



# PRE-MEETING AGENDA

**ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
MONDAY  
December 5, 2011**

The City Commission will meet for a pre-meeting study session on Monday, October 17, 2011 at 5:30 p.m. in the City Chambers Building, 159 E. Maumee St., to discuss the following:

- I. IPAD training (if all equipment is available).
- II. As an alternative we will discuss other pending city issues.
- III. Other items as time permits.



# COMMISSION AGENDA

**AGENDA  
ADRIAN CITY COMMISSION  
DECEMBER 5, 2011  
7:00PM**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF THE MINUTES OF THE NOVEMBER 21, 2011 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. PUBLIC COMMENT ON AGENDA ITEMS
- VI. COMMUNICATIONS
- VII. CONSENT AGENDA
  - 1. **CR11-055. Finance.** Resolution to award the sale of a 1993 Dump Truck.
  - 2. **CR11-056. City Commission.** Resolution to reappoint members to the Brownfield Redevelopment Authority.
  - 3. **CR11-057. City Commission.** Resolution to appoint a commissioner to the Planning Commission.
- VIII. REGULAR AGENDA
  - 1. **R11-142. Assessing.** Resolution to adopt the proposed Policy for Granting Poverty Exemption and to delegate the administration of the policy to the City of Adrian Board of Review.
  - 2. **R11-143. Information Technology Department.** Resolution to authorize the Information Technology staff to purchase oblique digital ortho photography from Pictometry International, to waive the bid process, and to direct the Finance Department to make a budget adjustment for the quoted price.
  - 3. **R11-144. City Commission.** Resolution to accept a quit claim deed from the owners of 718 E. Church Street, deeding the property back to the City, and to approve the sale of this property to a new purchaser.
  - 4. **R11-145. Downtown Development Authority.** Resolution to authorize the appropriation of funds from the DDA-TIF Fund Unassigned Fund Balance for the purpose of making necessary improvements to downtown buildings located at 101-109 E. Maumee in order to prevent further deterioration and allow for future marketing.
- IX. PUBLIC COMMENT
- X. COMMISSIONERS COMMENTS



# MINUTES

**MINUTES  
ADRIAN CITY COMMISSION  
NOVEMBER 21, 2011  
7:00 P.M.**

Official proceedings of the November 21, 2011 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 DuMars, Commissioners Carrico, Warren, Gallatin, Faulhaber, and Berryman Adams.

Mayor DuMars in the Chair.

Commissioner Berryman Adams moved to approve the minutes of the November 7, 2011 regular meeting of the Adrian City Commission, seconded by Commissioner Carrico, motion carried by a unanimous vote.

**PRESENTATION OF ACCOUNTS**

Utility Department Receiving Fund Voucher #3545 through #3549	\$ 100,733.68
General Fund Vouchers #20720 through #20734	\$ 264,067.13
Clearing Account Vouchers amounting to	<u>\$475,177.24</u>
TOTAL EXPENDITURES	<u>\$839,978.05</u>

On motion by Commissioner Carrico, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

**PUBLIC COMMENT**

There were no public comments.

Senator Bruce Caswell updated the City on several items that the State Legislature will address after Thanksgiving break.

**COMMUNICATIONS**

1. **C-1. Finance.** State Revenue Sharing Update

**COMMISSION ORGANIZATION**

**RESOLUTION R11-126**

**RE: CITY COMMISSION – Vacancy on the City Commission**

WHEREAS, there is a vacancy on the Adrian City Commission has been created due to the election of Commissioner DuMars as Mayor; and

WHEREAS, this vacancy must be filled in accordance with the Charter of the City of Adrian.

NOW, THREFORE, BE IT RESOLVED that Chuck Jacobson be appointed to serve on the City Commission, effective immediately; and

BE IT FURTHER RESOLVED that the term of office of said Commissioner shall expire on the first Monday following the next City Commission election (November 2013) in accordance with the Charter of the City of Adrian.

City Attorney Sarah Osburn explained that the City Charter does not specify how a vacancy in the Commission be filled only that it needs to be done in 60 days or a special election must be held.

Commissioners Carrico, Gallatin, Warren, Berryman Adams, and Faulhaber all spoke in favor of Chuck Jacobson.

On motion by Commissioner Carrico, seconded by Commissioner Gallatin, this resolution was adopted by a unanimous vote.

Chuck Jacobson was then sworn in as City Commissioner and took part in the rest of the meeting.

## REGULAR AGENDA

### SPECIAL ORDERS

1. **SO-1.** Public Hearing to hear and consider comments regarding the proposed Special Assessment District in the Downtown Development District.  
**No public comment**
2. **SO-2.** Public Hearing to hear and consider comments to the confirmation of the Special Assessment Roll for SAD#381 – Logan from Center to Division Streets.  
**No public comment**
3. **SO-3.** Public Hearing to hear and consider comments to the confirmation of the Special Assessment Roll for SAD#382 – W. Hunt from Main to Trestle Park.  
**No public comment**
4. **SO-4.** Public Hearing to hear and consider comments on an application for an Industrial Facilities Exemption Certificate from Creek Plastics for a 12-year period.  
**In response to an audience question, Chris Miller gave a background on Creek Plastics, LLC.**

## RESOLUTIONS

### RESOLUTION R11-127

RE: **DOWNTOWN DEVELOPMENT AUTHORITY – 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 City Commission, on November 7, 2011, adopted Resolution CR11-049, Downtown Special Assessment – Notice of Intent, detailing the proposed Financial Plan and Proposed Special Assessment in the amount of \$60,000, establishing a Public Hearing in the City Commission Chambers at 159 E. Maumee Street at 7:00pm on Monday, November 21, 2011 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 \$506,935, to be defrayed by revenue from over-night parking permits, investment earnings, contributions from the Fee Estate, Downtown Development Authority and City General Fund, a Farmer's Market Grant, prior years' revenue, as well as a Special Assessment to downtown property owners in the amount of \$60,000;
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 in the amount of \$60,000 to partially defray the cost of the proposal to 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 Carrico, seconded by Commissioner Faulhaber, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-128**

RE: **ENGINEERING – Confirm Special Assessment Roll for SAD #381 – Logan from Center to Division Streets**

## RESOLUTION

WHEREAS, the City Assessor has reported the Special Assessment Roll to the City commission for improvements on Logan from Center to Division Streets, together with the certificate relating thereto; and

WHEREAS, the said Roll has been filed with the city Clerk for public examination; and

WHEREAS, said notice has been given and a hearing held for the purpose of reviewing the said Roll and considering any objections thereto; and

WHEREAS, all objections to the said Roll have been duly considered.

NOW, THEREFORE, BE IT RESOLVED, that the said special assessment project cost in the amount of One Hundred Seventy Four Thousand Four Hundred Fifty Six and twenty eight cents (\$174,456.28) for said improvements on Logan from Center to Division Streets is hereby confirmed; and

BE IT FURTHER RESOLVED that said Special Assessment Roll in the amount of Fifty Thousand Three Hundred Thirty Eight and two cents (\$50,338.02) for improvements on Logan from Center to Division Streets, said project being known and designated as SAD #381, be and the same is hereby confirmed.

On motion by Commissioner Warren, seconded by Commissioner Carrico, this resolution was adopted by a unanimous vote.

## RESOLUTION R11-129

RE: **ENGINEERING – Confirm Special Assessment Roll for SAD #382 – W. Hunt from Main to Trestle Park including Section of N. Winter from W. Hunt to Stormwater Retention Basin – SAD #382**

## RESOLUTION

WHEREAS, the City Assessor has reported the Special Assessment Roll to the City commission for improvements on W. Hunt from Main to Trestle Park including Section of N. Winter from W. Hunt to Stormwater Retention Basin, together with the certificate relating thereto; and

WHEREAS, the said Roll has been filed with the city Clerk for public examination; and

WHEREAS, said notice has been given and a hearing held for the purpose of reviewing the said Roll and considering any objections thereto; and

WHEREAS, all objections to the said Roll have been duly considered.

NOW, THEREFORE, BE IT RESOLVED, that the said special assessment project cost in the amount of One Hundred Twenty Six Thousand One Hundred Forty four and Sixty Six cents (\$126,144.66) for said improvements on Logan from Center to Division Streets is hereby confirmed; and

BE IT FURTHER RESOLVED that said Special Assessment Roll in the amount of Thirty One Thousand Three Hundred Forty Six and Sixty Four Cents (\$31,346.64) for improvements on W. Hunt from Main to Trestle Park including Section of N. Winter from W. Hunt to Stormwater Retention Basin, said project being known and designated as SAD #382, be and the same is hereby confirmed.

On motion by Commissioner Carrico, seconded by Commissioner Berryman Adams, this resolution is adopted by a unanimous vote.

### **RESOLUTION R11-130**

#### **RE: COMMUNITY DEVELOPMENT – IFT Exemption Certificate – Creek Plastics**

WHEREAS, pursuant to 1974 PA 198, MCLA Sec. 207.551 et. Seq., after a duly notice Public Hearing held on the 1<sup>st</sup> day of March, 1977, this Commission, by resolution, established Adrian Industrial Development District No. 3; and

WHEREAS, an application has been filed by Creek Plastics for an Industrial Facilities Exemption Certificate for the facility located in the Adrian Industrial Development District #3, and was received by the Adrian City Clerk on the 3<sup>rd</sup> day of November, 2011; 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 #3 that the application for an Industrial Facilities Exemption Certificate by Creek Plastics would be considered at a meeting of the Adrian City Commission on Monday, November 21, 2011 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 purchase and installation of the equipment had not occurred earlier than twelve (12) months before November 3, 2011 the date of acceptance of the application of the Industrial Facilities Exemption Certificate;
  - b. That the application relates to a purchase and equipment installation program which, when completed, will be situated within Adrian Industrial Development District #3, established March 1, 1977 by resolution of the Adrian City Commission;
  - c. That completion of the equipment installation is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to create and retain employment in the City of Adrian;
  - d. 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 Creek Plastics for an Industrial Facilities Exemption Certificate with regard to the facility located in Adrian Industrial Development District No. 3, be and is hereby approved for a period of twelve (12) years.

On motion by Commissioner Faulhaber, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

#### **RESOLUTION 11-131**

**RE: CITY COMMISSION – Election of Mayor Pro-Tem**

WHEREAS, Section 4.4 of the city Charter provides for the election of Mayor Pro-Tem at the first meeting following each regular city election.

NOW THEREFORE, BE IT FURTHER RESOLVED that Commissioner Carrico is hereby recognized as Mayor Pro-Tem for the City of Adrian until the next regular City election.

On motion by Commissioner Warren, seconded by Commissioner Gallatin, this resolution was adopted by a unanimous vote.

#### **RESOLUTION 11-132**

**RE: CITY COMMISSION – Election of Acting Mayor**

WHEREAS, the City Commission has, in the past, found it necessary to establish the position of Acting Mayor.

NOW, THEREFORE, BE IT RESOLVED, that commissioner Warren is hereby recognized as the Acting Mayor for the City of Adrian until the next regular city election.

On motion by Commissioner Carrico, seconded by Commissioner Jacobson, this resolution was adopted by a 6-0-1 vote.

Ayes: Mayor DuMars and Commissioners Gallatin, Jacobson, Carrico, Faulhaber, and Berryman Adams

Nays: None

Abstained: Commissioner Warren

#### **RESOLUTION R11-133**

**RE: CITY COMMISSION –Revisions to the City of Adrian Emergency Operations Plan.**

WHEREAS, the Adrian City Commission is dedicated to insuring the highest state of emergency preparedness for its citizens and visitors by maintaining an Emergency Operations Plan; and

WHEREAS, the Adrian City Commission adopted an Emergency Operations Plan (Resolution R07-180) on November 5, 2007; and

WHEREAS, the Plan requires signatures of current elected and administrative officials; and

WHEREAS, the Plan provides city elected officials and employees a framework to operate within during an emergency; and

WHEREAS, the Emergency Operations Plan meets the requirements of the Michigan Emergency Management Act (PA 390, as amended) and is within the limits of Lenawee County's Emergency Operations Plan; and

WHEREAS, the Chief of the Adrian Fire Department and Chief of the Adrian Police Department and the City Administrator have recommended that the subsequent changes to the plan be adopted.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission has reviewed the Emergency Operations Plan and adopt the document presented it in its entirety. Further the Adrian City Commission directs the City Administrator to fulfill the role of Emergency Coordinator to insure the health, welfare and safety of its citizens, the continuity of government, and the protection of vital assets in the event of a disaster.

On motion by Commissioner Berryman Adams, seconded by Commissioner Carrico, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-134**

#### **RE: CITY ENGINEER – Adoption of Asset Management Plan for Major and Local Streets**

WHEREAS, in order to provide a coordinated, unified effort by the various roadway agencies within the state, Public Act 338 of 2006 established The Transportation Asset Management Council (TAMC) within the state transportation commission and charged it with advising the commission on a statewide asset management strategy and the processes and necessary tools needed to implement such a strategy; and

WHEREAS Section 9a of Public Act 51 of 1951, the State Trunk-Line Highway System Act, defines "Asset Management" as an ongoing process of maintaining, upgrading, and operating physical assets cost-effectively, based on a continuous physical inventory and condition assessment; and

WHEREAS adoption and implementation of an Asset Management Plan generally results in a change in resource allocation from periodic reconstruction of major and local streets to a greater emphasis on road preservation and maintenance, resulting in longer-lasting assets and avoidance of costly reconstruction projects; and

WHEREAS, to provide greater financial flexibility to local units of government in the management of street systems, Subsection 7 allows a city or village which has adopted an asset management plan to combine its major and local street funds into a single fund and to submit a single report to MDOT on the use of those funds, with the provision that the major street system must be dealt with as a first priority and residual funds directed to local street systems for preservation activities only; and

WHEREAS the City Engineer has prepared an Asset Management Plan in accordance with Michigan Department of Transportation (MDOT) regulations and The Asset Management Council requirements and presents it for adoption by the Adrian City Commission; and

WHEREAS the City Engineer and City Administrator recommend adoption of the proposed Asset Management Plan for the City of Adrian.

NOW, THEREFORE, BE IT RESOLVED that the City Commission, by this resolution, hereby adopts the proposed Asset Management Plan for Major and Local Streets and, further, authorizes its submission to The Asset Management Council (TAMC) of the Michigan State Department of Transportation (MDOT).

On motion by Commissioner Warren, seconded by Commissioner Gallatin, this resolution was adopted by a unanimous vote.

