter of Agreement are being followed. To date there are twenty-four (24), listed below, IFT's that have been granted, not including the most recent to Inteva Products, LLC and Dairy Farmer of America. To staffs knowledge there has not been any reports submitted by the companies listed. Community Development and Assessing are currently in the process of developing a system to notify those awarded an IFT to adhere to the agreements signed by the company and the city.

I have made personal contact with Debra Simpkins, the Plant Controller for Inergy, to submit the information outlined in section 3 of the Letter of Understanding:

**B. Reporting:**

(1) No later than the 1<sup>st</sup> day of February immediately following the second year after the issuance date of the IFT, the taxpayer shall submit a letter to the City of Adrian stating:

- i. The number of new jobs promised in the IFT application within a two year period and the actual number of new jobs created.
- ii. If the IFT was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees.
- iii. If projection for creation or retention of jobs was not reached, give detailed explanation.
- iv. The estimated project cost given in the application and the actual project cost.
- v. If actual project costs differ substantially from project cost, give explanation.

(2) The taxpayer further agrees to submit a report regarding status of employment every two years, beginning two years after submission of the letter required in item I.B(1), on or before

December 31<sup>st</sup>. If employment has not remained or exceeded the number given in the application, a detailed explanation for this shall be included. This report shall be submitted beginning with the fourth year after the issuance date of the IFT.

The taxpayer understands that if employment has not been retained or reached as stated in the application or the construction and/or expansion project has not been completed or expenditures made, as described in the application, the City has the right to, review the status reports and may petition by resolution, the State Tax Commission, for revocation of the IFT.

(3) The taxpayer agrees to remain within the City of Adrian for the period of the IFT in order to retain the benefits of the IFT unless permission for relocation is granted by the City of Adrian. The taxpayer further understands that if it chooses to leave the City of Adrian without permission for relocation prior to the end of the term of the IFT, the City of Adrian has the right to recapture from the taxpayer, up to and including the total amount of the taxes abated by the IFT. The City of Adrian shall issue a denial of the City's consent for granting of an IFT in a governmental unit to which the taxpayer has relocated or transferred employment to, from the City of Adrian. The taxpayer may present to the City of Adrian Commission compelling circumstances, which would allow the City Commission, in its sole discretion, to approve such transfer.

990-0071-16	DAIRY FARMERS OF AMERICA
990-0075-16	ANDERSON DEVELOPMENT
990-0313-19	ANDERSON DEVELOPMENT CO
990-0452-10	ANDERSON DEVELOPMENT CO
990-0455-12	VENCHURS PACKAGING INC
990-0551-09	WYATT REAL ESTATE
990-0578-17	ADRIAN PRECISION MACHINING
990-0616-10	CUSTOM MACHINES INC
996-0024-20	INERGY AUTOMOTIVE INC
996-0071-16	DAIRY FARMERS OF AMERICA
996-0075-16	ANDERSON DEVELOPMENT
996-0080-18	INTEVA PRODUCTS, LLC
996-0313-19	ANDERSON DEVELOPMENT CO
996-0315-17	INERGY AUTOMOTIVE INC
996-0452-10	ANDERSON DEVELOPMENT CO
996-0455-12	VENCHURS PACKAGING INC
996-0495-11	ADRIAN FABRICATORS INC
996-0496-15	SPREEMAN ENTERPRISES
996-0508-09	ANDERSON DEVELOPMENT CO
996-0509-09	BIOLAB INC
996-0518-13	INTEVA PRODUCTS, LLC
996-0579-17	SPREEMAN ENTERPRISES
996-0598-18	SPREEMAN ENTERPRISES
996-0616-10	CUSTOM MACHINES INC



Chris Atkin  
Community Development Director



135 E. Maumee St. Adrian, Michigan 49221

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## Application for Industrial Facilities District / Certificate

Date: **December 9, 2009**

Industrial Development: **X**  
Plant Rehabilitation: \_\_\_\_\_

Legal Name of Applicant: **Inergy Automotive Systems, LLC.**

Contact Person (title): **Debbie Simpkins, Plant Controller**

Telephone: **517.265.1431** Fax: **517.256.1145**

Complete Address: **1549 W. Beecher Adrian, MI 49221**

Project Address: **1549 W. Beecher Adrian, MI 49221**

1. Name and nature of applicants business: **Automotive Fuel System Manufacturer**
2. Subsidiaries of parent company and nature of business, if applicable: **Not applicable**
3. Localities (taxing jurisdictions) of current or previous operations ( include subsidiaries and corporate office locations): **Adrian, MI**
4. Type of product(s) to be manufactured under the certificate: **Automotive Fuel Systems**
5. Type and cost of new construction or rehabilitation: **N/A**
6. When will work begin: (month/year) **N/A**
7. When will construction be completed and/or new facility be occupied: (month/year) **N/A**
8. Type and cost of equipment to be purchased: **See Attached List**
9. When will first piece of equipment be ordered? (month/year) **August 2009**

10. Current numbers of employees: **150**
11. Current wage range of present employees: **\$15-\$25 per hour**
12. How many jobs are expected to be created within 2 years of project completion? **24**
13. Projected wage range of new jobs: **\$12 per hour**
14. What types of jobs are expected to be created? **Manufacturing team member**
15. Legal description of the real property involved: **attached**
16. Permanent parcel number: **XA0-901-2800-00**
17. Name and address of all property owners within the proposed district: **Sole Property Owner**
18. Current zoning of site: **Industrial**
19. Is there any zoning or code issues/violations outstanding? **No**
20. Current SEV: Real Property \_\_\_\_\_ Personal Property: **\$10,926,000**

Please attach additional sheets as necessary.

