

1. April 19, 2016 City Council Agenda

Documents: [APRIL 19, 2016 CITY COUNCIL REGULAR MEETING AGENDA.PDF](#)

2. April 19, 2016 City Council Packet

Documents: [04-19-16 CITY COUNCIL PACKET.PDF](#)

3. April 19, 2016 Report

Documents: [04-19-16 REPORT.PDF](#)

MAYOR
Michael C. Taylor

COUNCIL MEMBERS

Joseph V. Romano, Mayor Pro Tem
Deanna Koski
Maria G. Schmidt

Nate Shannon
Doug Skrzyniarz
Barbara A. Ziarko

CITY OF STERLING HEIGHTS

AGENDA FOR REGULAR CITY COUNCIL MEETING

TUESDAY, APRIL 19, 2016

7:30 P.M.

LOCATION: CITY COUNCIL CHAMBERS, CITY HALL, 40555 UTICA ROAD, PHONE (586) 446-CITY
(MINUTES OF COUNCIL MEETINGS ARE FILED IN THE CITY CLERK'S OFFICE)

MEETING CALLED TO ORDER

PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION

ROLL CALL

APPROVAL OF AGENDA

REPORT FROM CITY MANAGER

PRESENTATION

Nice Neighbor

PUBLIC HEARING

1. To hold a public hearing on the Third Amended and Restated Local Development Finance Authority Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended (Presentation – Luke Bonner, Bonner Advisory Group).
2. CONSENT AGENDA
 - A. Approval of Minutes
Regular Meeting of April 5, 2016
 - B. Approval of Bills

- C. To extend the terms and conditions of a proposal for noxious weed/grass cutting on residential and commercial/industrial properties in violation of state law and city code for a one-year period (Estimated annual expenditure of \$100,000 recovered from property owner).
- D. To purchase banquet services in fiscal year 2016/17 (Estimated expenditure of \$15,600).
- E. To award a bid for elevator maintenance services (Estimated annual expenditure \$9,600)
- F. To award a bid for the mosquito control program for a three-year period at unit prices bid (Estimated annual expenditure of \$16,035).
- G. To award a bid for emergency lighting and equipment for city vehicles (Estimated expenditure of \$80,000).
- H. To receive a report from the Purchasing Manager pursuant to City Code §2-221(B) regarding the emergency repairs to a public sanitary sewer line situated at the intersection of Arcola Drive and Dill Drive, Section 22, south of 17 Mile Road and east of Van Dyke (Total expense of \$28,750).
- I. To split an award of a bid for miscellaneous fitness equipment for the Sterling Heights Fire Department (Total expenditure of \$12,990.55 – 90% grant-funded by the Assistance to Firefighters' Grant).
- J. To award a bid for water service parts for a one-year period based on unit prices bid (Estimated annual expense of \$90,958.50).
- K. To approve Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program, City Project #12-236, Special Assessment District SW-16-01.
- L. To adopt a resolution designating May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights.
- M. To adopt a resolution designating May, 2016 as *Pride & Shine* month in the city of Sterling Heights.
- N. To approve a reduction in the retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266.

CONSIDERATION

3. To confirm the appointment of John Berg as Chief of Police of the City of Sterling Heights (Presentation - City Manager).

COMMUNICATIONS FROM CITIZENS

- (a) This item shall be taken up at 10:00 p.m. if the business portion of the agenda has not been concluded.

In accordance with the Sterling Heights Governing Body Rules of Procedure, under this agenda item, citizens are permitted to address the City Council on issues not on the agenda. Citizens are afforded a reasonable opportunity to be heard. Generally, no response shall be made to any communication from a citizen until all citizens have been permitted to speak.

You may be called to order by the Chair or a Council member if you:

- Attempt to engage the Council or any member in debate
- Fail to address the Council on matters germane to City business
- Use vulgarity
- Make personal attacks on persons or institutions
- Disrupt the public meeting

If you are called to order, you will be required to take your seat until the Council determines whether you will be permitted to continue.

These rules are in place and will be followed to ensure order and civility.

REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

UNFINISHED BUSINESS

NEW BUSINESS

CLOSED SESSION PERMITTED UNDER ACT 267 OF 1976 - (roll call vote required)

ADJOURN

Clerk of the Council

The City of Sterling Heights will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon 7 days notice to the Community Relations Department at 446-CITY.

The backup information for this agenda is available on the City's website. Go to www.sterling-heights.net and click on City Council e-Packets.

MAYOR
Michael C. Taylor

COUNCIL MEMBERS

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CITY MANAGER'S REPORT

April 19, 2016 --- CITY COUNCIL MEETING

A. MAY 4TH CITY COUNCIL MEETING

Due to local schoolboard elections, the first City Council meeting in May will be held on Wednesday, May 4th. The meeting will begin at 6:30 pm for scholarship presentations from the Sterling Heights Community Foundation.

B. MASTER PLAN COMMUNITY FORUM

A second community forum will be held tomorrow evening, April 20th at 7 pm at the Senior Center. The goal of this second community forum is to formulate planning proposals related to redevelopment, land use, recreation and non-motorized networks. More information is available on the City's website. In addition, residents are encouraged to utilize the Community Remarks Map. Visit <http://www.communityremarks.com/SterlingHeights/> to add your comments to the map!

