



# CITY OF ALBION CITY COUNCIL MEETING AGENDA

Meetings: First and Third Mondays – 7:00 p.m.

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

COUNCIL-MANAGER  
GOVERNMENT

Council members and  
other officials normally in  
attendance.

## AGENDA

### COUNCIL MEETING Monday, December 18, 2017

7:00 P.M.

**Garrett Brown**  
Mayor

**Maurice Barnes, Jr.**  
Council Member  
1<sup>st</sup> Precinct

**Lenn Reid**  
Council Member  
2<sup>nd</sup> Precinct

**Sonya Brown**  
Mayor Pro-Tem  
Council Member  
3<sup>rd</sup> Precinct

**Marcola Lawler**  
Council Member  
4<sup>th</sup> Precinct

**Jeanette Spicer**  
Council Member  
5<sup>th</sup> Precinct

**Andrew French**  
Council Member  
6<sup>th</sup> Precinct

**Sheryl L. Mitchell**  
City Manager

**The Harkness Law Firm**  
Atty Cullen Harkness

**Jill Domingo**  
City Clerk

NOTICE FOR PERSONS WITH  
HEARING IMPAIRMENTS  
WHO REQUIRE THE USE OF A  
PORTABLE LISTENING DEVICE

Please contact the City  
Clerk's office at  
517.629.5535 and a listening  
device will be provided  
upon notification. If you  
require a signer, please  
notify City Hall at least five  
(5) days prior to the posted  
meeting time.

### PLEASE TURN OFF CELL PHONES DURING MEETING

- I. CALL TO ORDER
- II. MOMENT OF SILENCE TO BE OBSERVED
- III. PLEDGE OF ALLEGIANCE
- IV. ROLL CALL
- V. MAYOR AND COUNCIL MEMBER'S COMMENTS
- VI. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to **agenda items only** and to no more than three (3) minutes. Proper decorum is required.)
- VII. CONSENT CALENDAR (VV) (Items on Consent Calendar are voted on as one unit)
  - A. Approval Regular Session Minutes, December 4, 2017
- VIII. ITEMS FOR INDIVIDUAL DISCUSSION
  - A. Request Approval Resolution # 2017-51, A Resolution for Approval of Sister City Special Liquor License Application (RCV)
  - B. Request Approval Resolution # 2017-52, City of Albion Supporting the Reinstatement of State Historic Tax Credits Senate Bill 469/House Bill 5178 (RCV)
  - C. Request Approval Resolution # 2017-53, Calhoun County Land Bank & Albion Reinvestment Corporation Agreement (RCV)
  - D. Request Approval Advancing Albion Action Plan (RCV)
  - E. Request Approval Resolution # 2017-54, FY 2018 Budget Appropriations (RCV)
  - F. Request Approval Resolution # 2017-55, FY 2017 Budget



# CITY OF ALBION

## CITY COUNCIL MEETING AGENDA

*Meetings: First and Third Mondays – 7:00 p.m.*

City Council Chambers ♦ Second Floor ♦ 112 West Cass Street ♦ Albion, MI 49224

Amendments (RCV)

- G. Request Approval Resolution # 2017-56, Approve Purchase of Two Police Vehicles (RCV)
  - H. Request Approval Increase in City Manager Compensation (RCV)
  - I. Request Approval of American Federation of State, County and Municipal Employees Contract Effective October 1, 2017-December 31, 2020 (RCV)
  - J. Request Approval of the Albion Clerical Alliance (ACA) Contract Effective October 1, 2017 –September 30, 2020 (RCV)
  - K. Request Approval of the Police Officers Association of Michigan (POAM) Contract Effective October 1, 2017 –September 30, 2020 (RCV)
  - L. Request Approval of the Albion Command Officers Association (ACOA) Contract Effective October 1, 2017 –September 30, 2020 (RCV)
  - M. Request 1<sup>st</sup> Approval Council Rules of Procedures (RCV)
- IX. City Manager Report
  - X. Future Agenda Items
  - XI. Motion to Excuse Absent Council Member(s)
  - XII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required.)
  - XIII. ADJOURN

City of Albion  
Council Session Minutes  
December 4, 2017

I. CALL TO ORDER

Mayor Brown called the meeting to order at 7:00 p.m.

II. MOMENT OF SILENCE TO BE OBSERVED

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

PRESENT: Maurice Barnes (1), Lenn Reid (2), Sonya Brown (3), Marcola Lawler (4) Jeanette Spicer (5), and Andrew French (6) and Mayor Brown.

STAFF PRESENT:

Sheryl Mitchell, City Manager; Cullen Harkness, City Attorney; Jill Domingo, City Clerk; Scott Kipp, Chief Public Safety; Stacey Levin, Assistant City Manager; Jim Lenardson, Director Public Services; Tom Mead, Finance Director and John Tracy, Director Planning, Building & Code Enforcement.

V. MAYOR AND COUNCIL MEMBER'S COMMENTS

Comments were received from Council Members Barnes and Lawler.

VI. PUBLIC HEARING

A. FY 2018 Budget

Mayor Brown opened the Public Hearing at 7:01 p.m.

No public comments were received.

City Manager Mitchell presented the following overview of FY 2018 Budget:

The major changes were:

- Albion Marshall Connector Funding
- Zoning-RRC
- Reiger Park-Pond Repair
- COPS Grant match
- Adding the following positions:
  - Deputy Treasurer/Clerk (full time position)
  - Code Enforcement (2-part-time positions)

- City Manager-Clerical (part-time position)
- Salaried Employees-2% increase
- General Fund:
  - Total Revenues \$ 3,874,288
  - Total Expenditures \$ 4,046,365
  - Fund Balance Impact \$ (172,077)
  - Ending Fund Balance \$ 1,164,017 (28%)
- Collaboration of Services
  - Cost Saving Initiatives:
    - Albion-Marshall Connector
    - Assessing Services with the City of Marshall
    - Calhoun County for recycling program (\$7,000)
    - Calhoun County for purchase/storage of road salt
    - Continuation of shared City/County Dispatch Services
- Major Streets:
  - Total Revenues \$ 740,170
  - Total Expenditures \$ 697,949
  - Fund Balance Impact \$ 42,221
  - Ending Fund Balance \$ 503,685
- Local Streets
  - Total Revenues \$ 422,262
  - Total Expenditures \$ 406,648
  - Fund Balance Impact \$ 15,614
  - Ending Fund Balance \$ 173,075
- Street Improvements:
  - 3.0 Mil approved in May 2015 for 5 years
  - Total Revenues \$ 268,300
  - Total Expenditures \$ 268,300
  - Fund Balance Impact \$ 0
  - Ending Fund Balance \$ 193,587
- Sidewalk Program
  - 10 year \$50/parcel assessment-final year was 2017
  - Total Revenues \$ (3500)
  - Total Expenditures \$ 200,000
  - Fund Balance Impact \$ 0
  - Ending Fund Balance \$ 235,044
- Recreation:
  - 1.5 millage rate approved in 2015 for 3 years
  - Total Revenues \$ 221,400
  - Total Expenditures \$ 210,358
  - Fund Balance Impact \$ 11,042

- Ending Fund Balance \$166,476
- Sewer Fund
  - Total Revenues \$ 1,140,800
  - Total Expenditures \$ 1,476,162
  - Fund Balance Impact \$ (335,362)
  - Ending Fund Balance \$ 3,824,424
- Water Fund
  - Total Revenues \$ 918,250
  - Total Expenditures \$ 1,010,470
  - Fund Balance Impact \$ (92,220)
  - Ending Fund Balance \$ 5,221,525

Mayor Brown closed the Public Hearing at 7:12 p.m.

Council continued discussion with comments received from Council Member French and Mayor Brown.

VII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to **agenda items only** and to no more than three (3) minutes. Proper decorum is required).

Comments were received from Nidia Wolf, 409 Irwin Avenue; Beckie Decker, 601 Burr Oak St; Lavada Weeks, 917 Luther Dr; Elizabeth Decker, 601 Burr Oak St; Wayne Arnold, 906 Hall St; Mike Bearman, 11016 29 Mile Rd; Marva Powell, 116 W. Pine St; Alfredia Dysart-Drake, 1016 S. Superior St; Brenda Davis, 1229 Highland Avenue and Johnny Dunklin, 1203 2<sup>nd</sup> St.

Mayor Brown asked for point of order that comments should not be directed at specific Council Members and Council Member Barnes asked for point of order that comments must be addressed to agenda items only.

VIII. CONSENT CALENDAR (VV)  
(Items on the Consent Calendar are voted on as one unit)

- A. Approval Budget Study Session Minutes-November 13, 2017
- B. Approval Special Session Minutes-November 16, 2017
- C. Approval Regular Session Minutes-November 20, 2017
- D. Approval Special Session Minutes-November 27, 2017
- E. Authorization to Close City Hall on Friday, December 15, 2017 from 1 pm – 5pm for the Employee Holiday Party

French moved, Lawler supported, CARRIED, To Approve Consent Calendar as presented. (7-0, vv)

IX. ITEMS FOR INDIVIDUAL DISCUSSION

- A. Request Approval Reappointment Boards & Commissions

- Albert Smith, Initial Appointment, ZBA Board, Term to Expire 12-31-2019
- Frances Vales, Initial Appointment, Planning Commission, Term to Expire 12-31-2019
- Eric Lange, Initial Appointment, Albion Trust, Term to Expire 11-7-2019
- Shaun Wilson. Initial Appointment, Albion Economic Development Corporation, Term to Expire 7-1-2020
- George Strander, Reappointment, Planning Commission, Term to Expire 12-31-2020

Spicer moved, Brown supported to Approve Appointment and Reappointments to Boards and Commissions.

Council Member Spicer withdrew her motion.

Council Member Barnes asked to approve each Board individually.

Spicer moved, Brown supported, CARRIED, to Approve Albert Smith, Initial Appointment, ZBA Board, Term to Expire 12-31-2019 as presented. (7-0, rcv)

Comments were received from Council Members Barnes, Brown, Reid and French.

French moved, Brown supported, CARRIED, to Approve Frances Vales, Initial Appointment, Planning Commission, Term to Expire 12-31-2019 as presented. (7-0, rcv)

Comments were received from Council Member French and Mayor Brown.

French moved, Brown supported, CARRIED, to Approve Eric Lange, Initial Appointment, Albion Trust, Term to Expire 11-7-2019 as presented. (7-0, rcv)

Comments were received from Council Members Barnes, French and Brown and Mayor Brown.

Brown moved, Reid supported, CARRIED, to Approve Shaun Wilson. Initial Appointment, Albion Economic Development Corporation, Term to Expire 7-1-2020 as presented. (6-1, rcv) (Barnes dissenting).

French moved, Brown supported, CARRIED, to Approve George Strander, Reappointment, Planning Commission, Term to Expire 12-31-2020 as presented. (7-0, rcv).

B. Request Approval Resolution # 2017-48, Final Adoption of the Future Land Use & Zoning Plan (RCV)

Comments were received from City Manager Mitchell.

French moved, Brown supported, CARRIED, to Approve Resolution # 2017-48, Final Adoption of the Future Land Use & Zoning Plan as presented. (7-0, rcv)

C. Discussion-Ordinance # 2018-01, Medical Marijuana Ordinance

City Attorney Harkness updated the Council on Ordinance # 2018-01, Medical Marijuana Ordinance as follows:

- This is a new ordinance that contains fourteen (14) articles
- Article 200-Legislative Intent
- Article 201-Terms & Definitions
- Article 202-The State requires a business to have \$250,000 in liquid funds to obtain a State license to operate a facility
- Article 203-References the types of facilities. City Attorney Harkness will need direction from the Council on how many of each type of license along with the amount for application and license fees.
- Article 204-License Outlines application process along with clause for additional insurance naming the City as an additional insured on the policy
- Article 205-Application Evaluation-Once the application has been processed it will go to the Planning Commission to make recommendation to the Council for approval. The Council would then evaluate the application for final approval.
- Article 206-Licenses Generally-Licenses are confidential and are also transferrable
- Article 207-Provisioning Centers are prohibited
- Article 208-Minimum operational standards of Grower Facility which includes odor control.
- Article 209 Minimum operational standards for Safety Compliance Facility
- Article 210-Minimum operational standards for Processor Facility
- Article 211-Minimum operational standards for a Secure Transporter
- Article 212-Location for Growers, Safety Compliance, Processor and Secure Transporters. Currently using 1,000 feet of real property comprising a public or private elementary, licenses child care facility, vocational or secondary school
- Article 213-Denial & Revocation
- Article 214-Penalties & Discipline
- Additional items the City Attorney needs to move forward with the ordinance:
  1. How many licenses will be issued to growers, processors, secure transporters and safety compliance
  2. For Growers how many of each type of Class A, Class B and Class C licenses will be issued
  3. Will licenses be automatically renewed with or without Council approval
  4. Should facilities have lights around the exterior
  5. Distance from parks-500/1000 ft., measured from property line, door, or center of property

6. Distance from places of worship-500/1000 ft.
7. Distance from other licensed facilities-500/1000 ft.
8. License Fee Amount-up to \$5,000 (must be able to justify cost)
9. Application Fee

- If the 1<sup>st</sup> reading of the ordinance is done at the December 18<sup>th</sup>, 2017 Council Meeting, the licenses could be issued February 1<sup>st</sup>, 2018

Comments were received from Council Members French and Brown and Mayor Brown.

French moved, Brown supported, CARRIED, to Amend the agenda to allow for approval on marijuana ordinance items as requested by City Attorney Harkness. (6-1, rcv) (Barnes dissenting)

Brown moved, Barnes supported, CARRIED, to Table Discussion on the Medical Marijuana Ordinance to the next meeting. (7-0, rcv)

#### D. Discussion-List of Replaced City Street Signs

Council Member Spicer asked if there was a list of additional street signs that would be replaced and how residents may request sign replacement.

Director of Public Services Lenardson stated they are working on a list that once completed will be sent out to have the signs made. He stated they are doing the best they can with budget constraints and will continue to move forward with sign replacements. Residents can either stop in City Hall, email or call to request a street sign replacement.

Mayor Brown asked the cost of the street signs.

Director of Public Services Lenardson said he did not have that information with him but he would let the Mayor and Council know.

#### E. Request Approval Resolution # 2017-49, A Resolution for 90/10 Health Insurance Opt-Out (RCV)

Comments were received from City Manager Mitchell.

Barnes moved, French supported, CARRIED, to Approve Resolution # 2017-49, A Resolution for 90/10 Health Insurance Opt-Out as presented. (7-0, rcv)

#### F. Email

- a. City Email Addresses
- B. FOIA Compliance

Mayor Brown stated previously City emails had been forwarded to Mayor & Council Members personal email which causes an issue with residents requesting copies through the FOIA process.

Chief Kipp has setup City email addresses using names of the Mayor and Council. The Mayor would like Council Members to setup a time with the Chief either collectively or separately to get these emails setup for use.

Mayor Brown would like to have a discussion either through a study session or as part of the MML training.

G. Request Approval Resolution # 2017-50, A Resolution to Increase the City Manager's Salary (RCV)

Comments were received from Council Members Barnes, French, Brown and Spicer, City Attorney Harkness and Mayor Brown.

French moved, Spicer supported, CARRIED, to remove words "and duration" from the resolution. (7-0, vv)

French moved, Barnes supported, CARRIED, to Approve Resolution # 2017-50, A Resolution to Increase the City Manager's Salary with the words "and duration" removed from the resolution. (7-0, rcv)

X. City Manager Report

City Manager Mitchell updated the Council on the following items:

- Albion Aglow parade and Downtown open house was a success. Special thanks to President Eric Worley, Greater Albion Chamber of Commerce & Visitors Bureau and Assistant Manager Stacey Levin who both did an excellent job.
- Appreciates the Council allowing for City Hall to be closed on December 15<sup>th</sup> for a half day for the Employee Holiday party.
- The EDC building located on N. Superior Street has been placed on the market.
- Need availability from Council Members for the meeting with Scott Smith.

XI. Future Agenda Items

- Council Member Brown asked to have a discussion on the Medical Marijuana Ordinance and sidewalks added to the next agenda.
- Council Member French asked to have the Council Rules of Procedures added to the next agenda.

XII. Motion to Excuse Absent Council Member (s) (VV)

No action was necessary as all members were present.

- XIII. PUBLIC COMMENTS (Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required).

Comments were received from Mike Bearman, 11016 29 Mile Rd; Karen Yankie, 104 Irwin Avenue; Carrie Nicholson, 815 Huntington Blvd; Susan Connor, 811 E. Michigan Avenue; Gary Tompkins, Calhoun County Commissioner; Sheila Lyons-Sobaski, 1433 E. Michigan Avenue; Johnny Dunklin, 203 Second St; Wayne Arnold, 906 Hall St; Chad Baase, 1021 Burr Oak St; Mayor Brown; and Council Members Reid and Barnes.

- XIV. ADJOURNMENT

Brown moved, Spicer supported, CARRIED, to ADJOURN Regular Council Session. (7-0, vv).

Mayor Brown adjourned the Special Session at 9:30 p.m.

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Date

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Jill Domingo  
City Clerk



**CITY OF ALBION**  
**Office of the City Manager**  
**Sheryl L. Mitchell**

112 West Cass Street ♦ Albion, MI 49224  
517.629.7172 ♦ smitchell@cityofalbionmi.gov

**MEMO**

**TO:** Honorable Mayor and City Council  
**FR:** Sheryl L. Mitchell, City Manager  
**DA:** December 18, 2017  
**RE:** **Agenda Summary**

ITEMS FOR INDIVIDUAL DISCUSSION

- A. Request Approval Resolution #2017-51, A Resolution for Approval of Sister City Special Liquor License Application.** The Albion Sister City Committee is seeking to hold an event at the Food Hub, located at 112 E. Erie Street, Albion, MI, on Friday, February 2, 2018. The committee is inviting a five star French chef for a private cooking demonstration and dinner with tickets costing \$100.00 per person. The committee is seeking to serve alcohol as part of this event. As a result of the sale of alcohol the committee must obtain approval from the Michigan Liquor Control Commission, and preapproval from the local governmental body. The Albion Building Authority, as owner of the building, voted to approve the request at their meeting on 12/14/2017. The committee is seeking the City's approval.
- B. Request Approval Resolution # 2017-52, City of Albion Supporting the Reinstatement of State Historic Tax Credits Senate Bill 469/House Bill 5178.** The Michigan legislature is presently considering Senate Bill 469 and House Bill 5178 that would reinstate an up-to-25 percent investment tax credit for owners of historic residential and commercial properties who substantially rehabilitate their properties. The resolution supports these measures.
- C. Request Approval Resolution # 2017-53, Calhoun County Land Bank & Albion Reinvestment Corporation Agreement.** The Calhoun County Land Bank Authority (CCLBA) owns several properties in the central business district of the City of Albion. The City of Albion and CCLBA have agreed that the assembly and eventual sale of these properties would promote and foster the development of said properties and thereby promote economic growth in the City of Albion and Calhoun County. The Albion Reinvestment Corporation (ARC), is a tax exempt 501(c) 3 public charity, that was founded in 2015 to receive and administer funds and property to combat community deterioration in the downtown business district of the City of Albion and surrounding areas. ARC seeks to improve and revitalize the downtown district by promoting economic growth, employment, and development. The CCLBA and ARC entered into a Land Banking Agreement in December 2016. The CCLBA is seeking support from the City of Albion in extending the agreement between the CCLBA and ARC for one year.

- D. **Request Approval Advancing Albion Action Plan.** The Advancing Albion Action Plan is a community plan and investment strategy for the future of the downtown business district and surrounding areas. The plan compliments the many other development and strategic plans for the community. The role of the Albion Redevelopment Corporation (ARC) includes facilitating the acquisition, renovation, lease, and sale of underserved properties to help eliminate blight and encourage businesses to start up and relocate in Albion. ARC, instead of hiring their own administrative staff, has provided funding to the EDC to allow the EDC President and Staff to support their initiatives, based on an agreement reached between the EDC Board and ARC Board. Agreement was presented to Council in September 2016 and December 2016.
- E. **Request Approval Resolution 2017-54, FY 2018 Budget Appropriations.** The resolution approves the revenues and expenditures for Fiscal Year 2018, based on a proposed general levy of 11.9736 mills.