### **RESOLUTION R11-135**

**RE: DEPARTMENT OF PUBLIC WORKS –Sidewalk Snow & Ice Removal Contract**

WHEREAS the Adrian City Commission, by Resolution #11-051 dated May 2, 2011, adopted the FY2011-12 Budget and General Appropriations Act, which included \$3,000.00 in the Major Street Fund - Winter Maintenance account (202-478.000-801.111) for the City's Sidewalk Snow & Ice Removal Program; and

WHEREAS bids were solicited by the Purchasing Office and two (2) bid proposals were submitted on Tuesday, November 8, 2011, as follows:

<u>Service</u>	<u>Slusarski Excavating Adrian, MI</u>	<u>Van Ert's Lawn Svc Adrian, MI</u>
Private Walks - Labor, Equip & Material Per Square Foot	\$0.35	\$0.45
Color Photos	\$5.00	\$5.00
13 Railroad Crossings & Misc. Properties	\$399.00	\$500.00;and

WHEREAS snow removal from railroad crossings and misc. City properties is the responsibility of the City; any work on private property snow removal will be assessed directly to property owners where the work is done; and

WHEREAS the Finance Director indicates that sufficient funds are available in the FY2011-12 Major Street Fund – Winter Maintenance Budget (Account #202-478.00-801.111 Contract Services) for the railroad crossings; and

WHEREAS, consistent with the City's Local Preference Policy, the City Engineer and City Administrator recommend acceptance of the bid from Slusarski Excavating, Adrian, MI at a price of \$0.35 per square foot, \$5.00 for photos and \$399.000 per event to remove snow from Railroad Crossings; and

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the bid from Slusarski Excavating, Adrian,

MI at a price of \$0.35 per square foot, and \$5.00 for photos for the FY2011-12 City's Sidewalk Snow & Ice Removal Program and \$399,000 per event to remove snow from Railroad Crossings.

On motion by Commissioner Warren, seconded by Commissioner Carrico, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-136**

#### **RE: CITY ENGINEER – Storm Water Utility Fund – Rate Analysis Contract**

WHEREAS the City of Adrian, in 1993, created the Storm Water Utility Fund and established a rate structure that included a flat annual rate of \$19.20 for residential properties and an assessment for all other properties based on the percentage of impervious area; and

WHEREAS, in 1998, the Supreme Court of Michigan ruled on the Bolt V Lansing and supported a storm water utility provided they 1) Serve a regulatory purpose, 2) Be proportional to the necessary cost of service, 3) Be Voluntary – users must be able to limit use of the service with voluntary actions to reduce storm water and thus the users bill; and

WHEREAS the City Engineer has solicited and received a price quote from Tetra Tech, MPS, an engineering firm located in Pittsfield Township, MI, that is uniquely familiar with the City of Adrian's Storm Water Utility System, to provide the following services:

- 1) Perform Rate Analysis to determine appropriate user charges to sustain system;
- 2) Develop Credit Manual;
- 3) Review and recommend revisions to current City ordinances related to Storm Water Utility System; and

WHEREAS Tetra Tech responded with a quote of \$9,600 to cover the cost of the aforementioned services; and

WHEREAS the Finance Director indicates that sufficient funds are available for this purpose in the Storm Water Utility Fund Undesignated Fund Balance (Account #598-000.00-390.000); and

WHEREAS the City Engineer and City Administrator recommend engagement of Tetra Tech, MPS, in the City's Standard Professional Services Contract to provide the above specified services, appropriation of funds and approval of the necessary budget amendments, as well as waiver of the competitive bid process due to the unique knowledge the vendor has regarding the City's Storm Water Utility System.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Tetra Tech, MPS, Pittsfield Twp., MI in the City's Standard Professional Services Contract for purposes of providing the following services at a cost not to exceed \$9,600:

- 1) Perform Rate Analysis to determine appropriate user charges to sustain system;
- 2) Develop Credit Manual;
- 3) Review and recommend revisions to current City ordinances related to Storm Water Utility System.

BE IT FURTHER RESOLVED that \$9,600 be appropriated from the Storm Water Utility Fund Undesignated Fund Balance (598-000.00-390.000) and that the FY2011-12 Budget be amended as follows:

**Storm Water Utility Fund (598)**

Revenue:

(598-000.00-697.000) Prior Years' Revenue \$9.600

Expenses:

(598-547.00-801.000) Engineering-Contract Services 9,600  
Total \$ -0-

BE IT FURTHER RESOLVED that, in the best interests of the City, the competitive bid process be waived, in accordance with the City's Purchasing Policy as specified in Chapter 12 of the City Charter and Section 2-304 of the Codified City Ordinances.

On motion by Commissioner Berryman Adams, seconded by Commissioner Faulhaber, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-137**

**RE: Department of Public Works/City Engineer – Winter Operations Maintenance Plan**

WHEREAS a decline in transportation revenues along with rapidly rising costs means that the City of Adrian has had to make difficult but responsible changes to service levels while maintaining motorist safety on its system of major and local streets; and

WHEREAS, in this context, the City Engineer has developed a formal Winter Operations Maintenance Plan that includes the following components:

- 1) Winter Road Maintenance Policy;
- 2) Level of Service Defined, including Best, Minimum and Acceptable Service Levels;
- 3) Mailbox Policy;
- 4) Street Prioritization; including:
  - Priority 1: Major Thoroughfares and Multi-lane Urban Arteries
  - Priority 2: Urban Collector Streets and Special Access Routes
  - Priority 3: Residential Streets, Commercial Area Side Streets/Cul-de-sacs
  - Priority 4: Alleys, Municipal Parking Areas and Downtown On-street Parking;
- 5) Staffing Levels;
- 6) Material Application Policies; and

WHEREAS the City Engineer and City Administrator recommend approval of this resolution adopting the City of Adrian Winter Operations Maintenance Plan for the Department of Public Works.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby adopts the recommended City of Adrian Winter Operations Maintenance Plan for the Department of Public Works.

On motion by Commissioner Faulhaber, seconded by Commissioner Carrico, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-138**

RE: **DEPARTMENT OF PARKS & RECREATION – Lake Adrian Fence**

WHEREAS the Department of Parks & Recreation, in conjunction with the City of Adrian Purchasing Office, solicited and received bids on Tuesday November 8, 2011 for the purchase, installation and relocation of a chain link fence at the Lake Adrian/Water Plant; and

WHEREAS eleven (11) vendors were invited to bid , while five (5) responded, with the following results:

<u>VENDOR</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Adrian Tecumseh Fence	Tecumseh, MI	\$10,839.00
Nationwide Construction Group	Chesterfield, MI	\$17,950.00
Future Fence Company	Warren MI	\$19,102.00
Fence Consultants of West MI	Grand Rapids, MI	\$23,000.00
M&M Fencing, Inc.	Wyoming, MI	\$28,168.00

; and

WHEREAS the Finance Director indicates that sufficient funds are available for this purpose in the General Fund Unassigned/Undesignated Fund Balance (101-000.00-390.000); and

WHEREAS the Parks & Recreation Director and the City Administrator recommend selection of the low bidder and engagement of Adrian Tecumseh Fence, Tecumseh, MI in the City's Standard Professional Services Contract 2011 for the purchase, installation and relocation of a chain link fence at the Lake Adrian/Water Plant at a cost not to exceed \$10,839.00; and

WHEREAS the City Administrator further recommends appropriation of funds for this purpose from the General Fund Unassigned/Undesignated Fund Balance (101-000.00-390.000) and appropriate amendments to the FY2011-12 Annual Budget.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes selection of the low bidder and engagement of Adrian Tecumseh Fence, Tecumseh, MI in the City's Standard Professional Services Contract 2011 for the purchase, installation and relocation of a chain link fence at the Lake Adrian/Water Plant at a cost not to exceed \$10,839.00.

BE IT FURTHER RESOLVED that \$10,839.00 be appropriated from the General Fund Unassigned/Undesignated Fund Balance (101-000.00-390.000) and that the FY2011-12 Budget be amended as follows:

**General Fund (101)**

Revenue:

(101-990.00697.000) Prior Years' Revenue \$10,839

Expenditures:

(101-697.00-975.000) Parks & Forestry Capital Improvements	<u>10,839</u>
Total	<u>-0-</u>

On motion by Commissioner Warren, seconded by Commissioner Jacobson, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-139**

**RE: DEPARTMENT OF FINANCE – Approval of FY2010-11 Comprehensive Annual Financial Report (CAFR) and Authorization of Year-End Encumbrances and Carry-Forwards, as well as Designations of General Fund Unassigned Fund Balance**

WHEREAS Public Act 2 of 1968, (MCL 141.424), the Uniform Budgeting and Accounting Act (as amended) specifies that the Chief Administrative Officer of each local unit shall make an annual financial report...and Chapter Eight, Section 8.7 of the City Charter further specifies that *The City Administrator shall prepare an annual report of the affairs of the City, including a financial report;* and

WHEREAS the Governmental Accounting Standards Board (GASB) Statement #54, Fund Balance Reporting, indicates that Designations of General Fund Unassigned Fund Balance can be authorized by either the Chief Administrative Officer or City Commission, and lastly, the Government Finance Officers’ Association (GFOA) of the United States and Canada recommends that the legislative branch of local government authorize Year-End Encumbrances and Carry-Forwards as amendments to the ensuing year’s budget; and

WHEREAS the Comprehensive Annual Financial Report (CAFR) has been prepared and presented and the audit completed by the independent Certified Public Accounting firm Robertson, Eaton & Owen, PC, reflecting an Unqualified (clean) Opinion as follows:

*In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Adrian, Michigan, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, and the budgetary comparison for all the major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America; and*

WHEREAS, included in the CAFR, the City Administrator recommends the following Designations to General Fund Unassigned Fund Balance:

- |   |                         |
|---|-------------------------|
| 1) Accumulated Sick & Vacation Liability          | \$ 500,000              |
| 2) Building Space Cost Allocation                 | 400,000                 |
| 3) Pending Michigan Tax Tribunal Claims           | 200,000                 |
| 4) Property Acquisitions, Demolitions and Options | 50,000                  |
| 5) Library Café Kitchen                           | 25,000                  |
| 6) Former Adrian Training School Maintenance      | 25,000                  |
| 7) Local Grant Match                              | 25,000                  |
| 8) Bohn Pool Analysis                             | 18,000                  |
| 9) Sign Ordinance Rewrite                         | <u>10,000</u>           |
| Total   | <u>\$1,253,000</u> ;and |

WHEREAS the Finance Director and City Administrator recommend approval of this resolution including: 1) Comprehensive Annual Financial Report (CAFR), 2) Designations to General Fund Unassigned Fund Balance detailed above, and 3) year-end encumbrances and carry-forwards in the total amount of \$1,779,532.49 (copy attached), of which \$152,747.50 pertains to the General Fund.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution and in accordance with Public Act 2 of 1968, (MCL 141.424), the Uniform Budgeting and Accounting Act (as amended), hereby approves this resolution including: 1) Comprehensive Annual Financial Report (CAFR), 2) Designations to General Fund Unassigned Fund Balance detailed above, and 3) year-end encumbrances and carry-forwards in the total amount of \$1,779,532.49.

On motion by Commissioner Carrico, seconded by Commissioner Berryman Adams, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-140**

#### **RE: ADRIAN PUBLIC LIBRARY –Library Café – Food Preparation Equipment**

WHEREAS the Adrian Public Library is desirous of reopening the Library Café in a public-private partnership resulting in the establishment of the *Breakin' Away Café*, which will offer customers a variety of baked goods and Zingerman's Coffee; and

WHEREAS, for purposes of operating a coffee shop/café as a complementary service of the Adrian Public Library, the new arrangement would provide for baked goods to be made on-site, which requires creation of a food preparation area in the workroom on the main floor; the relocation of equipment from the Adrian Training School; and purchase of the following café equipment: mini oven, espresso machine and cart

WHEREAS the Adrian City Commission, by Resolution #R11-124 dated November 7, 2011, appropriated \$6,900 to fund HVAC pipe wrap and the as-built design prints, and now the Library Director is requesting the balance of the funding (\$18,100) to complete the Library Café project; and

WHEREAS the Finance Director indicates that sufficient funds are available for this purpose in the FY2010-11 year-end Assignment of Unreserved General Fund Balance (101-000.00-393.000), which access requires City Commission appropriation; and

WHEREAS the Library Director and City Administrator recommend approval of this resolution, engagement of Sphere Consulting, Adrian, MI, to design build the food preparation area, solicitation of bid quotations, selection and engagement of various local vendors to purchase and install the aforementioned equipment at a total cost not to exceed \$18,100.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the creation of a food preparation area in the Adrian Public Library for purposes of entering into a public-private partnership with *Breakin' Away Café*.

BE IT FURTHER RESOLVED that the Administration is authorized to engage Sphere Consulting, Adrian, MI, in the City's Standard Professional Services Contract to create the food preparation area and solicit bid quotations, select and engage various local vendors to purchase and install the necessary equipment for the aforementioned food preparation area at a cost not to exceed \$18,100.

BE IT FURTHER RESOLVED that \$18,100 be appropriated from Assigned Unreserved General Fund Balance (101-000.00-393.000) and that the FY2011-12 Budget be amended as follows:

**General Fund (101)**

Revenue:

(101-990.00-697.000)	Prior Years' Revenue	\$18,100
----------------------	----------------------	----------

Expenditures:

(101-738.00-975.000)	Library - Capital Improvements	9,400
(101-738.00-977.000)	Library - Capital Equipment	<u>8,700</u>
	Total	<u>\$18,100</u>

BE IT FURTHER RESOLVED that, in the best interests of the City, the competitive bid process be waived, in accordance with the City's Purchasing Policy as specified in Chapter 12 of the City Charter and Section 2-304 of the Codified City Ordinances.

On motion by Commissioner Warren, seconded by Commissioner Gallatin, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-141**

**RE: CITY COMMISSION - Micro Brewer License, Cotton Brewing Company**

WHEREAS, the City of Adrian has received an application from Cotton Brewing Company LLC for a new Micro Brewer License to be located at 343 Lawrence St., Adrian, Michigan; and

WHEREAS, the Adrian Police Department has completed an investigation report for said application and recommends approval of the application subject to final inspection to determine that the proposed location meets all building, plumbing zoning, fire, sanitation and health laws and ordinances.

NOW THEREFORE, BE IT RESOLVED that the Adrian City Commission hereby recommends approval of the application of Cotton Brewing Company for a new Micro Brewer License to be located at 343 Lawrence St., Adrian Michigan, subject to final inspection to determine that the proposed location meets all building, plumbing zoning, fire, sanitation and health laws and ordinances.

On motion by Commissioner Carrico, seconded by Commissioner Faulhaber, this resolution was adopted by a unanimous vote.

**MISCELLANEOUS**

1. Departmental Report
2. Fire Report

3. D.A.R.T. Passenger Ridership Report
4. Planning Commission Minutes

#### **PUBLIC COMMENTS**

1. Dan Beaubien – 117 N Main Street – asked about the parking lot assessment; he is very unhappy with how the parking lots are being taken care of.
2. Mike Jacobitz – Planning Commission/Zoning Board of Appeals – introduced himself to the Commission and made sure that they had the ACPC/ZBA meeting schedule.
3. Dick Van Opynen – complained about the fact that his company, Dick's Towing, no longer worked for the City. Would like to make sure that these decisions had a formal vote.
4. David Horstman – Sauce Italian Restaurant – thanked the commission and City staff for all of their help. Hopes to open December 1<sup>st</sup>.
5. Allen Kern – 1249 Vine Street – questioned the pipe insulation at the Public Library.]