C. BAE SYSTEMS JOB FAIR

Wyndham Garden Hotel on Van Dyke is hosting a job fair for BAE Systems on April 27th from noon to 8 pm. BAE Systems is now hiring in Sterling Heights, seeking experienced engineers in the following backgrounds: Chemical, Control Systems, Electrical, Guidance, Logistic, Mechanical, Navigation, Quality, Software, and Systems. They are also look for CAD and Product Data Management Analysts, Designers, Java Developers, Technical Writers, Vehicle Systems Architects, and other key roles. You can learn more about what BAE Systems offers at www.baesystems.jobs.

D. "ART IN THE PARK"

The City is kicking off its newest place-making opportunity this June called "Art in the Park." The event brings the well-loved concept of group painting sessions with an instructor to the Dodge Park Pavilion once a month on Thursdays this summer. Sterling Heights' Art in the Park will be held at 6 p.m. on four Thursdays this summer to coincide with the Dodge Park Farmers Market and Music in the Park: June 9, July 14, Aug. 11 and Sept. 8. Registration for the event covers a 16 by 20 canvas, brushes, paint, easel and an apron. The event is being hosted by Painting Sensations, an art studio based out of Clinton Township.

E. ECONOMIC DEVELOPMENT UPDATE

F. PRIDE AND SHINE MONTH PREVIEW

G. MISCELLANEOUS

Respectfully submitted,



Mark D. Vanderpool, City Manager



Join a **world class**
organization

BAE Systems Job Fair
27 April 12:00-8:00 p.m.

Wyndham Garden Sterling Heights
34911 Van Dyke Ave, Sterling Heights, MI 48312

**NOW HIRING IN STERLING HEIGHTS
AND ACROSS THE US**

Experienced Engineers in the following backgrounds:
Chemical, Control Systems, Electrical, Guidance,
Logistic, Mechanical, Navigation, Quality, Software,
and Systems.

We are also looking for CAD and Product Data
Management Analysts, Designers, Java Developers,
Technical Writers, Vehicle Systems Architects, and
other key roles.

Learn more about what BAE Systems offers —
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BAE SYSTEMS

INSPIRED WORK



AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: Nice Neighbor Award Presentation

Submitted By: Community Relations Department

Contact Person/Telephone: Sue Giallombardo, Community Relations Specialist / 446-2473 *SG*

Administration (initial as applicable)

Attachments

<i>MC</i> City Clerk	___	Resolution	___	Minutes
<i>BS</i> Finance & Budget Director	___	Ordinance	___	Plan/Map
<i>JP</i> City Attorney (as to legal form)	___	Contract	___	Other
<i>MA</i> City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

This is another presentation in the Nice Neighbor Program, which honors homeowners and businesses that improve the quality of life for their neighbors. The Community Relations Department is proud to present Betty and Fred Naz for recognition as recipients of a Nice Neighbor award. Mr. and Mrs. Naz were nominated by the Krmel Family for the Nice Neighbor award.

In support of this nomination, Janice Krmel (pronounced Ker-mel) states that Betty and Fred Naz have been her mom's neighbors for over 40 years, and she could not have asked for better neighbors when her and her siblings were growing up. Janice said that Betty and Fred have done so much for her family, including repairing vehicles, helping with home repairs, shoveling snow, maintaining the lawn and just spending time at the fence line laughing and catching up on the families. Even though Janice and her siblings are grown up with families of their own, this long-term friendship has never wavered; Betty and Fred are still there for their mother, Caroline.

"Betty and Fred bring so much joy to my mom and our family, they never forget her on her birthday or any holiday," Janice said. "It warms our hearts and eases our minds to know that in this day and age there are still kind, caring, loving and selfless people in this world that we can rely on and we are lucky that they just happen to live next door to our mom."

Suggested Action:

Present Betty and Fred Naz with a Nice Neighbor Award in recognition of their efforts to assist the community and contributions in making Sterling Heights' overall quality of life second to none.

*The Sterling Heights Mayor & City Council
proudly issue this*

NICE NEIGHBOR AWARD

to

Betty and Fred Naz

*In recognition of your efforts to assist your community and contributions
in making Sterling Heights' overall quality of life second to none.*



CITY OF
**Sterling
Heights**
InnovatingLiving

Mayor Michael C. Taylor
Mayor Pro Tem Joseph V. Romano
Councilwoman Deanna Koski
Councilwoman Maria G. Schmidt
Councilman Nate Shannon
Councilman Doug Skrzyniarz
Councilwoman Barbara A. Ziarko

Issued: April 19, 2016



Business of the City Council
Sterling Heights, Michigan

DELIVERED APR 14 2016

City Clerk's Use
Item No: /
Meeting: 04/19/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To hold a public hearing on the Third Amended and Restated Local Development Finance Authority Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended (Presentation – Luke Bonner, Bonner Advisory Group).

Submitted By: Office of City Management

Contact Person/Telephone: Mark Vanderpool, City Manager / Luke Bonner, Bonner Advisory Group; 586.446.2301

Administration (initial as applicable)

Attachments

<i>MC</i> City Clerk	<u> X </u>	Resolution	<u> </u>	Minutes
<i>BB</i> Finance & Budget Director	<u> </u>	Ordinance	<u> X </u>	Plan/Map
<i>JB</i> City Attorney (as to legal form)	<u> </u>	Contract	<u> </u>	Other
<i>MV</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Background - Public Act No. 281 of 1986, entitled *The Local Development Financing Act* (Act 281), is intended to encourage local development to prevent conditions of unemployment and promote economic growth. These objectives are achieved under the Act by the establishment of local development finance authorities (LDFA) which are empowered to create and implement development plans financed through, among other means, tax increment financing.