FUND	REVENUES	APPROPRIATIONS
General Fund	3,874,288	4,046,365
Special Revenue Funds	2,338,172	2,452,022
Debt Service Funds	329,598	326,703
Enterprise Funds	2,059,050	2,486,632
Internal Service Funds	268,575	312,778
Other Funds	1,044,031	1,043,146
Trust Funds	1,344,350	1,352,750
<b>TOTAL ALL FUNDS</b>	\$11,258,064	\$12,020,396

- F. **Request Approval Resolution #2017-55, FY 2017 Budget Amendments.** The City of Albion adopted the Fiscal Year 2017 budget on a fund basis. The State of Michigan Uniform Budgeting Act requires the legislative body to amend the budget when a deviation occurs. Estimated Revenues and Expenditures for the funds require year-end budget amendments.
- G. **Request approval Resolution #2017-56, Approve Purchase of Two Police Vehicles.** The resolution authorizes the purchase of two police vehicles (including all necessary equipment) for a total of \$81,000.00, financed over three years through Ford Motor Credit at the rate of \$27,000.00 per year.
- H. **Request Approval Increase in City Manager Compensation.** Action will be based on the Study Session discussion held on December 14, 2017.
- I. **Request Approval of American Federation of State, County, and Municipal Employees Contract Effective October 1, 2017- December 31, 2020.** Approval of 3 year labor agreement.
- J. **Request Approval of Albion Clerical Alliance (ACA) Contract Effective October 1, 2017- December 31, 2020.** Approval of 3 year labor agreement.

- K. **Request Approval of Police Officers Association of Michigan (POAM) Contract Effective October 1, 2017- December 31, 2020.** Approval of 3 year labor agreement.
  
- L. **Request Approval of Albion Command Officers Association (ACOA) Contract Effective October 1, 2017- December 31, 2020.** Approval of 3 year labor agreement.
  
- M. **Request 1<sup>st</sup> Approval Council Rules of Procedures.** Mayor Brown and Council Members French and Brown have presented the proposed amendments to the Council Rules of Procedure. Feedback from other council members is requested before final adoption.

**Resolution #2017-51**

**A RESOLUTION FOR APPROVAL OF SISTER CITY SPECIAL LIQUOR LICENSE APPLICATION**

**Purpose and Finding:** The Albion Sister City Committee is seeking to hold an event at the Food Hub, located at 112 E. Erie Street, Albion, MI, on Friday, February 2, 2018. The committee is inviting a five star French chef for a private cooking demonstration and dinner with tickets costing \$100.00 per person. The committee is seeking to serve alcohol as part of this event. As a result of the sale of alcohol the committee must obtain approval from the Michigan Liquor Control Commission, and preapproval from the local governmental body. The committee is seeking the City's approval through the following resolution.

Council Member \_\_\_\_\_ moved, supported by Council Member \_\_\_\_\_, to approve the following resolution.

**RESOLVED**, that the City of Albion hereby approves the special liquor license application requested by the Albion Sister City Committee, and any associated partners, for its event on Friday, February 3, 2018.

Date: December 18, 2017

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

I certify that this resolution was adopted by the City Council of the City of Albion on December 18, 2017.

\_\_\_\_\_  
Jill Domingo  
City Clerk

## Resolution # 2017-52

### **City of Albion Supporting the Reinstatement of State Historic Tax Credits Senate Bill 469/ House Bill 5178**

**WHEREAS**, the historic buildings, neighborhoods and places in Michigan villages, towns and cities distinguish each community and provide character and a sense of place that contribute significantly to the quality of life and the economic benefits enjoyed in and by each community; and

**WHEREAS**, the preservation and rehabilitation of historic buildings, places and neighborhood contributes to the beauty, character, and economic vitality of Michigan communities; and,

**WHEREAS**, the labor-intensive nature of historic rehabilitation creates jobs and investment in local businesses and has been proven to generate more economic activity than equivalent investment in new construction; and

**WHEREAS**, demolition or destruction of historic buildings creates costs to Michigan and its communities by destroying the embodied energy present in each structure and adding significantly to landfills, whose makeup is estimated to be more than 40 percent building materials and waste; and

**WHEREAS**, development and redevelopment within established villages, townships and cities is encouraged to help fulfill Michigan's goals to Restore Our Cities, Protect Our Environment, and Create More and Better Jobs; and

**WHEREAS**, many public policies and financial and lending practices and policies create disincentives or barriers to the preservation, renovation and rehabilitation of historic buildings and resources and create a preferential financial environment for new construction; and

**WHEREAS**, Michigan has measured the economic impacts of the state historic tax credit programs and seen significant positive direct impacts on neighborhood and community revitalization, affordable and market-rate housing preservation and creation, local skilled jobs creation and additional private investment in areas surrounding tax-credit-driven revitalization projects; each \$1.0 of credit issued leverages \$11.37 in direct economic impact. The Michigan HTC, during its twelve-year history has leveraged \$251 million in Federal historic tax credits, and

**WHEREAS**, the former Michigan Historic Tax Credit has leveraged \$1.46 billion in direct rehabilitation activity and created 36,000 jobs since its enactment in 1999 through its elimination in 2011.

**WHEREAS**, the Michigan legislature is presently considering Senate Bill 469 and House Bill 5178 that would reinstate an up-to-25 percent investment tax credit for

owners of historic residential and commercial properties who substantially rehabilitate their properties,

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Albion endorses and supports Senate Bill 469 (and House bill 5178) and calls upon the Michigan Legislature to pass this important legislation and Governor Snyder to sign it, in order to stimulate appropriate development and redevelopment and protect the historic character and quality of life of our communities.

**BE IT FURTHER RESOLVED THAT** a copy of this Resolution be forwarded to (your legislators), the Senate Finance Committee, Governor Snyder and the Michigan Historic Preservation Network.

Date: December 18, 2017

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent:\_\_\_\_\_

I certify that this resolution was adopted by the City Council of the City of Albion on December 18, 2017.

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Jill Domingo  
City Clerk



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 469 (as introduced 6-21-17)  
Sponsor: Senator Wayne Schmidt  
Committee: Finance

Date Completed: 11-28-17

**CONTENT**

**The bill would amend the Income Tax Act to restore the State Historic Preservation Tax Credit Program. Specifically, the bill would add Section 266a to Part 1 of the Act and Section 675 to Part 2 to do the following:**

- **Allow a qualified taxpayer with a rehabilitation plan certified after December 31, 2017, to credit against the income tax or Corporate Income Tax (CIT) 25% of the qualified expenditures that met eligibility criteria for the historic rehabilitation credit under the Internal Revenue Code for the rehabilitation of a historic resource.**
- **Require a qualified taxpayer to apply to and receive from the Michigan State Housing Development Authority (MSHDA) that the historic significance, the rehabilitation plan, and the completed rehabilitation of the historic resource met certain criteria in order to be eligible for the proposed credit.**
- **Require a qualified taxpayer to file for certification with MSHDA to qualify for the historic rehabilitation credit allowed under the Internal Revenue Code if the taxpayer were eligible for it, unless a filing had occurred previously.**
- **Require a historic resource to meet certain criteria.**
- **Specify that the portion of the credit that exceeded the taxpayer's tax liability for the year would not be refunded but could be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurred first.**
- **Allow a qualified taxpayer under Part 1 to elect to forgo the carryover period and receive a refund equal to 90% of the amount of the credit that exceeded the qualified taxpayer's tax liability if the credit amount were less than \$250,000.**
- **Allow a qualified taxpayer under Part 2 to assign all or a portion of the credit, and allow an assigned credit amount to be claimed under Part 1 or Part 2.**
- **Require a percentage of the credit amount previously claimed to be added back to the tax liability of the qualified taxpayer, if the certificate of completed rehabilitation were revoked or if the historic resource were sold or disposed of less than five years after being placed in service.**
- **Allow MSHDA to inspect a historic resource at any time during the rehabilitation process and revoke certification of completed rehabilitation under certain circumstances.**
- **Specify that the total of the credits claimed under the bill for a rehabilitation project could not exceed 25% of the total qualified expenditures eligible for a credit for that rehabilitation project.**

(Part 1 of the Income Tax Act imposes a tax on the income of individuals and noncorporate entities. Part 2 of the Act imposes a tax on every taxpayer with business activity within the

State or ownership interest or beneficial interest in a flow-through entity that has business activity in the State.)

### Definitions

"Historic resource" would mean a publicly or privately owned historic building, structure, site, object, feature, or open space located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, or that is individually listed on the State Register of Historic Sites or National Register of Historic Places. The term would include all of the following:

- An owner-occupied personal residence or a historic resource located within the property boundaries of that personal residence.
- An income-producing commercial, industrial, or residential resource or a historic resource located within the property boundaries of that resource.
- A resource owned by a governmental body, nonprofit organization, or tax-exempt entity that is used primarily by a taxpayer lessee in a trade or business unrelated to the governmental body, nonprofit organization, or tax-exempt entity and that is subject to tax under Part 1 or Part 2 of the Income Tax Act.
- A resource that is occupied or used by a governmental body, nonprofit organization, or tax-exempt entity under a long-term lease or lease with option to buy agreement.
- Any other resource that could benefit from rehabilitation.

"Qualified taxpayer" would mean a person that is an assignee under proposed Section 675 or either owns the resource to be rehabilitated or has a long-term lease agreement with the owner of the historic resource and that has qualified expenditures for the rehabilitation of the historic resource equal to or greater than 10% of the State equalized valuation (SEV) of the property. If the historic resource to be rehabilitated were a portion of a historic or nonhistoric resource, the SEV of only that portion of the property would have to be used. If the assessor for the local tax collecting unit in which the historic resource was located determined the SEV of that portion, that assessor's determination would have to be used for the purposes of the definition. If the assessor did not determine the SEV of that portion, qualified expenditures, for the purposes of the definition, would have to be equal to or greater than 5% of the appraised value as determined by a certified appraiser. If the historic resource to be rehabilitated did not have a State equalized valuation, qualified expenditures would have to be equal to or greater than 5% of the appraised value of the resource as determined by a certified appraiser.

"Qualified expenditures" would mean capital expenditures that qualify, or would qualify except that the taxpayer elected to transfer the credit, or entered into a written agreement, for a rehabilitation credit under Section 47(A)(2) of the Internal Revenue Code if the taxpayer is eligible for the credit under that section or, if the taxpayer is not eligible, the qualified expenditures that would qualify under Section 47(A)(2) of the Code except that the expenditures are made to a historic resource that is not eligible for the credit under that section, that were paid. Qualified expenditures would not include capital expenditures for nonhistoric additions to a historic resource except an addition that was required by State or Federal regulations that related to historic preservation, safety, or accessibility.

(Section 47 of the Internal Revenue Code provides for a rehabilitation tax credit. Section 47(A)(2) specifies that the rehabilitation credit for any taxable year is the sum of 20% of the qualified rehabilitation expenditures with respect to any certified historic structure.)

"Rehabilitation plan" would mean a plan for the rehabilitation of a historic resource that meets

the U.S. Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitation of historic buildings under 36 CFR Part 67.

### Credit Eligibility

Under each proposed section, a qualified taxpayer with a rehabilitation plan certified after December 31, 2017, could credit against the income tax or the CIT the amount determined under the bill for the qualified expenditures for the rehabilitation of a historic resource under the rehabilitation plan in the year in which the certification of completed rehabilitation of the historic resource was issued. Only those expenditures that were paid or incurred during the time periods prescribed for the credit under Section 47(A)(2) of the Internal Revenue Code and any related Treasury regulations would be considered qualified expenditures. (The credit under Section 47(A)(2) of the Internal Revenue Code is referred to below as the Federal credit.)

The credit allowed under the bill would be 25% of the qualified expenditures that were eligible for the Federal credit (or would have been eligible except that the taxpayer elected to transfer the credit under Part 1, or entered into an agreement with MSHDA to sell or transfer the historic resource under Part 2), if the taxpayer were eligible for the Federal credit. If the taxpayer were not eligible for the Federal credit, the credit allowed under the bill would be 25% of the qualified expenditures that would qualify under the Federal credit except that they were made to a historic resource that was not eligible for that credit. These provisions would be subject to both of the following:

- A taxpayer with qualified expenditures that were eligible for the Federal credit could not claim a credit under the bill for those expenditures unless the taxpayer had claimed and received a credit for the qualified expenditures under the Internal Revenue Code or the taxpayer had elected to transfer the credit.
- A credit under the bill would have to be reduced by the amount of a credit received by the taxpayer for the same qualified expenditures under the Internal Revenue Code.

To be eligible for the credit under bill, the taxpayer would have to apply to and receive from the Michigan State Housing Development Authority that the historic significance, the rehabilitation plan, and the completed rehabilitation of the historic resource met the criteria under the bill and either of the following:

- The historic resource contributed to the significance of the historic district in which it was located; both the rehabilitation plan and completed rehabilitation of the historic resource met the U.S. Secretary of the Interior's standards for rehabilitation and guidelines for rehabilitating historic buildings; and all rehabilitation work had been done to or within the walls, boundaries, or structures of the historic resource or to historic resources located within the property boundaries of the resource.
- The taxpayer had received certification from the National Park Service that the historic resource's significance, the rehabilitation plan, and the completed rehabilitation qualified for the Federal credit.

If a qualified taxpayer were eligible for the Federal credit, the qualified taxpayer would have to file for certification with MSHDA to qualify for that credit. If the qualified taxpayer had previously filed for certification with MSHDA to qualify for the Federal credit, additional filing for a credit allowed under the bill would not be required.

### Historic Resource Criteria

Qualified expenditures for the rehabilitation of a historic resource could be used to calculate

the credit under the bill if the historic resource met one of the criteria in two sets of criteria. First, the resource would have to be one of the following during the tax year in which a credit under the bill was claimed for those qualified expenditures:

- Individually listed on the National Register of Historic Places or the State Register of Historic Sites.
- A contributing resource located within a historic district listed on the National Register of Historic Places or the State Register of Historic Sites.
- A contributing resource located within a historic district designated by a local unit under an ordinance adopted under the Local Historic Districts Act.

In addition, the historic resource would have to meet one of the following during the tax year in which the credit was claimed for the qualified expenditures:

- Be located in a designated historic district in a local unit of government with an existing ordinance under the Local Historic Districts Act.
- Be located in an incorporated local unit of government that did not have an ordinance under the Act, and had a population of less than 5,000.
- Be located in an unincorporated local unit of government.
- Be located in an incorporated local unit of government that did not have an ordinance under the Act, and was located within the boundaries of an association that had been chartered under Public Act 39 of 1889 (which authorizes the formation of corporations for the purchase and improvement of grounds to be occupied for summer homes, camp-meetings, or meetings of assemblies or associations and societies).
- Be subject to a historic preservation easement.

Carryforward, Refund, & Revocation

If a credit allowed under the bill for the tax year, and any unused carryforward of the credit, exceeded the taxpayer's tax liability for the tax year, the excess portion would not be refunded but could be carried forward to offset tax liability in subsequent tax years for 10 years or until used up, whichever occurred first. If the credit amount allowed were less than \$250,000, a qualified taxpayer could elect to forgo the carryover period and receive a refund of the amount of the credit that exceeded the taxpayer's tax liability. The amount of the refund would have to be equal to 90% of the amount of the credit that exceeded the tax liability. An election would have to be made in the year that a certificate of completed rehabilitation was issued and would be irrevocable.

If a certificate of completed rehabilitation were revoked or if the historic resource were sold or disposed of less than five years after being placed in service as defined under the Internal Revenue Code and related Treasury regulations, a percentage of the credit amount previously claimed relative to that historic resource would have to be added back to the tax liability of the qualified taxpayer that received the certificate of completed rehabilitation and not the assignee in the year of the revocation, as shown in Table 1.

Table 1

<b>Years after Resource was Placed in Service</b>	<b>Percentage to be Added Back</b>
Less than one	100%
One or more but less than two	80%
Two or more but less than three	60%
Three or more but less than four	40%
Four or more but less than five	20%

Under proposed Section 675, if a qualified taxpayer had an unused carryforward of the credit, the amount otherwise added back to the taxpayer's tax liability could instead be used to reduce the taxpayer's carryforward. In addition, the add-back requirement would not apply if the qualified taxpayer entered into a written agreement with MSHDA that would allow for the transfer or sale of the historic resource and provided the following:

- Reasonable assurance that, after the transfer, the property would remain a historic resource during the five-year period after it was placed in service.
- A method that the Department of Treasury could use to recover an amount from the taxpayer equal to the appropriate percentage of credit added back.
- An encumbrance on the title to the historic resource being sold or transferred, stating that the property would have to remain a historic resource throughout the five-year period after it was placed in service.
- A provision for the payment by the taxpayer of all legal and professional fees associated with the drafting, review, and recording of the written agreement.

#### Transfer of Credit under Part 1

Under proposed Section 266a, a qualified taxpayer could elect to forgo claiming the credit and transfer the credit along with the ownership of the property for which the credit could be claimed to a new owner. The new owner would have to be treated as the qualified taxpayer having incurred the rehabilitation costs and would be subject to the recapture provisions if the new owner sold or disposed of the property within five years after acquiring the property.

For purposes of these provisions and the credit revocation provisions, the placed in service date for a new owner would be the date the new owner acquired the property for which the credit was claimed.

#### Assignment of Credit under Part 2

Under proposed Section 675, a qualified taxpayer could assign all or any portion of the credit allowed under that section. The assignment would be irrevocable and would have to be made in the tax year in which a certificate of completed rehabilitation was issued. A qualified taxpayer could claim a portion of a credit and assign the remaining amount. If the qualified taxpayer both claimed and assigned portions of the credit, the taxpayer would have to claim the portion it claimed in the tax year in which a certificate of completed rehabilitation was issued. An assignee could subsequently assign the credit or any portion of it to one or more assignees. An assignment or subsequent reassignment of a credit could be made in the year the certificate of completed rehabilitation was issued. A credit assignment or subsequent reassignment would have to be made on a form prescribed by the Department of Treasury. The Department or its designee would have to review and issue a completed assignment or reassignment certificate to the assignee or reassignee. An assigned credit amount could be claimed against the assignees' tax under Part 1 or Part 2 of the Income Tax Act. An assignee or subsequent reassignee would have to attach a copy of the completed assignment certificate to the annual return required to be filed under Part 2 for the tax year in which the assignment or reassignment was made and the assignee or reassignee first claimed the credit, which would have to be the same tax year.

A credit amount assigned under proposed Section 675 could be claimed against a partner's, member's, or shareholder's tax liability under Part 1.

#### Authority Inspection

The bill would allow MSHDA to inspect a historic resource at any time during the rehabilitation

process and to revoke certification of completed rehabilitation if the rehabilitation were not undertaken as represented in the rehabilitation plan or if unapproved alterations to the completed rehabilitation were made during the five years after the tax year in which the credit was claimed. The Authority would have to promptly notify the Department of Treasury of a revocation.

#### Additional Provisions

The Authority could impose a fee to cover the administrative cost of implementing the program under the bill. The Authority could also promulgate rules to implement the bill's provisions.

A qualified taxpayer would be required to attach all of the following to the qualified taxpayer's annual return:

- Certification of completed rehabilitation.
- Certification of historic significance related to the historic resource and the qualified expenditures used to claim a credit under the bill.
- A completed assignment form if the qualified taxpayer were an assignee of any portion of a credit allowed under that section, or if the qualified taxpayer or assignee had assigned any portion of a credit under Section 675.

The total of the credits claimed under the bill for a rehabilitation project could not exceed 25% of the total qualified expenditures eligible for a credit for that rehabilitation project.

The Authority would have to report all of the following to the State Legislature annually for the immediately preceding State fiscal year:

- The fee schedule used by MSHDA and the total amount of fees collected.
- A description of each rehabilitation project certified.
- The location of each new and ongoing rehabilitation project.

Proposed MCL 206.266a & 206.675

#### **BACKGROUND**

Public Acts 38, 39, and 40 of 2011 amended the Income Tax Act, the Michigan Business Tax Act, and the Multistate Tax Compact, respectively, to eliminate a number of credits, deductions, and exemptions, levy the Corporate Income Tax, and modify future rates, among other things. The State Historic Preservation Tax Credit was one of the credits that was eliminated when those Public Acts took effect.

Legislative Analyst: Drew Krogulecki

#### **FISCAL IMPACT**

According to the Michigan Department of Treasury, the bill would reduce State revenue by approximately \$10.0 million to \$12.0 million per year, with the overwhelming majority of the impact reducing General Fund revenue. Most historic preservation credits claimed under the current law are claimed by business filers, and are claimed under the Michigan Business Tax (MBT). The bill would add the credit to the Michigan Corporate Income Tax (CIT), which currently does not allow any credits. Taxpayers that currently claim the credit under the MBT would not be affected by the bill until they exhausted all MBT certificated credits and shifted

to filing CIT returns, or in the case of pass-through entities such as partnerships and S-corporations, shifted to filing individual income tax returns.