Questions or assistance concerning the Industrial Facilities Tax Exemption Policy or Procedures may be directed to the Community Development Department, City Hall, 135 E. Church Street, Adrian, MI 49221, 517-264-4857.

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

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

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

## APPLICANT INFORMATION

All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Inergy Automotive Systems, LLC</b>	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3714</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>1549 W. Beecher Adrian, MI 49221</b>	▶ 1d. City/Township/Village (indicate which) <b>City of Adrian</b>	▶ 1e. County <b>Lenawee</b>
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))	▶ 3a. School District where facility is located <b>Adrian</b>	▶ 3b. School Code <b>46010</b>
▶ 4. Amount of years requested for exemption (1-12 Years) <b>12 Years</b>		

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

### Personal Property -

New equipment for production of 2010 & 2011 Ford Edge and Ford Focus automotive parts

6a. Cost of land and building improvements (excluding cost of land)..... * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ <u>\$0.00</u> Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures ..... * Attach itemized listing with month, day and year of beginning of installation plus total costs	▶ <u>\$6,259,201.00</u> Personal Property Costs
6c. Total Project Costs ..... * Round Costs to Nearest Dollar	▶ <u>\$6,259,201.00</u> Total of Real & Personal Costs

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

	Begin Date (M/D/Y)	End Date (M/D/Y)		
Real Property Improvements ▶	_____	_____	▶	<input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	8/31/09	4/30/10	▶	<input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

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

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. **150**      ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. **24**

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

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

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

▶ 12b. Date district was established by local government unit (contact local unit) **6/5/95**      ▶ 12c. Is this application for a speculative building (Sec. 3(8))?  
 Yes     No

**APPLICANT CERTIFICATION - complete all boxes.**

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

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

13a. Preparer Name <b>Debbie Simpkins</b>	13b. Telephone Number <b>(517) 265-1430</b>	13c. Fax Number <b>(517) 265-1145</b>	13d. E-mail Address <b>debra.simpkins@inergyautom</b>
14a. Name of Contact Person <b>Debbie Simpkins</b>	14b. Telephone Number <b>(517) 265-1430</b>	14c. Fax Number <b>(517) 265-1145</b>	14d. E-mail Address <b>debra.simpkins@inergyautom</b>
▶ 15a. Name of Company Officer (No Authorized Agents) <b>Larry Town</b>			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>1549 W. Beecher Adrian, MI 49221</b>		15f. Telephone Number <b>(517) 265-1448</b>	15g. E-mail Address <b>larry.town@inergyautomotive.c</b>

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

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

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Years (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code <b>46201</b>	16d. School Code <b>46010</b>
17. Name of Local Government Body <b>City of Adrian, MI</b>	▶ 18. Date of Resolution Approving/Denying this Application

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

19a. Signature of Clerk	19b. Name of Clerk <b>Pat Baker</b>	19c. E-mail Address <b>pbaker@ci.adrian.mi.us</b>
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) <b>135 E. Maumee St, Adrian, MI 49221</b>		
19e. Telephone Number <b>(517) 264-4866</b>	19f. Fax Number <b>(517) 264-8016</b>	

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

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

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

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

<b>STC USE ONLY</b>				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

**New Machinery and Equipment**

<b>Description</b>	<b>Amount</b>	<b>Date Purchased</b>
2010 Ford Edge Machinery and Equipment Launches April 2010	\$ 4,763,929	August 2009
2011 Ford Focus Machinery and Equipment Launches November 2010	\$ 1,495,272	Ordered 08-2009, Delivery in 2010
	<hr/>	
	\$ 6,259,201	

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

7/1/2010

DATE (MM/DD/YYYY)  
12/10/2009

**PRODUCER** Lockton Companies, LLC-1 St. Louis  
Three City Place Drive, Suite 900  
St. Louis MO 63141-7081  
(314) 432-0500

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.**

**INSURED** Inergy Automotive Systems (USA) LLC  
1319475 2710 Bellingham, Suite 400  
Troy MI 48083

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Allianz Global Risks US Insurance Co (25)	35300
INSURER B:	Sentinel Insurance Company, Ltd.	11000
INSURER C:		
INSURER D:		
INSURER E:		

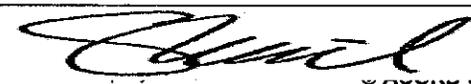
**COVERAGES** INEAU01 4E THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER AND THE CERTIFICATE HOLDER.

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	CGL2002617	7/1/2009	7/1/2010	EACH OCCURRENCE	\$ 2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
						MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 2,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COMP/OP AGG	\$ 2,000,000
B		<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	84UECPD2315	7/1/2009	7/1/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
						BODILY INJURY (Per person)	\$ XXXXXXXX
						BODILY INJURY (Per accident)	\$ XXXXXXXX
						PROPERTY DAMAGE (Per accident)	\$ XXXXXXXX
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO	NOT APPLICABLE			AUTO ONLY - EA ACCIDENT	\$ XXXXXXXX
						OTHER THAN AUTO ONLY: EA ACC	\$ XXXXXXXX
						AGG	\$ XXXXXXXX
A		<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> RETENTION \$ 500,000	ULA2002618	7/1/2009	7/1/2010	EACH OCCURRENCE	\$ 8,000,000
						AGGREGATE	\$ 8,000,000
							\$ XXXXXXXX
							\$ XXXXXXXX
							\$ XXXXXXXX
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	NOT APPLICABLE			WC STATUTORY LIMITS	
						OTHER	
		OTHER				E.L. EACH ACCIDENT	\$ XXXXXXXX
						E.L. DISEASE - EA EMPLOYEE	\$ XXXXXXXX
						E.L. DISEASE - POLICY LIMIT	\$ XXXXXXXX