Presented below is a chronology of the actions undertaken by the Sterling Heights City Council in the creation of the LDFA and SmartZone:

- On May 20, 2008, the City Council conducts a public hearing on the adoption of a proposed resolution establishing a local development financing authority for the City of Sterling Heights and designating the boundaries of the district within which the authority shall exercise its powers, all pursuant to and in accordance with the provisions of the Local Development Financing Act, being Act 281 of the Public Acts of the State of Michigan of 1986, as amended.
- On August 19, 2008, the City Council adopts a resolution creating the LDFA and designating the original district boundaries. This action facilitates the redevelopment of the former TRW facility by BAE Land and Armaments Systems, LLP.
- On December 16, 2008, the City Council approves a SmartZone Agreement between the City, Michigan Economic Development Corporation, and the LDFA. By the terms of this agreement, the parties designate the certified technology park to be created for purposes of developing the Macomb –OU INCubator.

- Following a public hearing on February 3, 2009, the City Council approves the original Development Plan and Tax Increment Finance Plan for the LDFA.
- As required by the terms and conditions of the SmartZone Agreement, the City Council adopts a resolution on May 19, 2009, which expands the boundaries of the original authority district to establish the SmartZone.
- The SmartZone Agreement further required that the Development Plan approved by resolution of the City Council on February 3, 2009 be amended for the purpose of reflecting the activities and the tax increment financing of the Macomb OU-INCubator. Accordingly, on December 1, 2009, conducts a public hearing and subsequently adopts a resolution approving the First Amended and Restated Development Plan and Tax Increment Finance Plan.
- On December 20, 2011, the City Council adopts a resolution approving the Second Amended and Restated Development Plan. This amendment reflects a cumulative capture from the BAE project and SHAP investments in an amount not to exceed \$500,000 annually through the duration of the SmartZone (being 2011 though 2025) for the purpose of funding SmartZone activities at intended levels. It is important to note that the tax increment revenue being captured is not comprised only of City taxes. The City's general fund is not negatively impacted by the proposed supplemental capture.

Proposed Third Amended and Restated LDFA Development Plan and TIF Plan ("Plan") - With the upcoming development of the Sterling Enterprise Park, a new 144-acre industrial development located at 7191 Seventeen Mile Road, the City has an opportunity to capture tax increment financing revenues from this site, which is strategically located within the LDFA district. The proposed Plan, if approved, will achieve the following primary objectives:

- Provide for the capture of TIF revenue generated from the Sterling Enterprise Park and program such revenues in support of eligible activities in the broader LDFA district.
- Capture new school TIF revenues generated from the development of the Sterling Enterprise Park. The Plan will reflect the school tax capture and program the incremental revenues in support of incubator-related activities, as well as additional LDFA district improvements that support entrepreneurial growth.
- The Plan will facilitate a 15-year extension for TIF capture through a collaborative satellite SmartZone with a partner community under House Bill 4226. This legislation allows for up to 9 existing SmartZones (such as the City of Sterling Heights) extend tax capture for an additional 15 years to provide early stage company support services. The primary condition for an existing SmartZone (City of Sterling Heights) to qualify for a 15-year extension is to collaborate with another community outside of Macomb County, which also has the desire to create a SmartZone of their own. This partner community considered a "satellite" SmartZone location, would only be eligible to get such designation if it collaborates with an existing SmartZone (Sterling Heights).
- Eliminate reimbursement of eligible expenditures by BAE Systems Land and Armaments L.P., the benefactor of the "Original Plan." BAE did not provide valid invoices for repayment of their eligible activities with tax increment finance (TIF) revenues. Therefore, the Plan will eliminate TIF expenditures adopted in the "Original Plan" and reallocate them to eligible activities that benefit the broader LDFA district.

Procedure - Act 281 requires in relevant part that "Before adoption of a resolution approving or amending a development plan or approving or amending a tax increment financing plan, the governing body shall hold a public hearing on the development plan. (MCL 125.2166(1)). At the time set for hearing, the governing

body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the matter. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time." (MCL 125.2166 (3)).

To further assist the City Council in their deliberations the following information is attached:

- City Council resolution adopting the Third Amended and Restated Development Plan and Tax Increment Finance Plan
- The proposed Third Amended and Restated Development Plan and Tax Increment Finance Plan
- The Local Development Finance Authority supporting resolution dated March 15, 2016

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to adopt the resolution approving the Third Amended and Restated Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended.

CITY OF STERLING HEIGHTS

RESOLUTION APPROVING THE THIRD AMENDED AND RESTATED
DEVELOPMENT PLAN AND TAX INCREMENT FINANCE PLAN FOR THE
LOCAL DEVELOPMENT FINANCE AUTHORITY IN ACCORDANCE WITH
THE PROVISIONS OF PUBLIC ACT 281 OF 1986, AS AMENDED

This Resolution was made and adopted at a meeting of the City Council of the City of Sterling Heights, Macomb County, Michigan, held at the City Offices on the 19th day of April, 2016.