The impact of the credit on the State, either under current law or under the bill, will be affected by changes in Federal law, because the credit is reduced for any credit claimed at the Federal level. At the Federal level, Congress is considering several tax reform provisions and some of those could alter, reduce, or eliminate the Federal credit. To the extent that any changes reduced or eliminated the Federal credit, the revenue loss to the State could increase substantially. For example, the current Federal credit is often 20% of eligible expenses--meaning that the cost to the State is approximately 5% of the eligible expenses. If the bill would reduce tax revenue by \$10.0 million per year under current Federal law, then the bill would reduce State revenue by \$50.0 million per year if the Federal credit were eliminated.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

# SENATE BILL No. 469

June 21, 2017, Introduced by Senators SCHMIDT, HORN, ZORN, O'BRIEN and HERTEL  
and referred to the Committee on Finance.

A bill to amend 1967 PA 281, entitled  
"Income tax act of 1967,"  
(MCL 206.1 to 206.713) by adding sections 266a and 675.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 266A. (1) A QUALIFIED TAXPAYER WITH A REHABILITATION PLAN  
2 CERTIFIED AFTER DECEMBER 31, 2017 MAY CREDIT AGAINST THE TAX  
3 IMPOSED BY THIS PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION  
4 (2) FOR THE QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
5 HISTORIC RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR  
6 IN WHICH THE CERTIFICATION OF COMPLETED REHABILITATION OF THE  
7 HISTORIC RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID  
8 OR INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER  
9 SECTION 47(A) (2) OF THE INTERNAL REVENUE CODE AND ANY RELATED  
10 TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.  
11           (2) THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE 25% OF THE

SENATE BILL No. 469

1 QUALIFIED EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN  
2 ELIGIBLE EXCEPT THAT THE TAXPAYER ELECTED TO TRANSFER THE CREDIT  
3 UNDER SUBSECTION (10), FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE  
4 INTERNAL REVENUE CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT  
5 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE OR, IF THE  
6 TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF  
7 THE INTERNAL REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT  
8 WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE  
9 EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT  
10 IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE  
11 INTERNAL REVENUE CODE, SUBJECT TO BOTH OF THE FOLLOWING:

12 (A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE  
13 FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE  
14 MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED  
15 EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT  
16 FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A)(2) OF THE  
17 INTERNAL REVENUE CODE OR THE TAXPAYER HAS ELECTED TO TRANSFER THE  
18 CREDIT UNDER SUBSECTION (10).

19 (B) A CREDIT UNDER THIS SECTION SHALL BE REDUCED BY THE AMOUNT  
20 OF A CREDIT RECEIVED BY THE TAXPAYER FOR THE SAME QUALIFIED  
21 EXPENDITURES UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.

22 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER THIS SECTION, THE  
23 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING  
24 DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE  
25 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE  
26 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER  
27 OF THE FOLLOWING:

1 (A) ALL OF THE FOLLOWING CRITERIA:

2 (i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF  
3 THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

4 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION  
5 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE  
6 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
7 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

8 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE  
9 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO  
10 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE  
11 RESOURCE.

12 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL  
13 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE  
14 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR  
15 THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE  
16 CODE.

17 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED  
18 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED  
19 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY  
20 FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL  
21 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR  
22 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED  
23 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, ADDITIONAL  
24 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

25 (5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME  
26 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF  
27 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN

1 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED  
2 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5  
3 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE  
4 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

5 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
6 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS  
7 SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN  
8 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

9 (A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN  
10 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED  
11 EXPENDITURES:

12 (i) INDIVIDUALLY LISTED ON THE NATIONAL REGISTER OF HISTORIC  
13 PLACES OR STATE REGISTER OF HISTORIC SITES.

14 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
15 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE  
16 STATE REGISTER OF HISTORIC SITES.

17 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
18 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE  
19 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL  
20 399.201 TO 399.215.

21 (B) THE RESOURCE MEETS 1 OF THE FOLLOWING CRITERIA DURING THE  
22 TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE  
23 QUALIFIED EXPENDITURES:

24 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC  
25 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE  
26 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO  
27 399.215.

1           (ii) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL  
2 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL  
3 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND  
4 HAS A POPULATION OF LESS THAN 5,000.

5           (iii) THE HISTORIC RESOURCE IS LOCATED IN AN UNINCORPORATED  
6 LOCAL UNIT OF GOVERNMENT.

7           (iv) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL  
8 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL  
9 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND IS  
10 LOCATED WITHIN THE BOUNDARIES OF AN ASSOCIATION THAT HAS BEEN  
11 CHARTERED UNDER 1889 PA 39, MCL 455.51 TO 455.72.

12           (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC  
13 PRESERVATION EASEMENT.

14           (7) A CREDIT AMOUNT ASSIGNED UNDER SECTION 675 MAY BE CLAIMED  
15 AGAINST THE PARTNER'S, MEMBER'S, OR SHAREHOLDER'S TAX LIABILITY  
16 UNDER THIS PART AS PROVIDED IN SECTION 675.

17           (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
18 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION  
19 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION  
20 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE  
21 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN  
22 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER  
23 OCCURS FIRST. IF THE CREDIT AMOUNT ALLOWED IS LESS THAN  
24 \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER  
25 PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT  
26 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE  
27 REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT

1 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER  
2 THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF  
3 COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

4 (9) IF A CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED  
5 UNDER SUBSECTION (5) OR IF THE HISTORIC RESOURCE IS SOLD OR  
6 DISPOSED OF LESS THAN 5 YEARS AFTER BEING PLACED IN SERVICE AS  
7 DEFINED IN SECTION 47(B)(1) OF THE INTERNAL REVENUE CODE AND  
8 RELATED TREASURY REGULATIONS, THE FOLLOWING PERCENTAGE OF THE  
9 CREDIT AMOUNT PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE  
10 SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER  
11 THAT RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT  
12 THE ASSIGNEE IN THE YEAR OF THE REVOCATION:

13 (A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE HISTORIC  
14 RESOURCE IS PLACED IN SERVICE, 100%.

15 (B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS  
16 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 80%.

17 (C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3  
18 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 60%.

19 (D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4  
20 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 40%.

21 (E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5  
22 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 20%.

23 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE  
24 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED  
25 TAXPAYER TAX LIABILITY IS REQUIRED.

26 (10) A QUALIFIED TAXPAYER MAY ELECT TO FORGO CLAIMING THE  
27 CREDIT AND TRANSFER THE CREDIT ALONG WITH THE OWNERSHIP OF THE

1 PROPERTY FOR WHICH THE CREDIT MAY BE CLAIMED TO A NEW OWNER. THE  
2 NEW OWNER SHALL BE TREATED AS THE QUALIFIED TAXPAYER HAVING  
3 INCURRED THE REHABILITATION COSTS AND SHALL BE SUBJECT TO THE  
4 RECAPTURE PROVISIONS UNDER SUBSECTION (9) IF THE NEW OWNER SELLS OR  
5 DISPOSES OF THE PROPERTY WITHIN 5 YEARS AFTER THE NEW OWNER  
6 ACQUIRED THE PROPERTY. FOR PURPOSES OF THIS SUBSECTION AND  
7 SUBSECTION (9), THE PLACED IN SERVICE DATE FOR A NEW OWNER IS THE  
8 DATE THE NEW OWNER ACQUIRED THE PROPERTY FOR WHICH THE CREDIT IS  
9 CLAIMED.

10 (11) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE  
11 ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.

12 (12) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING  
13 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN UNDER THIS PART:

14 (A) CERTIFICATION OF COMPLETED REHABILITATION.

15 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE  
16 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A  
17 CREDIT UNDER THIS SECTION.

18 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER IS  
19 AN ASSIGNEE UNDER SECTION 675 OF ANY PORTION OF A CREDIT ALLOWED  
20 UNDER THAT SECTION.

21 (13) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS  
22 SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969  
23 PA 306, MCL 24.201 TO 24.328.

24 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER THIS SECTION AND  
25 SECTION 675 FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF  
26 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER THIS  
27 SECTION FOR THAT REHABILITATION PROJECT.

1 (15) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE  
2 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL  
3 YEAR:

4 (A) THE FEE SCHEDULE USED BY THE CENTER AND THE TOTAL AMOUNT  
5 OF FEES COLLECTED.

6 (B) A DESCRIPTION OF EACH REHABILITATION PROJECT CERTIFIED.

7 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION  
8 PROJECT.

9 (16) AS USED IN THIS SECTION:

10 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT  
11 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH  
12 IT IS LOCATED.

13 (B) "HISTORIC DISTRICT" MEANS AN AREA, OR GROUP OF AREAS NOT  
14 NECESSARILY HAVING CONTIGUOUS BOUNDARIES, THAT CONTAINS 1 RESOURCE  
15 OR A GROUP OF RESOURCES THAT ARE RELATED BY HISTORY, ARCHITECTURE,  
16 ARCHAEOLOGY, ENGINEERING, OR CULTURE.

17 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED  
18 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE  
19 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL  
20 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,  
21 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970  
22 PA 169, MCL 399.201 TO 399.215; OR THAT IS INDIVIDUALLY LISTED ON  
23 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF  
24 HISTORIC PLACES AND INCLUDES ALL OF THE FOLLOWING:

25 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC  
26 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL  
27 RESIDENCE.

1           (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR  
2 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE  
3 PROPERTY BOUNDARIES OF THAT RESOURCE.

4           (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT  
5 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A  
6 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE  
7 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND  
8 THAT IS SUBJECT TO TAX UNDER THIS PART.

9           (iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL  
10 BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A  
11 LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

12           (v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM REHABILITATION.

13           (D) "LOCAL UNIT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

14           (E) "LONG-TERM LEASE" MEANS A LEASE TERM OF AT LEAST 27.5  
15 YEARS FOR A RESIDENTIAL RESOURCE OR AT LEAST 31.5 YEARS FOR A  
16 NONRESIDENTIAL RESOURCE.

17           (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR  
18 "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CREATED BY  
19 SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,  
20 1966 PA 346, MCL 125.1421.

21           (G) "OPEN SPACE" MEANS UNDEVELOPED LAND, A NATURALLY  
22 LANDSCAPED AREA, OR A FORMAL OR MAN-MADE LANDSCAPED AREA THAT  
23 PROVIDES A CONNECTIVE LINK OR A BUFFER BETWEEN OTHER RESOURCES.

24           (H) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,  
25 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

26           (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT  
27 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ELECTED TO

1 TRANSFER THE CREDIT UNDER SUBSECTION (10), FOR A REHABILITATION  
2 CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE  
3 TAXPAYER IS ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE  
4 INTERNAL REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE  
5 CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE  
6 QUALIFIED EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF  
7 THE INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO  
8 A HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER  
9 SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THAT WERE PAID.  
10 QUALIFIED EXPENDITURES DO NOT INCLUDE CAPITAL EXPENDITURES FOR  
11 NONHISTORIC ADDITIONS TO A HISTORIC RESOURCE EXCEPT AN ADDITION  
12 THAT IS REQUIRED BY STATE OR FEDERAL REGULATIONS THAT RELATE TO  
13 HISTORIC PRESERVATION, SAFETY, OR ACCESSIBILITY.

14 (J) "QUALIFIED TAXPAYER" MEANS A PERSON THAT IS AN ASSIGNEE  
15 UNDER SECTION 675 OR EITHER OWNS THE RESOURCE TO BE REHABILITATED  
16 OR HAS A LONG-TERM LEASE AGREEMENT WITH THE OWNER OF THE HISTORIC  
17 RESOURCE AND THAT HAS QUALIFIED EXPENDITURES FOR THE REHABILITATION  
18 OF THE HISTORIC RESOURCE EQUAL TO OR GREATER THAN 10% OF THE STATE  
19 EQUALIZED VALUATION OF THE PROPERTY. IF THE HISTORIC RESOURCE TO BE  
20 REHABILITATED IS A PORTION OF A HISTORIC OR NONHISTORIC RESOURCE,  
21 THE STATE EQUALIZED VALUATION OF ONLY THAT PORTION OF THE PROPERTY  
22 SHALL BE USED FOR PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR FOR  
23 THE LOCAL TAX COLLECTING UNIT IN WHICH THE HISTORIC RESOURCE IS  
24 LOCATED DETERMINES THE STATE EQUALIZED VALUATION OF THAT PORTION,  
25 THAT ASSESSOR'S DETERMINATION SHALL BE USED FOR PURPOSES OF THIS  
26 SUBDIVISION. IF THE ASSESSOR DOES NOT DETERMINE THAT STATE  
27 EQUALIZED VALUATION OF THAT PORTION, QUALIFIED EXPENDITURES, FOR

1 PURPOSES OF THIS SUBDIVISION, SHALL BE EQUAL TO OR GREATER THAN 5%  
2 OF THE APPRAISED VALUE AS DETERMINED BY A CERTIFIED APPRAISER. IF  
3 THE HISTORIC RESOURCE TO BE REHABILITATED DOES NOT HAVE A STATE  
4 EQUALIZED VALUATION, QUALIFIED EXPENDITURES FOR PURPOSES OF THIS  
5 SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED  
6 VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.

7 (K) "REHABILITATION PLAN" MEANS A PLAN FOR THE REHABILITATION  
8 OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE  
9 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
10 REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.

11 SEC. 675. (1) A QUALIFIED TAXPAYER WITH A REHABILITATION PLAN  
12 CERTIFIED AFTER DECEMBER 31, 2017 MAY CREDIT AGAINST THE TAX  
13 IMPOSED BY THIS PART THE AMOUNT DETERMINED PURSUANT TO SUBSECTION  
14 (2) FOR THE QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
15 HISTORIC RESOURCE PURSUANT TO THE REHABILITATION PLAN IN THE YEAR  
16 IN WHICH THE CERTIFICATION OF COMPLETED REHABILITATION OF THE  
17 HISTORIC RESOURCE IS ISSUED. ONLY THOSE EXPENDITURES THAT ARE PAID  
18 OR INCURRED DURING THE TIME PERIODS PRESCRIBED FOR THE CREDIT UNDER  
19 SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE AND ANY RELATED  
20 TREASURY REGULATIONS SHALL BE CONSIDERED QUALIFIED EXPENDITURES.

21 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION SHALL BE 25% OF  
22 THE QUALIFIED EXPENDITURES THAT ARE ELIGIBLE, OR WOULD HAVE BEEN  
23 ELIGIBLE EXCEPT THAT THE TAXPAYER ENTERED INTO AN AGREEMENT UNDER  
24 SUBSECTION (10), FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE  
25 INTERNAL REVENUE CODE IF THE TAXPAYER IS ELIGIBLE FOR THE CREDIT  
26 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE OR, IF THE  
27 TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF

1 THE INTERNAL REVENUE CODE, 25% OF THE QUALIFIED EXPENDITURES THAT  
2 WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE  
3 EXCEPT THAT THE EXPENDITURES ARE MADE TO A HISTORIC RESOURCE THAT  
4 IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE  
5 INTERNAL REVENUE CODE, SUBJECT TO BOTH OF THE FOLLOWING:

6 (A) A TAXPAYER WITH QUALIFIED EXPENDITURES THAT ARE ELIGIBLE  
7 FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE  
8 MAY NOT CLAIM A CREDIT UNDER THIS SECTION FOR THOSE QUALIFIED  
9 EXPENDITURES UNLESS THE TAXPAYER HAS CLAIMED AND RECEIVED A CREDIT  
10 FOR THOSE QUALIFIED EXPENDITURES UNDER SECTION 47(A)(2) OF THE  
11 INTERNAL REVENUE CODE OR THE TAXPAYER HAS ENTERED INTO AN AGREEMENT  
12 UNDER SUBSECTION (10).

13 (B) A CREDIT UNDER THIS SUBSECTION SHALL BE REDUCED BY THE  
14 AMOUNT OF A CREDIT RECEIVED BY THE TAXPAYER FOR THE SAME QUALIFIED  
15 EXPENDITURES UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE.

16 (3) TO BE ELIGIBLE FOR THE CREDIT UNDER SUBSECTION (2), THE  
17 TAXPAYER SHALL APPLY TO AND RECEIVE FROM THE MICHIGAN STATE HOUSING  
18 DEVELOPMENT AUTHORITY THAT THE HISTORIC SIGNIFICANCE, THE  
19 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION OF THE  
20 HISTORIC RESOURCE MEET THE CRITERIA UNDER SUBSECTION (6) AND EITHER  
21 OF THE FOLLOWING:

22 (A) ALL OF THE FOLLOWING CRITERIA:

23 (i) THE HISTORIC RESOURCE CONTRIBUTES TO THE SIGNIFICANCE OF  
24 THE HISTORIC DISTRICT IN WHICH IT IS LOCATED.

25 (ii) BOTH THE REHABILITATION PLAN AND COMPLETED REHABILITATION  
26 OF THE HISTORIC RESOURCE MEET THE FEDERAL SECRETARY OF THE  
27 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR

1 REHABILITATING HISTORIC BUILDINGS, 36 CFR PART 67.

2 (iii) ALL REHABILITATION WORK HAS BEEN DONE TO OR WITHIN THE  
3 WALLS, BOUNDARIES, OR STRUCTURES OF THE HISTORIC RESOURCE OR TO  
4 HISTORIC RESOURCES LOCATED WITHIN THE PROPERTY BOUNDARIES OF THE  
5 PROPERTY.

6 (B) THE TAXPAYER HAS RECEIVED CERTIFICATION FROM THE NATIONAL  
7 PARK SERVICE THAT THE HISTORIC RESOURCE'S SIGNIFICANCE, THE  
8 REHABILITATION PLAN, AND THE COMPLETED REHABILITATION QUALIFY FOR  
9 THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE  
10 CODE.

11 (4) IF A QUALIFIED TAXPAYER IS ELIGIBLE FOR THE CREDIT ALLOWED  
12 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED  
13 TAXPAYER SHALL FILE FOR CERTIFICATION WITH THE AUTHORITY TO QUALIFY  
14 FOR THE CREDIT ALLOWED UNDER SECTION 47(A)(2) OF THE INTERNAL  
15 REVENUE CODE. IF THE QUALIFIED TAXPAYER HAS PREVIOUSLY FILED FOR  
16 CERTIFICATION WITH THE AUTHORITY TO QUALIFY FOR THE CREDIT ALLOWED  
17 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, ADDITIONAL  
18 FILING FOR THE CREDIT ALLOWED UNDER THIS SECTION IS NOT REQUIRED.

19 (5) THE AUTHORITY MAY INSPECT A HISTORIC RESOURCE AT ANY TIME  
20 DURING THE REHABILITATION PROCESS AND MAY REVOKE CERTIFICATION OF  
21 COMPLETED REHABILITATION IF THE REHABILITATION WAS NOT UNDERTAKEN  
22 AS REPRESENTED IN THE REHABILITATION PLAN OR IF UNAPPROVED  
23 ALTERATIONS TO THE COMPLETED REHABILITATION ARE MADE DURING THE 5  
24 YEARS AFTER THE TAX YEAR IN WHICH THE CREDIT WAS CLAIMED. THE  
25 AUTHORITY SHALL PROMPTLY NOTIFY THE DEPARTMENT OF A REVOCATION.

26 (6) QUALIFIED EXPENDITURES FOR THE REHABILITATION OF A  
27 HISTORIC RESOURCE MAY BE USED TO CALCULATE THE CREDIT UNDER THIS

1 SECTION IF THE HISTORIC RESOURCE MEETS 1 OF THE CRITERIA LISTED IN  
2 SUBDIVISION (A) AND 1 OF THE CRITERIA LISTED IN SUBDIVISION (B):

3 (A) THE RESOURCE IS 1 OF THE FOLLOWING DURING THE TAX YEAR IN  
4 WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE QUALIFIED  
5 EXPENDITURES:

6 (i) INDIVIDUALLY LISTED ON THE NATIONAL REGISTER OF HISTORIC  
7 PLACES OR STATE REGISTER OF HISTORIC SITES.

8 (ii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
9 DISTRICT LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES OR THE  
10 STATE REGISTER OF HISTORIC SITES.

11 (iii) A CONTRIBUTING RESOURCE LOCATED WITHIN A HISTORIC  
12 DISTRICT DESIGNATED BY A LOCAL UNIT PURSUANT TO AN ORDINANCE  
13 ADOPTED UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL  
14 399.201 TO 399.215.

15 (B) THE RESOURCE MEETS 1 OF THE FOLLOWING CRITERIA DURING THE  
16 TAX YEAR IN WHICH A CREDIT UNDER THIS SECTION IS CLAIMED FOR THOSE  
17 QUALIFIED EXPENDITURES:

18 (i) THE HISTORIC RESOURCE IS LOCATED IN A DESIGNATED HISTORIC  
19 DISTRICT IN A LOCAL UNIT OF GOVERNMENT WITH AN EXISTING ORDINANCE  
20 UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO  
21 399.215.