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**  
 Retro Date 7/01/2004. UMBRELLA OVER UNDERLYING PRIMARY AUTO AND EL POLICIES. IFT FOR ADRIAN, MICHIGAN FACILITY

**CERTIFICATE HOLDER**  
 2445347  
 FOR INFORMATIONAL PURPOSES ONLY

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUT 

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION  
AFFIDAVIT OF FEES**

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

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

**City of Adrian, Michigan**

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**Applicant**

Signed: \_\_\_\_\_

Printed Name: Debra Simpkins\_\_\_\_\_

Title: Plant Controller\_\_\_\_\_

Dated: December 9, 2009\_\_\_\_\_



**IFT LETTER OF UNDERSTANDING**

Inergy Automotive Systems, LLC

Company Name

1549 West Beecher Road

Adrian, Michigan 49221

**CITY OF ADRIAN**

**RE: Agreement with the City of Adrian**

Inergy Automotive Systems, LLC (the Taxpayer) has submitted an application to you for the granting of an Industrial Facilities Exemption Certificate (IFT) pursuant to Michigan Public Acts of 1974, as amended.

To encourage the granting of the IFT and in recognition of investment the City of Adrian will be making toward the economic growth of the taxpayer and, thus, the economic growth of the municipality, I hereby agree, on behalf of the taxpayer, to the following:

- I. Administrative terms and Conditions. The City of Adrian and taxpayer acknowledge that the magnitude of the application for an Industrial Facilities Exemption Certificate is sufficiently large so as to warrant an agreement on certain administrative matters that develop and exist in the administration of the tax abatements. Therefore, the parties agree, as part of this agreement and the granting by the City of the applied for Industrial Facilities Exemption Certificate, to the following terms and conditions relative to the administration of the tax abatement:

A. Auditor and Audits:

- i. Taxpayer shall obtain for the benefit of itself and the City, at taxpayer's sole cost and expense, a mutually agreed upon and independent accounting firm to prepare and provide the industrial

facilities' tax filings and ad valorem personal property tax filings for the term of the construction and use of the properties covered by the application for the Industrial Facilities Exemption Certificate. The independent accounting firms shall report to the taxpayer and the City jointly and equally.

- ii. The City and taxpayer shall accept as accurate the calculations and cost estimated used by the City to levy taxpayer's personal property assessments, including the assessed, state equalized and taxable values, for the current year and subsequent years, as reported by the independent accounting firm.
- iii. Taxpayer or the City may request to meet, discuss and bargain in good faith a modification of the terms specified in paragraph I.A (i) and (ii). The City and taxpayer may mutually agree to modify these terms.

**B. Reporting:**

(1) No later than the 1<sup>st</sup> day of February immediately following the second year after the issuance date of the IFT, the taxpayer shall submit a letter to the City of Adrian stating:

- i. The number of new jobs promised in the IFT application within a two year period and the actual number of new jobs created.
- ii. If the IFT was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees.
- iii. If projection for creation or retention of jobs was not reached, give detailed explanation.
- iv. The estimated project cost given in the application and the actual project cost.
- v. If actual project costs differ substantially from project cost, give explanation.

(2) The taxpayer further agrees to submit a report regarding status of employment every two years, beginning two years after submission of the letter required in item I.B(1), on or before December 31<sup>st</sup>. If employment has not remained or exceeded the number given in the application, a detailed explanation for this shall be included. This report shall be submitted beginning with the fourth year after the issuance date of the IFT.

The taxpayer understands that if employment has not been retained or reached as stated in the application or the construction and/or expansion project has not been completed or expenditures made, as described in the application, the City has the right to, review the status reports and may petition by resolution, the State Tax Commission, for revocation of the IFT.

(3) The taxpayer agrees to remain within the City of Adrian for the period of the IFT in order to retain the benefits of the IFT unless permission for relocation is granted by the City of Adrian. The taxpayer further understands that if it chooses

to leave the City of Adrian without permission for relocation prior to the end of the term of the IFT, the City of Adrian has the right to recapture from the taxpayer, up to and including the total amount of the taxes abated by the IFT. The City of Adrian shall issue a denial of the City's consent for granting of an IFT in a governmental unit to which the taxpayer has relocated or transferred employment to, from the City of Adrian. The taxpayer may present to the City of Adrian Commission compelling circumstances, which would allow the City Commission, in its sole discretion, to approve such transfer.

C. Appeal of Local Assessment; Costs: In the event that taxpayer appeals the City of Adrian's real and/or personal property assessment levied against its real and/or personal property to the Michigan Tax Tribunal, or beyond, taxpayer shall pay to the City, the City's reasonable costs of such appeal, including but not limited to attorney fees and appraisal costs. At such time the taxpayer appeals either real or personal property assessment(s) to the Michigan Tax Tribunal, the City of Adrian Commission, by resolution, will request revocation of real and/or personal IFT certificate(s) to the State Tax Commission.

II. Mutual Representation.

A. Taxpayer Representation: Taxpayer represents to the City that the persons executing this agreement has full power and authority to do so, and that they have obtained any and all necessary corporate resolutions to empower them to bind taxpayer to the terms hereof.