Members Present: _____

Members Absent: _____

The following preamble and resolution was offered by Member _____ and was supported by Member _____.

RECITALS

The City Council of the City of Sterling Heights (the "City Council"), by Resolution adopted on April 15, 2008 (the "Resolution of Intent"), determined that it is in the best interests of the public to prevent conditions of unemployment and to promote economic growth within the boundaries of the City of Sterling Heights and in the local development financing authority district(s) as may be designated by the City Council, and declared its intention to create and provide for the operation of a Local Development Finance Authority for the City of Sterling Heights (the "Authority") pursuant to and in accordance with the provisions of the Local Development Financing Act, being Act No. 281 of the Public Acts of

1986, as amended, being Sections 125.2151 to 125.2174 of the Michigan Compiled Laws (the "Act").

On May 20, 2008, pursuant to and in accordance with the Act and the Resolution of Intent, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, on the adoption of a resolution creating the Authority and designating the original boundaries of the Authority district within which the Authority will exercise its powers (the "Authority District" or "Authority Districts", as the case may be).

On August 19, 2008, pursuant to and in accordance with the Act, the City Council adopted a resolution establishing the Authority, placing its supervision and control under the seven-member Board (the "Board"), and designating the original boundaries of the Authority District.

On December 16, 2008, the City Council approved a "SmartZone Agreement" between the City, the Authority and the Michigan Economic Development Corporation ("MEDC"). Pursuant to the terms of the SmartZone Agreement between MEDC, LDFA and the City, the City had a duty to designate the area of the Authority District to be included within the SmartZone on or before June 1, 2009. This duty required that the City Council amend the existing boundaries of its Authority District by adoption of a resolution on May 19, 2009. This resolution served to not only establish the area comprising the SmartZone and the location of the business incubator component, but also allows for future economic development opportunities within the expanded Authority District.

The SmartZone designation also required that the Development Plan and Tax Increment Finance Plan approved by resolution of the City Council on February 3, 2009 be

amended for the purpose of reflecting the activities and the tax increment financing of the Macomb OU-INCubator, which is a certified technology park “SmartZone” created pursuant to and in accordance with the Act.

On December 1, 2009, pursuant to and in accordance with the Act, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, and adopted a resolution approving the First Amended and Restated Development Plan and Tax Increment Finance Plan.

On December 20, 2011, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, and adopted a resolution approving the Second Amended and Restated Development Plan and Tax Increment Finance Plan that provided for the capture of supplemental tax increment revenue generated by two project investments for the purpose of funding SmartZone activities at intended levels.

A Third Amended and Restated Development Plan and Tax Increment Finance Plan are being proposed to incorporate a new project that will result in Tax Increment Revenue to support eligible activities in the broader Authority District and SmartZone, facilitate a 15-year extension of the tax increment revenue capture through the establishment of a satellite SmartZone with a collaborative partner community outside of Macomb County, and eliminate the reimbursement of eligible expenditures that have not been pursued by the developer of a LDFA-eligible project and reallocate the capture to date to the benefit of the Authority District.

The Board has reviewed and is recommending approval of the Third Amended and Restated Development Plan and Tax Increment Finance Plan prepared in accordance with the

Act for the Authority District.

Having provided notice of and conducted a public hearing in accordance with the requirements of Section 16 of the Act; and, having provided through this hearing the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the proposed Third Amended and Restated Development Plan and Tax Increment Finance Plan as recommended by the Authority; and, having considered all the information presented in the course of the public hearing;

IT IS RESOLVED that:

1. Public Purpose. The City Council hereby determines that the Third Amended and Restated Development Plan and Tax Increment Finance Plan constitute a public purpose.

2. Best Interest of the Public. The City Council finds that the Third Amended and Restated Development Plan and Tax Increment Finance Plan are consistent with and furthers the interests of the public by preventing conditions of unemployment and promoting economic growth within the boundaries of the City.

3. Review Considerations. As required by the Act, the City Council has in reviewing the Third Amended and Restated Development Plan and Tax Increment Finance Plan taken into account the considerations set forth in Section 17 of the Act, as applicable, and finds:

(a) The Development Plan meets the requirements set forth in Section 15(2) and the Tax Increment Finance Plan meets the requirements set forth in Section 12(1), (2) and (3) of Act.

(b) The proposed method of financing the public facility or facilities is feasible and the authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The amount of captured assessed value estimated to result from adoption of the Tax Increment Finance Plan is reasonable.

(e) The development plan is in reasonable accord with the approved master plan of the City.

(f) The public services, such as fire and police protection and utilities, are or will be adequate to service the property.

(g) The changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

4. Approval of the Plan. The Third Amended and Restated Development Plan and Tax Increment Finance Plan are hereby approved and adopted.

AYES: _____

NAYS: _____

ABSTAINED: _____

RESOLUTION DECLARED ADOPTED.

[Certification of City Clerk follows on next page]

STATE OF MICHIGAN)

) ss

COUNTY OF MACOMB)

I, the undersigned, the duly qualified and acting City Clerk of the City of Sterling Heights, County of Macomb, State of Michigan, certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Sterling Heights at a regular meeting held on the 19th day of April, 2016, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have set my official signature, this _____ day of April, 2016.