22 (ii) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL  
23 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL  
24 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND  
25 HAS A POPULATION OF LESS THAN 5,000.

26 (iii) THE HISTORIC RESOURCE IS LOCATED IN AN UNINCORPORATED  
27 LOCAL UNIT OF GOVERNMENT.

1           (iv) THE HISTORIC RESOURCE IS LOCATED IN AN INCORPORATED LOCAL  
2 UNIT OF GOVERNMENT THAT DOES NOT HAVE AN ORDINANCE UNDER THE LOCAL  
3 HISTORIC DISTRICTS ACT, 1970 PA 169, MCL 399.201 TO 399.215, AND IS  
4 LOCATED WITHIN THE BOUNDARIES OF AN ASSOCIATION THAT HAS BEEN  
5 CHARTERED UNDER 1889 PA 39, MCL 455.51 TO 455.72.

6           (v) THE HISTORIC RESOURCE IS SUBJECT TO A HISTORIC  
7 PRESERVATION EASEMENT.

8           (7) A QUALIFIED TAXPAYER MAY ASSIGN ALL OR ANY PORTION OF THE  
9 CREDIT ALLOWED UNDER THIS SECTION. A CREDIT ASSIGNMENT UNDER THIS  
10 SUBSECTION IS IRREVOCABLE AND SHALL BE MADE IN THE TAX YEAR IN  
11 WHICH A CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A  
12 QUALIFIED TAXPAYER MAY CLAIM A PORTION OF A CREDIT AND ASSIGN THE  
13 REMAINING AMOUNT. IF THE QUALIFIED TAXPAYER BOTH CLAIMS AND ASSIGNS  
14 PORTIONS OF THE CREDIT, THE QUALIFIED TAXPAYER SHALL CLAIM THE  
15 PORTION IT CLAIMS IN THE TAX YEAR IN WHICH A CERTIFICATE OF  
16 COMPLETED REHABILITATION IS ISSUED PURSUANT TO THIS SECTION. AN  
17 ASSIGNEE MAY SUBSEQUENTLY ASSIGN THE CREDIT OR ANY PORTION OF THE  
18 CREDIT ASSIGNED UNDER THIS SUBSECTION TO 1 OR MORE ASSIGNEES. AN  
19 ASSIGNMENT OR SUBSEQUENT REASSIGNMENT OF A CREDIT CAN BE MADE IN  
20 THE YEAR THE CERTIFICATE OF COMPLETED REHABILITATION IS ISSUED. A  
21 CREDIT ASSIGNMENT OR SUBSEQUENT REASSIGNMENT UNDER THIS SECTION  
22 SHALL BE MADE ON A FORM PRESCRIBED BY THE DEPARTMENT. THE  
23 DEPARTMENT OR ITS DESIGNEE SHALL REVIEW AND ISSUE A COMPLETED  
24 ASSIGNMENT OR REASSIGNMENT CERTIFICATE TO THE ASSIGNEE OR  
25 REASSIGNEE. A CREDIT AMOUNT ASSIGNED UNDER THIS SUBSECTION MAY BE  
26 CLAIMED AGAINST THE ASSIGNEES' TAX UNDER THIS PART OR PART 1. AN  
27 ASSIGNEE OR SUBSEQUENT REASSIGNEE SHALL ATTACH A COPY OF THE

1 COMPLETED ASSIGNMENT CERTIFICATE TO THE ANNUAL RETURN REQUIRED TO  
2 BE FILED UNDER THIS PART FOR THE TAX YEAR IN WHICH THE ASSIGNMENT  
3 OR REASSIGNMENT IS MADE AND THE ASSIGNEE OR REASSIGNEE FIRST CLAIMS  
4 THE CREDIT, WHICH SHALL BE THE SAME TAX YEAR.

5 (8) IF THE CREDIT ALLOWED UNDER THIS SECTION FOR THE TAX YEAR  
6 AND ANY UNUSED CARRYFORWARD OF THE CREDIT ALLOWED BY THIS SECTION  
7 EXCEED THE TAXPAYER'S TAX LIABILITY FOR THE TAX YEAR, THAT PORTION  
8 THAT EXCEEDS THE TAX LIABILITY FOR THE TAX YEAR SHALL NOT BE  
9 REFUNDED BUT MAY BE CARRIED FORWARD TO OFFSET TAX LIABILITY IN  
10 SUBSEQUENT TAX YEARS FOR 10 YEARS OR UNTIL USED UP, WHICHEVER  
11 OCCURS FIRST. IF A QUALIFIED TAXPAYER HAS AN UNUSED CARRYFORWARD OF  
12 A CREDIT UNDER THIS SECTION, THE AMOUNT OTHERWISE ADDED UNDER  
13 SUBSECTION (9) TO THE QUALIFIED TAXPAYER'S TAX LIABILITY MAY  
14 INSTEAD BE USED TO REDUCE THE QUALIFIED TAXPAYER'S CARRYFORWARD  
15 UNDER THIS SECTION. IF THE CREDIT AMOUNT ALLOWED IS LESS THAN  
16 \$250,000.00, A QUALIFIED TAXPAYER MAY ELECT TO FORGO THE CARRYOVER  
17 PERIOD AND RECEIVE A REFUND OF THE AMOUNT OF THE CREDIT THAT  
18 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. THE AMOUNT OF THE  
19 REFUND SHALL BE EQUAL TO 90% OF THE AMOUNT OF THE CREDIT THAT  
20 EXCEEDS THE QUALIFIED TAXPAYER'S TAX LIABILITY. AN ELECTION UNDER  
21 THIS SUBSECTION SHALL BE MADE IN THE YEAR THAT A CERTIFICATE OF  
22 COMPLETED REHABILITATION IS ISSUED AND SHALL BE IRREVOCABLE.

23 (9) EXCEPT AS OTHERWISE PROVIDED UNDER SUBSECTION (10), IF A  
24 CERTIFICATE OF COMPLETED REHABILITATION IS REVOKED UNDER SUBSECTION  
25 (5) OR A HISTORIC RESOURCE IS SOLD OR DISPOSED OF LESS THAN 5 YEARS  
26 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE AS DEFINED IN  
27 SECTION 47(B)(1) OF THE INTERNAL REVENUE CODE AND RELATED TREASURY

1 REGULATIONS, THE FOLLOWING PERCENTAGE OF THE CREDIT AMOUNT  
2 PREVIOUSLY CLAIMED RELATIVE TO THAT HISTORIC RESOURCE SHALL BE  
3 ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED TAXPAYER THAT  
4 RECEIVED THE CERTIFICATE OF COMPLETED REHABILITATION AND NOT THE  
5 ASSIGNEE IN THE YEAR OF THE REVOCATION:

6 (A) IF THE REVOCATION IS LESS THAN 1 YEAR AFTER THE HISTORIC  
7 RESOURCE IS PLACED IN SERVICE, 100%.

8 (B) IF THE REVOCATION IS AT LEAST 1 YEAR BUT LESS THAN 2 YEARS  
9 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 80%.

10 (C) IF THE REVOCATION IS AT LEAST 2 YEARS BUT LESS THAN 3  
11 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 60%.

12 (D) IF THE REVOCATION IS AT LEAST 3 YEARS BUT LESS THAN 4  
13 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 40%.

14 (E) IF THE REVOCATION IS AT LEAST 4 YEARS BUT LESS THAN 5  
15 YEARS AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE, 20%.

16 (F) IF THE REVOCATION IS AT LEAST 5 YEARS OR MORE AFTER THE  
17 HISTORIC RESOURCE IS PLACED IN SERVICE, AN ADDBACK TO THE QUALIFIED  
18 TAXPAYER TAX LIABILITY SHALL NOT BE REQUIRED.

19 (10) SUBSECTION (9) SHALL NOT APPLY IF THE QUALIFIED TAXPAYER  
20 ENTERS INTO A WRITTEN AGREEMENT WITH THE AUTHORITY THAT WILL ALLOW  
21 FOR THE TRANSFER OR SALE OF THE HISTORIC RESOURCE AND PROVIDES THE  
22 FOLLOWING:

23 (A) REASONABLE ASSURANCE THAT SUBSEQUENT TO THE TRANSFER THE  
24 PROPERTY WILL REMAIN A HISTORIC RESOURCE DURING THE 5-YEAR PERIOD  
25 AFTER THE HISTORIC RESOURCE IS PLACED IN SERVICE.

26 (B) A METHOD THAT THE DEPARTMENT CAN RECOVER AN AMOUNT FROM  
27 THE TAXPAYER EQUAL TO THE APPROPRIATE PERCENTAGE OF CREDIT ADDED

1 BACK AS DESCRIBED UNDER SUBSECTION (9).

2 (C) AN ENCUMBRANCE ON THE TITLE TO THE HISTORIC RESOURCE BEING  
3 SOLD OR TRANSFERRED, STATING THAT THE PROPERTY MUST REMAIN A  
4 HISTORIC RESOURCE THROUGHOUT THE 5-YEAR PERIOD AFTER THE HISTORIC  
5 RESOURCE IS PLACED IN SERVICE.

6 (D) A PROVISION FOR THE PAYMENT BY THE TAXPAYER OF ALL LEGAL  
7 AND PROFESSIONAL FEES ASSOCIATED WITH THE DRAFTING, REVIEW, AND  
8 RECORDING OF THE WRITTEN AGREEMENT REQUIRED UNDER THIS SUBSECTION.

9 (11) THE AUTHORITY MAY IMPOSE A FEE TO COVER THE  
10 ADMINISTRATIVE COST OF IMPLEMENTING THE PROGRAM UNDER THIS SECTION.

11 (12) THE QUALIFIED TAXPAYER SHALL ATTACH ALL OF THE FOLLOWING  
12 TO THE QUALIFIED TAXPAYER'S ANNUAL RETURN REQUIRED UNDER THIS PART,  
13 IF APPLICABLE, ON WHICH THE CREDIT IS CLAIMED:

14 (A) CERTIFICATION OF COMPLETED REHABILITATION.

15 (B) CERTIFICATION OF HISTORIC SIGNIFICANCE RELATED TO THE  
16 HISTORIC RESOURCE AND THE QUALIFIED EXPENDITURES USED TO CLAIM A  
17 CREDIT UNDER THIS SECTION.

18 (C) A COMPLETED ASSIGNMENT FORM IF THE QUALIFIED TAXPAYER OR  
19 ASSIGNEE HAS ASSIGNED ANY PORTION OF A CREDIT ALLOWED UNDER THIS  
20 SECTION OR IF THE TAXPAYER IS AN ASSIGNEE OF ANY PORTION OF A  
21 CREDIT ALLOWED UNDER THIS SECTION.

22 (13) THE AUTHORITY MAY PROMULGATE RULES TO IMPLEMENT THIS  
23 SECTION PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969  
24 PA 306, MCL 24.201 TO 24.328.

25 (14) THE TOTAL OF THE CREDITS CLAIMED UNDER SUBSECTION (2) AND  
26 SECTION 266A FOR A REHABILITATION PROJECT SHALL NOT EXCEED 25% OF  
27 THE TOTAL QUALIFIED EXPENDITURES ELIGIBLE FOR THE CREDIT UNDER

1 SUBSECTION (2) FOR THAT REHABILITATION PROJECT.

2 (15) THE AUTHORITY SHALL REPORT ALL OF THE FOLLOWING TO THE  
3 LEGISLATURE ANNUALLY FOR THE IMMEDIATELY PRECEDING STATE FISCAL  
4 YEAR:

5 (A) THE FEE SCHEDULE USED BY THE AUTHORITY AND THE TOTAL  
6 AMOUNT OF FEES COLLECTED.

7 (B) A DESCRIPTION OF EACH REHABILITATION PROJECT CERTIFIED.

8 (C) THE LOCATION OF EACH NEW AND ONGOING REHABILITATION  
9 PROJECT.

10 (16) AS USED IN THIS SECTION:

11 (A) "CONTRIBUTING RESOURCE" MEANS A HISTORIC RESOURCE THAT  
12 CONTRIBUTES TO THE SIGNIFICANCE OF THE HISTORIC DISTRICT IN WHICH  
13 IT IS LOCATED.

14 (B) "HISTORIC DISTRICT" MEANS AN AREA, OR GROUP OF AREAS NOT  
15 NECESSARILY HAVING CONTIGUOUS BOUNDARIES, THAT CONTAINS 1 RESOURCE  
16 OR A GROUP OF RESOURCES THAT ARE RELATED BY HISTORY, ARCHITECTURE,  
17 ARCHAEOLOGY, ENGINEERING, OR CULTURE.

18 (C) "HISTORIC RESOURCE" MEANS A PUBLICLY OR PRIVATELY OWNED  
19 HISTORIC BUILDING, STRUCTURE, SITE, OBJECT, FEATURE, OR OPEN SPACE  
20 LOCATED WITHIN A HISTORIC DISTRICT DESIGNATED BY THE NATIONAL  
21 REGISTER OF HISTORIC PLACES, THE STATE REGISTER OF HISTORIC SITES,  
22 OR A LOCAL UNIT ACTING UNDER THE LOCAL HISTORIC DISTRICTS ACT, 1970  
23 PA 169, MCL 399.201 TO 399.215, OR THAT IS INDIVIDUALLY LISTED ON  
24 THE STATE REGISTER OF HISTORIC SITES OR NATIONAL REGISTER OF  
25 HISTORIC PLACES, AND INCLUDES ALL OF THE FOLLOWING:

26 (i) AN OWNER-OCCUPIED PERSONAL RESIDENCE OR A HISTORIC  
27 RESOURCE LOCATED WITHIN THE PROPERTY BOUNDARIES OF THAT PERSONAL

1 RESIDENCE.

2 (ii) AN INCOME-PRODUCING COMMERCIAL, INDUSTRIAL, OR  
3 RESIDENTIAL RESOURCE OR A HISTORIC RESOURCE LOCATED WITHIN THE  
4 PROPERTY BOUNDARIES OF THAT RESOURCE.

5 (iii) A RESOURCE OWNED BY A GOVERNMENTAL BODY, NONPROFIT  
6 ORGANIZATION, OR TAX-EXEMPT ENTITY THAT IS USED PRIMARILY BY A  
7 TAXPAYER LESSEE IN A TRADE OR BUSINESS UNRELATED TO THE  
8 GOVERNMENTAL BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY AND  
9 THAT IS SUBJECT TO TAX UNDER THIS ACT.

10 (iv) A RESOURCE THAT IS OCCUPIED OR UTILIZED BY A GOVERNMENTAL  
11 BODY, NONPROFIT ORGANIZATION, OR TAX-EXEMPT ENTITY PURSUANT TO A  
12 LONG-TERM LEASE OR LEASE WITH OPTION TO BUY AGREEMENT.

13 (v) ANY OTHER RESOURCE THAT COULD BENEFIT FROM REHABILITATION.

14 (D) "LOCAL UNIT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

15 (E) "LONG-TERM LEASE" MEANS A LEASE TERM OF AT LEAST 27.5  
16 YEARS FOR A RESIDENTIAL RESOURCE OR AT LEAST 31.5 YEARS FOR A  
17 NONRESIDENTIAL RESOURCE.

18 (F) "MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY" OR  
19 "AUTHORITY" MEANS THE PUBLIC BODY CORPORATE AND POLITIC CREATED BY  
20 SECTION 21 OF THE STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966,  
21 1966 PA 346, MCL 125.1421.

22 (G) "OPEN SPACE" MEANS UNDEVELOPED LAND, A NATURALLY  
23 LANDSCAPED AREA, OR A FORMAL OR MAN-MADE LANDSCAPED AREA THAT  
24 PROVIDES A CONNECTIVE LINK OR A BUFFER BETWEEN OTHER RESOURCES.

25 (H) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,  
26 ASSOCIATION, GOVERNMENTAL ENTITY, OR OTHER LEGAL ENTITY.

27 (I) "QUALIFIED EXPENDITURES" MEANS CAPITAL EXPENDITURES THAT

1 QUALIFY, OR WOULD QUALIFY EXCEPT THAT THE TAXPAYER ENTERED INTO AN  
2 AGREEMENT UNDER SUBSECTION (10), FOR A REHABILITATION CREDIT UNDER  
3 SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE IF THE TAXPAYER IS  
4 ELIGIBLE FOR THE CREDIT UNDER SECTION 47(A)(2) OF THE INTERNAL  
5 REVENUE CODE OR, IF THE TAXPAYER IS NOT ELIGIBLE FOR THE CREDIT  
6 UNDER SECTION 47(A)(2) OF THE INTERNAL REVENUE CODE, THE QUALIFIED  
7 EXPENDITURES THAT WOULD QUALIFY UNDER SECTION 47(A)(2) OF THE  
8 INTERNAL REVENUE CODE EXCEPT THAT THE EXPENDITURES ARE MADE TO A  
9 HISTORIC RESOURCE THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER SECTION  
10 47(A)(2) OF THE INTERNAL REVENUE CODE THAT WERE PAID. QUALIFIED  
11 EXPENDITURES DO NOT INCLUDE CAPITAL EXPENDITURES FOR NONHISTORIC  
12 ADDITIONS TO A HISTORIC RESOURCE EXCEPT AN ADDITION THAT IS  
13 REQUIRED BY STATE OR FEDERAL REGULATIONS THAT RELATE TO HISTORIC  
14 PRESERVATION, SAFETY, OR ACCESSIBILITY.

15 (J) "QUALIFIED TAXPAYER" MEANS A PERSON THAT EITHER OWNS THE  
16 RESOURCE TO BE REHABILITATED OR HAS A LONG-TERM LEASE AGREEMENT  
17 WITH THE OWNER OF THE HISTORIC RESOURCE AND THAT HAS QUALIFIED  
18 EXPENDITURES FOR THE REHABILITATION OF THE HISTORIC RESOURCE EQUAL  
19 TO OR GREATER THAN 10% OF THE STATE EQUALIZED VALUATION OF THE  
20 PROPERTY. IF THE HISTORIC RESOURCE TO BE REHABILITATED IS A PORTION  
21 OF A HISTORIC OR NONHISTORIC RESOURCE, THE STATE EQUALIZED  
22 VALUATION OF ONLY THAT PORTION OF THE PROPERTY SHALL BE USED FOR  
23 PURPOSES OF THIS SUBDIVISION. IF THE ASSESSOR FOR THE LOCAL TAX  
24 COLLECTING UNIT IN WHICH THE HISTORIC RESOURCE IS LOCATED  
25 DETERMINES THE STATE EQUALIZED VALUATION OF THAT PORTION, THAT  
26 ASSESSOR'S DETERMINATION SHALL BE USED FOR PURPOSES OF THIS  
27 SUBDIVISION. IF THE ASSESSOR DOES NOT DETERMINE THAT STATE

1 EQUALIZED VALUATION OF THAT PORTION, QUALIFIED EXPENDITURES, FOR  
2 PURPOSES OF THIS SUBDIVISION, SHALL BE EQUAL TO OR GREATER THAN 5%  
3 OF THE APPRAISED VALUE AS DETERMINED BY A CERTIFIED APPRAISER. IF  
4 THE HISTORIC RESOURCE TO BE REHABILITATED DOES NOT HAVE A STATE  
5 EQUALIZED VALUATION, QUALIFIED EXPENDITURES FOR PURPOSES OF THIS  
6 SUBDIVISION SHALL BE EQUAL TO OR GREATER THAN 5% OF THE APPRAISED  
7 VALUE OF THE RESOURCE AS DETERMINED BY A CERTIFIED APPRAISER.

8 (K) "REHABILITATION PLAN" MEANS A PLAN FOR THE REHABILITATION  
9 OF A HISTORIC RESOURCE THAT MEETS THE FEDERAL SECRETARY OF THE  
10 INTERIOR'S STANDARDS FOR REHABILITATION AND GUIDELINES FOR  
11 REHABILITATION OF HISTORIC BUILDINGS UNDER 36 CFR PART 67.

**Resolution 2018 - 53**  
**Support of Calhoun County Land Bank Authority (CCLBA) Agreement**  
**With Albion Reinvestment Corporation (ARC)**

**History:** The Calhoun County Land Bank Authority (CCLBA) owns several properties in the central business district of the City of Albion. The City of Albion and CCLBA have agreed that the assembly and eventual sale of these properties would promote and foster the development of said properties and thereby promote economic growth in the City of Albion and Calhoun County. The Albion Reinvestment Corporation (ARC), is a tax exempt 501(c) 3 public charity, that was founded in 2015 to receive and administer funds and property to combat community deterioration in the downtown business district of the City of Albion and surrounding areas. ARC seeks to improve and revitalize the downtown district by promoting economic growth, employment, and development. The CCLBA and ARC entered into a Land Banking Agreement in December 2016. The CCLBA is seeking support from the City of Albion in extending the agreement between the CCLBA and ARC.