#### **COMMISSIONER COMMENTS**

1. Commissioners Warren and Carrico welcomed the new Commissioners.
2. Commissioners Berryman Adams and Faulhaber were looking forward to working with everyone, as was Mayor DuMars.

The next regular meeting of the Adrian City Commission will be held on Monday, December 5, 2011 at 7:00 p.m. in the City Chambers Building, 159 E. Maumee St., Adrian, MI 49221.

Greg DuMars I  
Mayor

Pat Baker  
City Clerk



# CHECK REGISTER

December 5, 2011

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

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

DCN:mlb

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 #3550 through #3553 .....	\$102,210.38
General Fund	
Vouchers #20735 through #20749 .....	\$299,140.22
Clearing Account Vouchers	
amounting to.....	<u>\$292,749.90</u>
TOTAL EXPENDITURES .....	<u>\$694,100.50</u>

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

December 5, 2011

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
3550	Consumers Energy	Various Electric Bills	\$ 39,384.62
3551	City of Adrian: Utilities	Various Water Bills	\$ 180.36
3552	City of Adrian: Clearing Acct	Nov 21 CK Reg Expense	\$ 105,547.21
3553	City of Adrian: Payroll	Nov 23 Payroll	\$ 62,645.40

Total	\$	207,757.59
Less CK# 3552	\$	105,547.21

TOTAL	\$	102,210.38
-------	----	------------

WW = \$122,873.15

WAT= \$ 84,884.44

5-Dec-11

GENERAL FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
20735		City of Adrian: Utilities	Transfer State MI Funds
20736 \$	16,229.97	Consumers Energy	Various Electric Bills
20737 \$	3,034.31	City of Adrian: Utilities	Various Water Bills
20738 \$	273,625.37	City of Adrian: Clearing Acct	Nov 21 CK Register Exp
20739 \$	20.00	Roberta Heldt	Dart Ticket Book Refund
20740 \$	4,460.16	Quick Service Transportation	Payroll W/E Nov 19
20741 \$	222,640.54	City of Adrian: Payroll	Nov 23 Payroll
20742 \$	15,102.30	First Federal Bank	Soc Security for Nov 23
20743		City of Adrian: Utilities	Transfer State MI Funds
20744 \$	83.72	Isabell Salazar	Recreation Refund
20745 \$	20.00	Connie Willnow	Recreation Refund
20746 \$	20.00	Roberta Heldt	Dart Ticket Book Refund
20747 \$	763.62	Consumers Energy	Heritage Park Electric
20748 \$	4,432.10	Quick Service Transportation	Payroll W/E Nov 26
20749 \$	32,333.50	Lenawee Fuels Inc	MVP Gas & Diesel Fuel

\$	572,765.59	
\$	(273,625.37)	Less: CK#20738
\$	299,140.22	

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN AREA CHAMBER OF COMME	765.00		
2. CITY OF ADRIAN	4,144.47		
3. ADRIAN COMMUNICATIONS	41.70		
4. ADRIAN FABRICARE CENTER INC.	670.00		
5. ADRIAN LOCKSMITH & CYCLERY	249.86		
6. ADRIAN MECHANICAL SERVICES C	4,032.28		
7. ALL METALS INC.	44.63		
8. AMERICAN LIBRARY ASSOCIATION	128.40		
9. AMERICAN WATER WORKS ASSN	1,615.00		
10. APPLE MAT RENTAL	276.60		
11. ARCH WIRELESS	34.66		
12. ARCHBOLD EQUIPMENT CO	143.18		
13. AUTO ZONE COMMERCIAL	19.98		
14. BAKER & TAYLOR BOOKS	124.96		
15. BARNES & NOBLE BOOKSELLERS	298.90		
16. BATTERY WHOLESALE	199.42		
17. BEAUBIEN INC.	7,918.85		
18. BELL EQUIPMENT CO	684.62		
19. BEST AIRE LLC	1,058.85		
20. BLACK SWAMP EQUIPMENT	76.50		
21. BLISSFIELD PARTS, INC.	136.00		
22. BWI	179.56		
23. CHEMCO SYSTEMS, L.P.	53.86		
24. GARRY CLEVELAND	80.86		
25. CLIFT BUICK-GMC	89.75		
26. COAST TO COAST DELI	67.18		
27. COMMSPEC, INC.	480.00		
28. COMPUTER CARE COMPANY, INC.	229.85		
29. CONCLUSIVE MARKETING	45.00		
30. CONTINENTAL CARBONIC PRODUCT	682.00		
31. COUNCIL FOR MI FOUNDATIONS	186.00		
32. JOEL DAWSON	175.00		
33. ERIN DEWALT	22.00		
34. DEXTER'S INC.	2.90		
35. SHIRLEY EHNTS	75.00		
36. FASTENAL COMPANY	723.43		
37. FBI-LEEDA	50.00		
38. FEDERAL EXPRESS	334.30		
39. FISHER SCIENTIFIC COMPANY LL	251.00		
40. GALE	47.95		
41. GALL'S INC	308.53		
42. GENPOWER PRODUCTS INC.	4,256.00		
43. GILBARCO INC	175.00		
44. GOODWILL INDUSTRIES	184.00		
45. GOVT FINANCE OFFICERS ASSOC	435.00		
46. GRAINGER INC.	405.79		
47. HALL INDUSTRIAL CO	6,400.00		
48. BOB HOWARD	150.00		
49. HUBBARD'S AUTO CENTER INC	216.27		
50. I.T. RIGHT	390.00		
51. ICMA RETIREMENT CORPORATION	158.68		
52. INSIDE THE TAPE LLC	250.00		
53. LUYE JACKSON REBUILDERS	185.19		
54. JGM VALVE CORP	2,213.25		
55. BRENT KUBALEK	74.26		
56. KUSSMAUL ELECTRONICS CO, INC	173.52		
57. LENAWEE CO. DEPT ON AGING	3,533.29		
58. LENAWEE COUNTY FAIR	1,050.00		
59. LENAWEE COUNTY FIRE CHIEFS A	300.00		
60. LENAWEE COUNTY REGISTER OF D	14.00		
61. LEXIS-NEXIS MATTHEW BENDER	546.77		
62. SARAH LOLLI	13.50		
63. MANPOWER OF LANSING MI INC.	3,043.14		
64. MAPLE CITY SWINGERS	120.00		
65. ARIC MASSINGILL	84.80		
66. MASSON'S ELECTRIC, INC	1,712.41		
67. MCGOWAN ELECTRIC SUPPLY INC	1,052.26		
68. MCNAUGHTON-MCKAY ELECTRIC CO	840.00		
69. LYNN MERRELL	38.78		
70. MICHIGAN ECONOMIC DEVELOPERS	825.00		
71. MICHIGAN MUNICIPAL WORKER'S	39,433.00		
72. STATE OF MICHIGAN	1,599.50		
73. MICHIGAN TSA DISTRIBUTORS IN	16.98		
74. MICHIGAN TECH UNIVERSITY	20.00		
75. MICROMARKETING LLC	1,414.24		

11/30/2011  
12:52 pm

CITY OF ADRIAN

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. MIDWEST TAPE	413.19		
77. CHRISTOPHER MILLER	28.78		
78. MUNICIPAL EMPLOYEES' RETIRE	76,834.34		
79. MUNICIPAL WEB SERVICES	490.00		
80. NORTH EASTERN UNIFORMS & EQU	431.44		
81. NORTHERN TOOL & EQUIPMENT	90.99		
82. OCE IMAGISTICS INC	170.70		
83. OLIVER OF ADRIAN, INC.	375.00		
84. PEERLESS SUPPLY INC	171.05		
85. PET'S SUPPLIES PLUS	52.98		
86. QUARTERMASTER	79.98		
87. QUILL CORPORATION	387.91		
88. RECORDED BOOKS LLC.	396.00		
89. RED PAINT PRINTING LLC	536.50		
90. SAFARILAND LLC	243.33		
91. KEEGAN SANDERS	13.35		
92. CHARLES SCHMENK	80.00		
93. LENNY SCOTT	110.00		
94. SENTIMENTAL PRODUCTIONS	115.00		
95. SERVICE MASTER OF LENAWEE	2,926.71		
96. SLUSARSKI EXCAVATING & PAVIN	15,350.00		
97. STAPLES CREDIT PLAN	450.87		
98. STEVENS DISPOSAL	390.00		
99. STITCH WIZARD EMBROIDERY INC	26.00		
100. SYNAGRO CENTRAL	71,135.46		
101. T-MOBILE	29.99		
102. THOMAS SCIENTIFIC, INC	2,391.70		
103. TIM OR BRENDA UNDERWOOD & SC	13,095.00		
104. USA BLUEBOOK	735.58		
105. UTILITIES INSTRUMENTATION SE	1,752.00		
106. WATER ENVIRONMENT FED.	210.00		
107. WESTERN LIME CORPORATION	5,056.38		
108. DANIEL WRIGHT	106.97		
***TOTAL ALL CLAIMS**	292,749.90		



# CONSENT AGENDA

SUBJECT: Sale of 1993 Dump Truck

November 30, 2011

TO: Dane C. Nelson

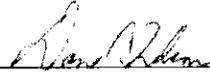
City Administrator

FROM: Cindy L Prue

Assistant Finance Director

I concur with the recommendation of the Asst. Finance Director to award the bid for the sale of a 1993 Single Axle Dump Truck, VIN #1GDP7H1J7PJ507588 to Village of Concord, Concord MI for the price as listed in their bid.

Two bids were received, with the Village of Concord being the high bidder. I urge your favorable consideration authorizing the sale of the 1993 Single Axle Dump Truck to the high bidder, Village of Concord.



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

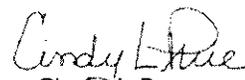
DCN:mlb

Sealed bids were received until 2:00 p.m. on November 29, 2011 for the sale of a 1993 Single Axle Dump Truck, VIN#1GDP7H1J7PJ507588. The following bids were received:

Village of Concord Concord, MI	\$11,002.58
Slusarski Excavating Adrian, MI	\$8,152.00

I recommend the sale of the above vehicle be awarded to the high bidder, Village of Concord. There was a minimum bid of \$7,500.00 set on this sale.

Respectfully submitted,



Cindy L Prue  
Assistant Finance Director

**CR11-055**

December 5, 2011

**RE: Finance Department – Sale of 1993 Dump Truck**

**RESOLUTION**

WHEREAS, sealed bids were received November 29, 2011 for the sale of a 1993 Dump Truck, VIN #1GDP7H1J7PJ507588; and

WHEREAS, said bids have been tabulated and recommendations made by the Asst. Finance Director and the City Administrator; and

WHEREAS, said bids have been considered by the Adrian City Commission.

NOW, THEREFORE, BE IT RESOLVED that the sale of the 1993 Dump Truck, VIN #1GDP7H1J7PJ507588, be awarded to the high bidder, Village of Concord, for the amount of \$11,002.58.

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

**CR11-056**

December 5, 2011

**RE: CITY COMMISSION- Resolution to Reappoint Members to the Brownfield Redevelopment Authority**

**RESOLUTION**

WHEREAS, the terms of office of Don Taylor, Jeffrey Pardee, Barb Mitzel, Ron Reeves, and Gary McDowell on the Brownfield Redevelopment Authority have expired; and

WHEREAS, this has created vacancies which must be filled in accordance with the Adrian City Charter; and

WHEREAS, Don Taylor, Jeffrey Pardee, Barb Mitzel, Ron Reeves, and Gary McDowell have all expressed a willingness to serve on the Brownfield Redevelopment Authority for another 3-year term if reappointed; and

WHEREAS, the Adrian City Commission has given careful consideration to the reappointment of the above-named individuals.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does, hereby, approve the reappointment of Don Taylor, Jeffrey Pardee, Barb Mitzel, Ron Reeves, and Gary McDowell to the Brownfield Redevelopment Authority for 3-year terms, expiring in 2014.

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

**CR11-057**

December 5, 2011

**RE: CITY COMMISSION- Resolution to Appoint City Official to the Planning Commission**

**RESOLUTION**

WHEREAS, the term of office of Mike Clegg on the Planning Commission has expired with his term of office ending; and

WHEREAS, this has created a vacancy which must be filled in accordance with the Adrian City Charter; and

WHEREAS, Commissioner Chuck Jacobson has expressed a willingness to serve on the Planning Commission if appointed; and

WHEREAS, the Adrian City Commission has given careful consideration to the appointment of the above-named individual.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does, hereby, approve the appointment of Commissioner Chuck Jacobson to the Adrian City Planning Commission for a two year term.

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



# REGULAR AGENDA



**MEMO**

Date: November 28, 2011

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

From: Kristin Wetzel, Assessing Officer  
Jeffrey C. Pardee, Finance Director

**RE: POLICY for GRANTING POVERTY EXEMPTION**

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.

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 the granting of exemptions under this Act. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

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.

The City Assessor and Finance Director developed and the City Commission approved the attached Policy for Granting Poverty Exemption (March, 2008), in accordance with the provisions of Section 211.7u of the General Property Tax Act of 1893 (as amended) and recommend adoption by the City Commission.

In accordance with the State Tax Commission requirement to renew this policy annually, the attached resolution has been prepared for City Commission consideration at their December 5, 2011 meeting. If you have any questions or need for further information, please contact my office.

**CITY OF ADRIAN**

**POLICY**  
**for**  
**GRANTING POVERTY EXEMPTION**

**THE GENERAL PROPERTY TAX ACT**  
**Act 206 of 1893 (as amended)**

**Prepared by**

**City Assessor and Finance Director**

**March 3, 2008**

**CITY OF ADRIAN  
POLICY  
for  
GRANTING POVERTY EXEMPTION**

**I. PURPOSE**

The purpose of this policy for granting a poverty exemption is to provide guidance to the City of Adrian's Board of Review in making determinations regarding applications under Section 211.7u of the General Property Tax Act of 1893 (as amended).

**II. STATEMENT OF POLICY**

In compliance with the Poverty Exemption provision of the General Property Tax Act (MCL 211.7u), 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 is eligible for exemption in whole or in part from taxation under that Act. This section does not apply to the property of a corporation.

**III. DEFINITIONS**

As used in this policy, "principle residence" means principal residence or qualified agricultural property as those terms are defined in Section 211.7dd, as follows:

- A. "Principal residence" means the one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the two parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders.