MARK CARUFEL, CITY CLERK
CITY OF STERLING HEIGHTS

CITY OF STERLING HEIGHTS

Local Development Finance Authority

**THIRD AMENDED AND RESTATED
DEVELOPMENT PLAN**

&

TAX INCREMENT FINANCE PLAN

2016



CITY OF STERLING HEIGHTS, MICHIGAN • 40555 UTICA ROAD

P.O. BOX 8009 • Sterling Heights, MI 48311-8009 • (586) 446-CITY (2489)

CITY OF STERLING HEIGHTS CITY OFFICIALS

City Council

Mayor Michael C. Taylor
Mayor Pro Tem Joseph V. Romano
Councilwoman Deanna Koski
Councilwoman Maria G. Schmidt
Councilman Nate Shannon
Councilman Doug Skryzniarz
Councilwoman Barbara A. Ziarko

City Manager Mark D. Vanderpool

Local Development Finance Authority Board Members

Phillip Hunsberger - Chairman
John Lettang - Secretary
David Corba
Lori Doughty
Stephanie Eagen
Laurel Johnson
Richard Kincaid
John Lamerato
Victor Martin
Camille Silda
Jill Tomy
Kerry Weishaupt
Orest Zachary

City Development Director
Denice Gerstenberg

Senior Economic Development Advisor
Luke Bonner
Bonner Advisory Group

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1.0 Executive Summary

BACKGROUND

The City Council of the City of Sterling Heights, Macomb County, Michigan, having determined that it is necessary for the best interests of the public to encourage local development to prevent conditions of unemployment and promote economic growth, adopted a resolution on April 15th, 2008, declaring its intention to create and provide for the operation of a Local Development Finance Authority (LDFA). The resolution stated that “The City Council (the “Council”) of the City of Sterling Heights (the "City") is strongly committed to the revitalization and redevelopment of local properties to prevent conditions of unemployment and promote economic growth.”

The Council received and reviewed reports from the City Administration demonstrating that these objectives are furthered by the creation of a local development financing authority and the exercise of powers granted to a board authority pursuant to the Local Development Financing Act, Act 281 of 1986, as amended (the Act).

In order to create a Local Development Finance Authority, the Act required Council (a) to declare by resolution its intention to create and provide for the operation of a Local Development Finance Authority (LDFA) and designate the boundaries of the authority district or districts; (b) to publish and provide a notice of the public hearing in accordance with the requirements set forth in §4 of the Act (MCL 125.2154); (c) to conduct a public hearing affording a resident, taxpayer, or property owner from a taxing jurisdiction in which the proposed district is located or an official from the taxing jurisdiction with millage that would be subject to capture a right to be heard in regard to the establishment of the LDFA and the boundaries of the proposed district; and, (d) to adopt a resolution establishing the LDFA and designating the boundaries of the district or districts within which its powers are exercised.

Original Development Plan and Tax Increment Finance Plan

In accordance with PA 281, on May 20, 2008 the City Council held a public hearing to consider the creation of a Local Development Finance Authority. The City Council directed City Administration to proceed with the preparation of a resolution establishing a Local Development Finance Authority for the City of Sterling Heights and designating the boundaries of the authority district pursuant to and in accordance with the provisions of Act No. 281 of the Public Acts of 1986, as amended, for consideration at the regular meeting on Tuesday, August 6, 2008.

On August 19, 2008 the Sterling Heights City Council adopted a resolution confirming the creation of the Local Development Finance Authority and designated the boundaries of the original authority district pursuant to and in accordance with the provisions of Act No. 281 of the Public Acts of 1986. The original district was specific to the site located at 34201 Van Dyke between 14 and 15 Mile Road. On February 3, 2009, the City Council held a public hearing in accordance with PA 281, to consider the approval of the Development Plan and Tax Increment Finance Plan and adopted a resolution approving the original Development and Tax Increment Finance Plan (“The Original Plan”). This original Development Plan addressed issues associated with the redevelopment of the former TRW property by BAE Systems, including associated remediation costs resulting from environmental contamination on the site to be reimbursed. As a result of the approval of this plan, BAE Systems Land and Armament L.P. (BAE Systems) constructed a state of the art business development and technology center focused upon the requirements of the United

States Department of Defense and its worldwide allies. This property supports future business growth, product development, and personnel headcount expansion in Sterling Heights, Michigan by BAE Systems.

The LDFA district created on behalf of BAE Systems addressed issues associated with the redevelopment of the former TRW property. At that time, the site consisted of 529,105 square feet of office and obsolete manufacturing space. Additionally, the site was constructed in 1954 and had severe environmental implications. The previous owner, TRW Automotive, filed a Remedial Action Plan (RAP) with the Michigan Department of Environmental Quality for the western portion of the property known as the “former test track area”. Additional site preparation and remediation costs that were to be incurred by BAE and site infrastructure improvements required the use of Tax Increment Finance to ensure redevelopment of the site to productive use.

The original Tax Increment Finance Plan (Original TIF Plan) was prepared to support the redevelopment of the site at 34201 Van Dyke and utilized a December 31st 2008 assessment as the base, and fiscal year 2009/2010 taxable value for the original District of \$3,921,700. The capital investment in real property was projected to be \$54,000,000 with an inflationary growth rate of 1.5%. The goal of the TIF Plan was to reimburse BAE Systems eligible costs related to the redevelopment activities from tax increment revenues.