**Finding:** The City recognizes that the Calhoun County Land Bank Authority (CCLBA), by continuing an Agreement with the Albion Reinvestment Corporation ("ARC"), a Michigan Non-Profit Corporation, with the intention that the assembly and eventual sale of these properties, will promote and foster development and promote economic growth in the City of Albion and in Calhoun County.

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, moved to approve the following resolution.

**Resolved:** That the Albion City Council affirms its support of the extension of the agreement between the Calhoun County Land Bank Authority (CCLBA) and the Albion Reinvestment Corporation (ARC), for the redevelopment of properties and promotion of economic growth in the City of Albion.

I hereby certify that the above resolution was adopted on December 18, 2017, in a regular session of the Albion City Council and this is a true copy of that resolution.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Absent \_\_\_\_\_

\_\_\_\_\_  
Jill Domingo, City Clerk



# Advancing Albion Action Plan

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## Downtown Albion

Amy Deprez, Executive Director ARC

Approved by:

Albion Reinvestment Corporation Board of Directors

11/27/2017

December 1, 2017

It is with great pleasure and excitement that we present our support for the Advancing Albion Action Plan. This plan will be a guide to the redevelopment and revitalization of the downtown business district and the surrounding area.

The plan compliments other community plans to coordinate development strategies and accelerate the redevelopment of the core of our community – the downtown district.

This is a very important time for the revitalization of Albion and the window of opportunity is now. There has been momentum building with several projects that will lead to a more vibrant, diverse and culturally rich community. The Courtyard by Marriott is expected to be completed in 2018, as will several other projects that are at various stages, like Albion Malleable Brewing Company and the Peabody Project. The time is now to capitalize on the momentum that has been built so far and keep it going.

We fully support the direction and initiatives outlined in the Advancing Albion Action Plan and the mission and vision of Albion Reinvestment Corporation as a long term partner to Albion’s growth and sustainability.

Respectfully,

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Mayor Garret Brown, City of Albion



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Sheryl Mitchell, City Manager, City of Albion

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Amy Deprez, CEO/President, Albion EDC

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President Mauri Ditzler, Albion College

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Tim Krause, Executive Director, Albion Community Foundation

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Eric Worley, President, Albion Chamber of Commerce

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Kelli Scott, County Administrator, Calhoun County

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Krista Trout-Edwards, Executive Director, Calhoun County Land Bank Authority

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President, Downtown Authority District

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Herman McCall, Chairperson, Brownfield Redevelopment Authority

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## ADVANCING ALBION EXECUTIVE SUMMARY

**A**dvancing Albion is a community plan and investment strategy. It envisions the future of the downtown Albion business district and the surrounding areas. The Plan will lead the direction of Albion Reinvestment Corporation (ARC), a public charity 501(c)(3), which was formed in 2015 specifically to administer funds and property to combat community deterioration in the downtown business district of the City of Albion and surrounding areas. The ARC Board of Directors consists of four investors with strong ties to Albion and a shared desire to see Albion progress and become a thriving core to the City that is sustainable for decades to come.

Advancing Albion is a call to action that represents views from a diverse group of community leaders that share a vision for reinventing the downtown with a focus on real estate development in housing, retail, offices, culture, and the arts. Albion residents, both past and present, and Albion College Alumni are proud of their town. They are eager to see the community redeveloped and opportunities for living, working, and recreating in a small town with a resilient spirit and never ending passion.

For Albion to be truly successful and vibrant, equity and opportunity for everyone is essential. Traditional economic development and expansion cannot solve the persistent racial and income inequality in our community. Albion needs a fundamentally new approach to achieve prosperity that is shared by all residents. That includes championing diversity and inclusion while building equity in the downtown business district and surrounding areas. This will require regional thinking and solutions that recognize diversity as a strength and focus on building racial equity and increasing economic opportunities for everybody.

Advancing Albion does not stand alone, but compliments the many other development and strategic plans for the community, including the City of Albion’s 2017-2021 Comprehensive Plan, the Albion Economic Development Strategic Plan 2017, and Albion College’s Strategic Plan to name a few.

Albion is poised to become a resilient, cultural, and lively community for all ages centered on a revitalized downtown. This action plan is developed to lead the ongoing transformation of Albion.



### **Advancing Albion Action Plan**

## INTRODUCTION

The City of Albion is reinventing itself after experiencing the same changes that most Midwestern manufacturing towns have with the decline in manufacturing jobs that have led to population loss and a diminished tax base. Over the years there have been several initiatives to address these challenges. Although there has been some success, a major renaissance has been elusive. An effort that included all the major partners was needed to move the community forward. Today, Downtown Albion is on the cusp of revitalization and there are many players that have been and continue to be instrumental in the development.

**ARC:** Albion Reinvestment Corporation, a 501(c)(3) charitable organization whose primary mission is to combat further deterioration of downtown properties by promoting economic growth in the downtown Albion business district in cooperation with the City of Albion, Albion Economic Development Corporation (AEDC), Greater Albion Area Chamber of Commerce, the Downtown Development Authority (DDA), the Albion Community Foundation (ACF), and community groups. ARC's role in community development focuses on the downtown to ignite economic growth and investment. This role involves administering funds to facilitate the acquisition, renovation, and lease and sale of underserved properties to help eliminate blight and encourage businesses to start-up in and relocate to Albion.

**Dr. William Dobbins (ARC President):** Lifelong resident of the Albion area and graduate of Albion College (Class of 1974), Dr. Dobbins practiced family medicine in the Albion/Marshall area for 25 years and has been President of Caster Concepts, Inc. and seven other associated business units in four locations since 1997. He married Karen, also alum of Albion College, and has been actively involved in the downtown revitalization efforts. He and Karen recently announced the Peabody Block Project, which will be a mixed-use rehab of the oldest brick structure in the downtown, located at 400 S. Superior. Dr. Dobbins has been President of ARC since inception.

**Dr. Samuel Shaheen (ARC Vice President):** Dr. Samuel Shaheen serves as President and CEO of Shaheen Development. For 50 years, Shaheen Development has enriched our communities by creating places for living, working, leisure, and healthcare. Dr. Shaheen has passion and a 20 year history of urban redevelopment projects throughout Michigan which includes the restoration of the Historic Temple Theater in Saginaw. Dr. Shaheen's community leadership roles include: founding member of the Temple Theatre Foundation, he helped establish the Mid-Michigan Children's Museum, and is one of two founding directors of the Saginaw Art Museum. He has served on numerous boards and is currently on the Great Lakes Advisory Board of Huntington Bank, the Board of Trustees for Albion College, and is a past chair of the Covenant Healthcare Mackinaw Surgery Center Board. Dr. Shaheen has received many awards over the years for his business, leadership and philanthropic endeavors, including the 2016 Governor's Award for Community Philanthropy, Junior Achievement Business Hall of Fame, Saginaw County Chamber of Commerce Spirit of Saginaw Award, and Saginaw Future's Outstanding Economic Investment Award just to name a few. In addition to his philanthropic and development projects, Dr. Shaheen is the Executive Director for Central Michigan University Medical Education Partners. The partnership between Central Michigan University and Saginaw's two major hospital systems.

Prior, he served as Professor of Surgery and Chair of Surgical Disciplines for CMU College of Medicine. Dr. Shaheen is a 1988 graduate of Albion College where he graduated Summa Cum Laude, he earned his Doctor of Medicine from the University of Michigan in 1992 and completed his surgical training at Northwestern University in 1997 before returning to his hometown of Saginaw. He resides in Saginaw with his wife Holly, and his four children.

**Jeffrey Ott (ARC Secretary):** Jeff Ott is a partner in the law firm Warner Norcross & Judd LLP. Jeff has almost 30 years' experience representing businesses and financial institutions on various corporate matters, including business startups, early round financing, capital raising, corporate and securities law compliance, mergers and acquisitions, and general contract matters. Jeff regularly represents individuals seeking to start new business ventures and existing businesses looking to expand into new markets and/or locations and finance business growth. Jeff received his J.D. degree from the University of Michigan Law School in 1989, where he graduated cum laude, and his A.B. degree from Albion College in 1986, where he graduated summa cum laude. He is a member of the Albion College Board of Trustees, the board of directors of Habitat for Humanity of Kent County, and the board of directors of Albion Reinvestment Corporation.

**Michael McFarlen (ARC Board Member):** Michael McFarlen joined the ARC Board in 2017 and is a graduate of the prestigious Culinary Institute of America. Chef Mike has spent the last 30+ years honing his passion for Food and Beverage management as an Executive Chef and Vice President of Food and Beverage. He is the recipient of the "Beacon of Light Award" as well as the Governor's Service Awards "Volunteer of the Year", He has earned repeated recognition for his hands on approach to his craft and the ability to balance highly driven philanthropic endeavors with the business demands of a casino executive. He has developed, designed and launched complete Food and Beverage openings for companies like MGM Grand, Kerzner International/Atlantis Resorts and FireKeepers Casino Resort Hotel which encompassed menu creation, kitchen layout, staff training, menu engineering, staffing and hiring, budgeting, capital expenditure forecasting, food safety compliance and strategic planning. He has worked in 5 star, 4 diamond properties, managed celebrity chef driven outlets, high profit fine dining and catering operations and led teams of up to 570 team members. Most recently created a hybrid concept "The Fire Hub" designed to feed local nonprofits thru revenue sharing as well as a fully operational food pantry in conjunction with The Food Bank of South Central Michigan.

**FORKS:** Forks Associates, which preceded ARC, was a privately held equity partnership charged with acquisition of property during the initial phase of the development effort. Its role began to subside as ARC became more organized and focused on the development of the downtown.

**NAIG:** The New Albion Impact Group (NAIG) works with entrepreneurs and partners with Albion College, and other for-profit, charitable, educational, and government organizations to build a new model of economic sustainability through impact investing in the community. The mission of NAIG is to attract new business in a diverse, low-income community; retain and grow existing businesses; focus on investments that leverage the vision of a new, sustainable community; and make strategic investments to assist companies in all stages of growth. The group will help local entrepreneurs fill "main street" by creating jobs for a diverse community.

**CITY, TOWNSHIPS, & COUNTY LEADERSHIP:** Local government is critical in the coordination and effective use of available resources. The City of Albion, Albion Township, Sheridan Township and Calhoun County all play a vital role in the revitalization of the downtown through communication of strategy, initiatives, and progress through public forums.

**AEDC, Chamber of Commerce & DDA:** The Albion Economic Development Corporation (AEDC), the Greater Albion Area Chamber of Commerce and the Downtown Development Authority (DDA) are positioned in Albion to coordinate and accelerate efforts central to this effort and growing and recruiting business enterprise in Albion. Further, through partnership with the Michigan Economic Development Corporation (MEDC), Michigan Department of Environmental Quality (MDEQ) and other state programs, the AEDC, Chamber and DDA will increase access to incentive programs that will spur growth.

**CCLBA:** The Calhoun County Land Bank Authority (CCLBA) plays an important role in the development of downtown Albion as it holds a number of properties in the downtown that are in need of development. The CCLBA also holds a number of ARC properties while development plans are put in place. The partnership between the CCLBA and ARC is very important as ARC is a charitable organization and all available resources need to go toward redevelopment costs.

## OVERCOMING CHALLENGES TODAY

The principal challenges facing Albion are not unique, however, the extent of population loss, loss of industry, and growing rates of poverty and blight present opportunities for collaborative problem-solving, strategic growth, and positive change to meet the needs of current and future residents.

### *Blight & Vacancy*

Albion has a higher percentage of poverty than compared to other similar-sized communities in the region. The downtown has seen storefronts close without turnover and many of the buildings are in need of major investment to ensure they are usable for the next 50 years and beyond. The vacancy rate for the commercial space in the downtown is approximately 40%. At the time of this report, very few residential options are available in the downtown.

### *Declining & Aging Population*

The City of Albion, like many of its surrounding communities, lost population from 1970-2010. Albion's population continued to decline and in 2015 the Nielsen Company estimated that Albion's population decreased to 8,240 persons, a decline of 4.44% from the 2010 Census. Without intervention, Nielsen projects that the City's population would continue to fall to 7,961 persons by 2020, a decrease of another 3.4%.

*Albion must reinvent, diversify, and stabilize its post-industrial economy to meet the changing 21<sup>st</sup> economic landscape.*

Of the 2,785 households in Albion in 2015, nearly 64% are comprised of "empty nesters and retirees". These empty nesters and retirees are seeking domiciles where they can age in place. Many do not want to move out of town to a retirement home but feel there is no other option in Albion.

### *Loss of Industry & Higher Poverty Levels*

Macroeconomic changes caused the relocation, decentralization, and automation of manufacturing jobs. This has caused many small and large cities across America to restructure their economies to continue to provide city services and maintain their population. Albion must diversify, reinvent, and stabilize its post-industrial economy to meet the changing 21st century economic landscape. As of 2015, 42% of Albion's residents over age 16 were not in the labor force. Citizens and civic and business leaders have expressed their desire to engage the segment of the population that has left the labor force due to a dismal economic outlook. As of 2014, the U.S. Census Bureau estimates over 2,700 people were below the poverty level in Albion. Much of this is caused by a high unofficial unemployment rate, caused by residents that are discouraged or under-skilled, and the lack of public transportation.

### *Infrastructure & Transportation*

The City's declining population is felt by the reduced property tax income for the City. Many of the roads in the Albion area are in dire need of repair and upkeep. The main corridors – Michigan Ave, Eaton Street, and M-99 – are maintained by MDOT which helps alleviate the strain on the City's budget. Superior Street (the section of M-99 that runs through the downtown) is being redone as this report is being written. The project includes replacing the water mains, sewer lines, and a complete restructuring of the road. It will make downtown a prime location for economic growth. Albion is the only city in Calhoun County that does not have a city-wide transportation system in place causing a challenge for many residents to commute to a job and have transportation to and from health care, shopping, and other needed venues.

### *Economic Development Plan*

Over the last decade, it has become apparent that a lack of a unified economic development plan has been a principal obstacle for the community. A plan encompassing all the community partners needed to be adopted by the City and supported by the Albion Economic Development Corporation, the Greater Albion Chamber of Commerce, the Albion Community Foundation, and Albion College. A group of community leaders participated in a steering committee and the resulting plan was approved by the Albion Economic Development Board of Directors in October 2017.

*To date, ARC has invested \$387,500 for the initial planning phase of the redevelopment of downtown Albion. We estimate that over \$22 million has been invested within two miles of downtown in the past two years. Approximately another \$25 million is expected to be required to redevelop the remaining structures in the downtown.*

## SEIZING OPPORTUNITIES TODAY

In the past several years, local leaders, foundations and organizations have started the ambitious process of reviving Albion after decades of lost industry, population, and spendable income left its economy sluggish and unprepared to enter the evolving economic landscape. The collective result of these investments, however, only kept the economy limping forward and was not successful in igniting additional investment needed to launch Albion forward.

To date, ARC and its predecessor (Forks Associates) has invested \$387,500 for the initial planning phase of the redevelopment of the downtown including acquisition of several blighted downtown buildings. We estimate that over \$22 million has been invested within two miles of downtown Albion over the past two years. Private developers, businesses, institutions, nonprofits, and other organizations have all contributed to this figure. Advancing Albion seeks to coordinate investments that will transform the downtown and propel Albion forward.

### *Downtown Anchor Projects*

Albion has been blessed with several early investors to help strengthen the downtown and instill confidence in future investors and developers. In 2015, the historic Bohm Theatre was reopened and has become a venue for first-run movies and community events like Blues at the Bohm, where hundreds of locals and visitors hang out for a 3-hour blues jam session. In 2017, Albion College renovated 5 storefronts into a college/community space, named The Ludington Center. A Courtyard by Marriott hotel will be completed in 2018 with a historic look and seated in the middle of the downtown. Two other projects are currently underway – the Peabody Block Building, a three-story mixed use development utilizing Community Development Block Grant funds to help offset the costs of a historic renovation project. Albion Malleable Brewing Company, opening in early 2018, will be the first brewery in Albion and was made possible through creative financial packaging including traditional financing through a local bank and impact investment through New Albion Impact Group.

### *Walk to Work Community*

The Albion community is just over 3 square miles and connected by various corridors that make our community very

walkable and attractive to anyone wishing to live, work and recreate in a smaller community.

### ***Albion College***

Albion College was founded more than 180 years ago with a single primary purpose: to enhance, enrich, and empower its community. Today that holds true and the College continues to show its commitment to the community through development opportunities and sharing of resources. Albion College has sponsored an AmeriCorps VISTA program for the second year, allowing for 10 VISTA members to volunteer their time in the community building capacity and alleviating poverty. In addition to direct investment via the Ludington Center, the College made a large financial commitment to the Courtyard by Marriott and their success in a small downtown.

### ***Historic Downtown***

Albion's main street, Superior Street, is undergoing a complete renovation to replace water mains, sub-base, and brick pavement. Albion's downtown will be well-prepared to welcome new businesses with the improvements that are taking place and a brand new brick street.

### ***New Albion Impact Group***

The New Albion Impact Group (NAIG) is a creative and vital asset to the community and seeks to fill downtown buildings with businesses and entrepreneurs that will meet the demands of the community while offering employment for residents. NAIG's first investment in Albion Malleable Brewing Company set the direction for impact investment in Albion and the group is seeking to expand its portfolio in the near future.

### ***Location***

Albion is located directly on Interstate 94 connecting Detroit with Chicago and just a short drive to Interstate 69 and US 127. Business owners and residents can catch the Amtrak train just north of downtown Albion for daily trains to Chicago, Detroit, Grand Rapids and Lansing. Albion is within an hour of several larger urban communities and within a 2 hour commute to Detroit Metropolitan Airport.

### ***Market Potential & Target Market Analysis***

The market potential for development in downtown Albion is strong and the community is on the cusp of revitalization. The primary market area for this plan is defined as:

- *Superior Street Commercial Corridor* - runs the length of Superior Street and includes roughly one block deep to the East and West of the downtown.
- *Albion College / Harrington Neighborhood* - this area lies to the East of downtown and South of Michigan Ave. and is bounded to the East by the campus.
- *Michigan Ave. Corridor* - runs the length of Michigan Avenue (Business I-94) from Bidwell Street to Clinton Street and is primarily concerned with the commercial parcels facing Michigan Ave.

A target market analysis (TMA) was completed for Albion in 2015 and shows compelling evidence for new housing developments and redevelopment of existing residential properties. The target population can be expected to come mainly from the surrounding counties and people looking to relocate within Albion. Nearly 82% of the potential market will be seeking multi-family rental units which could include apartments, lofts, condos, or townhouses. The other 18% will be looking for single family detached houses. According to the TMA, Albion can expect to see 345 households on average looking to relocate within the city each year over the next 5 years. Albion can also expect to see on average 415 people from Calhoun County and the

*According to the TMA, Albion can expect to see **345 households** on average looking to relocate within the city each year over the next 5 years. Albion can also expect to see on average **415 people** from Calhoun County and the surrounding counties (Kalamazoo, Jackson, Branch, Barry, and Eaton Counties) and **140** from across the US looking to move to Albion each year over the next 5 years.*

surrounding counties (Kalamazoo, Jackson, Branch, Barry, and Eaton Counties) and 140 from across the US looking to move to Albion each year over the next 5 years.

According to the TMA, the potential market of 345 households looking to relocate within the city consists of approximately one-third empty nesters and retirees, one-third traditional and non-traditional families, and one-third younger singles and couples. Of those potential new residents from outside Albion, they range across all ages, lifestyles, and income groups. There is strong evidence to support the demand for all types of housing across all price ranges. More data is available in the TMA. Albion is a prime market for real estate development. The city's large outdated housing stock does not meet the needs of current or future residents. The majority of the housing stock is aging, single-family detached homes. There is certainly a market for these homes if the proper renovations and upgrades are made to them. The market for subsidized, rental, market rate, and high-end apartments is strong. Albion will only see these new households if developers seize the opportunity now.

Residents of Albion and the surrounding area have a need for options when it comes to services, dining, shopping, and entertainment. The community can support several new options when it comes to all of these categories with many residents seeking options in other communities currently.