- B. "Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

#### **IV. ELIGIBILITY REQUIREMENTS AND CLAIM PROCEDURE**

To be eligible for exemption, a person shall do all of the following on an annual basis:

- A. Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- B. File a claim with the Board of Review on a form provided by the City of Adrian Assessing Office, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediate preceding year or in the current year. The filing of a claim constitutes an appearance before the Board of Review for the purpose of preserving the claimant's right to appeal the decision of the Board of Review regarding the claim.
- C. Produce a valid driver's license or other form of identification, if requested by the Board of Review.
- D. Produce a deed, land contract, or other evidence of ownership of the property for which the exemption is requested, if required by the Board of Review.
- E. Meet the federal poverty guidelines updated annually in the Federal Register by the United States Department of Health and Human Services, under authority of Section 673 of Subtitle B of Title VI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines adopted by the Adrian City Commission, provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.
- F. The application for exemption under this policy shall be filed after January 1 but before the day prior to the last day of the Board of Review.

- G. A person who files a claim under this policy is not prohibited from also appealing the assessment on the property for which that claim is made before the Board of Review in the same year.

## **V. POLICY FORMULATION AND ADMINISTRATIVE EXECUTION**

- A. The Adrian City Commission shall determine and make available to the public the policy and guidelines the Assessing Office uses for the granting of exemptions under this policy. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.
- B. 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.

December 5, 2011

**R11-142**

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

**RESOLUTION**

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 \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was adopted by a  
\_\_\_\_\_



# MEMO

---

DATE: December 1, 2011  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Oblique Digital Ortho Aerial Photography

---

The City Commission on May 2, 2011 approved the FY 2011-12 Budget and General Appropriations Act, which included \$55,000 for the purchase of Oblique Digital Ortho Aerial Photography (or Pictometry). Pictometry International, the sole source supplier of this technology has submitted a proposal to provide three dimensional images for the City of Adrian and appropriate surrounding jurisdictions in early 2012 for \$60,508 with appropriate licensing and training.

The Finance Director has indicated there are sufficient funds in the GIS Consulting Services-Computer Software account to cover the \$5,508 shortfall in the budgeted amount. As Pictometry International is the sole supplier for this technology, it is my recommendation that the bid process be waived and that the oblique digital ortho photography be acquired from Pictometry International at a cost not to exceed \$60,508 and that the FY2011-12 Budget be amended accordingly.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:mlb

# Adrian Fire Department



## Memorandum

**To:** Mayor Greg Dumars  
Adrian City Commission  
City Administrator Dane Nelson

**From:** Paul G. Trinka

**CC:** Finance Director Jeff Pardee

**Date:** November 29, 2011

**Re:** Oblique Digital Ortho Aerial Photography

Over the past several years staff and city commission have looked at Oblique Digital Ortho Aerial Photography from Pictometry International. The aerial photos are taken with a number of cameras during the flight and merged to give the end user a three dimensional perspective of objects and items on the ground. Any department that uses the city's G.I.S. system will benefit from the photos.

Our last aerial photos were taken in 2004 and do not give a three dimensional perspective. There have been significant changes with ground features that new photography is warranted.

The end product will include the following:

- Photos of the city with a buffer of approximately 1 mile surrounding the city and Heritage Park.
- Obtaining ground information to do accurate contour mapping
- Portable storage and backup device
- Appropriate licensing fees
- Training
- The photos taken just before leaves are on the trees.

During last year's budget process we allocated \$55,000 for the project. The quote from Pictometry International is \$60,508. As the only company that offers this service I would ask that the commission waive the bid process, approve the quote from Pictometry International and direct the Finance Department to make a budget adjustment from the GIS Software account for the balance of the funds.



14965 Abbey Lane  
Bath, MI 48808  
Toll Free: (855) BSA-SOFT  
P: (517) 641-8900  
F: (517) 641-8960  
www.bsasoftware.com

**Financial Management Suite**

Accounts Payable  
Cash Receipting  
Fixed Assets  
General Ledger  
Human Resources  
Miscellaneous Receivable  
Purchase Order  
Payroll  
Timesheets  
Utility Billing

**Community Development Suite**

Building Department  
Field Inspection

**Assessing & Property Tax Suite**

Assessing/Equalization  
Drain Assessment  
Drain Ledger  
Delinquent County Tax  
Delinquent Personal Property  
PREA  
Special Assessment  
Property Tax

**Internet Services**

View/Pay Property Taxes Online  
View Assessments Online  
View/Pay Utility Bills Online  
View/Pay Miscellaneous Receivables Online  
View/Pay Permits Online  
HR Applicant Tracking  
Employee Self Service  
Bidder Registration and Online/Smartphone  
Requisition Approvals

**Ancillary Applications**

Animal License  
Business License  
Cemetery Management  
Complaint Tracking

March 7, 2011

Michael Cowles  
Pictometry District Manager MI/OH  
6425 Youngdale Ave NW  
Canton, OH 44718

Re: BS&A Software oblique imagery integration

Dear Mike,

This letter is to confirm that BS&A Software only supports oblique imagery from Pictometry via integration with the Equalizer Assessing System.

Should you or your customers have any questions or concerns, or require any additional information in regard to this integration, please contact me at your convenience.

Respectfully,

Ted Droste  
Chief Operating Officer

**PICTOMETRY INTERNATIONAL CORP.  
AND  
CITY OF ADRIAN MI**

**DESCRIPTION OF PRODUCTS (the "Products"):**

Section A: Licensed Products

Section B: Product Terms, Conditions, and Specifications

**TERM OF AGREEMENT (the "Term"):**

Term of Agreement commences on the date of Shipment of the aforementioned Licensed Products and shall continue for the term defined on Section A to this Agreement.

**FEES AND PAYMENT TERMS (the "License Fees"):**

All fees referred to in this License Agreement and in any of its Sections are in United States dollars and do not include any duties, taxes (including, without limitation, any sales, use, ad valorem or withholding, value added or other taxes) or handling fees, all of which are exclusive of the license and other fees to be paid by Licensee to Pictometry and which duties, taxes and fees will be paid by Licensee without reducing any amount owed to Pictometry unless documentation of tax exemption is provided to Pictometry prior to billing. Any amount payable by Licensee that is not paid within 30 days after its invoice date will accrue interest at the rate of 1.5% per month or at the maximum lesser rate allowed by law. In addition to any applicable interest, Licensee will pay Pictometry all costs it incurs to collect any amount due under this License Agreement, including but not limited to, attorneys' fees and court costs.

<b>LICENSEE NOTICE ADDRESS</b>	<b>PICTOMETRY NOTICE ADDRESS</b>
208 South Main Street	100 Town Centre Drive, Suite A
Adrian, MI 49221	Rochester, NY 14623
Attn: Paul Trinka, Fire Chief Director of Technology	Attn: Director, Contract Administration
Phone: (517) 264-4879 Fax:	Phone: 585-486-0093 Fax: (585) 486-0098

**AGREEMENT:**

This License Agreement, which includes this cover sheet and the Sections hereto (collectively, this "Agreement"), constitutes the entire agreement between Pictometry and Licensee with respect to the aforementioned Products and supersedes all prior representations, agreements or arrangements, whether oral or written, relating to the subject matter hereof. Any modifications of this Agreement must be in writing and signed by a duly authorized officer of each party. Any purchase order or similar document that Licensee may issue in connection with this Agreement will be for ordering purposes only and that any terms and conditions on such purchase order will be of no force or effect.

In consideration of and subject to the payment by Licensee of the License Fees, Pictometry agrees to provide Licensee with access to and use of the Products, subject to the terms and conditions set forth on Section B and the Licensee's current License Agreement to this Agreement. Licensee hereby agrees to pay the License Fees in accordance with the stated payment terms and accepts and agrees to abide by the General License Terms and Conditions.

This Agreement shall not become effective until signed by both duly authorized officers of Licensee and Pictometry.

**PARTIES:**

<b>"LICENSEE"</b>	<b>"PICTOMETRY"</b>
<b>NAME:</b>	<b>PICTOMETRY INTERNATIONAL CORP.</b>
(entity type)	a Delaware Corporation
<b>SIGNATURE:</b>	<b>SIGNATURE:</b>
<b>NAME:</b>	<b>NAME:</b>
<b>TITLE:</b>	<b>TITLE:</b>
<b>DATE:</b>	<b>DATE:</b>

**SECTION A**

**LICENSED PRODUCTS**

Pictometry International Corp.  
 100 Town Centre Drive, Suite A  
 Rochester, NY 14623

ORDER #
C112962

<b>BILL TO</b>
City of Adrian MI
Paul Trinka
208 South Main Street
Adrian, MI 49221
(517) 264-4879

<b>SHIP TO</b>
City of Adrian MI
Paul Trinka
208 South Main Street
Adrian, MI 49221
(517) 264-4879

<b>CUSTOMER ID</b>	<b>SALES REP</b>	<b>TERM OF CONTRACT</b>	<b>TERM OF LICENSE</b>	<b>NUMBER OF FLIGHTS</b>
A121728	Cowles	3 years	3 years	1

QTY	PRODUCT NAME	PRODUCT DESCRIPTION	LIST PRICE	DISCOUNT PRICE/TYPE	AMOUNT
57	ACCUPLUS 4in - PICTO LIDAR - Per Sector	Pictometry provides LIDAR Data.	\$795.00		\$45,315.00
1	EAP PROGRAM	Refer to detailed description of EAP Program in attached Terms and Conditions. Term of EAP Program will not exceed license term for Imagery on this agreement.	\$0.00		\$0.00
1	EFS	Electronic Field Study license included with imagery.	\$0.00		\$0.00
1	FutureView All Inclusive Registration	Includes airfare, hotel room, event registration.	\$2,165.00		\$2,165.00
57	LiDAR - Bare Earth Model - 1.0 m accurate for 2 ft Contours (with AccuPlus ONLY)	Uses Pictometry LiDAR Data, when AccuPlus is licensed.	\$70.00		\$3,990.00
2	Media Drive Capacity 931G - Drive Model IT - EXTPOWER	External USB 2.0 / eSATA Externally Powered. Delivery media prices include copying a complete image library onto media. Sub-warehousing sold separately.	\$199.00		\$398.00
1	Ortho/AccuPlus Imagery Bundle with Three (3) Years of EFS Maintenance & Support	Includes digital copy of the Licensed Documentation for the License Software, two (2) End User Training Sessions, one (1) Advanced User Technical Training, one (1) Administration / IT Training Session, fifteen (15) hours of telephone support, one copy of Pictometry Electronic Field Study (EFS) software, latest version, on the storage media specified herein, and access to download updated versions of the EFS Licensed Software for a period of three years from the initial date of shipment of the EFS software, along with a copy of the updated documentation.	\$0.00		\$0.00
1	Par Library for Self-Hosting	Par library for Self-Hosting.	\$0.00		\$0.00
1	Self-Hosting - E Level County	Area to be viewed with self hosting is under 100,000 population.	\$7,200.00		\$7,200.00
1	Self-Hosting Annual Maintenance Fee - E Level County	Annual maintenance and support for self-hosting for an area that is under 100,000 population.	\$1,440.00		\$1,440.00

Thank you for choosing Pictometry as your service provider.	<b>TOTAL</b>	<b>\$60,508.00</b>
---	--------------	--------------------

**PAYMENT TERMS**

Due at Signing \$15,127.00  
 Due at Shipment of Imagery \$45,381.00

Total Payments \$60,508.00

## SECTION B

## PRODUCT TERMS, CONDITIONS, AND SPECIFICATIONS

The following are the terms, conditions, and specifications related to the products offered under the attached License Agreement.

FutureView attendance shall be in year 2012.

### PRODUCT PARAMETERS

#### ACCUPLUS IMAGERY

**Product:** ACCUPLUS 4in - PICTO LIDAR - Per Sector

Ortho Tile Projection:

Ortho Tile Format:

Units:

Elevation Source:

Coverage Area Format:

Leaf: Less than 30% leaf cover (Off)

Special Instructions:

#### LiDAR

**Product:** LiDAR - Bare Earth Model - 1.0 m accurate for 2 ft Contours (with AccuPlus ONLY)

Funding Source:

(see related Terms & Conditions as applicable)

Special Instructions:

#### SELF-HOSTING

**Product:** Self-Hosting - E Level County

Warehouse Information: MICADR12

Existing Imagery: No

Future Imagery Requested: Yes (if Maintenance remains current)

Special Instructions:

### STANDARD TERMS AND CONDITIONS

#### EFS LICENSED SOFTWARE

Licensed Software: Pictometry International Corp. shall supply one copy of the Pictometry Electronic Field Study (EFS) software, latest version, on the Storage Media supplied as specified herein. Licensee and Authorized Users may download updated versions of the Licensed Software for the term of their active License (not Perpetual License) with Pictometry, as indicated on the order form, from the initial date of shipping of the EFS software, along with a copy of the updated documentation. Recommended minimum system requirements for EFS are as follows:

Pentium 4, 1.3 GHz or greater processor. 512MB RAM (1GB or more recommended for XP, 2GB or more recommended for Vista and Windows 7).

Windows 2000, XP, Vista (32- or 64-bit), or Windows 7 (32- or 64-bit). Video Card: 16MB graphics, 32bit color quality and 1024x768 screen resolution.

100 Mbps - NIC (network deployments). 250MB available hard disk space (EFS R1.14)

#### ADVANCED TRAINING PROGRAM

Pictometry Advanced Training (FutureView) is a three (3) day annual training program designed to provide participants with a better working knowledge of existing and new technologies as well as introducing partner integrations. This 3-day annual training program is invaluable for Assessment, GIS, Public Safety, Environmental, Public Works and all other levels of government. Each Advanced Training Package includes registration, hotel room for three nights and round-trip airfare up to \$500.00 (as necessary). Licensee will be supplied with a discount code (via email) to be used when registering for the FutureView Training. This code will indicate that the Training Package was pre-paid in this License Agreement. Training Packages must be redeemed during the term of this agreement. *(Air Travel Restrictions: 30 Day advance purchase for airfare -- continental US flights only -- per person round trip airfare at standard coach class rates for the registrant's individual travel only. transportation booking must be made through Pictometry's travel provider.)*

#### EAP

**Economic Alliance Partnership (EAP):** Licensee shall be eligible for the EAP program for the license term defined on the order form. For multi-library contracts

(more than one image capture on the order form), EAP terms and conditions shown below will apply for the term of the license associated with the first image library capture. The term for any remaining image library captures will be covered by the then prevailing EAP terms, as defined by Pictometry International Corp.