B. City Representation: The City represents to taxpayer that the person signing this agreement has the full power to do so and to bind the City of Adrian to the terms hereof, the same having acted upon and approved by the City Commission for the City of Adrian at the Commission's regular session of the \_\_\_\_\_ day of \_\_\_\_\_ upon motion duly made, seconded and carried.

Witness

Taxpayer Name: Inergy Automotive Systems, LLC

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Witness

City of Adrian, Michigan

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**SOLVAY  
AUTOMOTIVE**

**APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

**Attachment #1  
Legal Description**

All that part of the West 1/2, Northeast 1/4, Section 9, Town 7 South, Range 3 East, described as beginning at the North 1/4 corner of said Section 9; thence S 89 degrees 40' 00" E 1336.56 feet; thence S 00 degrees 43' 03" W 976.56 feet along the east line of said West 1/2, Northeast 1/4, Section 9; thence S 81 degrees 31' 53" W 1352.80 feet along the Northerly line of the Lenawee County Railroad; thence N 00 degrees 39' 55" E 1183.56 feet to the point of beginning. Containing 33.127 acres.

(No Sidwell assigned as of 12/13/95, per City Assessor.)

R-1

**R10-001**

January 4, 2010

**RE: COMMUNITY DEVELOPMENT: IFT Application for Inergy Automotive, Inc.**

**RESOLUTION**

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551 et. Seq., after a duly notice Public Hearing held on the 5<sup>h</sup> day of June, 1995, this Commission, by resolution, established Adrian Industrial Development District No. 33; and

WHEREAS, an application has been filed by Inergy Automotive System, LLC for an Industrial Facilities Exemption Certificate for the facility located in the Adrian Industrial Development District #33, and was received by the Adrian City Clerk on the 9<sup>th</sup> day of December, 2009; and

WHEREAS, the Adrian City Clerk, pursuant to 1974 PA 198, Section 5 (2) did notify the Adrian City Assessor and the legislative body of each taxing unit which levies ad valorem taxes on the property located within said Adrian Industrial Development District #33 that the application for an Industrial Facilities Exemption Certificate by Inergy Automotive, Inc. would be considered at a meeting of the Adrian City Commission on Monday, January 4, 2010, and that an opportunity to be heard would be provided to the Assessor and to a representative of each of the bodies so notified.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That the Adrian City Commission finds:
  - (a) That the application relates to an equipment installation program which, when completed, will constitute a new facility within the meaning of 1974 PA 198 and will be situated within Adrian Industrial Development District #33, established June 5, 1995 by resolution of the Adrian City Commission.
  - (b) That completion of the facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create employment in the City of Adrian.
  - (c) That the completion of the facility will not have the effect of transferring equipment from elsewhere in Michigan to the City of Adrian;
  - (d) That the application applies to a new facility;
  - (e) That the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Adrian, after granting this certificate, will not exceed five (5) percent of an amount equal to the sum of SEV of the City plus the SEV of personal real property thus exempted. The Adrian City Commission specifically finds that the granting of the exemption applied for will not substantially impede the operation of or impair the financial soundness of any local government.

2. That the application of Inergy Automotive for an Industrial Facilities Exemption Certificate with regard to the facility located in Adrian Industrial Development District No. 33, be and is hereby approved for a period of twelve (12) years.

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_  
by a \_\_\_\_\_ vote.

R-2

R10-002

January 4, 2010

**RE: ADMINISTRATION – Amend Properties Shown as Annexed to City of Adrian to Reflect Correct Location in Adrian Charter Township**

**RESOLUTION**

WHEREAS, several years ago, the City of Adrian and Adrian Township, by mutual agreement, consented to the annexation of a certain parcel of real estate from said Township to the City to assist Bixby Hospital; and

WHEREAS, it has been determined that the legal description for the parcel to be annexed was incorrect and inadvertently included more land than had been agreed upon; and

WHEREAS, it is necessary to correct the annexation documents to accurately reflect the actual agreement reached between the City and the Township.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the attached list of properties be removed from documents filed with the Great Seal of the State of Michigan as being part of the City of Adrian and that said official record should be amended to provide that said properties be reflected as being located in Adrian Charter Township and not in the City of Adrian; and be it

FURTHER, RESOLVED that a copy of this resolution may be filed with the Great Seal of the State of Michigan in order to amend the previously filed annexation documents regarding these parcels.

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_  
by a \_\_\_\_\_ vote.