## Mission of Albion Reinvestment Corporation

Albion Reinvestment Corporation is a 501c(3), public charity, that combats community deterioration in the Albion downtown business district and surrounding areas to improve and revitalize the district into an area that is attractive to businesses, employment and entertainment, through continued initiative that:

- Promotes economic growth, employment and development by offering capital, real property and other incentives to businesses, educational institutions, healthcare organizations and entertainment providers considering locating new facilities or development;
- Unites all parties interested in the redevelopment of downtown Albion, including education, government, business and charitable institutions in a broad based coalition; supporting existing businesses and encouraging entrepreneurial business development; enhancing public infrastructure, improving aesthetics and eliminating blight and vacant storefronts; increasing residency in the downtown; and developing the downtown into an attraction area for business, employment, education and entertainment;
- Advocates and solve problems with governmental entities and other agencies on behalf of new and existing businesses and other institutions desiring to locate new facilities or developments in the downtown area;
- Identifies new construction or expansion opportunities in the downtown area; aiding in or locating appropriate sites for construction or expansion opportunities; attracting investment capital to those opportunities; inventorying and establishing priorities on investment opportunities; and expediting their fulfillment;
- Initiates applications for Federal and State financial and other charitable support of the economic development in the downtown area;
- Uses all effective means to bring in new construction and business that will provide jobs and increase the job base of the City and committing local business and non-Albion based businesses, educational institutions, government agencies, nonprofit organizations and other employers to locate new facilities and developments in the downtown business district.

## STRATEGIC INITIATIVES, GOALS & OBJECTIVES

Coordinating investments to concentrate growth and stimulate surrounding areas will advance Albion. Urban planning and design principles should be considered and used as evaluation criteria for future redevelopment work. Successful downtowns typically have a distinctive image, a reliable and diverse economic base, compact building pattern, varied residential options, quality public open spaces, and visionary leadership. Vibrant communities capitalize on unique local attributes, promote historical preservation, encourage active, publically-accessible riverfronts and hold frequent local and regional festivals and events.

Advancing Albion Action Plan is comprised of four segments that together can and will propel Albion forward.

- *Increasing Density and Reaching for Critical Mass in the Downtown*
- *Revitalization of Connecting Neighborhoods*
- *Enhancing the Appeal of the Gateways*
- *Social Plan & Strategy*

The Advancing Albion Action Plan builds on the aforementioned segments and broadly defines project specific initiatives, goals and objectives as follows:

## INCREASING DENSITY AND REACHING FOR CRITICAL MASS IN THE DOWNTOWN

Downtown Albion was once bustling with people and stores. Today, over 40% of the storefronts are empty and many of the buildings are in need of investment right away to sustain them into the future.

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**GOAL 1:** Redevelop ARC-owned properties to increase density in the downtown through “white boxing” and infill development for residential, retail, restaurant, commercial, and cultural uses.

- I. Create development strategy for 315 S. Superior St. as the first “alpha” project for ARC. (2017-2018)
  - a. Define financial package including equity requirements and incentive eligibility
  - b. Fundraise for the equity portion needed to achieve this project
  - c. Secure financing and incentives needed to achieve this project
  - d. Initiate project and redevelop 315 S. Superior Street into a residential rental revenue earning model with a strong commercial tenant to anchor the downtown district
- II. Leverage relationship with ARC Board of Director’s Michael McFarlen to pursue the possibility of an “Albion Fire Hub” type development in the Downtown (2017)
- III. Develop a retail storefront and office/upper-floor loft strategy for Superior Street. (2017)
  - a. Define project scope and development plans and architectural elements to restore storefront elevation and “white box” the retail and business offices
  - b. Development of loft apartments on the upper floors where amenable
- IV. Develop and implement a Transformational Grant Plan (Big Albion Plan) for the redevelopment of up to 20 storefronts, but no less than 5, as outlined above, as one transformational project for the downtown. (2017-2019)
- V. Diversify the downtown retail mix and reach for critical mass through aggressive business recruitment strategies (2017-2019)
  - a. Identify complementary businesses to the existing businesses through focus group discussions with current business owners
  - b. Create synergies and strategy with New Albion Impact Group for business funding opportunities, in addition to “lease subsidy”
  - c. Develop “business contest” strategy to properly vet and attract regional businesses

*“White boxing” refers to preparing a commercial or residential building with a heating/cooling system, lighting, electrical, bathrooms, a finished ceiling, walls that are prepped for painting, and a concrete slab floor. This makes the space “move-in ready” which is attractive for new businesses.*

- i. Utilize a team of Gerstacker/Ford students, college faculty, and VISTA Members to define strategy, target businesses and contest metrics and to award recipients through a “Shark Tank” (ARC Tank) like competition
    - ii. Develop an overall marketing strategy including logo, social media marketing (Facebook/Twitter/Instagram), and print media for promotion and marketing
- VI. Encourage approximately 50% of the storefronts to be an entrepreneurial business development by partnering with entrepreneurial businesses through attractive standard lease rates or various forms of subsidized leasing such as a tiered rate or a percent of sales for early adopters (ongoing)
  - a. Turn downtown Albion into a destination place through enhancement of public infrastructure, placemaking, and improving aesthetics
    - i. Enhance the front and rear façade of the downtown buildings for a more aesthetically pleasing and vibrant environment
    - ii. Encourage active and publically-accessible river frontage
    - iii. Partner with the AEDC and the City of Albion for planning and upgrading of public infrastructure in the downtown
    - iv. Partner with City of Albion and the Downtown Development Authority (DDA) to offer incentive options, such as Business Improvement District and Façade Improvement Programs, to spur developments and residential living in the downtown

## REVITALIZATION OF CONNECTING NEIGHBORHOODS

*Neighborhoods surrounding the downtown have seen a decline in housing quality and property values as residents' age or move out, leaving vacant structures. As indicated earlier, the neighborhood connecting the campus to the downtown is the focus of the Harrington Project made possible by a large donation from an alumnus of the college. Transforming this neighborhood into a sidewalk community has started in the past year and will continue in the coming years. Other neighborhoods surrounding the downtown business district also need investment and transformation to improve the walkability of the community as a whole and promote a vibrant downtown.*

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**GOAL 2:** *Revitalize neighborhoods connecting to the downtown to encourage development and walkability.*

- I. Partner with Albion College to define a comprehensive strategy for the Harrington Neighborhood. (2017-2018)
- II. Spur development of Harrington Neighborhood through establishment of a Neighborhood Enterprise Zone (NEZ), linking the downtown with Albion College through redevelopment of this area (2018 -2019)
- III. Cultivate residential “infill” development in the neighborhoods surrounding the downtown (ongoing)
- IV. Work with the City of Albion to determine other surrounding neighborhoods that would benefit from an NEZ being established (2017-2018)
- V. Partner with community leaders to define a long-term plan for Stoffer Plaza and the Riverfront to capitalize on this asset (2018-2019)
- VI. Encourage development projects that reflect the long-term Architectural Plan including development of a pocket park and pedestrian gateway connecting the college campus with the hotel (ongoing)

## ENHANCING THE APPEAL OF THE GATEWAYS

*Having visually appealing and inviting entryways to the city are critical to creating an inviting and welcoming community that leads visitors to the historic downtown.*

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**GOAL 3:** *Enhance the gateways to our community through aesthetic improvements.*

- I. Partner and develop the I-94/Eaton Corridor through improving the appeal of the gateway. (2017-2019)
  - a. Encourage streetscape improvements such as landscape and plants, lighting and wayfinding signage.
- II. Partner and develop the I-94/Michigan Corridor through improving the appeal of the gateway. (2018-2020)
  - a. Encourage streetscape improvements such as landscape and plants, lighting and wayfinding signage.
- III. Coordinate wayfinding signage efforts with City of Albion's Wayfinding Signage Committee. (ongoing)
- IV. Partner with community leaders/organizations to improve the aesthetics of any community and welcoming signage and placement

## SOCIAL PLAN & STRATEGY

*The redevelopment of Albion requires more than investment; in order for the revitalization to be sustainable, the internal and external perception of Albion needs to be changed to a positive and progressive one. Lives will be strengthened as we work to reverse community deterioration by focusing our redevelopment efforts in the downtown business district and surrounding areas.*

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**GOAL 4:** *Develop a social plan and strategy that underscores the faith-based and culturally rich community and encourages all citizens to be a part of the revitalization effort and create a community branding strategy that tells the collective redevelopment story and turns the community around through consistent and persistent marketing and promotion. The impact of which will:*

- *Create a community that will become an attractive place for business, employment and entertainment by offering financial and technical assistance, eliminating blight, and attractive investment capital.*
  - *Add jobs to the community through attracting new construction, supporting new and existing businesses, and assisting entrepreneurs.*
  - *Enhance the quality of life by attracting businesses that meet the wants and needs of residents, providing more attainable housing options, creating jobs, and updating public infrastructure.*
- 
- I. Engage in specific projects to improve and strengthen the image of Downtown Albion. (ongoing)
    - a. To counter longstanding negative perceptions of the community and downtown, vigorously promote short-term successes and new and existing businesses as they seek to establish a larger customer base
    - b. Partner with the Community Marketing Committee on the development and implementation of a community branding strategy
  - II. Engage faith-based and other community organizations to partner in the redevelopment efforts and creation of a long term vision for the community (2017-2019)
    - a. Create a community forum to socialize the action plan and encourage participation in its efforts
    - b. Create social collateral to destigmatize the mystery of ARC and the revitalization
    - c. Create a communication plan to socialize the action plan, gain community input and encourage participation in its efforts

**Resolution #2017-54**  
**Fiscal Year 2018 Budget Appropriation**

**History:** The City of Albion published notice of a public hearing on the proposed budget in the Albion Recorder on November 22, 2017, and a public hearing on the proposed budget for Fiscal Year 2018 was held on December 4, 2017.

The City of Albion adopts the Fiscal Year 2018 Budget, commencing on January 1, 2018 and ending on December 31, 2018, on a department and total fund basis.

Council Member \_\_\_\_\_, supported by Council Member \_\_\_\_\_, moved to approve the following resolution.

**Resolved:** The revenues and expenditures for Fiscal Year 2018, based on a proposed general levy of 11.9736 mills, are appropriated as follows:

<u>Fund #</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
<b>GENERAL FUND</b>			
101	<b>GENERAL FUND REVENUES</b>		
	Property Tax Related	1,060,000	
	Income Tax	1,060,000	
	Sales & Use Tax	1,075,000	
	Charges for Services	299,065	
	All Other	380,223	
	<b>Total General Fund Revenues</b>	<u><u>3,874,288</u></u>	
 <b>GENERAL FUND APPROPRIATIONS</b>			
101-101	City Council		45,255
101-172	City Manager		141,268
101-209	Assessing		50,050
101-210	Attorney		95,375
101-215	Clerk		132,175
101-226	Human Resources		24,925
101-260	Finance/Treasurer		369,465
101-265	Municipal Building		71,450
101-276	Cemetery		164,494
101-345	Public Safety		2,122,100
101-422	Code Enforcement		207,409
101-442	City Maintenance		60,423
101-444	Tree Trimming		15,615
101-447	Engineering		9,653
101-448	Street Lighting		142,500
101-526	EPA Landfill		8,800
101-775	Parks		213,758
101-776	Rieger Park Pond Project		17,000
101-778	Holland Park Transformation		25,000

101-895	General Appropriation	129,650
	<b>Total General Fund</b>	<b>4,046,365</b>

<u>Fund #</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
SPECIAL REVENUE FUNDS			
202	Major Street	740,170	697,949
203	Local Street	422,262	406,648
450	Street Improvement	268,300	268,300
367	Sidewalk Program	(3,500)	200,000
452	MDOT Reconstruction Fund	-0-	-0-
208	Recreation	160,665	160,387
226	Solid Waste	221,400	210,358
250	CDBG	120	-
265	Drug Law Enforcement	47,950	54,750
275	Albion Building Authority	37,805	41,630
277	Maple Grove	443,000	412,000
	<b>Total Special Revenue Funds</b>	<b>2,338,172</b>	<b>2,452,022</b>
DEBT SERVICE FUNDS			
364	GO Bonds	-0-	-0-
	ABA - Maple Grove/Amb-Fire		
369	Bond	133,998	131,103
374	DPW Building Dept	15,000	15,000
363	Energy Bond	180,600	180,600
	<b>Total Debt Service Funds</b>	<b>329,598</b>	<b>326,703</b>
ENTERPRISE FUNDS			
590	Sewer	1,140,800	1,476,162
591	Water	918,250	1,010,470
	<b>Total Enterprise Funds</b>	<b>2,059,050</b>	<b>2,486,632</b>
INTERNAL SERVICE FUND			
661	Equipment Fund	268,575	312,778
	<b>Total Internal Service Fund</b>	<b>268,575</b>	<b>312,778</b>
OTHER FUNDS			
244	EDC	178,400	174,180
246	Business Incubator	127,934	127,727
247	TIFA	139,002	154,126
296	Revolving Loan	4,095	1,626
248	DDA	594,600	585,487
	<b>Total Other Funds</b>	<b>1,044,031</b>	<b>1,043,146</b>

<u>Fund #</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
TRUST FUNDS			
711	Cemetery Trust	2,550	30,000
732	Public Safety Pension Trust	1,321,000	1,320,250
735	Albion Trust	20,500	-
737	Retiree Health Care	300	2,500
<b>Total Trust Funds</b>		<b>1,344,350</b>	<b>1,352,750</b>
TOTAL ALL FUNDS		\$ 11,258,064	\$12,020,396

**Also Resolved:** The attached fee schedule supporting revenue estimates within the budget is approved.

**Also Approved:** The City of Albion designates the following depositories for investment of City Funds:

Chemical Bank Shoreline  
1301 N. Eaton Street  
Albion, MI 49224

Comerica Bank  
PO Box 7500  
Detroit, MI 48275

UBS Financial Services, Inc.  
325 N. Old Woodward Avenue  
Suite 200  
Birmingham, MI 48009

Michigan Class Investment Pool  
Administered by MBIA Asset Management  
717 17<sup>th</sup> Street, Suite 1850  
Denver, CO 80202

Huntington Bank  
PO Box 1558  
Columbus, OH 43216

SunTrust Robinson Humphrey  
850 Ridge Lake Blvd, Suite 400  
Memphis, TN 38120

Homestead Savings Bank  
415 S. Superior Street  
Albion, MI 49224

Multi-Bank Securities, Inc.  
1000 Town Center, Ste. 2300  
Southfield, MI 48075-1239

American Federal Credit Union  
718 E. Michigan Avenue  
Jackson, MI 49201

Talmer Bank and Trust  
4505 Cascade Rd, Ste. 200  
Grand Rapids, MI 49546

Oppenheimer & Co, Inc.  
6102 Abbot Road  
East Lansing, MI 48823

The Bank of New York Trust Company  
719 Griswold Street, Suite 930  
Detroit, MI 49226

Stifel, Nicolaus & Company, Inc.  
One Financial Plaza  
501 North Broadway  
St. Louis, MO 63102

Loomis Sayles  
39533 Woodward Ave., Suite 300  
Bloomfield Hills, MI 48304

**Also Resolved:** The City Manager is authorized to exceed any line item or department subtotal within any specific department or fund, including both revenues and expenditures, providing that the total end of year expenditures for the department or fund at issue does not exceed the revenue appropriation.

I hereby certify that the above resolution was adopted on **December 19, 2016**, in a Regular Session of the Albion City Council and this is a true copy of that resolution.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Absent \_\_\_\_\_

---

Jill Domingo, City Clerk

# RESOLUTION 2017-55

## FY 2017 Budget Amendment

The City of Albion adopted the Fiscal Year 2017 budget on a fund basis. The State of Michigan Uniform Budgeting Act requires the legislative body to amend the budget when a deviation occurs. Estimated Revenues and Expenditures for the following funds require budget amendments.

Council member \_\_\_\_\_ moved, and was supported by Council member \_\_\_\_\_, to approve the following resolution.

**Resolved:** The estimated revenues and expenditures for Fiscal Year 2017 are amended as follows:

### City of Albion 2017 Budget Amendments

	2017 ORIGINAL <u>BUDGET</u>	2017 AMENDED <u>BUDGET</u>
<b>GENERAL FUNDS</b>		
<b><u>Fund 101 - GENERAL FUND</u></b>		
TOTAL ESTIMATED REVENUES	3,650,752	4,183,396
TOTAL APPROPRIATIONS	<u>3,659,119</u>	<u>4,345,203</u>
NET OF REVENUES/APPROPRIATIONS - FUND 101	(8,367)	(161,807)
BEGINNING FUND BALANCE	1,497,901	1,497,901
ENDING FUND BALANCE	1,489,534	1,336,094
<b>SPECIAL REVENUE FUNDS</b>		
<b><u>Fund 202 - MAJOR STREETS FUND</u></b>		
TOTAL ESTIMATED REVENUES	677,495	677,612
TOTAL APPROPRIATIONS	<u>574,900</u>	<u>676,291</u>
NET OF REVENUES/APPROPRIATIONS - FUND 202	102,595	1,321
BEGINNING FUND BALANCE	460,143	460,143
ENDING FUND BALANCE	562,738	461,464
<b><u>Fund 203 - LOCAL STREETS FUND</u></b>		
TOTAL ESTIMATED REVENUES	326,125	407,170
TOTAL APPROPRIATIONS	<u>317,743</u>	<u>392,046</u>
NET OF REVENUES/APPROPRIATIONS - FUND 203	8,382	15,124
BEGINNING FUND BALANCE	142,337	142,337
ENDING FUND BALANCE	150,719	157,461

**Fund 450 - STREET IMPROVEMENTS FUND**

TOTAL ESTIMATED REVENUES	202,250	270,421
TOTAL APPROPRIATIONS	<u>202,250</u>	<u>468,000</u>
NET OF REVENUES/APPROPRIATIONS - FUND 450	0	(197,579)
BEGINNING FUND BALANCE	391,166	391,166
ENDING FUND BALANCE	391,166	193,587

**Fund 367 - SIDEWALK PROGRAM FUND**

TOTAL ESTIMATED REVENUES	128,250	133,904
TOTAL APPROPRIATIONS	<u>128,250</u>	<u>5,500</u>
NET OF REVENUES/APPROPRIATIONS - FUND 367	0	128,404
BEGINNING FUND BALANCE	310,140	310,140
ENDING FUND BALANCE	310,140	438,544

**Fund 208 - RECREATION FUND**

TOTAL ESTIMATED REVENUES	118,970	141,041
TOTAL APPROPRIATIONS	<u>123,411</u>	<u>137,995</u>
NET OF REVENUES/APPROPRIATIONS - FUND 208	(4,441)	3,046
BEGINNING FUND BALANCE	57,819	57,819
ENDING FUND BALANCE	53,378	60,865

**Fund 226 - SOLID WASTE FUND**

TOTAL ESTIMATED REVENUES	213,000	237,000
TOTAL APPROPRIATIONS	<u>215,775</u>	<u>199,272</u>
NET OF REVENUES/APPROPRIATIONS - FUND 226	(2,775)	37,728
BEGINNING FUND BALANCE	117,706	117,706
ENDING FUND BALANCE	114,931	155,434

**Fund 250 - CDBG FUND**

TOTAL ESTIMATED REVENUES	75	18,229
TOTAL APPROPRIATIONS	<u>0</u>	<u>0</u>
NET OF REVENUES/APPROPRIATIONS - FUND 250	75	18,229
BEGINNING FUND BALANCE	14,965	14,965
ENDING FUND BALANCE	15,040	33,194

**Fund 265 - DRUG LAW ENFORCEMENT FUND**

TOTAL ESTIMATED REVENUES	53,929	52,350
TOTAL APPROPRIATIONS	<u>55,800</u>	<u>92,271</u>
NET OF REVENUES/APPROPRIATIONS - FUND 265	(1,871)	(39,921)
BEGINNING FUND BALANCE	48,879	48,879
ENDING FUND BALANCE	47,008	8,958

**Fund 275 - ALBION BUILDING AUTHORITY FUND**

TOTAL ESTIMATED REVENUES	53,737	62,936
TOTAL APPROPRIATIONS	<u>55,415</u>	<u>60,583</u>
NET OF REVENUES/APPROPRIATIONS - FUND 275	(1,678)	2,353
BEGINNING FUND BALANCE	112,039	112,039
ENDING FUND BALANCE	110,361	114,392

**Fund 277 - ABA SEC 8 MAPLE GROVE**

TOTAL ESTIMATED REVENUES	431,208	442,516
TOTAL APPROPRIATIONS	<u>436,838</u>	<u>439,013</u>
NET OF REVENUES/APPROPRIATIONS - FUND 277	13,940	3,503
BEGINNING FUND BALANCE	499,132	499,132
ENDING FUND BALANCE	493,502	502,635