BAE Systems completed their project in 2011. The final investment value of real property was approximately \$26,000,000 with a 2014 taxable value of \$13,270,800. Local tax capture on BAE Systems project has averaged \$104,000 annually. BAE Systems did not comply with the provisions of the development agreement that required them to provide adequate documentation in order to receive reimbursements for eligible activities from the LDFA.

The tax increment revenue generated from 34201 Van Dyke will be re-distributed towards eligible activities throughout the entire LDFA district.

First Amended and Restated Development Plan and Tax Increment Finance Plan

Subsequent to the approval of the original TIF Plan, the LDFA and City Council approved a First Amended and Restated Development Plan and Tax Increment Finance Plan. This First Amended and Restated Development Plan and Tax Increment Finance Plan amended the district boundaries, and added the SmartZone designation and Incubator project.

The subsequent approval of the First Amended and Restated Development Plan and Tax Increment Finance Plan (“First Plan”) was pursuant to amendments to the LDFA Act that were passed by the State legislature that providing for the creation of Certified Technology Parks (SmartZones or “Smart Parks”). Specifically, in 2008 the State of Michigan amended the LDFA Act to allow for 3 additional SmartZones to be added to the original limit of 12, bringing the State total to 15. SmartZones are designed to create clusters of technology businesses and research institutions throughout the state, and intended designed to encourage partnerships between municipalities, universities and business by creating an environment of cooperation.

On or about July 1, 2008, the City made application to the Michigan Economic Development Corporation (MEDC) for designation of the authority district as a certified technology park (“SmartZone”).

On or about October 15, 2008, the MEDC gave notice to the City that its application had been approved for the designation of a SmartZone.

On December 16, 2008, the City Council approved a SmartZone Agreement between the MEDC, City, and Sterling Heights LDFA. By the terms of this Agreement, the City is required to designate for the MEDC the area of the authority district to be included in the designated SmartZone on or before June 1, 2009.

On February 17, 2009, the City Council adopted a resolution of intent to amend the boundaries of the authority district.

On March 17, 2009, the City Council conducted a public hearing which afforded residents, taxpayers, property owners, and officials from taxing jurisdictions with millages subject to capture, an opportunity to be heard in regard to the proposed amendment to the boundaries of the authority district. Following the March 17th public hearing, City Council resolved to direct City Administration to proceed with the preparation of a resolution amending the boundaries of the authority district within which the LDFA exercises its powers. On May 19, 2009 the City Council adopted a resolution amending the boundaries of the district. The district is now generally located in the central portion of the city with 14 Mile Road being the south boundary, Van Dyke the east boundary, Mound the west boundary, and M-59 the north boundary.

The SmartZone Agreement further required that the Development Plan and Tax Increment Finance Plan approved by resolution of the City Council on February 3, 2009 be amended for the purpose of reflecting the activities and the tax increment financing of the Incubator. Accordingly, pursuant to and in accordance with the Act, the City Council set a public hearing on December 1, 2009, notice of which has been given as required by Section 4(2) of the Act, to consider adoption of a resolution approving the First Amended and Restated Local Development Tax Increment Finance Plan and Development Plan. At this meeting, the City Council adopted a resolution approving the First Amended and Restated Local Development Finance Authority Plan in accordance with Public Act 281 of 1986, as amended.

The First Amended and Restated Development and Tax Increment Finance Plan provided for the capture of 50% of *local* taxes to reimburse BAE for eligible expenses associated with the redevelopment of 34201 Van Dyke (consistent with the Original Development Plan and Tax Increment Finance Plan), and the capture of 50% of *school* taxes to provide for the incubator in the SmartZone. The ability to capture school taxes is provided by the SmartZone designation, and schools are made whole by the State under this program. The TIF funds captured pursuant to the SmartZone agreement may be used to fund property acquisition, infrastructure, business incubators and other park facilities, management and marketing for the SmartZone.

The related SmartZone Agreement entered into by the Michigan Economic Development Corporation, City of Sterling Heights, and the Sterling Heights Local Development Finance Authority provides that the capture of tax increment revenue is for a period of 15 years for tax levies imposed on or after January 1, 2011 through December 31, 2025. (See Appendix p 60-61)

Business Incubator

The SmartZone program includes the development of a “business incubator” as described in Act 281. Under the First Amended and Restated Development Plan and Tax Increment Finance Plan, the Authority’s four-year university partner is Oakland University. A business incubator program has been operating at 6633 18 Mile Road, the facility also known as Velocity, within the Technology Advancement SmartZone of Sterling Heights. The Incubator program will be devoted to assisting early stage technology companies and the regional high technology and manufacturing industry. The growth of high-technology businesses in the Certified Technology Park will in turn yield economic development benefits within the City of Sterling Heights and the surrounding Macomb County community.

Second Amended and Restated Development Plan and Tax Increment Finance Plan

Two new projects were announced in 2011 that generated new activity in the Local Development Finance Authority district and result in TIF revenue. Significant investment occurred at the Chrysler Sterling Heights Assembly Plant location on Van Dyke between 16 Mile and 17 Mile, making the site a highly advanced and modern automotive assembly facility playing an integral role in the success of the company by building the next generation of all-new vehicles.