**THORNHILL TERRACE PROPERTIES - AMEND TO REFLECT LOCATION IN ADRIAN CHARTER TOWNSHIP**

<b><u>PARCEL NO.</u></b>	<b><u>PROPERTY ADDRESS</u></b>	<b><u>LEGAL DESCRIPTION</u></b>
46-ADO-690-0080-00	3275 Cedarwood Dr.	Lot 8 - Thornhill Terrace
46-ADO-690-0090-00	3237 Thornhill Dr.	Lot 9 - Thornhill Terrace
46-ADO-690-0140-00	3290 Thornhill Dr.	Lot 14 Thornhill Terrace
46-ADO-690-0130-00	3260 Thornhill Dr.	Lot 13 Thornhill Terrace
46-ADO-690-0121-00	3000 Thornhill Dr. Blk.	Lot 12 Thornhill Terrace
46-ADO-690-0160-00	2330 Cedarwood Dr.	Lot 16 Thornhill Terrace
46-ADO-690-0150-00	Cedarwood Dr. Blk.	Lot 15 Thornhill Terrace
46-ADO-690-0170-00	3296 Thornhill Dr.	Lot 17 Thornhill Terrace
46-ADO-690-0181-00	3000 Thornhill Dr. Blk.	Lot 18 Ex that part of Lot 18 for road deeded in Liber 850 Page 250, also Lot 19 - Thornhill Terrace
46-ADO-127-4600-00	950 Riverside Ave.	W 1/2 of W 1/2 of SE 1/4 except that part lying N of Creek Cont 18.84 acres Sec 27
46-ADO-127-4090-00	3000 Cederwood Dr. Blk.	That part of W-1/2 of W-1/2 of SE-1/4 Sec 27 Beg at SW cor Thornhill Terrace Th S 1 Deg 10' E 170 Ft for Fur POB Runn Th S 1 Deg 10' E 200 Ft Th S 88 Deg 49' W 132.53 Ft Th N 1 Deg 10' W 200 Ft Th N 88 Deg 49' E 132.53 Ft to POB Sec 27
46-ADO-127-4080-00	2323 Smyth Dr.	Ld Beg 675.16 Ft E & 636.59 Ft. S 1° 10' E Alg W Li of Flat of Thornhill Terrace from Ctr of Sec 27 Runn Th S 1° 10' E 905.14 Ft Th W 29 Ft Th N 36° W 63 Ft Th N 66° W 83 Ft Th N 21° W 180 Ft Th N 29° W 88 Ft Th N 38° W 92 Ft Th N 69° 30' W 97.24 Ft Th N 29° 28' E 499.49 Ft Th on Curve Left Chd

	2323 Smyth Dr. (Cont'd)	Brg N. 81° 19' E 86.65 Ft Th on Curve Right Chd Brg N 65° 58' E 51.18 Ft to POB Ex That Part of W-1/2 of W-1/2 of SE-1/4 Sec 27 Beg at SW Cor Thornhill Terrace Th S 170 Ft for Fur POB Runn Th S 200 Ft Th W 132.53 Ft Th N 200 Ft E 132.53 Ft to POB Con .6096 Acres Sec 27
46-ADO-127-4060-00	2401 Smyth Rd.	That part of W 1/2 of W 1/2 of SE 1/4 Lying N of Creek Sec 27 18.84 Acres Ex Ld Beg 675.16 Ft E & 636.59 Ft S from Ctr of Sec 27 Runn Th S Alg W Li of Plat of Thornhill Terrace 905.15 Ft Th W 29 Ft Th N 36° W 63 F Th N 66° W 83 Ft Th N 21° W 180 Ft Th N 29° W 88 Ft Th N 38 ° W 92 Ft Th N 69 ° 30' W 97.24 Ft Th N 29° 28' E 499.49 Ft Th on Curve Left Chd Brg N 81° 19' E 86.65 Ft Th on a Curve Right Chd Brg N 65° 58' E 51.18 Ft to POB Con 4.524 Acres Sec 27
46-ADO-690-0290-00	2000 Cedarwood Dr. Blk	Lot 29 Thornhill Terrace Ex Ld Comm at E 1/4 Cor Sec 27 Runn Th S 89 Deg 9' W 1998.73 Ft Th S 1 Deg 10' 30" E 429.03 Ft Th N 84 Deg 32'2" E 238.89 Ft to NW Cor Lot 29 for a Further POB Th N 84 Deg 32' 02" E 141.33 Ft Th S 62 Deg 17' W 73.89 Ft Th S 84 Deg 32' 2" W 72 Ft Th N 28 Ft to POB
46-ADO-690-0070-00	2407 Cedarwood Dr.	Lot 7 Thornhill Terrace

R-3

DATE: December 28, 2009  
TO: Honorable Mayor and City Commissioner  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Sawmill Point Streetlights

The City Engineer has recommended that the City accept ownership and maintenance responsibility of four streetlights located in the Sawmill Point site-condominium development. According to a memo from the former City Engineer dated January 30, 2006, the intent was to accept the streetlights into the City system once approved means of disconnection were installed; however, formal acceptance was never presented to the City Commission for approval.

I, therefore, urge your favorable consideration to accept ownership and responsibility for the maintenance of the four streetlights located in Sawmill Point.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:bjw

R-3  
December 14, 2009

## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Sawmill Point Street Lights



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Sawmill Point site condo development off of Kimole Lane was developed in or around 2004. Following this development the street was accepted into the City and has become part of our Act 51 street system.

Recently I have received complaints that the street lights in this area are not functioning. At this time I began an investigation as to the ownership/maintenance agreement for the decorative street lights in this development. It has been determined that in Jan. 2006 the previous City Engineer intended to accept these streetlights for the City to maintain following completion of the installation of an electrical disconnect from the Consumer's system, see the enclosed letter from Mr. Dersham. I have confirmed with the City's Electrical Inspector that this disconnect was in fact installed by the developer in compliance with our letter.

To follow through with the statements made by the previous City Engineer, Keith Dersham, I recommend these four street lights be accepted as City owned and maintained lights.

As per current policy the full cost of the maintenance for these lights will be paid for by the City's general fund account 101-450.00-776.00. This account also pays for maintenance of lights on Maumee Ct. and Scott Ct., the Scott Ridge subdivision and all the downtown street lights.

January 30, 2006

Werner Sommer  
669 Stonecrest  
Adrian, MI 49221

Dear Werner:

RE: Saw Mill Lighting

The four street lights in the Saw Mill development have never been accepted by the City of Adrian. The issue that prevents the City's acceptance of the lights is that of a disconnect device. The lights are set up to be directly connected to Consumers' transformers. There needs to be a means of disconnection between the transformers and the fixtures, so maintenance can be performed.