**DEBT SERVICE FUNDS****Fund 364 - GO BOND FOR WATER PROJECT**

TOTAL ESTIMATED REVENUES	110,400	89,424
TOTAL APPROPRIATIONS	142,912	142,912
NET OF REVENUES/APPROPRIATIONS - FUND 364	32,512	(53,488)
BEGINNING FUND BALANCE	53,975	53,975
ENDING FUND BALANCE	21,463	487

**Fund 369 - ALBION BUILDING AUTHORITY BOND**

TOTAL ESTIMATED REVENUES	132,147	132,147
TOTAL APPROPRIATIONS	<u>130,591</u>	<u>130,591</u>
NET OF REVENUES/APPROPRIATIONS - FUND 369	1,556	1,556
BEGINNING FUND BALANCE	24,062	24,062
ENDING FUND BALANCE	25,618	25,618

**Fund 374 - DPW BUILDING DEBT**

TOTAL ESTIMATED REVENUES	15,000	15,000
TOTAL APPROPRIATIONS	<u>15,000</u>	<u>15,000</u>
NET OF REVENUES/APPROPRIATIONS - FUND 374	0	0
BEGINNING FUND BALANCE	295	295
ENDING FUND BALANCE	295	295

**Fund 363 - ENERGY/425/GENERATOR BONDS**

TOTAL ESTIMATED REVENUES	180,600	180,600
TOTAL APPROPRIATIONS	<u>180,600</u>	<u>180,600</u>
NET OF REVENUES/APPROPRIATIONS - FUND 363	0	0
BEGINNING FUND BALANCE	35,410	35,410
ENDING FUND BALANCE	35,410	35,410

**Fund 452 - MDOT RECONSTRUCTION FUND**

TOTAL ESTIMATED REVENUES	1,443,300	1,432,217
TOTAL APPROPRIATIONS	<u>1,443,300</u>	<u>1,432,217</u>
NET OF REVENUES/APPROPRIATIONS - FUND 363	0	0
BEGINNING FUND BALANCE	141,105	141,105
ENDING FUND BALANCE	141,105	141,105

**ENTERPRISE FUNDS****Fund 590 - SEWER FUND**

TOTAL ESTIMATED REVENUES	2,667,750	2,720,680
TOTAL APPROPRIATIONS	<u>3,029,450</u>	<u>3,083,183</u>
NET OF REVENUES/APPROPRIATIONS - FUND 590	(361,700)	(362,503)
BEGINNING FUND BALANCE	4,522,289	4,522,289
ENDING FUND BALANCE	4,160,589	4,159,786

**Fund 591 - WATER FUND**

TOTAL ESTIMATED REVENUES	918,300	917,170
TOTAL APPROPRIATIONS	<u>1,093,800</u>	<u>1,087,892</u>
NET OF REVENUES/APPROPRIATIONS - FUND 591	(175,500)	(170,722)
BEGINNING FUND BALANCE	5,484,467	5,484,467
ENDING FUND BALANCE	5,338,967	5,313,745

## INTERNAL SERVICE FUND

### **Fund 661 - EQUIPMENT POOL FUND**

TOTAL ESTIMATED REVENUES	278,725	296,202
TOTAL APPROPRIATIONS	<u>295,133</u>	<u>313,123</u>
NET OF REVENUES/APPROPRIATIONS - FUND 661	(16,408)	(16,921)
BEGINNING FUND BALANCE	230,634	230,634
ENDING FUND BALANCE	214,226	213,713

## OTHER FUNDS

### **Fund 244 - ECONOMIC DEVELOPMENT FUND**

TOTAL ESTIMATED REVENUES	172,400	165,989
TOTAL APPROPRIATIONS	<u>163,251</u>	<u>133,743</u>
NET OF REVENUES/APPROPRIATIONS - FUND 244	9,149	32,246
BEGINNING FUND BALANCE	17,031	17,031
ENDING FUND BALANCE	26,180	49,277

### **Fund 246 - INCUBATOR FUND**

TOTAL ESTIMATED REVENUES	133,090	115,984
TOTAL APPROPRIATIONS	<u>132,474</u>	<u>130,408</u>
NET OF REVENUES/APPROPRIATIONS - FUND 246	616	(14,424)
BEGINNING FUND BALANCE	16,163	16,163
ENDING FUND BALANCE	16,779	1,739

### **Fund 247 - TIFA FUND**

TOTAL ESTIMATED REVENUES	215,200	164,887
TOTAL APPROPRIATIONS	<u>199,352</u>	<u>210,065</u>
NET OF REVENUES/APPROPRIATIONS - FUND 247	15,848	(45,178)
BEGINNING FUND BALANCE	209,818	209,818
ENDING FUND BALANCE	225,666	164,640

### **Fund 296 - REVOLVING LOAN FUND**

TOTAL ESTIMATED REVENUES	7,320	8,206
TOTAL APPROPRIATIONS	<u>6,393</u>	<u>6,409</u>
NET OF REVENUES/APPROPRIATIONS - FUND 296	927	1,797
BEGINNING FUND BALANCE	686,194	686,194
ENDING FUND BALANCE	687,121	687,991

**Fund 248 - DDA FUND**

TOTAL ESTIMATED REVENUES	10,650	264,800
TOTAL APPROPRIATIONS	<u>6,570</u>	<u>256,671</u>
NET OF REVENUES/APPROPRIATIONS - FUND 248	4,080	8,129
BEGINNING FUND BALANCE	47,720	47,720
ENDING FUND BALANCE	51,800	55,849

**TRUST FUNDS****Fund 711 - CEMETERY TRUST FUND**

TOTAL ESTIMATED REVENUES	3,000	2,700
TOTAL APPROPRIATIONS	<u>20,000</u>	<u>20,000</u>
NET OF REVENUES/APPROPRIATIONS - FUND 711	(17,000)	(17,300)
BEGINNING FUND BALANCE	280,242	280,242
ENDING FUND BALANCE	263,242	262,942

**Fund 732 - PUBLIC SAFETY PENSION TRUST**

TOTAL ESTIMATED REVENUES	1,255,150	1,324,500
TOTAL APPROPRIATIONS	<u>1,224,250</u>	<u>1,324,370</u>
NET OF REVENUES/APPROPRIATIONS - FUND 732	30,900	130
BEGINNING FUND BALANCE	21,276,762	21,276,762
ENDING FUND BALANCE	21,307,662	21,276,892

**Fund 735 - ALBION TRUST**

TOTAL ESTIMATED REVENUES	23,500	20,250
TOTAL APPROPRIATIONS	<u>0</u>	<u>0</u>
NET OF REVENUES/APPROPRIATIONS - FUND 735	23,500	20,250
BEGINNING FUND BALANCE	1,067,155	1,067,155
ENDING FUND BALANCE	1,090,655	1,087,405

**Fund 737 - RETIREE HEALTH CARE FUND**

TOTAL ESTIMATED REVENUES	240	325
TOTAL APPROPRIATIONS	<u>2,750</u>	<u>2,500</u>
NET OF REVENUES/APPROPRIATIONS - FUND 737	(2,510)	(2,175)
BEGINNING FUND BALANCE	47,796	47,796
ENDING FUND BALANCE	45,286	45,621

**All Funds - COMBINED**

ESTIMATED REVENUES - ALL FUNDS	9,771,811	14,477,656
APPROPRIATIONS - ALL FUNDS	<u>10,196,208</u>	<u>15,285,858</u>
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS	(424,397)	(808,202)
BEGINNING FUND BALANCE - ALL FUNDS	36,295,444	37,793,345
ENDING FUND BALANCE - ALL FUNDS	35,871,047	36,985,143

**Also Resolved:** The City Manager is authorized to exceed any line item or departmental subtotal within any specific department or fund, including both revenues and expenditures, providing that the total end-of-year expenditures for the department or fund at issue does not exceed the revenue appropriation.

I hereby certify that the above resolution was adopted on December 18, 2017, in a regular session of the Albion City Council and that this is a true copy of that resolution.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Absent \_\_\_\_\_

---

Jill Domingo, City Clerk

**Resolution #2017-56**

To Approve the Purchase of Two Police Vehicles

**Purpose and Finding:** As the council is aware, the Public Safety Department is seeking to replace its fleet over time as the current fleet of police vehicles continue to accrue significant mileage and wear and tear. To that end, the Public Safety Department is seeking council approval to purchase two fully equipped police vehicles through Ford for a total cost of \$81,000.00 to be financed over three years at the rate of \$27,000.00 per year. These funds would come from the public safety budget. Given the size of this purchase, Ordinance 2-384 requires that council approval be obtained. Approval is recommended.

Council Member \_\_\_\_\_ moved, supported by Council Member \_\_\_\_\_, to approve the following resolution.

**RESOLVED**, the City Council authorizes the purchase of two police vehicles (including all necessary equipment) for a total of \$81,000.00, financed over three years through Ford Motor Credit at the rate of \$27,000.00 per year.

I hereby certify that the above resolution was adopted on December 18, 2017, in a special session of the Albion City Council, and this is a true copy of that resolution.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

Absent \_\_\_\_\_

\_\_\_\_\_  
Jill Domingo, Albion City Clerk

**Albion City Council**

# **Rules of Procedure**

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## **RULE 1. AUTHORITY**

(a) All City Council meetings shall operate in accordance with the State Constitution, the Open Meetings Act, the Home Rule City Act, the City Charter and all other pertinent laws.

(b) All regular and special meetings of the City Council shall be open to the public and the rules of order of the City Council shall provide that the citizens shall have reasonable opportunity to be heard, except as otherwise provided by law. [Section 5.6g]

(c) These rules of order provide the common rules and procedures for deliberation and debate to provide for constructive and democratic meetings. These rules are to help, not hinder, the business of the City Council and are adopted to expedite and facilitate the transaction of the business of the City Council in an orderly fashion. The failure to strictly observe any such rules shall not affect the jurisdiction of, or invalidate any action taken by, the City Council.

(d) The following words or phrases shall have the following meanings:

*Administration* means the City Manager or his or her designees.

*City Council or Council* means the Mayor and six (6) Council Members.

*Council Member or member* are used interchangeably and means members of the City Council.

*Dates* - whenever a date used in these rules for the doing or completion of an act falls on a Saturday, Sunday or holiday, such act shall be done or completed on the next succeeding day which is not a Saturday, Sunday or holiday.

*Decision* means a determination action, vote or disposition upon a motion, proposal, recommendation, resolution, order, ordinance or measure on which a vote by City Council has occurred.

*Meeting* means the convening of a public body (the City Council) at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy.

*Procedural matters* means votes upon motions having no other purpose than to adjourn, to receive and file, to refer a matter, to approve the minutes or accept or decline an invitation may be taken by a voice vote and the chair shall announce the result of the voting. Upon any such matter, a majority of the quorum present shall be sufficient to carry such a motion, unless the Charter or other rule shall specifically require a greater majority in any such matter.

*Unanimous* means that all the members of the City Council are present and have voted the same way. In case of a vacancy on the City Council, the word “unanimous” shall apply to the remaining members of the City Council and the minutes of the meeting shall indicate that a vacancy exists.

(e) On all matters of procedure not addressed in these rules, the Council shall refer to the most current edition of *Robert’s Rules of Order*, for guidance in developing procedures for the conduct of meetings and shall not be inconsistent with the standing rules and order of the Council and not contrary to the Albion City Charter or any existing laws of the State of Michigan.

## **RULE 2. OATH OF OFFICE; DUTIES ASSUMED; MAYOR PRO TEM APPOINTED**

(a) On the first Monday in December following their election, newly elected members of City Council shall take the oath of office and assume the duties of their office. [Section 5.3] See Appendix B for *Sine Die* procedure.

(b) On the first Monday in December after each City general election, the City Council shall appoint one of its elected members to serve as Mayor Pro Tem. [Section 5.5]

**RULE 3. REGULAR AND SPECIAL MEETINGS; STANDING COMMITTEES**

(a) *Regular meetings*: Regular meetings of the City Council shall be held each month on the days prescribed by resolution beginning at 7:00 p.m. Each calendar year there shall be posted within 10 days after the first meeting of the Council a public notice stating the dates, times and places of the regular meetings. If there is a change in the schedule of regular meetings, a notice shall be posted within 3 days after the meeting at which the change is made listing the new dates, times and places of the regular meetings. [*Open Meetings Act*; [Section 5.6]

(b) *Special meetings*: (*City Charter 5.6*) Special meetings of the council shall be held at the regular meeting place of the council or at an alternate meeting place when notice of such alternate meeting place is posted at the main entrance to the city hall during such meeting. Special meetings shall be called by the clerk on the written request of the mayor, or of any two (2) members of the council. If the capacity of the council Chambers is deemed insufficient to hold the audience that wishes to attend the council meeting, council may decide to move the meeting to a larger venue.

At least eighteen 18 hours written notice shall be given designating the time and purpose of a special meeting. Such notice shall be given personally by the clerk to each member of the council or written notice may be left at their usual place of residence or business by the clerk or by someone designated by him. A copy of such notice shall also be delivered at the place of business of each newspaper printed and published in the city, but this requirement shall not be jurisdictional to the holding of any such meeting.

(c) *Study Sessions*: In addition to regular and special meetings, the Council may hold study sessions from time to time for deliberating towards a decision on any matter or to adopt a motion. All other decisions as a result of deliberations during study sessions shall be made only at a subsequent regular or special meeting. The study sessions shall be open to the public and shall comply with the posting requirements of Act 267, Michigan Public Acts for 1976, as may be amended. For the purpose of posting only, the study sessions shall be considered as special meetings.

(d) Closed Meetings/Executive Sessions - In accordance with the Open Meetings Act, MCL 15.268, the council may meet in a closed session only for one or more of the permitted purposes:

- (1) To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, a public officer, employee, staff member, or individual agent, if the named person requests a closed hearing.
- (2) For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiating party requests a closed hearing
- (3) To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.
- (4) To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the city.
- (5) To review and consider the contents of an application for employment or appointment to a public office if the candidate requests that the application remain confidential. However, all interviews by the city for employment or appointment to a public office shall be held in an open meeting pursuant to the Open Meetings Act.

(6) To consider material exempt from discussion or disclosure by state or federal statute.

(e) *Standing committees:* In accordance with [Section 5.6(b)] of the City Charter, there shall be no standing committees of the City Council. This does not, however, prohibit the designation of three (3) or less Council Members working together, without compensation, to gather information and/or research a specific subject and to report back to the full City Council at a later date.

#### **RULE 4. QUORUM**

At any regular or special meeting, four (4) members of the City Council shall be a quorum for the transaction of business. In the absence of a quorum, any number of members less than a quorum may adjourn any regular or special meeting. [5.6(h)] Regular meetings that have been adjourned due to a lack of a quorum shall have the agenda material carried over to the next regular meeting unless a special meeting is scheduled prior to that time to deal with those items. Special meetings adjourned due to a lack of quorum shall be rescheduled to a date determined by the authority who called for the meeting. Notices shall be posted in accordance with state law.

#### **RULE 5. CONDUCT OF MEETINGS**

(a) *Chair:* The Mayor, or in the Mayor’s absence, the Mayor Pro Tem, shall be the chair and preside over the meetings. If both the Mayor and Mayor Pro Tem are absent, the City Clerk shall call the City Council to order and call the roll. If a quorum is present, the Council shall elect, by a majority of those members present, a temporary chair to act until the Mayor or the Mayor Pro Tem appear.

(b) *Preservation of order:* The Chair shall conduct the meeting, arrange the seating, preserve decorum, and decide all questions of order and the interpretation of these rules. Appeals of such interpretation may be made by any Council Member present. The City Attorney normally shall be the advisor of the chair on any point of order or procedure under these rules. While the Chair is putting any questions or while the roll is being called by the Clerk/Treasurer, no Council Member shall leave their seat or entertain private discourse. When a Council Member is speaking, said Council Member shall not be unduly interrupted. The Chair shall, at all times, preserve order and decorum. The Chair may call upon the Director of Public Safety or any other Public Safety Officer in attendance at meetings of the Council to perform such duties as directed by the Chair in preserving order and decorum.

(c) *Council Members:* When a Council Member is about to speak, said member shall respectfully address the Mayor only. When two or more Council Members wish to speak at the same time, the Mayor shall name the Council Member who is first to speak. The Council Member seeks recognition by raising their hand. The Council Member shall confine their speech to the question under debate and avoid personalities. Personal comments about or attacks upon other Council Members and/or City Staff members are prohibited. No Council Member shall speak more than twice on any question until every other Councilperson has had an opportunity to speak at least once on the subject under debate. No Council Member shall speak for more than ten minutes at any time without leave from the Council by a majority vote of the members present.

5.c.1 Call Member to Order: If any Council Member, in speaking or otherwise, transgresses the rules of the Council, the Mayor shall, or any Council Member may, call said Council Member to order. The question of order shall be decided by the Mayor, without debate, subject to appeal.

5.c.2 Preserving Order: While the Mayor is putting any questions or while the roll is being called by the Clerk/Treasurer, no Council Member shall leave his/her seat or entertain private discourse. When a Council Member is speaking, said Council Member shall not be unduly interrupted.

(d) Legal counsel: The Chair, or any member of the City Council, may call upon the City's legal counsel in any meeting of the Council, to decide upon any pertinent question of law, but not to decide upon the interpretation of any rule of order or procedure.

(e) As outlined in the City Charter [*Section 7.2(d)(2)*] the City Manager is a non-voting member of all meetings of council

## **RULE 6. PUBLICATION OF NOTICES**

Official notices or proceedings requiring publication or posting shall be displayed on the bulletin board located in City Hall or on the City's official web site. In the event publication is required by law in a newspaper of general circulation, *The Recorder*, and the *Albion E-News* which are circulated in Albion, and are designated as the official newspapers for the City of Albion.

## **RULE 7. CITIZEN PARTICIPATION**

Members of the audience attending regular or special meetings shall have a reasonable opportunity to be heard, except as otherwise may be provided by law, as follows:

(a) Regular and Special meetings: The chair will recognize each person wishing to make comments and the person shall state their name, address and group affiliation (if appropriate) prior to speaking. No citizen shall speak more than once during each of the following segments unless permission is given by the chair:

- (1) Public hearings: When a public hearing on a matter has been scheduled, City Council will hear and consider any comments presented by interested parties or audience members on the specific subject of the hearing. The chair may, if appropriate, limit the amount of time per person based on the requests and determine when the public has had its opportunity to be heard. Public speakers may address the council on the issue of the public hearing for one three (3) minute period.
- (2) Public comment: Speakers have two opportunities to speak. At the start of the council meeting, speakers may address the City Council on agenda items only, for one three (3) minute period. Additionally, at the conclusion of the agenda, speakers may address the council on any issue they wish to speak, also for one three (3) minute period.

(c) Time Deviation: The chair may deviate from the standard amount of time allowed for public comment during meetings and shall announce the reason for any deviation. Reasons include, but are not limited to, the number and complexity of agenda items and the number of persons wishing to address the City Council.

(d) Conduct of speakers and audience members: Persons addressing the City Council shall make responsible comments and shall refrain from making personal, disrespectful, slanderous or profane remarks. Personal debates within the audience are not permitted. To preserve the order and decorum of Council meetings, the audience shall refrain from cheering and applauding during the course of the meeting.

(e) Disorderly conduct: The chair may call to order any person or persons who are being disruptive, disorderly, speaking out of turn or beyond the allotted time, etc. Such persons shall promptly obey the rulings of the chair if called to order. If the person does not obey the ruling, the chair may order the removal of the person from this meeting.

(f) Written communications: Individuals or groups are encouraged to submit written comments to the City Council via mail, e-mail or delivered to the City Clerk's office for distribution. If requested by

the writer, the communication may be added to the appropriate agenda for receipt and/or action as deemed appropriate by the City Council.

(g) *Handouts, supporting materials, photographs, etc.*: Persons wishing to provide copies of comments, handouts, presentations, supporting materials, photographs, etc., are encouraged to submit such items to the City Clerk’s office prior to the start of the meeting for distribution to the City Council. The use of audio or electronically displayed materials by citizens during public comment segments is not allowed. An exception may be given if prior permission is given by the chair and the material is provided to the City Clerk’s office at least two (2) business days prior to a meeting.