- A. Imagery** – with Pictometry’s EAP program the Licensee may retain its imagery, as the EFS Software and Image License becomes perpetual at the end of the term of the License Agreement
- B. Disaster Coverage at No Additional Charge** – Pictometry will image up to 200 square miles of affected areas (as determined by Pictometry) of the events described below at no additional charge to the license fee:
- **Hurricane:** affected areas of Category II hurricanes and above. Coverage for hurricanes below this category or for areas exceeding 200 square miles will be available to active licensees at EAP rates, dependent upon resource availability.
  - **Tornado:** imagery of areas impacted by Tornadoes with ratings of EF4 and above. Coverage for tornadoes below EF4 or for areas exceeding 200 square miles will be available to active licensees at EAP rates, dependent upon resource availability.
  - **Terrorist:** damage due to terrorist attack for up to 200 square miles. Coverage beyond 200 square miles will be available to active licensees at EAP rates, dependent upon resource availability.
  - **Earthquake:** affected areas with damage to critical infrastructure resulting from an Earthquake at or exceeding 6.0 on the Richter magnitude scale. Coverage for Earthquakes below 6.0 or for areas exceeding 200 square miles will be available to active licensees at EAP rates, dependent upon resource availability.
  - **Tsunami:** affected areas with damage to critical infrastructure resulting from a Tsunami. Coverage for areas exceeding 200 square miles will be available to active licensees at EAP rates, dependent upon resource availability.
- C. Software – Use of Pictometry Change Analysis™ or Web Deployment of Disaster Imagery** – Pictometry’s Rapid Response Program includes the use of Change Analysis software for ninety days from the date of delivery of any EAP imagery. The Change Analysis software simultaneously compares pre and post disaster images to aid recovery and restoration efforts. Pictometry Web Deployment of disaster imagery may also be available at no charge for ninety days.

## **ACCUPLUS**

### AccuPlus/AccuPlus Lite Premium Ortho-Mosaic and 4-Way Obliques

Customer must provide coverage area definition in electronic format (i.e., shape files, KML, DXF, etc.). Inquire about other formats.

TECHNICAL SPECIFICATIONS: AccuPlus Premium Ortho-Mosaic

#### Product Overview:

Seamless ortho-mosaic produced from individual frames and tiled to customer’s preferred tiling scheme. Available at 4-inch, 6-inch, and 12-inch GSD.

#### Acquisition:

Flight plans will be prepared to capture image frames with nominal 60% forward overlap and nominal 30% sidelap in order to provide sufficient overlap for automatic aerial triangulation and mitigation of building lean in orthophotography produced. Source imagery will be acquired during times of optimal environmental conditions. Imagery will generally be captured when solar altitude is 30 degrees or greater and/or by using the most optimal four-hour window, except where capture season offers significantly longer window. Imagery will be acquired with ground free of snow cover and deciduous vegetation less than 30% of full bloom. Frames with clouds will be rejected and reflown. Any planned deviation from these conditions imposed by capture window constraints will be discussed with client prior to commencement of acquisition.

#### Camera:

Pictometry utilizes its USGS certified, custom designed mapping camera incorporating a Kodak sensor and custom designed photogrammetric lenses. The sensor is fully calibrated according to Pictometry’s USGS approved calibration process. Pictometry’s sensor provides a dynamic range of 12 bits per band, RGB (resampled to 8 bits during processing).

#### Ortho-Rectification:

Prior to the production of orthophotography, Pictometry will perform automatic aerial triangulation, utilizing the directly observed Exterior Orientations (EOs) and ground control points (GCPs), measured by a licensed surveyor, for the purpose of orienting the individual frames for creation of the final ortho imagery. In addition to the GCPs, sophisticated matching techniques will be employed to automatically create tie points for use in performing a bundle adjustment. Pictometry will utilize best available Digital Terrain Models, combined with the calibrated camera interior orientations, ground control points, and triangulated EOs to rectify the images. When the rectification requires a resampling of the source imagery, a cubic convolution method will be utilized.

#### Horizontal Accuracy:

4” AccuPlus: RMSE<sub>r</sub> = 1.41 ft, NSSDA (95%) = 2.5 ft., meets or exceeds NMAS 1” = 100’  
6” AccuPlus: RMSE<sub>r</sub> = 1.85 ft, NSSDA (95%) = 3.2 ft., meets or exceeds NMAS 1” = 100’  
12” AccuPlus: RMSE<sub>r</sub> = 3.20 ft, NSSDA (95%) = 5.5 ft., meets or exceeds NMAS 1” = 200’  
12” AccuPlus Lite: RMSE<sub>r</sub> = 4.40 ft, NSSDA (95%) = 6.5ft., meets or exceeds NMAS 1” = 200’

#### Mosaic:

Global color balancing will be applied to all orthophotos to create homogeneous orthophotos within the project area. Local adjustments of brightness values, color and contrast will be performed if needed. There will be no obvious seam edge between two adjacent orthophotos. Mosaic will be created using automated seamline steering, with manual edits to eliminate feature misalignment caused by seamlines which pass thru features above the elevation surface. Feature alignment across seamlines will be 3 pixels or better. When possible, seamlines will be steered away from elevated features to improve orthophoto quality. Once the mosaic has been produced, the imagery will be tiled and named according to the customer provided (or Pictometry generated) schema for delivery.

#### **Deliverables:**

All deliverables in customer preferred coordinate system.

- Project-wide seamless mosaic in ECW (or MrSID if requested) format
- Tiled imagery according to customer provided tiling scheme – available as TIFF, GeoTIFF or JPG
- FGDC compliant metadata

## LiDAR

### LiDAR and Derivative Products – Detailed Specifications

#### I. LiDAR Data Capture

This section describes the operational parameters of the ALTM Gemini that Pictometry intends to set for collection of data. Actual collection parameters may vary due to weather conditions and/or air traffic control (ATC) restrictions. Pictometry stipulates the final accuracy of the dataset regardless of actual capture parameters.

##### I.1. Capture Parameters (nominal) – 1.0 m postings

Flight Altitude:	1800m/5900ft
Point Spacing:	1.0m
Point Density:	1 point per square meter
Pulse Repetition Freq.:	100kHz
Scan Angle (+/-):	16.9 degrees
Scan Frequency:	42.1Hz
Swath Width:	1100m/3600ft
Overlap:	30%
Vertical Accuracy:	15 cm RMSE, bare earth 30 cm NSSDA Vertical Accuracy (95% confidence) – bare earth
Horizontal Accuracy:	35cm; RMSE
Returns:	Up to four per pulse
Intensity records:	Recorded for each return
Coordinate System:	Customer preferred system and units (must be specified and approved in advance of start of work).
Filtering:	Automated methods with manual review and clean up with the following minimum performance specifications: <ul style="list-style-type: none"><li>• 95% of outliers removed</li><li>• 95% of vegetation removed</li><li>• 98% of buildings removed</li></ul>

Contour Interval Meets or exceeds FEMA requirements to generate contours at a 2' interval. **NOTE:** While Pictometry stipulates this accuracy, independent verification of this accuracy as well as additional independent reporting is usually required to qualify for FEMA funding. Pictometry offers these services through an independent subcontractor for additional cost.

#### Deliverables:

- LiDAR Data
  - Tiled\* LAS v1.2 files including Return Number and Intensity attribute for each return
    - Duplicate points and 95% of outliers removed
  - Ground points classified via automated methods with manual review and clean up
    - 95% of vegetation features removed
    - 98% of buildings removed
  - Buildings and vegetation not classified separately
  - **NOTE:** LiDAR data deliverables will extend approximately 200m beyond the specified project area
- Raw GPS/INS data and laser range files with supporting information
- FGDC compliant metadata
- Estimated Data Sizes (at 1.0m point spacing):
  - 10-12 GB per 100 square miles (approximate)

##### I.2. Capture Parameters (nominal) – 0.7 m postings

Flight Altitude:	760m/2500ft
Point Spacing:	0.7m
Point Density:	2 points per square meter
Pulse Repetition Freq.:	70kHz
Scan Angle (+/-):	15.8 degrees
Scan Frequency:	56Hz
Swath Width:	430m/1400ft
Overlap:	30%
Vertical Accuracy:	9.25 cm RMSE, bare earth 18.2 cm NSSDA Vertical Accuracy (95% confidence) – bare earth
Horizontal Accuracy:	25cm; RMSE
Returns:	Up to four per pulse
Intensity records:	Recorded for each return
Coordinate System:	Customer preferred system and units (must be specified and approved in advance of start of work).
Filtering:	Automated methods with manual review and clean up with the following minimum performance specifications: <ul style="list-style-type: none"><li>• 95% of outliers removed</li><li>• 95% of vegetation removed</li><li>• 98% of buildings removed</li></ul>

Contour Interval Meets or exceeds FEMA requirements to generate contours at a 1' interval. **NOTE:** While Pictometry stipulates this accuracy, independent verification of this accuracy as well as additional independent reporting is usually required to qualify for FEMA funding. Pictometry offers these services through an independent subcontractor for additional cost.

#### Deliverables:

- LiDAR Data
  - Tiled\* LAS v1.2 files including Return Number and Intensity attribute for each return
    - Duplicate points and 95% of outliers removed

- Ground points classified via automated methods with manual review and clean up
  - 95% of vegetation features removed
  - 98% of buildings removed
- Buildings and vegetation not classified separately
- **NOTE:** LiDAR data deliverables will extend approximately 140m beyond the specified project area
- Raw GPS/INS data and laser range files with supporting information
- FGDC compliant metadata
- Estimated Data Sizes (at 0.7m point spacing):
  - 20-25GB per 100 square miles (approximate)

### 1.3. Additional Datasets

Pictometry also offers the following derivative datasets:

#### 1.3.1. Bare Earth ASCII dataset

Points classified as ground (i.e. class 2) will be exported to XYZI ASCII text format. One output file per LAS tile is created.

#### Deliverable:

Ground classified points in ASCII XYZI format tiled in same schema as base deliverable data files

#### 1.3.2. First return LAS dataset

Pictometry will create a copy of the original dataset containing all first return points in LAS (v1.2) and ASCII XYZI format. Two output files are created per input LAS tile.

#### Deliverables:

First return points in LAS format tiled in same schema as base deliverable data files.  
 First return points in ASCII XYZI format tiled in same schema as base delivered data files.

This specification addresses the standards for Pictometry International Corp. (Pictometry) to develop derived terrain products from classified LiDAR data. All activities as contemplated in this document will be in conformance with the USGS Base LiDAR Specification for USGS ARRA Projects, October 1, 2009 (USGS Specification) unless specified.

## 2. Derivative Products

### 2.1. DEM (Bare Earth)

#### ESRI Terrain

Pictometry will convert the Bare Earth classified data contained in the LAS files to ESRI Terrain data as a fundamental step toward deriving subsequent bare earth terrain products. Developing the data in this manner will significantly enhance the delivery of data to the Customer and provide maximum flexibility for future use, updates, and edits. **Standard Hydrographic Breaklines (described below) will be incorporated into all terrain deliverables.** Additional breaklines may be developed and incorporated into the terrain at any time.

#### Digital Elevation Models (DEMs)

The standard DEM deliverable will be assumed to have a 10-foot grid cell size unless otherwise specified by the customer. Pictometry will also develop a Hillshade from the DEM for visualization and cartographic mapping purposes.

#### Standard Hydrographic Breaklines

Breaklines are linear features that describe a change in the smoothness or continuity of a surface. As part of the baseline effort to create a DEM, Pictometry will develop limited 3D breaklines for water feature boundaries and wide rivers and incorporate those into the ESRI Terrain data prior to generating any derived products. Hydrographic breaklines will be delineated using the LiDAR data with elevation values assigned from the LiDAR data, using best available aerial photography and the National Hydrography Dataset (NHD) as references.

Water bodies will be defined for the purposes of this task as being larger than 5m across, or greater than one (1) acre. Breaklines delineating the edge of water will be created for all such water bodies. Breaklines will not be developed for streams less than 5m across, also referred to in NHD as "single line streams"

The standard for water bodies in the USGS Specification is 100ft and two (2) acres respectively. "Hydro-flattening", as defined in the USGS Specification, will be completed at a minimum on all water bodies meeting the USGS definition. This task is intended to meet or exceed the requirements for "Hydro-flattening" in the USGS Specification.

For flat and level water bodies (ponds, lakes), a single elevation value will be assigned to the entire polygon and/or to every bank vertex. The entire water surface edge will be at or just below the immediately surrounding terrain. For streams and rivers, breaklines indicating flat and level bank-to-bank conditions (perpendicular to the apparent flow centerline) will be created, with the gradient along the bank to follow the immediately surrounding terrain. Monotonicity will be enforced on breaklines meeting the USGS Specification. Stream and river breaklines delineating the edge of water will stop at road crossings (i.e., culvert locations).

Bare earth LiDAR points that are within the design Nominal Point Spacing (NPS) of a breakline will be re-classified as "Ignored Ground" once the breaklines have been completed. The design NPS of a LiDAR collection is typically between 1 and 2 meters, but may be greater or less depending on the collection specifications of the project.

The identification and prioritization of additional breaklines beyond those minimally described here represents a wide range of expectations and detail depending on

specific project/customer needs and intended uses. Most customized uses of breaklines are appropriate for project specific purposes, such as hydraulic modeling, construction site design or transportation engineering. As such, additional breakline development options are offered below. Additional detailed breaklines can be developed and incorporated into the terrain data at any time.

**Deliverables:**

Collection-wide point data (bare earth only) in ESRI multi-point format  
Collection-wide Terrain Data Model (bare earth) in ArcGIS TERRAIN format  
Collection-wide Digital Elevation Model (bare earth) in ArcGIS GRID format  
Collection-wide polyline files in ESRI Polyline Feature Class format  
Collection-wide Hillshade of the Bare earth DEM in ArcGIS format

**2.2. Contours – requires DEM purchase**

The range of available algorithms can result in significant differences in cartographic output quality for the generation of topographic contours. Some methods more accurately represent the point data, but result in a more angular and less cartographically pleasing output. Other methods will smooth the data to varying degrees but produce a much higher quality cartographic output. The customer will be given options, based on demo data, for having their collection area contours created from smoothed data or not-smoothed data.

This task will result in vector (line) data and as such, tiling the data will be required because the vector files can be quite large. The output tiling scheme will correspond to the LiDAR tiles unless the customer requests a different tiling scheme in advance. Final tiled vector data will be seamless and free of edge effects. Pictometry will establish elevation attributes to each contour line and identify 10, 20, and 50 ft. index contours unless otherwise specified by the Customer.

**Deliverables:**

Tiled 1-foot or 2-foot\* contour files in ESRI Polyline Feature Class format. (\*NOTE: Contours will be created at maximum resolution supported by the collection as specified in Section 1.)

**2.3. Breaklines**

**2.3.1. Additional Hydrographic and Slope Breaklines**

Pictometry will generate additional detailed hydrographic vector data from available digital imagery, elevation and vector GIS data. The reference data for this mapping effort will continue to be the National Hydrography Dataset (NHD). The primary method for developing these data will be to map the location of the breaklines from the LiDAR data directly using best available aerial photography as a reference for extraction of surface features. To the extent that the location or the elevation of features cannot be adequately resolved, stereo-photogrammetric methods may be used.

Additional hydrographic breaklines will be developed as follows:

- Stream Centerlines: For small streams <5m identifiable from the LiDAR data and/or the Orthophotography. The reference data for these channels are commonly referred to as "single line streams" in NHD.
- Edge of Water: For streams with identifiable water >5m across  
Note: the edge of the water may NOT be synonymous with the edge of the stream channel depending on seasonal flow conditions in the stream.
- Edge of Channel: For channels >5m across independent of the existence of visible water  
Note: the edge of the channel is synonymous with the bottom of the stream bank.
- Top of Bank: For all banks with clearly definable morphology 2 meters higher than the Edge of Channel.