It has been pointed out that in the Scott Ridge development street lights are directly connected to the transformers with no means of disconnection. This was a mistake that was not caught and does not imply that similar installations will be accepted.

Upon installation of the approved means of disconnection, the City will be willing to accept maintenance and energize the fixtures.

Sincerely

Keith Dersham, City Engineer

KD/pmb

Cc:	Al Smith, City Administrator	Al Morgenthaler, Consumers
	Joel Tobias, Electrical Inspector	Bill Benz
	Scott Saunders, Saunders Electric	Kristin Bauer, Civil Engineer

**R10-003**

January 4, 2010

**RE: City Engineer – Authorization to Accept Sawmill Point Streetlights**

**RESOLUTION**

WHEREAS, the Sawmill Point site-condominium development off of Kimole Lane was developed in or about 2004, and the City has since authorized acceptance of the street into the Act 51 street system; and

WHEREAS, the City Engineer recommends that the City authorize acceptance of the related streetlights, as well; and

WHEREAS, the Finance Director indicates that there are sufficient funds available for this purpose in the General Fund (101-450.00-776.000); and

WHEREAS, the City Engineer and City Administrator recommend approval of this resolution, accepting ownership and maintenance responsibilities of the four (4) streetlights located in the Sawmill Point site-condominium development.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the four (4) streetlights located in the Sawmill Point site-condominium development.

On motion by Commissioner \_\_\_\_\_,  
seconded by Commissioner \_\_\_\_\_, this  
resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.

R-4

**R10-004**

January 4, 2010

**RESOLUTION**

WHEREAS, Comcast has submitted a Michigan Uniform Video Service Local Franchise Agreement to be considered by the City of Adrian; and

WHEREAS, the City and Comcast had a dispute over the amount of the PEG fees to be paid, which has now been resolved; and

WHEREAS, Comcast has now submitted a revised proposed Franchise Agreement to be considered by the City; and

WHEREAS, the City Administrator has reviewed the proposed Franchise Agreement, which includes the sum of 5% (VI A ii) and the information set forth in VIII of the Agreement addressing PEG fees.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the proposed Uniform Video Service Local Franchise Agreement with Comcast is hereby approved as attached hereto, and that the City Administrator is hereby authorized to execute the Franchise on behalf of the City of Adrian.

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_  
by a \_\_\_\_\_ vote.

## INSTRUCTIONS FOR UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

Pursuant to 2006 Public Act 480, MCL 484.3301 *et seq*, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.
2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.
3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

### **The forms shall meet the following requirements:**

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. "**Attachment 2 - Uniform Video Service Local Franchise Agreement**" is not required to be filed at this time *unless* it is being used regarding amendments, terminations, or transfers pertaining to an existing Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)
- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.
  1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[insert PROVIDER'S NAME]  
[CONFIDENTIAL INFORMATION]"

2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

- Responses to all questions must be provided and must be amended appropriately when changes occur.
- All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
- The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate "dropdown box" (City/Village/Township) when indicated.
- For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
- The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing **Attachment 3 - Uniform Video Service Local Franchise Agreement**.
- For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the "**Attachment 2 - Uniform Video Service Local Franchising Entity**" form, and send the form to the appropriate Franchising Entity.
- For information that is to be submitted to the Michigan Public Service Commission, please use the following address:

Michigan Public Service Commission  
Attn: Video Franchising  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

Fax: (517) 241-6217

Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 241-6200.

## UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 *et seq.* (the "Act") by and between the of City of Adrian a Michigan municipal corporation (the "Franchising Entity"), and Comcast of California/Connecticut/Michigan, a Colorado General Partnership, doing business as Comcast.

### I. Definitions

For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

- A. "Cable Operator" means that terms as defined in 47 USC 522(5).
- B. "Cable Service" means that terms as defined in 47 USC 522(6).
- C. "Cable System" means that term as defined in 47 USC 522(7).
- D. "Commission" means the Michigan Public Service Commission.
- E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
- F. "FCC" means the Federal Communications Commission.
- G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
- H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
- I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
- J. "IPTV" means internet protocol television.
- K. "Local unit of government" means a city, village, or township.
- L. "Low-income household" means a household with an average annual household income of less than \$35,000.00 as determined by the most recent decennial census.
- M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 *et seq.*
- N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
- O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
- P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
- Q. "Term" means the period of time provided for in Section V of this Agreement.
- R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
- S. "Video programming" means that term as defined in 47 USC 522(20).
- T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
- U. "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
- V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.

## II. Requirements of the Provider

- A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under **Section 3 of the Act** (except as otherwise provided by the Act).
- B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.
- C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.
- D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.
- E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.
- F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.
- G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
  - i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.910; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.
- H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.
- I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.
- J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.
- K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.
- L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.
- M. The Provider provides an exact description of the video service area footprint to be served, pursuant to **Section 2(3)(e) of the Act**. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under **Section 2(3)(e) of the Act** must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.
- N. The Provider is required to pay the Provider fees pursuant to **Section 6 of the Act**.

## III. Provider Providing Access

- A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.
- B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
  - i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
  - ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.
- C. **[If the Provider is using telecommunication facilities]** to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication

service area in Michigan within 3 years of the date it began providing video service under the Act and Agreement and to a number not less than 50% of these households within 6 years. **The video service Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 30% of the households with access to the Provider's video service subscribe to the service for 6 consecutive months.**

- D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:
- i. The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.
  - ii. Developments or buildings not being subject to competition because of existing exclusive service arrangements.
  - iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.
  - iv. Natural disasters
  - v. Factors beyond the control of the Provider
- E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the Franchising Entity or Commission shall specify the requirement or requirements waived.
- F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the progress that has been made toward compliance with paragraphs B and C.
- G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the Act through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under Paragraph II(E) of this Agreement.