**RULE 8. AGENDAS AND ORDER OF BUSINESS**

(a) *Regular meeting agendas*: The City Clerk, with the City Manager and supporting staff, shall be responsible for the preparation of the agenda and supporting material for each regular meeting as follows:

- (1) Every ordinance, resolution and document to come before the City Council at any regular meeting shall be submitted before 12:00 noon on Friday following a regular Council meeting to properly prepare the agenda for the next Council meeting. Items not received may be considered at the next regularly scheduled meeting.
- (2) All requests for administration to prepare simple and uncomplicated resolutions or proposed ordinances, or to take specific action, provided said request is permitted by state law and/or the City Charter, shall be made, in writing, through the City Manager and Clerk ten (10) days prior to the regular meeting in which it is desired. Said requests for action may be added to the agenda for a vote by the council.
- (3) The Council Member who placed an item on the agenda shall have the right to ask to withdraw it prior to any action being taken. Council shall vote to remove any agenda item.
- (4) The agenda shall be furnished to the City Council on the Thursday prior to the regular meeting. On the day following delivery of the agenda to the City Council, if practicable, the agenda will be available on the City’s web site and a paper copy can be viewed at the City Clerk’s office during normal business hours.
- (5) The City Council may by an affirmative vote of at least five (5) members approve the addition, or removal, of agenda items. The motion to add, or remove an item shall occur at the beginning of the meeting, immediately after the previous minutes have been approved.

(b) *Special meeting agendas*: If necessary, the City Clerk shall prepare an agenda for special meetings, in consultation with the Mayor, the council, and the City Manager, based on a written request for a special meeting.

(c) *Order of Business - regular meetings*: The order of business at any regular meeting shall be as follows:

- Call to order
- Moment of Silence
- Pledge of Allegiance
- Roll call
- Mayor and Council Members Comments
- Reports from the City Manager, and other City officers, committees, boards or commissions
- Presentations: These items include proclamations, commendations and recognitions or items prepared by City administration, City boards and commissions or other City-related agencies.

- Public Hearings: Resolutions and/or ordinances applicable to a public hearing shall be considered immediately following the hearing.
- Public Comment – Persons addressing the City Council shall limit their comments to agenda item only, and to no more than 3 minutes. Proper decorum is required.
- Consent Calendar: Approval of all meeting minutes called by council (regular, special, study sessions, etc.)
- Items for Individual Discussion – The work of the council; approval of resolutions, ordinances, Tabled items, action of the City Manager that requires approval of council, council items of discussion, approval of board appointments, Approval of contracts, etc.
- Future Agenda Items – Individual members of council and the Mayor may bring future agenda items to the floor for discussion and approval. Agenda items must receive support of one other Council Member in order to be added to the future agenda.
- Motion to Excuse Absent Council Members
- Public Comment – Persons addressing the City Council shall limit their comments to no more than three (3) minutes. Proper decorum is required.
- Adjournment

## **RULE 9. RESOLUTIONS**

(a) A resolution or motion shall be limited to matters required or permitted to be done by the Charter, or by state or federal laws, or pertaining to the internal affairs or concerns of the city government. Resolutions, and any long or complicated motions or amendments, shall be put in writing by the mover before being acted upon by the City Council.

(b) Upon the reading by the Mayor of the Title of the resolution, and a brief summary, it shall be for any member of the City Council to move for its adoption. City Council Members can request the Mayor to allow for explanatory or clarifying comments from the City Manager or relevant staff member before an initial motion is made. Before the question is put to a vote, an opportunity for debate, amendment or other appropriate action shall be afforded the City Council.

(c) A resolution is an official City Council action in the form of a motion adopted by an affirmative vote of at least four (4) members, unless otherwise provided by law. A resolution becomes effective on the same day on which it is adopted unless a subsequent date is contained within the resolution.

## **RULE 10. ORDINANCES**

- a) An ordinance is a legislative act establishing a more permanent influence on the City other than a resolution and requires greater formalities in its adoption. In addition to other acts required by law or by specific provision of the City Charter to be adopted by ordinance, acts which do any of the following shall be by ordinance:
  - a. Each proposed ordinance shall be introduced in written form. The style of all ordinances passed by the council shall be, "The City of Albion Ordains:"
  - b. No ordinance shall be passed at the same meeting at which it is introduced, unless it is declared to be an emergency ordinance by a vote of not less than five (5) members of the council.
  - c. An ordinance may be repealed or amended only by an ordinance passed in the manner provided in this section.
  - d. An ordinance may be repealed by reference to its number or title only.

- e. If a section of an ordinance is amended, such section shall be re-enacted and published at length. This requirement shall not apply to zoning ordinance amendments or to the schedules of one-way streets and of parking limitations contained in any traffic ordinance.
- f. Each ordinance, after adoption, shall be identified by a number.
- g. Each ordinance shall be recorded by the clerk forthwith in the ordinance book, and the enactment of such ordinance shall be certified by him therein by his signature.

**State law reference**—Mandatory that charter provide for ordinance adoption procedures, MCL 117.3(k).

## **RULE 11. MOTIONS**

(a) *Generally*: All motions shall be moved and seconded before being considered. Long or complicated motions shall be put in writing. An opportunity for debate, amendments, or other appropriate action, shall be afforded the members of the City Council, except as otherwise stated in these rules. Each amendment proposed shall be considered a separate question.

(b) *Debate*: Council Members wishing to speak during debate shall first obtain the approval of the Chair and each member who speaks shall address the Chair. A Council member cannot speak against his or her own motion, but may vote in the negative. The member making the motion may speak on it first, if he or she expresses a desire to do so.

(c) *Withdrawal*: A Council Member has the right to withdraw his or her motion. If no member objects, the motion is modified or withdrawn. If a member objects to the withdrawal of a motion and a second is received, a vote is immediately taken on the request to withdraw the motion. Friendly revisions to motions agreed to by the Council Member moving and seconding the motion may be made.

(d) *Passage*: Passage of all motions or appeals of the chair shall be on the affirmative vote of at least four (4) members, unless otherwise provided for by law, the Albion City Charter, or by these rules.

(e) *Motion under consideration*: Whenever a main motion or question is under consideration, no other motion can be made except:

- to adjourn – undebatable
- to rise to a question or privilege – undebatable
- to lay on the table – undebatable
- to call for the previous question – undebatable
- to limit or extend limits of debate – undebatable
- to postpone to a certain day – undebatable
- to commit or refer, or recommit, to a committee –undebatable
- to amend – debatable
- to postpone indefinitely – debatable

(f) See Appendix “A” for a “Chart of Motions” listing details about the handling of the various types of motions.

(f) *Division of Question*: On the call of any member, supported by a majority vote of the members present, a division of any question shall be made when the question will admit of a division so distinct that if one part be taken away, the other will stand as an entire question for decision.

(g) *Ask for Previous Question*: When the previous question is moved, it shall be put in these words: “I move the previous question.” This shall be ordered only by a majority of the members present. The effect of the previous question shall be to put an end to all debate and to bring the Council to a direct vote on the pending question or questions in their order down to, and including, the main question. If the

previous question is not ordered, the consideration of the subject shall be resumed as though no motion for the previous question has been made.

(h) *Questions Put and Calling Roll:* Questions shall be distinctly put in the following form: "All in favor say 'Yes'." And after the affirmative vote is expressed, "All opposed, 'No'." The Mayor may order a roll call vote, but a roll call vote is mandatory upon the request of any member or on the following actions of Council or a Committee of the Council: ordinances, resolutions, the appointment or election of officers, except as provided otherwise by law or the rules of the Council. The calling of the roll shall be on a rotating basis, so as to permit Councilmembers to first vote on an equal basis. It shall be the privilege of any member of the council to change his or her vote upon any question prior to the announcement of the vote by the Mayor.

(i) *Debate During Roll:* While the Mayor is putting any question, or once roll call voting has started, there shall be no interruption.

## **RULE 12. APPEALS**

Any Council Member may appeal a ruling/decision of the chair and the appeal is debatable. The chair shall then put the question, generally phrased as, "Shall the decision of the chair stand as the decision of the Council?" If adopted, the ruling of the chair is sustained (stands); otherwise, it is overruled (ruled against). If an appeal is tabled, it does not carry with it the subject matter being discussed at the time of the appeal.

## **RULE 13. POINT OF ORDER**

When a member believes the rules are not being followed, a member may demand the ruling of the chair. The chair shall promptly rule and enforce the rules, if appropriate. The chair's ruling on a Point of Order may be appealed.

## **RULE 14. RESCIND**

Any vote taken may be rescinded, unless something has been done as a result of the vote that the Council cannot undo. Legal counsel shall determine whether or not reconsideration creates a potential legal liability for the city and will advise accordingly.

## **RULE 15. SUSPEND THE RULES**

Any rule may be temporarily suspended by an affirmative vote of at least five (5) members, unless a different number of votes are specifically stated in a rule. Rule 18 shall not be suspended, nor shall any rule be suspended if it is a restatement of a requirement of state law, the City Charter or City Code.

## **RULE 17. VOTING**

(a) The chair determines when to close debate after determining if all Council Members have been given an opportunity to be heard and to order the roll call of the question.

(b) Council Members in attendance shall have a duty to vote for or against all measures before the City Council, unless there is a financial conflict of interest and they have been excused by the remaining council members. Conflicts shall be governed as follows:

- (1) Except for public contracts governed by the Contracts of Public Servants with Public Entities Act (Act 317 of 1968), no member of the City Council shall have an interest, directly or indirectly, in any contract, job or work with the City. No member of the City Council shall be financially interested directly or indirectly in the sale to the City of any land, materials, supplies or services. This does not apply to the official services of his or her office.

- (2) The foregoing prohibitions of paragraph (a) above, as they apply to a Council Member or Council Members, shall not apply if the City Council shall declare on its records by an affirmative vote of five (5) of the remaining members of the City Council that the best interests of the City are served despite a personal interest, direct or indirect, and if in compliance with the Contracts of Public Servants with Public Entities Act (Act 317 of 1968).
- (3) If a Council Member shall have a conflict or believes he/she may have a potential conflict of interest as shown in paragraph (a), the member shall immediately disclose the nature and extent of his or her interest prior to the consideration of the agenda item involved. If it is determined, in consultation with legal counsel and review of the Charter and state law that a conflict does not exist, or the City Council has declared on its record the best interests are served despite the personal interest, the member may participate in the deliberations and shall vote on such matter.

(c) Roll call votes shall be called by the City Clerk in a rotating order and entered upon the record, except that when the vote is unanimous, it shall only be necessary to so state. The Chair shall always vote last. Once voting begins, no Council Member shall be entitled to speak on the question, nor shall any motion be in order, until the roll call is finished, and the results declared.

(d) Procedural matters may be decided by a voice vote if declared by the chair. Such procedural matters include motions to adjourn, receive and file, refer a matter, approve the minutes or to accept or decline an invitation. The chair shall announce the result of the voting. Upon any such matter, a majority of the quorum present shall be sufficient to carry such a motion, unless the Charter or other rule herein specifically requires a greater majority.

(e) All resolutions, ordinances, motions or declarations shall be adopted or passed by an affirmative vote of at least four (4) members, unless otherwise provided by law.

(f) A Council Member may change their vote if he or she makes a request to do so immediately following the vote and prior to the time that the next item in the order of business is taken up. The vote shall be changed and the record shall reflect the Council Member's changed vote. Such member shall not be permitted to make any other change of vote upon the same question, except upon a properly introduced motion to reconsider.

## **RULE 18. AMEND/REPEAL RULES**

These rules may be amended or repealed by resolution of the City Council and shall not be finally passed at the same meeting at which it is introduced, and such resolution shall be postponed for final consideration until the next regular meeting or until such further time as the City Council shall determine. This rule shall not be suspended.

Appendix “A”  
**Chart of Motions**

NOTE: Each item below lists if a motion can be debated, amended, tabled or reconsidered.

Motion	Explanation
<p><b>General Information about Motions</b></p>	<ul style="list-style-type: none"> <li>➤ All motions moved &amp; seconded</li> <li>➤ Long/complicated motions reduced to writing by mover</li> <li>➤ Each amendment is a separate question</li> <li>➤ During debate, members shall speak once, except in rebuttal or explanation, or unless chair or members consent</li> <li>➤ Passage requires at least four (4) affirmative votes of the members, unless state law or a rule provides otherwise</li> </ul> <ul style="list-style-type: none"> <li>➤ Mover of motion may:                             <ul style="list-style-type: none"> <li>• Speak first</li> <li>• Cannot speak against own motion</li> <li>• Can vote in the negative</li> <li>• May withdraw own motion if there are no objections; otherwise four (4) affirmative votes are required to withdraw a pending motion</li> </ul> </li> </ul>
<p><b>Adjourn</b></p>	<p>Ends the meeting. Cannot offer to adjourn if a motion to fix time to adjourn is pending.</p>
<p><b>Adjourn, Fix time to</b></p>	<p>Sets the time for continuation of a meeting.  <b>Debatable, Amendable, Reconsider</b></p>
<p><b>Amendments</b></p>	<p>An amendment proposes a change to a main motion. Each amendment proposed shall be considered a separate question and shall be dealt with before any other amendment is offered.  <b>Debatable, Table, Reconsider</b></p>
<p><b>Appeals</b></p>	<p>Any Council Member may appeal a ruling or decision of the chair. The chair shall then put the question, generally phrased as, “Shall the decision of the chair stand as the decision of the Council?” If adopted, the ruling of the chair is sustained (stands); otherwise it is overruled (rejected). *If an appeal is tabled, it does not carry with it the subject matter being discussed at the time of the appeal.  <b>Debatable, Table* (see above sentence), Reconsider</b></p>
<p><b>Call the Question</b></p>	<p>Any member, <i>except the member who moved the pending motion</i>, can move to close debate. The motion may be limited by the mover to one or more questions preceding the main question. If this motion is adopted, the vote on the pending motion is immediately taken. If rejected, debate continues.  <b>Reconsider</b></p>
<p><b>Clear the Floor of Motions</b></p>	<p>Used if procedural matters have become sufficiently confusing. If adopted, it shall clear the floor of all procedural motions as though they have been withdrawn.  <b>*Reconsider</b> (<i>*Only a failed motion can be reconsidered.</i>)</p>
<p><b>Divide the Question</b></p>	<p>The division must divide the motion into two or more separate motions capable of standing as a complete proposition without the others.  <b>Debatable, Amendable, Reconsider*</b> (<i>*Only if a different division is offered.</i>)</p>
<p><b>Object to Consideration</b></p>	<p>Motion is used to avoid consideration of a motion that is undesirable, impractical or improper matter. Must be made before or immediately after a main motion is opened for debate and before any amendments are made to it.</p>

## Chart of Motions

NOTE: Each item below lists if a motion can be debated, amended, tabled or reconsidered.

Motion	Explanation
<b>Postpone to Another Day or Time</b>	If adopted, the motion under consideration at the time is postponed until the stated date and/or time. The matter resumes under “Unfinished Business” if the date stated is another meeting. The matter does not require another motion and second before considering continues. <b>Debatable, Amendable, Reconsider</b>
<b>Postpone Indefinitely</b>	This motion is used to reject the main motion. Can be made only while a main motion is pending. If amendments are on the floor, this motion cannot be offered. <b>Debatable, Reconsider*</b> ( <i>*Only an affirmative vote can be reconsidered.</i> )
<b>Recess</b>	Establishes a brief break in the meeting. <b>Amendable, Reconsider</b>
<b>Reconsideration</b>	See Rule 14 for complete details. Below is a general description of this rule: <ul style="list-style-type: none"> <li>➤ Be made on the same day of initial vote or at next regularly scheduled meeting following.</li> <li>➤ Be made by a member on the <u>prevailing</u> side of the vote, or a member who did not participate in the original question, and shall be seconded by any Council Member.</li> <li>➤ Requires the affirmative vote of the same majority of Council Members as was required for the original question.</li> </ul> If the time limit has lapsed to reconsider a question, the rules may be suspended and the motion to suspend the rules shall require an affirmative vote of at least five (5) members. <b>Debatable, Table</b>
<b>Rescind</b>	Any vote taken may be rescinded, unless something has been done as a result of the vote that the Council cannot undo. This motion cannot be made if the question can be reached by a motion to reconsider. It shall require an affirmative vote depending on whether or not notice of the intent to rescind was provided at a previous meeting: <ul style="list-style-type: none"> <li>➤ If notice was given: Requires an affirmative vote of at least four (4) members.</li> <li>➤ If notice was <u>not</u> given: Requires an affirmative vote of at least five (5) members.</li> </ul> <b>Debatable, Amendable, Table, Reconsider</b>
<b>Suspend Rules</b>	Any rule may be temporarily suspended by <b>an affirmative vote of at least four (4) members</b> , unless a different number of votes are specifically stated in a rule. Rule 18 shall not be suspended, nor shall any rule be suspended if it is a restatement of a requirement of state law, the City Charter or City Code. <b>Debatable</b>
<b>To Table</b>	This motion temporarily suspends debate/action on a motion and all of its pending subsidiary motions. If adopted, only the main motion and any adopted or pending amendments to the main motion are tabled. If the tabled motion is not taken from the table by the end of the current meeting or the next regular meeting following, the main motion dies.
<b>Take from the Table</b>	This motion would take up a matter previously tabled. This motion is <u>not</u> in order unless some business has been transacted since the question to table was adopted. The same question can be again tabled after additional debate has occurred. <b>NOTE:</b> Tabled motions to reconsider cannot be taken from the table.

## APPENDIX B – SINE DIE PROCEDURE

The City Council biennially after the November City election adjourns the former Council “sine die,” Latin for “indefinitely.” The following is a recommended procedure for the transfer of Councils.

1. Call To Order (by current Mayor)
2. Moment of Silence
3. Pledge of Allegiance
4. Roll Call
5. *Council Comments* (This time is offered for outgoing Council Members to make final comments prior to the expiration of their term of office.)
6. Adjournment Sine Die

Mayor requests a motion and support to adjourn “sine die.” Once voted, the Council is adjourned “indefinitely”.

7. Reorganization of the Council
  - a. Mayor and Council Members step down from their places.
  - b. New Council Members and Mayor take their places at the Council table.
  - c. Clerk offers oath of office to new Mayor.
  - d. Clerk offers oath of office to each new Council Member.
  - e. Clerk presents the Albion City Council to the Mayor and requests a “call to order”.
8. Call To Order (By new Mayor)
9. Roll Call
10. Nomination of the Mayor Pro Tempore
  - a. A motion to receive nominations is made and supported.
  - b. Nominations are received. No support for each nomination is required.
  - c. A motion to close nominations is made and supported.

11. Election of the Mayor Pro Tempore

A motion to elect the first nominee is made. If there is support, discussion is requested. If none, a vote is made, generally a roll call vote. If approved by the vote the nominee is elected Mayor Pro Tempore.

If the motion fails, a motion to elect the second nominee is made and supported, discussed if needed and voted. If approved, the nominee is elected Mayor Pro Tempore. (And so on.)

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\*Note: The index is provided for convenience and may be altered when necessary to add additional indexing items

## Department of Public Services Update-December, 2017

The snow has begun and so has plowing and salting! I am told that the trucks are ready and there is road salt available for the upcoming winter street maintenance. We would ask the drivers within the City to be patient, be mindful of the road conditions and reduce their speed in construction zones.

The Holidays have arrived in Albion thanks to the continued efforts of the DPW in their placement of lighting and the tree at Bournelis Park which made for a joyous "Albion Aglow" celebration.

If you have been in the downtown recently you have probably noticed the upside down "U" shapes wrapped in plastic protruding from the sidewalk, good news is, they are bike racks! The DPW has installed 20 to date with more installations coming when the weather allows.

Work continues at the Wastewater Treatment Plant despite having continued groundwater dewatering issues. We have met with the contractor and the dewatering company several times in person as well as via conference calls and we have established a common direction which "hopefully" we will see come to fruition sometime soon.

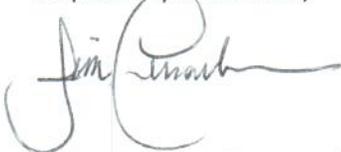
There is an ongoing effort towards the water tower restoration project which we are hoping to see presented for bidding in early January, 2018.

2018 Local Street Projects are being considered now and I will be meeting with Wightman & Associates soon to discuss those options. We do need to keep in mind that the Irwin Ave. project is scheduled for 2019 which we have partial grant funding for. The project will include Irwin Ave. from Woodlawn Blvd. to Finley Dr. and it is currently proposed to include watermain work. We will need to continue to be mindful of our Local Street Projects Fund in 2018 to make certain that we have the ability to address the much needed 2019 project.

As it is once again winter, we will see temperatures dropping, and frost will begin to find its way deeper into the ground, potentially effecting the water lines and mains beneath. If, you are a resident that has been asked to leave your water trickling to prevent your service line from freezing please continue to do so this winter. The water only needs to be left on running about the size of a pencil lead to prevent freezing. We will get reminders out to those normally effected soon. We will continue to monitor the temperatures and frost depths and, if need be, will broaden the run water area.

I would like to take this opportunity to thank all Public Services Department members for their continued dedication and wish them the very best for the Holiday Season.

Respectfully Submitted,



Jim Lenardson, Director of Public Services

City of Albion