As such, it is possible for a stream segment to have anywhere from one to six unique breaklines representing the morphology of the stream. All stream center lines and edge of water lines will be tested for monotonicity (continuous downward slope).

The level and width of water within a stream channel may vary considerably throughout the year and can significantly impact breakline vector placement as well as point classification. It should be expected that vectors delineating water may differ from vectors indicating the top and/or bottom of the stream bank. Because of temporal variations in hydrologic conditions and water levels, it should be expected that the shoreline edges associated with mean-water, low flow or other hydrologic recurrence interval may vary from those mapped by this effort. In addition, Stream Centerlines will be derived for small streams only, and will not propagate through all water bodies as part of a linear hydrologic network. Development of a stream centerline hydrologic network is considered to be an additional task.

In addition to delineating stream morphology, breaklines that delineate sharp breaks in slope on key terrain may affect the accuracy or representation of the derived surface, and the quality of resulting contours. As part of this breakline effort, Pictometry will develop slope breaklines across the project area in addition to those described for streams above. Surface roughness and slope change analysis will be used to indicate places where breaklines are warranted, so that breaklines are extracted in places where real breaks exist in the smoothness of the terrain. Key terrain includes natural features such as ridges, valleys, bluffs, cliffs, and the tops of stream banks not otherwise included with hydrographic breaklines. Key terrain also includes man-made features such as dams, retaining walls or road cut structures or embankments that affect the slope of the overall ground surface but might not otherwise be included with transportation breaklines.

**Deliverable:**

Collection wide polyline files in ESRI Polyline Feature Class format.

**2.3.2. Transportation Breaklines**

Pictometry will generate transportation network related breaklines as identified from best available imagery, elevation and vector GIS data. This will include breaklines representing the crown of the road (road centerline), the edge of the roadway (outer edge of the shoulder), and the centerline of any significant roadside ditches. Hence a typical two lane roadway could result in anywhere from 3 to 5 breaklines depending on the existence of drainage ditches along the side of the road. More complex roads and road interchanges may warrant additional breaklines as necessary.

The development of breaklines for improving digital elevation models and contour maps is not intended to, nor should it be viewed as replacement for planimetric

mapping.

**Deliverable:**

Collection wide polyline files in ESRI Polyline Feature Class format.

**2.4. Void Area Mapping**

Pictometry anticipates that there will be a range of void areas on the bare earth data as a result of non-ground feature removal or absorption by water. Pictometry will derive void area polygons from the Bare Earth point data. This ancillary deliverable is particularly useful for the Customer to have as a legacy of the collection to better understand and articulate the limitations and assumptions (i.e., interpolation) that are inherent in the derived data products. In accordance with both FEMA guidelines and the USGS Specifications, voids areas will be mapped as follows:

Data Type	Criteria
Bare Earth Data	≤10m GRID (100m <sup>2</sup> )
First Return Data	≤8m GRID (64m <sup>2</sup> )

FEMA guidelines indicate that void areas greater than one (1) acre occurring in the floodplains may require additional ground survey, independent of the overall collection statistics. As such Pictometry will attribute the land cover for Bare Earth void polygons larger than one acre.

**Deliverable:**

Collection-wide Void Area polygon data in ESRI Polygon Feature Class format.

**2.5. Slope Data**

Pictometry will derive percent rise and degree slope GRIDs from the DEM data developed above. The extent will be the same as the source DEM with values for slope.

**Deliverable:**

Slope data in ArcGIS GRID format

**2.6. Intensity Data**

Pictometry will develop intensity grids from the data contained in the LAS files. This data is particularly useful for customers to use in urban planning and hydrologic applications such as evaluating land cover types, impervious surface areas and changes in the landscape. The data will be tiled to the original LiDAR tiles, in ESRI GRID format with a grid cell size corresponding to the average post spacing of the all points LiDAR data unless otherwise specified by the Customer. Pictometry will interpolate across voids unless the customer specifies otherwise. A raster catalog will also be included of all the tiles.

**Deliverable:**

Tiled Intensity data in ArcGIS Grid format unless otherwise specified.  
ESRI raster catalog of all the tiles

**2.7. DSM (Reflective Surface)**

Pictometry will convert the data contained in the LAS files to a raster based Digital Surface Model (DSM) representing a "first surface" detected by the sensor. This first surface is represented by both bare ground in open terrain, as well as the tops of trees and buildings in areas with significant non-ground features. The elevation value of each cell in the raster dataset will represent the highest elevation value of points that fall within that cell. This surface model will not include the development or use of additional breaklines beyond that which are included with the bare earth data. Included with each DSM will be a Hillshade for visualization and cartographic purposes.

Pictometry will also calculate and deliver a "normalized" Digital Surface Model (nDSM) where the elevation value of each cell represents the height above ground of the highest point within that cell. For both surface models, cells with no points will be interpolated based on the averaged values of nearby cells (nearest neighbor).

Pictometry recommends including some cautionary language to all potential users of DSM data due to some of the unique characteristics of such a dataset. In some areas, a first surface model will result in objects that appear to contain a solid volume, so caution should be used when interpreting the data. Pictometry does not recommend the use of image draping on first surface DSM models as the image stretching can be aesthetically undesirable.

**Deliverable:**

Collection-wide DSM and nDSM in ArcGIS GRID format with 10 foot grid cell size unless otherwise specified by the Customer.

**SELF-HOSTING**

Pictometry's Web Enabled Solution should never be used for life critical applications and Pictometry will not accept liability for service interruptions if used in critical situations.

I. Pictometry Web Enabled Solution (Self Hosted) Contract Terms. The following Web Enabled Products and Services are available to you from Pictometry International Corp. ("Pictometry"):

- o Pictometry Web Enabled Solution is a stand alone solution for sharing Pictometry Licensed Imagery and tools within the Licensee.
- o Annual Maintenance and Software Upgrades
- o Turnkey stand alone application with installation instructions and Optional Installation Support
- o Optional onsite Technical Support Available

**Terms & Conditions:**

1. In addition to the terms and conditions of this Agreement, the use of Licensed Products associated with the Pictometry Web Enabled Solution ("SH-POL") is subject to the terms and conditions of the Customer's existing License Agreement with Pictometry.
2. Pictometry SH-POL customers must sign an order form/License Agreement ("LA") for services (this document). This order form/LA shall describe the self hosting services and products offered.
3. All deliverables (except for storage media) are considered Licensed Products. These include Licensed Imagery, Licensed Software, Licensed Metadata, Licensed Documentation and other Licensed items that may be later offered as a part of this self hosting solution ("Licensed Products"). Customer shall name one individual to be the administrator of the Self Hosting Project ("Administrator") and submit an email address, telephone number and contact information for that person.
4. Pictometry's Web Services should never be used for life critical applications and Pictometry will not accept liability for service interruptions if used in these critical situations.

**II. Technical Support.** Web Hosting Support can be accessed at CustomerSupport@Pictometry.com

- o Web Hosting Phone Support: Phone 585-486-0093, or toll-free at 888-771-9714
- o Hours: Monday through Friday, 8:30am – 5:30pm Eastern Time Zone Holidays – no phone support, however, email support is available and answered on next business day.
- o Response time, however, may depend on the nature and complexity of the inquiry, or unexpected call volume. Technical Support assigns the highest priority to inquiries related to the servers' unavailability.

**III. Billing and Sales Inquiries.** Billing shall begin upon Self Hosting account activation. Billing inquiries should be sent to AccountsReceivable@Pictometry.com Please note: Pictometry must receive notice of billing disputes within thirty days of the date of invoice receipt or date your credit card was charged for services. All inquiries regarding purchase of new accounts or addition of services should be addressed with your Pictometry Sales Representative.

**IV. Issue Escalation.** If you are concerned with Pictometry hosting services or if you are unable to resolve a technical support issue within the parameters outlined in this Service Level Agreement, contact your Pictometry Sales Representative regarding your concerns. Your concerns will be reviewed, investigated, and responded to within one business day. As issues may be complex or require extensive investigation, this one business day response time does not imply that a resolution is guaranteed within one business day.

**V. Service Availability.** Pictometry International Corp is committed to providing the highest quality service to all customers. To support this commitment, Pictometry gives the following service level guarantees:

- o Pictometry expects a Service Availability of approximately 99.99% for its self hosting customers. Service Availability is defined as the ability of a user within an organization to Access the Pictometry Licensed Products.

Licensee acknowledges and agrees that the internet (including, without limitation, the world wide web) is a network of private and public networks, that licensor has no control over the internet, and that licensor is not liable for the discontinuance of operation of any portion of the internet or possible regulation of the internet which might restrict or prohibit the use of the licensed software or the integrated product or the delivery of the services.

**VI. Disclaimer.** This Agreement authorizes the Customer to use the Web Enabled Solution Product for its internal use. Pictometry warrants that, while it does strive to present accurate information, it does not guarantee the accuracy of information made available to the Customer via this Product, and cannot be held liable for any usage of this information. Pictometry will continually strive to present accurate and reliable information in its Web Enabled Solution Products but does not endorse, approve or certify such information, nor does it guarantee the accuracy, completeness, efficacy, timeliness or correct sequencing of such information.

Use of such information is voluntary, and reliance on it should only be undertaken after an independent review of its accuracy, completeness, efficacy and timeliness. Pictometry (including its employees and agents) assumes no responsibility for any consequences resulting from the use of the information in its Web Enabled Solution Product. Pictometry is not responsible for, and expressly disclaims all liability for, damages of any kind arising out of use, reference to, or reliance on such information. No guarantees or warranties, including (but not limited to) any express or implied warranties of merchantability or fitness for a particular use or purpose, are made by Pictometry with respect to such information. I understand that by using this service I am waiving any and all rights I might have against Pictometry for the accuracy of its product.

**VII. Ownership of Data.** Title to the Product shall remain with Pictometry and shall not pass to the Licensee. The Licensee acknowledges that copyright subsists in the Product and that all property and other rights in the Product and all trademarks and logos used on or in relation to the product shall remain in Pictometry or its licensors. Subject to payment of the Price, Pictometry grants the Licensee a non-exclusive non-transferable right to use the Product for its own internal purposes. This shall not include any right to copy the product, nor to sell, supply or disclose the Product to any third party.

This Agreement grants you the right to use the Image(s) solely for your internal purposes and projects. You may copy the Image(s) onto your computer or from your computer to other computers owned by you or you may make hardcopies of the Image(s), provided that the Image(s) may not be resold, leased, loaned, distributed, or copied for use by any other person or third party or for any other use. You also may not transfer or assign the rights granted in this license to any other person. Any transfer or assignment of your rights under this Agreement without Pictometry's consent shall void the limited license granted under this Agreement. You also may be held legally responsible for copying infringement which is caused or encouraged by your failure to abide by the terms of this Agreement.

**VIII. Data Integrity.** Hosting package includes Backup Services of imagery in Pictometry's control, which includes: full server backup performed once weekly to the shared tape backup device over the network; differential server backup performed once nightly to the shared tape backup device over the network; backup copy retention time is one week. Pictometry is not responsible for data loss resulting from the failure or loss of backup media.

**IX. Maintenance Fees.** Maintenance Fees shall be paid annually on each anniversary of the shipment of the Self Hosting solution. Such fees cover software updates, processing of future imagery for insertion into the Self Hosting Solution and customer support. If Maintenance Fees are not paid: customer support shall cease, software updates shall not be provided and future imagery shall not be processed for use with the Self Hosting Solution. If maintenance has ceased (due to non-payment of Maintenance Fees) and, at a later date, Licensee wishes to resume maintenance, Licensee shall either: 1) remit full payment for all past due Maintenance Fees, or 2) pay the full cost of a new Self Hosted Web Enabled Solution - Enterprise License (at then prevailing prices)

**X. GENERAL.** (a) The Contract constitutes the entire agreement between Pictometry and the Licensee with respect to the Products and supersedes all prior representations, agreements or arrangements whether oral or in writing relating to the subject matter hereof, and (b) each of the sub-clauses of the Conditions and the Contract is to be treated as separate and independent and if any provisions hereof is or becomes illegal or void then the remaining provisions shall remain in full force and effect, and (c) no variation to these Conditions or the Contract shall be effective unless in writing signed by the authorized representatives of both parties. This Agreement, which includes the attached Schedules, contains the entire agreement between the parties and supersedes all written or oral agreements, descriptions,

representations, and understandings with respect to the subject matter hereof.

## XI. INSTALLATION AND INTEGRATION SUPPORT SERVICES

### INSTALLATION SUPPORT SERVICES

*Installation Support Services are typically provided remotely via online tools, and Pictometry will assist the customer in achieving the following tasks:*

- The SH-POL solution has been installed on a customer server, and
- The PAR images have been configured for use with the SH-POL server, and
- Clients are successfully accessing Pictometry PAR-format imagery using the POL client, and
- The OpenStreet map is being properly displayed, and
- The Server and Organization administration functions are accessible and functional.
- **Self-Hosting Administrator Training is included with Installation Support Services**

### IMPLEMENTATION / INTEGRATION SUPPORT SERVICES\*

*Implementation and integration support services are provided remotely via online tools. Pictometry will perform and/or assist (as appropriate) the customer in achieving the following tasks:*

- Pictometry will consult with the customer on best practices for optimizing server and network performance relative to SH-POL.
- Pictometry will consult with the customer on GIS data layer configuration and presentation, including connectivity to WFS/WMS services such as are available through ArcGIS Server 9.3 Enterprise and Standard versions.
- Pictometry will assist the customer with integrating up to three (3) shapefile layers\*\* into SH-POL for presentation, provided that the customer has enabled access to GIS data (in a format and projection compatible with the SH-POL application) through a method currently compatible with the SH-POL application (shapefile, ArcGIS Server, etc.)

\*Customers may determine that they possess sufficient knowledge with ArcGIS Server, WFS/WMS connectivity, MySQL, Windows Server 2003/8, etc. to perform these tasks without assistance from Pictometry. The RTM and Deployment Specialists can confer to make this determination.

\*\*The three-layer quantity is designed to provide the customer with sufficient learning opportunities so that they can continue the process on their own for additional layers. If the customer needs or desires assistance with more layers, additional support fees may apply.

### CUSTOMER REQUIREMENTS AND RESPONSIBILITIES

- The customer must complete and return the Self-Hosting Questionnaire prior to installation work being scheduled
- Customer must possess IT staff capable and available to install and support Windows Server 2003 or 2008 (either 32 bit or 64 bit versions), ESRI ArcGIS Server Standard or Advanced (optional component), Microsoft IIS 6 or Microsoft IIS 7, Oracle 11g or MySQL 5.1, and be capable of working with PHP and web pages. Pictometry will provide a software requirements list, as well as a list of the tasks that the customer is responsible for performing for a successful installation.