Chrysler Sterling Heights Assembly Paint Shop

Chrysler Group LLC (Chrysler) invested approximately \$850 million in an all new, 425,000 square-foot paint shop at the Sterling Heights Assembly Plant. This project revived the plant, previously slated for closure. This project retained 1,300 jobs and created 900 additional new jobs, not to mention thousands of indirect jobs through suppliers and support industries in the community. The new paint shop enables production of a variety of vehicles with new, state-of-the-art equipment and an eco-friendly focus. The project resulted in \$21,357,363 million of increased taxable value upon completion, and an associated local tax increment of approximately \$239,097 per year. Supported by a tax abatement from the City, the project revenue will increase upon expiration of this abatement in 2024 to a projected value of approximately \$478,193.

Chrysler Sterling Heights Assembly Body Shop

Chrysler invested a total of \$165 million to add a new one million square-foot body shop to the Sterling Heights Assembly Plant, including the addition of new equipment that made the facility the most advanced in the industry. The new Body Shop replaced the existing outdated shop on the site and compliment the investment at the Paint shop, further securing the future of this site as a premier assembly location for Chrysler and securing the retention of jobs at this location. The project resulted in \$16,498,252 million increase of taxable value upon completion, and an associated local tax increment of approximately \$184,699 per year, and will increase to \$369,398 when the tax abatement expires.

Approval of the proposed Second Amended and Restated Development Plan and Tax Increment Finance Plan (“Second Plan”) allows for the capture of TIF revenue from real property to support the SmartZone program in the LDFA and to provide adequate funding for the Incubator (TIF Expenditure Project 2). Personal property taxes, although eligible, have been excluded from capture within the boundaries of this district. Specifically, the Second Amended and Restated Development Plan and Tax Increment Finance Plan allows for revenue capture necessary to support SmartZone management, administration, facility costs and marketing, as well as maintain support of the business incubator.

The proposed “Second Plan” maintains the TIF funding from BAE, and allows for additional capture from Chrysler. The combined amount (from Chrysler projects and school TIF from BAE) is ***not to exceed \$500,000 annually for SmartZone Activities***. Local TIF revenue from BAE to provide for eligible costs related to the redevelopment activities is unaffected and is not included in the not to exceed amount. It is anticipated that a TIF capture not to exceed \$500,000 for SmartZone activities will be possible from the combined school TIF capture resulting from the BAE Systems project, and the Chrysler Sterling Heights Assembly Paint Shop project TIF alone once completed. However, the Chrysler Sterling Heights Assembly Body Shop is included because it is on the same parcel as the Paint Shop project, and provides a reasonable assurance that there will be sufficient funding to support the incubator building location, personnel costs, and SmartZone activities despite any unforeseeable changes to project timing, scope, or taxable value. ****The Third Plan removes the not to exceed provision.***

2.0 Introduction

The City of Sterling Heights is located in the west central region of Macomb County. The City encompasses 36.8 square miles and is bounded by M-59 to the north, Dequindre Road to the west, 14 Mile Road to the south and Hayes Road to the east. With a population approaching 130,000 residents, the City is the fourth largest municipality in the State of Michigan. Approximately 3,000 commercial and industrial businesses are located within the City.

A diversity of industrial uses are concentrated in the City's central corridor between Mound Road and Van Dyke Road, from 14 Mile Road and M-59. Commercial uses are concentrated along two major corridors within the City; the Van Dyke corridor, which bisects the city from south to north, and M-59 which is the northernmost boundary of the City and traverses east to west.

The City Council, having determined that it is necessary for the best interests of the public to encourage local development to prevent conditions of unemployment and promote economic growth, established the Local Development Finance Authority on August 19, 2008, in accordance with P.A. 281 of 1986, as amended. The intent of the enabling legislation is to encourage manufacturing and high technology development in Sterling Heights.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organization tools, to eliminate conditions of unemployment, underemployment, and joblessness and to promote economic growth through publicly initiated projects undertaken cooperatively with private sector participation.

The Development Plan outlines public facilities that are needed to support continued economic growth and prosperity in the City of Sterling Heights. It is recognized that local economic development efforts will not only benefit city residents, but also the region as a whole. It is for this reason, that tax increment financing is proposed to be utilized to help finance planned improvements within the LDFA district support by revenue from by BAE Systems development (34201 Van Dyke) and Sterling Enterprise Park (7171 17 Mile Road). Using this method, the financial burden for making public improvements (primarily infrastructure and environmental) is shared with larger taxing jurisdictions under a partnership agreement.

Additionally, it will provide funding to support the ongoing efforts to support small businesses and SmartZone activities, including the acquisition, construction, furnishing and equipping of a business incubator facility and related infrastructure, operating expenses, business planning, intellectual property management, technology transfer, commercialization and capital acquisition services, the hiring of a director to manage the incubator, and administrative and marketing costs.

The Finance Plan will provide for the capture of tax revenues from certain property within the Certified Technology Park including the capture of 50% of the operating levies of State, K-12 school districts and the State Education Tax.

To meet the requirements of PA 281, it is necessary to prepare a Development Plan and TIF Plan for the LDFA to adhere to when implementing and financing the District improvements.

The organization of the Development Plan and TIF Plan are in accordance with the requirements and follow the format presented in PA 281 of 1986. The Development Plan must include a legal description and map of

the district, a description of the proposed construction activities, an implementation schedule, estimated construction costs and other pertinent information regarding the District.