#### **IV. Responsibility of the Franchising Entity**

- A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service area footprint, as described in this Agreement and Attachments, as well as the Act.
- B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the Franchising Entity.
- C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under **Section 3(3) of the Act**, the Franchise Agreement shall be considered complete and the Franchise Agreement approved.
- i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: certified or registered, or by fax) notice to the Franchising Entity and the Commission, using Attachment 3 of this Agreement.
- E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.
- F. The Franchising Entity may not discriminate against a video service provider to provide video service for any of the following:
- i. The authorization or placement of a video service or communications network in public right-of-way.
  - ii. Access to a building owned by a governmental entity.
  - iii. A municipal utility pole attachment.
- G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has

paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

- H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.
- I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by **Section 9 of the Act**.
- J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

## V. Term

- A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to **Section 3(3) of the Act**, if the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.
- B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under **Section 3(7) of the Act**.

## VI. Fees

- A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
  - i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
  - ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of 5 % (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers
- B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.
- D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.
  - 1. **Gross revenues shall include all of the following:**
    - i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
    - ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
    - iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
    - iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider's video service.
    - v. All revenue derived from compensation arrangements for advertising to the local franchise area.
    - vi. Any advertising commissions paid to an affiliated third party for video service advertising.
  - 2. **Gross revenues do not include any of the following:**
    - i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
    - ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

- iii. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.
  - iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.
  - v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.
  - vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.
  - vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barters, services, or other items of value shall be included in gross revenue.
  - viii. Sales of capital assets or surplus equipment.
  - ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.
  - x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.
- E.** In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.
- F.** Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.
- G.** The Provider is entitled to a credit applied toward the fees due under **Section 6(1) of the Act** for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under **Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act)**, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the **METRO Act**. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the **METRO Act**.
- H.** All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
- I.** Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
- J.** The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(1) of the Act**, applied against the amount of the subscriber's monthly bill.
- K.** The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

## **VII. Public, Education, and Government (PEG) Channels**

- A.** The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the **effective date of the Act** or as provided under **Section 4(14) of the Act**.
- B.** Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider's discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.
- C.** The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the

particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.

- D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider *shall not* exercise any editorial control over any programming on any channel designed for public, education, or government use.
- E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.
- F. If a Franchising Entity seeks to utilize capacity pursuant to **Section 4(1) of the Act** or an agreement under **Section 13 of the Act** to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under **Section 13 of the Act**. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.
- G. A PEG channel shall only be used for noncommercial purposes.

#### VIII. PEG Fees

- A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:
  - 1. If there is an existing Franchise on the effective date of the Act, the fee (enter the fee amount) \$2000 (to be paid in quarterly increments) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;
  - 2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is .05 % of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);
  - 3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is \_\_\_\_\_ % of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues.); and
  - 4. An amount agreed to by the Franchising Entity and the video service Provider.
- B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.
- C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
- E. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
- F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(8) of the Act**, applied against the amount of the subscriber's monthly bill.
- G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

#### IX. Audits

- A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under **Section 6 of the Act** to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.
- B. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.

## **X. Termination and Modification**

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under **Section 9 of the Act**, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

## **XI. Transferability**

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

## **XII. Change of Information**

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

## **XIII. Confidentiality**

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.

- A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:  
    "[insert PROVIDER'S NAME]  
    [CONFIDENTIAL INFORMATION]"
- B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
- C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

## **XIV. Complaints/Customer Service**

- A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.
- B. The Provider shall be subjected to the penalties, as described under **Section 14 of the Act**, and the Franchising Entity and Provider may be subjected to the dispute process as described in **Section 10 of the Act**.
- C. Each Provider shall annually notify its customers of the dispute resolution process required under **Section 10 of the Act**. Each Provider shall include the dispute resolution process on its website.
- D. Before a customer may file a complaint with the Commission under **Section 10(5) of the Act**, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in **Section 10(2) of the Act**.
- E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in **Section 10(5) of the Act**.
- F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in **Section 10(6) of the Act**.
- G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by **Section 2(3)(I) in the Act**.

**XV. Notices**

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

*If to the Franchising Entity:*  
(must provide street address)

*If to the Provider:*  
(must provide street address)

City of Adrian:

135 E. Maumee St.

29777 Telegraph Road

Adrian, MI 49221

Suite 4400

Southfield, MI 48034

Attn: Dane C. Nelson, City Administrator

Attn: VP of Government Affairs

Fax No.: 517-264-4882

Fax No.: 248-233-4719

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

**XVI. Miscellaneous**

- A. **Governing Law.** This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
- B. **The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.**
- C. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
- D. **Power to Enter.** Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
- E. **The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.**

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

**City of Adrian, a Michigan Municipal Corporation**

**Comcast of California/Connecticut/Michigan, a Colorado General Partnership doing business as Comcast**

By  
Dane C. Nelson

Print Name  
City Administrator

Title  
135 E. Maumee St.