**PICTOMETRY INTERNATIONAL CORP.  
GENERAL LICENSE AGREEMENT**

THIS LICENSE AGREEMENT is made as of the date set forth above (the "Effective Date") by and between Pictometry International, Corp., a Delaware corporation with offices at 100 Town Centre Drive, Suite A, Rochester, NY 14623 ("Pictometry"), and the Licensee.

Intending to be legally bound, Pictometry and the Licensee (each a "party") hereby agree:

**1. ARTICLE - DEFINITIONS** for purposes of this Agreement:

- 1.1 "Pictometric Licensed Images" ("Licensed Images") means orthogonal and oblique digital images of portions of the earth's surface, captured from airborne platforms using Pictometry's patented and proprietary hardware and software capture system.
- 1.2 "Community Images" ("CI") means a set of views, each covering an entire Image Sector. One view from directly overhead and other views from different oblique angles.
- 1.3 "Neighborhood Images" ("NI") means a set of overlapping, orthogonal and oblique views blanketing the entire sector, providing for a higher degree of detail than Community Images.
- 1.4 "Image Sector" means a portion of an image collection project and defined as approximately one square mile in area.
- 1.5 "Geographic MetaData" ("Metadata") means data supplied by Pictometry that is captured from airborne platforms using Pictometry's patented and proprietary hardware and software capture system.
- 1.6 "Electronic Field Study" ("EFS") means a proprietary software and file structure package that allows for the display, navigation, measurement, annotation and analysis of Pictometric Licensed Images.
- 1.7 "Pictometry Licensed Software" ("Licensed Software") means any proprietary software provided by Pictometry. This includes, but is not limited to, programs such as EFS and Change Analysis and program modules such as 911 or GIS integration / interfaces.
- 1.8 "Image Warehouse" ("IW") means a hierarchical storage system of Pictometric Images, as well as data and elevation models, that allows fast, random access by geo-location.
- 1.9 "Digital Elevation Model" ("DEM") means a general definition for a file containing ground elevation data. This may be a digital elevation model, a digital terrain model, or a reflective surface model and is meant to encompass all means of production, including LIDAR and stereo pairs.
- 1.10 "Licensed Documentation" ("Documentation") means written and/or electronic materials containing instructions and other information related to the use of the Licensed Images and the Licensed Software.

**2. ARTICLE - GENERAL**

- 2.1 **Licensed Products.** This Agreement pertains to the particular Images described in Section A and Section B and attached to this Agreement (the "Licensed Images"), the particular copies of the Software listed in Section A and Section B (the "Licensed Software"), the associated Metadata (the "Licensed Metadata"), and the DEM described in Section A and Section B attached to this Agreement (the "Licensed DEM"), all of which, along with the Documentation, are together referred to as the "Licensed Products." The terms and conditions of this Agreement may also apply to other products or services that may from time to time be licensed from Pictometry by the Licensee.
- 2.2 **System Installation.** Pictometry shall install a copy of the Licensed Products on storage media either provided by Licensee or purchased from Pictometry, as specified in Section A. With the assistance of Pictometry, the Licensee will install the Licensed Products from that media onto computers, including server computers. The Licensee will be responsible for assuring that the computer system being used for these purposes will satisfy the minimum system requirements set forth on Section B. Licensee and its Authorized Subdivisions (as provided in Section 2.3) may use and execute the Licensed Software for official purposes only.
- 2.3 **Data.** Licensee agrees that Pictometry may audit Licensee's use of the Licensed Software and agrees to the sharing of supplementary data with Pictometry for the purpose of improving future software versions, providing for additional tools and enhancing the value of the software to the Licensee. Pictometry shall not transfer any data collected to any third party. Pictometry shall preserve at all times the confidentiality of information pertaining to data collections where the information is not in the public domain.
- 2.4 **Licensee May Authorize Subdivisions and Users.** The Licensee may authorize any department, sub unit, or location within the Licensee (hereinafter "Authorized Subdivisions") to have the Licensed Products installed on computers owned (or leased) and used by those Authorized Subdivisions. The installation of the Licensed Imagery and EFS, and the training of the Licensee and Authorized Subdivision Personnel ("Authorized Users"), may be performed only by Pictometry or by the Licensee's employees who have received special training from Pictometry. All Authorized Subdivisions and Authorized Users shall operate under this Agreement as agents of the Licensee and comply with all obligations of Licensee with respect to the use and distribution of the Licensed Products, and Pictometry may look to the Licensee alone for assuring compliance with the terms and conditions of this Agreement. Licensee agrees: (a) that it will not allow any persons other than Authorized Users to use or operate, or to have any other access to, any of the Licensed Products (other than as described in Article 3.1 of this Agreement), (b) that it will not allow access to any of the Licensed Software except through Licensee and Authorized Subdivisions workstations, and (c) that it will cause all Authorized Users to comply with all of the terms, conditions, and limitations applicable to the Licensee under this Agreement.

**3. ARTICLE - GRANT OF LICENSE**

- 3.1 **License Grant, Uses and Certain Fees.** In consideration for the payment of the License Fees provided for in Article 4 below, and subject to the other terms and conditions of this Agreement, Pictometry hereby grants to Licensee, and Licensee hereby accepts, a nonexclusive, nontransferable, limited license (the "License") for the following:
  - (a) **Installation.** To install the Image Warehouse on servers and install related Licensed Products on workstations, all of which shall be owned (or leased) by, shall be located on the owned or leased property of, shall be under the control of, and shall be used only by the Licensee or by Authorized Subdivisions. None of the Licensed Products (except Licensed Images) shall be accessed except through such designated servers and workstations.
  - (b) **Documentation.** To copy and use the related Documentation included in the Licensed Products in connection with the activities described in this Section 3.1.
  - (c) **Uses.** Through Authorized Users only, to use and operate the Licensed Software on those designated servers and workstations in the conduct of the public business of the Licensee, or of the Authorized Subdivisions, and to use the Licensed Products in the following activities (and no others):
    - (1) **For Internal Business.** To use and execute the Licensed Products for internal pursuit of its or their public responsibilities.
    - (2) **For Persons Doing Business With Licensee** ("Project Participants"). Under the supervision of Authorized Users, allow representatives of persons doing business with the Licensee or an Authorized Subdivision on Licensee Projects (defined below) to use and execute the Licensed Software at the Licensee's or Authorized Subdivisions' facilities only. For these purposes, "Licensee Projects" shall mean any plan or effort, tangible or intangible, such as construction, real estate disposition, facilities management, environmental studies, or public information brochures or notices used or to be used by the Licensee or an Authorized Subdivision in pursuit of its public responsibilities. The Licensee or Authorized Subdivisions shall cause each Project Participant to agree to use the hard copies (or jpg copies) of Licensed Images solely in connection with the Licensee's or Authorized Subdivision's Project.
    - (3) **For Public Use.** Through Authorized Users only, to use and execute the Licensed Software solely for the purpose of making hard copies and/or digital copies of Licensed Images for persons desiring them (which copies may contain annotations of information stored in the Licensed Software and related to the property shown). Reproductions of individual (or limited quantities of) Licensed Images using the

Licensed Software, or reproduction or copying of the Licensed Images in any form by any other means by Licensee or an Authorized Subdivision thereof, shall be permitted for distribution to Licensee's or Subdivision's constituency and/or public users. Licensee may charge reproduction fees or no fees to the persons or entities receiving the Images. The foregoing notwithstanding, Licensee may not distribute images directly or indirectly to Google or Google Affiliates.

- 3.2 Limitations on License.** Licensee agrees: (a) that nothing under this Agreement authorizes it to engage in any service bureau work, to exercise or provide any multiple-user license, or to enter into any time-sharing arrangement, except as expressly authorized with respect to Authorized Subdivisions, (b) that Licensee will not authorize or allow any remote access, by any unauthorized persons, to the Licensed Products except as expressly provided in this Agreement for Licensee and Authorized Subdivisions workstations, (c) that Pictometry shall not be obligated to revise, improve, or otherwise change the Licensed Software in any way, (d) that the Licensee is responsible for selecting Authorized Users who are qualified to operate the Licensed Products on licensee workstations and are familiar with the Licensed Products and trained as provided in Section 2.3, (e) that the Licensee and its Authorized Subdivisions may not copy, download, store, publish, transmit, transfer, sell, or otherwise install or use the Licensed Products (except for Licensed Images) in any form or by any means, except (i) as expressly permitted by this Agreement, (ii) with Pictometry's prior written permission, or (iii) to the extent not expressly prohibited by this Agreement, as allowed under the fair use provision of the Copyright Act (17 U.S.C. § 107). Licensee agrees that it will deliver to all recipients of any hard copies, and to any other persons who may have access to any of the Images, all such disclaimers and other information so as to assist those persons in understanding the limitations on the accuracy of the information developed through the Licensed Products. For purposes of this Agreement, service bureau work shall be deemed to include, without limitation, use of the Licensed Products to process or to generate output data for the benefit of or for purposes of, rendering services to, any third party over the Internet or other public communications medium. Authorized access through designated servers and workstations includes remote access by Licensee's employees for the business/governmental purposes of Licensee.
- 3.3 Pictometry's Reserved Rights.** Pictometry reserves the right, at its sole discretion and without liability to Licensee, to create new versions of, or modules, with additional functionality for any part of the Licensed Products, which may be acquired on a nonexclusive basis by Licensee under a separate agreement. Pictometry may, in addition, produce upgrades to enhance operations of the Licensed Products, which will be supplied without additional cost to Licensee during the initial term of this License Agreement.
- 4. ARTICLE - LICENSE FEES**
- 4.1 License Fees.** In consideration for the License, and subject to the other terms and conditions of this Agreement, the Licensee hereby agrees to pay to Pictometry the fees described in this Agreement (altogether the "License Fees") and payment shall be made as provided in Section A. Any tax, including sales tax, is in addition to the License Fees and is the responsibility of the Licensee unless documentation of tax exemption is provided to Pictometry. All License Fees shall be earned on the date Licensed Products are shipped.
- 5. ARTICLE - OBLIGATIONS OF LICENSEE**
- 5.1 Geographic Data.** If available, Licensee agrees to provide to Pictometry geographic data in industry standard format, shape, DBF, etc., including digital elevation models, street centerline maps, tax parcel maps, centroids, etc., which data, to the extent practicable, shall be incorporated into the Image Library licensed to the Licensee. Licensee agrees that any of this data that is owned by the Licensee, may be distributed by Pictometry with the Image Library that is used in the Pictometry On-Line product and in licensing the Image Library to other licensees. At no time shall Pictometry claim ownership of that data.
- 5.2 Notification.** Licensee will: (a) notify Pictometry in writing of any claim or proceeding involving any of the Licensed Products within ten (10) days after Licensee learns of the claim or proceeding; and (b) report promptly to Pictometry all claimed or suspected defects in any Licensed Product
- 6. ARTICLE - ASSIGNMENT**
- 6.1 General.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties, their successors and permitted assigns, but shall not be assignable by either party except as provided in Sections 6.2 and 6.3 below.
- 6.2 Assignment By Licensee.** This Agreement will not be assignable by Licensee, and Licensee may not delegate its duties hereunder without the prior written consent of Pictometry.
- 6.3 Assignment By Pictometry.** Pictometry shall have the right to assign its rights to receive License Fees under this Agreement, but no such assignment shall affect Pictometry's obligations hereunder. In addition, Pictometry shall have the right to assign all its rights to any person or entity, provided the assignee has assumed all of Pictometry's obligations under this Agreement. Except as provided above in this Section 6.3, this Agreement will not be assignable by Pictometry.
- 7. ARTICLE - DURATION AND TERMINATION OF LICENSE**
- 7.1 Initial Term.** The initial term of this Agreement shall commence upon the shipment of substantially all of the Image Warehouse and the initial term shall expire as indicated on Section A, unless the parties enter into a written agreement extending that initial term. At the end of that initial term of this Agreement, and after all License Fees for the initial term have been paid, this License shall automatically convert to a royalty-free, perpetual license and Pictometry shall allow the Licensee to keep, use, and operate the Licensed Products forever. Licensee will be responsible for ongoing support/maintenance/upgrade fees for this Perpetual License unless the Licensee has renewed this License for additional Image Libraries. Under the Perpetual License, Licensee's obligations under this agreement shall continue in perpetuity except for its obligations to pay License Fees. Pictometry shall have no obligations under this Agreement except for those with regard to the additional Support, Upgrades and Maintenance for their Licensed Software. If Licensee renews this License Agreement for an additional term, all support, upgrades and maintenance on Licensed Products under a perpetual license shall be provided at no charge to Licensee during the term of the renewal. Effective as of the expiration of the initial term as provided in Section A, Licensee will no longer be able to add images to the existing Image Library unless a renewal occurs.
- 7.2 Termination for Cause.** This Agreement may be terminated by either party in the event that the other party has failed to perform a material obligation or has otherwise breached a material term of this Agreement, and if that other party has failed to cure that failure or breach within thirty (30) days after receipt of written notice thereof from the other party.
- 7.3 Effect of Termination.** Upon termination of this Agreement as provided in Section 7.2 above, Licensee shall immediately cease any and all further use of the Licensed Products and shall promptly purge all copies of the Licensed Products from all computers and workstations on which any of them may be stored or available at the time. Within thirty (30) days of the date of termination of this Agreement, Licensee shall also pay Pictometry all amounts, if any, due hereunder. The provisions of Articles 6, 7, 8, 9 and 10 of this Agreement shall survive any termination of this Agreement.
- 8. ARTICLE - INTELLECTUAL PROPERTY RIGHTS AND RESERVATION OF OWNERSHIP**
- 8.1 Licensed Products.** The parties acknowledge and agree that Pictometry shall have and retain sole and exclusive ownership and all right, title, and interest in and to any Licensed Images, Licensed Metadata, Licensed Software, Licensed DEM and Licensed Documentation provided under this Agreement and all copyrights, patents, trademarks, trade names, logos, trade secrets, and other proprietary rights in or associated with each of the Licensed Products (altogether the "Proprietary Rights"). Licensee agrees: (a) that it will never assert or claim any interest in, or do anything that may adversely affect the validity of, or infringe on, or affect Pictometry's right, title, and interest in, any Proprietary Right, and (b) that it will use reasonable efforts to protect the Proprietary Rights, including placing or maintaining all copyright, patent, and other notices and other indications of Pictometry's ownership thereof on all Licensed Products and on all copies of Licensed Images and all other property of Pictometry when instructed by Pictometry, and (c) that it will notify Pictometry promptly after learning about any actual or suspected breach of any Proprietary Rights.
- 8.2 Use of Pictometry's Marks.** Licensee agrees not to attach any additional trademarks, trade names, logos or designations to any Licensed Products or to any copies of any of the Licensed Images without prior written approval from Pictometry. Licensee may, however, include a Licensee seal and Licensee's contact information so long as the seal and contact information in no way obscure or deface the Pictometry marks. Licensee further agrees that Licensee will not use any Pictometry trademark, trade name, logo, or designation in connection with any product or service other than the Pictometry Licensed Images and the other Pictometry Licensed Products. Licensee's nonexclusive right to use Pictometry's trademarks, trade name, logos, and designations is coterminous with this Agreement.

- 8.3 Electronic and Other Publishing.** Except as provided in Article 3.1 of this Agreement, Licensee is specifically prohibited from publishing any Licensed Products (other than Licensed Images) in any way, whether separately or as part of any other publication. For these purposes, publishing includes, making available on the Internet or World Wide Web or any other general access electronic network, method or medium.
- 8.4 Confidentiality of Licensed Products.** The Licensed Products are commercially valuable, proprietary products owned by Pictometry, the design and development of which reflect an investment of considerable time, effort, and money. The Licensed Products are treated by Pictometry as confidential and contain substantial trade secrets of Pictometry. Licensee agrees that it will not disclose, provide a copy of, or disseminate the Licensed Products (other than Licensed Images) or any part thereof to any person who does not need to obtain access thereto consistent with Licensee's rights and obligations under this Agreement. Licensee agrees to use its best efforts to assure (a) that all its personnel, and any others afforded access to the Licensed Products, will protect the Products against unauthorized use, disclosure, copying, and dissemination, and (b) that access to the Licensed Products and each part thereof will be strictly limited. Licensee understands that Pictometry does not disclose source code and Licensee agrees that it will take all reasonable actions to assure that persons who might access the Licensed Software will not "unlock" or "reverse engineer" any part of the Licensed Software so as to find or uncover the source code or other trade secrets included therein.
- 9. ARTICLE - LIMITED WARRANTY; DISCLAIMER OF WARRANTIES; LIMITED REMEDIES**
- 9.1 Limited Warranties.** Pictometry warrants that the Licensed Images and the Licensed Products installed by Pictometry on any Authorized Workstation supplied by Licensee pursuant to this Agreement will be true and usable copies as of the date of capture. Upon notice to Pictometry of any breach of that warranty, Pictometry will use its reasonable efforts to correct the problem so as to allow the Licensed Products to produce Images and related data that are usable for the general purposes intended. The foregoing warranty is the sole and exclusive warranty that Pictometry makes with respect to the Licensed Products, and the remedy set forth above is the sole and exclusive remedy for breach of that warranty.
- 9.2 Disclaimer of Other Warranties.** Except as provided in Section 9.1 above, EACH OF THE LICENSED PRODUCTS IS PROVIDED TO LICENSEE "AS IS" AND "WITH ALL FAULTS." PICTOMETRY MAKES NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY. ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, AND NONINFRINGEMENT, ARE HEREBY DISCLAIMED AND EXCLUDED BY PICTOMETRY.
- 9.3 Limitations and Exclusions of Remedies.** The remedy set forth in Section 9.1 is the sole and exclusive remedy provided for breach of the warranty given. With respect to any other claims that Licensee may have at any time against Pictometry on any matter relating to this Agreement, or the installation, operation, design, distribution, or use of the Licensed Products, the total liability of Pictometry shall in the aggregate be limited to the aggregate amounts of money that Licensee has paid to Pictometry under this Agreement. In addition, because of scheduling and other considerations in preparing current Licensed Images, Pictometry cannot assure delivery of the Licensed Products on a specified delivery date, and Pictometry shall not be liable for any such late delivery except in a case of its gross negligence or willful misconduct. IN NO EVENT SHALL EITHER PARTY BE LIABLE, UNDER ANY CAUSE OF ACTION OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE LICENSED PRODUCTS, OR IMAGES (INCLUDING UNDER THEORIES INVOLVING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR BREACH OF WARRANTY), FOR ANY LOST PROFITS OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES SUFFERED BY THE OTHER PARTY OR BY ITS CUSTOMERS OR OTHERS, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 9.4 Imagery Specifications.** Ground Sample Distance ("GSD") may be affected by Air Traffic Control or terrain restrictions. Images shall have an unobstructed view of the ground. In controlled airspace around airports (and other areas) and in areas of rapid elevation changes, the image footprint sizes and resolutions may vary. There may be varying degrees of ground illumination and color variations due to lighting and cloud shadows. Pictometry's Orthogonal images provide the coordinate accuracy fulfilling most planimetric requirements. Pictometry data, however, are not intended for authoritative or definitive mapping or surveying replacement. If there is a need for authoritative mapping products, additional work is required by licensed individuals in order to certify Pictometry's orthogonal imagery.
- 10. ARTICLE - GENERAL**
- 10.1 Entire Agreement.** This Agreement, which includes the attached Schedules, contains the entire agreement between the parties and supersedes all written or oral agreements, descriptions, representations, and understandings with respect to the subject matter hereof. Where differences occur between the main body of the Agreement and the attached Sections, the Sections shall supersede the Agreement. Licensee acknowledges that it is not entering into this Agreement on the basis of any representations not expressly contained herein. Any modifications of this Agreement must be in writing and signed by a duly authorized officer of each party.
- 10.2 Rights of Others.** This Agreement is solely intended to provide rights to and be enforceable by Pictometry and Licensee (including its Authorized Subdivisions). No other person shall acquire or enforce any rights or any representations or warranties given under this Agreement.
- 10.3 Waiver.** The waiver by either party of any default by the other shall not waive subsequent defaults of the same or different kind.
- 10.4 Notices.** All notices and demands hereunder shall be in writing and shall be delivered by personal service, mail, courier service, or confirmed facsimile transmission at the address of the receiving party set forth in this agreement (or at such different address as may be designated by one party by written notice to the other). All notices or demands by mail shall be sent by certified or registered United States mail, return receipt requested, and all notices and demands shall be deemed complete upon receipt.
- 10.5 Export Control.** Licensee agrees to comply fully with the export laws and regulations of the United States Government with respect to the Licensed Products supplied by Pictometry. Accordingly, Licensee agrees that all technical data, software, or other information or assistance (other than publicly available information) furnished by Pictometry, and any product thereof, shall not be re-exported by Licensee, or its authorized transferees, if any, directly or indirectly from the United States unless explicitly permitted by U.S. export control laws and regulations. These obligations of the Licensee shall survive any satisfaction, termination, or discharge of this Agreement.
- 10.6 Severability.** In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be unenforceable, such provision will be enforced to the maximum extent permissible and the remaining portions of this Agreement shall remain in full force and effect.
- 10.7 Force Majeure.** Pictometry shall not be responsible for any failure to perform due to unforeseen circumstances or to causes beyond Pictometry's reasonable control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, failure to obtain export licenses or shortages or delays of transportation, facilities, fuel, energy, supplies, labor or materials. In the event of any such delay, Pictometry may defer the delivery of Licensed Products for a period equal to the time of the delay.



R11-143

December 5, 2011

**RE: INFORMATION TECHNOLOGY DEPARTMENT – Geographic Information System (GIS) – Acquisition of oblique digital ortho photography from Pictometry International**

**RESOLUTION**

WHEREAS, the current photography used by the City of Adrian’s Geographic Information System was created in 2004 and substantial changes have occurred within the City and surrounding area; and

WHEREAS, the city commission and staff through demonstrations from Pictometry International and consultation with GIS, Inc. have realized the benefits of oblique digital ortho photography or Pictometry from Pictometry International; and

WHEREAS, the City Commission, by Resolution # 11-051 Dated May 2, 2011, approved the FY2011-12 Budget and General Appropriations Act, which included \$55,000 for the purchase of Pictometry; and

WHEREAS, Pictometry International, the sole source supplier of this technology, has submitted a proposal to provide three dimensional images for the City of Adrian and appropriate surrounding jurisdictions in early 2012 for \$60,508 with appropriate licensing and training; and

WHEREAS, the Finance Director indicates that sufficient funds are in the GIS Consulting Services – Computer Software account (661-220.00-811.000) to cover the \$5,508 shortfall in the budgeted amount, and

WHEREAS, THE City Administrator and IT Director recommend that, in the best interests of the City, the competitive bid process be waived and that the oblique digital ortho photography or Pictometry be acquired from Pictometry International at a cost not to exceed \$60,508, and that the FY2011-12 Budget be amended accordingly.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission hereby accepts the bid process be waived due to sole source supplier status and the proposal from Pictometry International in the amount of \$60,508 be approved.

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.

BE IT FURTHER RESOLVED that the FY2011-12 Budget be amended as follows:

**Information Technology Fund (661)**

Expenditures:

(661-220.00-811.000) Consulting Services-Computer Software	\$(5,508)
(661-220.00-801.000) Contract Services	<u>5,508</u>
Total	<u>\$ -0-</u>

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

# MEMO

---



DATE: December 1, 2011  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: 718 E. Church Street

---

In the past few years, the City acquired six homes from HUD for \$1.00 each. In November of 2010, five of these parcels were sold (three for cash with two sold on land contracts). One parcel was retained by the City as the building needed to be demolished.

The purchaser of 718 E. Church Street has requested to terminate the land contract. That contract called for a payment of \$15,325.00 at 5% per year, all to be paid within 5 years. The next highest bidder at that time was for a price of \$15,150.00. This next highest bidder still wishes to purchase the property for the same amount, although it is unclear whether it would be a cash sale or for a land contract on the same terms as above.

The property is basically in the same shape as last year, although there have been a few improvements made by the current purchaser. Rather than start a new process to resell the property, I would recommend that the property be sold for \$15,150.00 to the second highest bidder and that authorization be given to either accept full cash for the transaction or to sell it on land contract on the same terms as the land contract approved last year.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:mlb

**R11-144**

December 5, 2011

**RE: CITY COMMISSION- Resolution to accept a quit claim deed from the owners of 718 E. Church Street and approve the sale of the property to a new purchaser**

**RESOLUTION**

WHEREAS, in December of 2010, the City entered into a certain land contract with Walter R. Hesel for the purchase and sale of property commonly known as 718 E. Church Street, Adrian, Michigan; and

WHEREAS, the purchaser has been unable to honor the contractual terms and has requested that the City take the property back on an as-is basis and that said contract be terminated; and

WHEREAS, the second highest bidder from a year ago is still interested in purchasing the property for a bid then made in the amount of \$15,150, with the acceptance of said proposal being recommended by the City Administrator.

NOW, THEREFORE, BE IT RESOLVED that the land contract dated December 7, 2010 with Walter R. Hesel for the sale of 718 E. Church Street, Adrian, Michigan, is hereby approved to be terminated, and that it is approved for the City to accept a quit-claim deed from the purchaser and his spouse to terminate the interest in said land contract.

IT IS FURTHER RESOLVED that the sale of said property for \$15,150 is hereby approved on either a cash transaction or for a land contract at the interest rate of 5% per year, with the entire balance to be fully due and payable in five years.

IT IS FURTHER RESOLVED that the Mayor and City Clerk are authorized to execute a quit-claim deed to convey said property to the new purchaser or that the City Administrator is authorized to execute a land contract on the terms and conditions set forth above.

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

**MEMO**

135 E. Maumee, Adrian, MI 49221-2703

---

DATE: November 15, 2011

TO: Hon. Greg DuMars, Mayor  
City Commission  
Dane Nelson, City Administrator

FROM: Chris Miller  
DDA & Economic Development Coordinator

SUBJECT: DDA request to utilize undesignated fund balance

---

Ladies and Gentlemen,

At the November 9<sup>th</sup> 2011 DDA board meeting, the board passed a resolution authorizing the use of DDA undesignated fund balance monies to address water leakage problems in the former Democratic and EE Tubbas buildings (101-109 E. Maumee). Both of these parcels have been surrendered to the county for back taxes, and by agreement with the county treasurer and county administrator, both properties will be put into the (impending new) County Land Bank. Both properties were pulled from the final (scavenger) tax sale to ensure that we would be able to protect these historic structures, including the corner building (Underwood Building) the oldest existing downtown building.

In discussing use of these funds with Director of Finance Jeff Pardee, he indicated that use of these funds as an investment strategy is permissible, and that is the precise intent of this action. At present no taxes of any description are being paid on these properties, and the DDA intention is to preserve and protect the buildings in preparation for development. Once development occurs the DDA will realize a return on these dollars either through direct payment or future tax capture.

We have received an estimate that this project will secure the roof and windows, and will also repair a portion of the brick wall at the back of the buildings. The project will cost approximately \$40,000. We will request bids on the project and expect to complete repairs so as to prevent any additional significant damage to the buildings.

Best Regards,  
Chris Miller  
DDA & Economic Development Coordinator

December 5, 2011

**R11-145**

**DOWNTOWN DEVELOPMENT AUTHORITY – Request to Use DDA-Tax Increment Finance Fund Balance to Make Necessary Repairs to Downtown Buildings in Order to Mitigate Further Deterioration**

**RESOLUTION**

WHEREAS, the Adrian City Commission, on March 5, 1990, established the Downtown Development Authority (DDA) for the purpose of, among other things, preparing and marketing sites for new private development in the downtown district, including the prevention of further deterioration of existing buildings; and

WHEREAS, per Public Act 197 of 1975, the DDA is a corporate entity of the City of Adrian and, therefore, is subject to the direction of the Adrian City Commission; and

WHEREAS, funds for DDA activities is derived from two sources, a two-mill tax levy on downtown businesses and Tax Increment Financing Plan, also approved by the City Commission in 1990; and

WHEREAS, the City of Adrian desires to preserve downtown buildings which differentiate the city and provide an authentic historical experience for customers and clients; and

WHEREAS, these buildings are a unique resource that speak to the heritage and future of the city that cannot be duplicated elsewhere; and

WHEREAS, several unique downtown buildings have suffered from lack of maintenance and are presently not occupied or privately owned; and

WHEREAS, the buildings at the northeast corner of Main and Maumee, the very center of downtown, include the Underwood building, the oldest building still standing downtown; and

WHEREAS, the Underwood building at 101 E. Maumee, and the two adjacent buildings, commonly known as 109 E. Maumee have been identified by the DDA board as properties requiring immediate maintenance to avoid further deterioration; and

WHEREAS, the DDA board has authorized the use of \$40,000 of Undesignated Fund Balance monies to repair the roof and board windows to prevent further water damage to 101 – 109 E. Maumee; and

WHEREAS, this expenditure requires approval from the City Commission and requisite adjustments in the city budget; and

WHEREAS, the DDA Board and City Administrator recommend approval of this resolution, appropriation of funds and amendment of the FY2011-12 Budget.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission hereby authorizes the appropriation of \$40,000 from the DDA-TIF Fund Unassigned Fund Balance (281-000.00-390.000) for the purpose of making necessary improvements to downtown buildings located at 101-109 E. Maumee in order to prevent further deterioration and allow for future marketing.

BE IT FURTHER RESOLVED that the FY2011-12 Budget be amended as follows:

**DDA-TIF Fund (281)**

Revenue:

(281-000.00-697.000)	Prior Years' Revenue	\$40,000
----------------------	----------------------	----------

Expenditures:

(281-290.00-975.000)	Capital Improvements	<u>40,000</u>
	Total	<u>\$ -0-</u>

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