Address  
Adrian, MI 49221

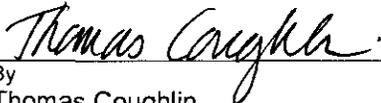
City, State, Zip

Phone  
517-264-4881

Fax  
517-264-4882

Fax  
dnelson@ci.adrian.mi.us

Email

  
By  
Thomas Coughlin

Print Name  
Regional Senior Vice President

Title  
29777 Telegraph Rd., Ste 4400

Address  
Southfield, MI 48034

City, State, Zip

Phone  
248-233-6736

Fax  
248-233-4719

Fax  
Tom\_Coughlin@cable.comcast.com

Email

**FRANCHISE AGREEMENT** (*Franchising Entity to Complete*)

Date submitted:
Date completed and approved:

# ATTACHMENT 1

## UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT (Pursuant To 2006 Public Act 480) (Form must be typed)

Date: October 30, 2009		
Applicant's Name: Comcast of California/Connecticut/Michigan		
Address 1: 29777 Telegraph Road		
Address 2: Suite 4400		Phone: 248-233-4700
City: Southfield	State: MI	Zip: 48034
Federal I.D. No. (FEIN): 84-1140461		

### Company executive officers:

Name(s): Thomas Coughlin
Title(s): Regional Senior Vice President

### Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Thomas Coughlin		
Title: Regional Senior Vice President		
Address: 29777 Telegraph Road, Suite 4400 Southfield, MI 48034		
Phone: 248-233-6736	Fax: 248 233 4719	Email: Tom_Coughlin@cable.comcast.com

### Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

As an incumbent provider, Comcast, is satisfying this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise entered before the effective date of this act.

[Option A: for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[Option B: for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[Option C: for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

**Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).**

Date:

**For All Applications:**

**Verification  
(Provider)**

I, Thomas Coughlin, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Thomas Coughlin, Regional Senior Vice President	
Signature: 	Date: 10/30/09

**(Franchising Entity)**

**City of Adrian, a Michigan municipal corporation**

By Dane C. Nelson
Print Name City Administrator
Title 135 E. Maumee St.
Address Adrian, MI 49221
City, State, Zip 517-264-4881
Phone 517-264-4882
Fax dnelson@ci:adrian.mi.us
Email
Date

ATTACHMENT



**MEMO**

Date: December 29, 2009

To: Dane C. Nelson, City Administrator  
Hon. Gary McDowell, Mayor  
City Commission

From: Jeffrey C. Pardee, Finance Director

**Re: Authorization to Transfer Funds to Meet Local Commitment for  
the Downtown Government Complex Bond Financing**

The Adrian City Commission, by Resolution #09-081 dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included \$500,000 to fund debt service requirements on the \$7,040,000 bond issue for the Downtown Government Complex Project. In addition, the Adrian City Commission, by Resolution #09-194 dated December 7, 2009, approved the FY2008-09 Comprehensive Annual Financial Report, including designations to General Fund Unassigned Fund Balance as follows:

(101-000.00-393.002)City Hall Complex	\$2,000,000
(101-000.00-393.021)City Hall Complex Debt Financing	500,000

Lastly, the Adrian City Commission, by Resolutions #R09-131 and #R09-132, authorized the issuance of taxable Municipal Limited Tax General Obligation Bonds for the acquisition, construction, furnishing and equipping of the Municipal Complex and refinancing of previous debt obligations, which included a local financial commitment of \$2,250,000.

I respectfully recommend the appropriation of \$2,250,000 from General Fund Unassigned Fund Balance and appropriate budget amendments as required to complete the funding of the Downtown Government Complex. The attached resolution has been prepared for consideration by the City Commission at its regularly scheduled January 4, 2010 meeting. If you have any questions or need further information, please contact my office.

**RE: FINANCE DEPARTMENT – Authorization to Transfer Funds to Meet Local Commitment for the Downtown Government Complex Bond Financing**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution #09-081, dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included \$500,000 to fund debt service requirements on the \$7,040,000 bond issue for the Downtown Government Complex Project; and

WHEREAS, the Adrian City Commission, by Resolution #09-194 dated December 7, 2009, approved the FY2008-09 Comprehensive Annual Financial Report, including designations to General Fund Unassigned Fund Balance as follows:

(101-000.00-393.002)	City Hall Complex	\$2,000,000
(101-000.00-393.021)	City Hall Complex Debt Financing	<u>500,000</u>

WHEREAS, the Adrian City Commission, by Resolutions #R09-131 and #R09-132, authorized the issuance of taxable Municipal Limited Tax General Obligation Bonds for the acquisition, construction, furnishing and equipping of the Municipal Complex and refinancing of previous debt obligations, which included a local financial commitment of \$2,250,000; and

WHEREAS, the Finance Director and City Administrator recommend the appropriation of \$2,250,000 from General Fund Unassigned Fund Balance and appropriate budget amendments as required to complete the funding of the Downtown Government Complex.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the following appropriation of \$2,250,000 from General Fund Unassigned Fund to complete the funding of the Downtown Government Complex:

(101-000.00-393.002)	City Hall Complex	\$2,000,000
(101-000.00-393.021)	City Hall Complex Debt Financing	<u>250,000</u>
		<u>\$2,250,000</u>

BE IT, FURTHER, RESOLVED that the FY2009-10 Budget be amended as follows:

**General Fund (101)**

**Revenue**

(101-990.00-697.000)	Prior Year's Revenue	\$2,250,000
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**Expenditures:**

**Other Projects**

(101-836.00-801.000)	Contract Services	\$1,500,000
(101-836.00-971.000)	Land	650,000
(101-836.00-977.000)	Capital Equipment	<u>100,000</u>
	<b>TOTAL</b>	<b>\$2,250,000</b>

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.