The TIF Plan provides a summary of the methods proposed to generate the revenue needed to fund the proposed projects. As outlined in the TIF Plan, funding for projects generated through tax increment financing, grants, local cooperation and funding eligible under Section 10 of PA 281.

Third Amended and Restated Development Plan and Tax Increment Financing Plan

The Third Amended and Restated Development Plan and Tax Increment Financing Plan “(the Third Plan)” accomplishes seven objectives.

Objective One – BAE Systems Land and Armaments L.P., the benefactor of the “Original Plan”, did not provide valid invoices for repayment of their eligible activities with tax increment finance (TIF) revenues. Therefore, “the Plan” will eliminate TIF expenditures adopted in the “Original Plan” and reallocate them to eligible activities that benefit the broader LDFA district.

Objective Two – The “First Plan” referenced the Macomb OU-INCubator as the sole service provider of incubator related activities. The “Third Plan” removes Macomb OU-INCubator and references incubation services more generally as an eligible activity under the broader “SmartZone Activities” heading. The defined terms of service of any organization providing incubation services on behalf of the LDFA will require a contract between the LDFA and the specific service provider, or service providers.

Objective Three – The Second Plan has a combined tax increment finance capture, not to exceed \$500,000. The third amended and restated TIF plan eliminates the not to exceed portion of the capture.

Objective Four – A new project within the LDFA, known as Sterling Enterprise Park, will generate a significant amount of new TIF revenue. The Third Plan will include the eligible activities in the broader LDFA district supported by TIF revenue generated by the Sterling Enterprise Park development project.

Objective Five – The Sterling Enterprise Park project will also generate new school TIF. The Third Plan will reflect the school tax capture and its use to support incubator related activities as well as additional LDFA district improvements that support entrepreneurial growth. The charts in the Third Plan will acknowledge the change in these funding activities.

Objective Six – The Second Plan mistakenly used an incorrect base taxable value for the Chrysler Paint Facility. The Paint Facility was built on a newly established IFT Parcel (Industrial Facility Tax) with a base value of \$0. However, a value of \$19,827,400 was used as the base value. The Third Plan corrects the base value of the Paint Facility and now projects an annual capture of \$159,572 of school capture and \$239,097 for local capture.

Objective Seven – The City of Sterling Heights, and the Sterling Heights LDFA, would like to pursue a 15-year extension to its tax increment finance capture period for SmartZone Related activities. On July 15th, 2015 Governor Snyder signed into law House Bill 4226. This legislation allows for up to 9 existing SmartZones (such as the City of Sterling Heights) extend tax capture for an additional 15 years to provide early stage company support services. The primary condition for an existing SmartZone (City of Sterling Heights) to qualify for a 15-year extension is to collaborate with another community outside of Macomb County, which also has the desire to create a SmartZone of their own. This partner community considered a “satellite” SmartZone location, would only be eligible to get such designation if it collaborates with an existing SmartZone (Sterling Heights). The satellite zones have a commitment to work with the partner zone

on joint projects of interest. No exchange of resources or control of revenue collected in either zone is required in the partnership agreement. The City of Sterling Heights can capture school taxes under the SmartZone provision until approximately the 2025/2026 fiscal year.

The intent of the Third Plan is to outline in broad terms, the activities that are eligible under Public Act 281 of 1986 as amended. The development plan should be very flexible in nature to limit the amount of times the plan requires an amendment to increase and add eligible activities and the associated costs of those activities. The ability to carry out the eligible activities is solely dependent on the revenue available to the LDFA, the cost of those activities, and the priorities set by the LDFA and City Council collectively. Each year the City and the LDFA approve a budget based on the priorities listed above and the revenues available to complete them. The LDFA and City should expect to have contracts in place with any vendor providing services. Those contracts will very clearly spell out the terms, performance requirements, and budget for that contract. The Sterling Enterprise Park project may have an unpredictable amount of investment; therefore, the revenue to the LDFA is highly unpredictable. With that in mind, the size of investments conceptualized in the forthcoming charts reflect unpredictable investments. Charts 7 and 8 cover the entire LDFA district as defined in section 15(2)(a)

Sterling Enterprise Park

Sterling Enterprise Park, a new 144-acre industrial development, is located at 7191 Seventeen Mile Road. In 2015, the vacancy rate for industrial real estate for lease was approximately 2.7%. With increased production in the automotive industry and a tremendous rebound in the North American manufacturing sector, industrial space in Sterling Heights is at a premium. The new park will cater to industrial uses as large as 500,000 square feet or as small as 60,000 square feet. It is anticipated this development will ultimately provide anywhere between 1.3 million to 1.8 million square feet of industrial space.

The LDFA district encompasses nearly 30 million square feet of industrial, office, and commercial real estate over 6 square miles. The district itself impressively houses many major facilities, including two Ford facilities (Axle and Transmission), two Fiat-Chrysler facilities (Stamping and Assembly), General Dynamics Land Systems, KUKA Systems, BAE Systems, among others. The district developed over the last fifty to sixty years, and much of the infrastructure requires upgrades and additions to accelerate the pace of manufacturing technology. Obsolete and blighted properties also exist throughout the LDFA district. These properties could impede development, and at times, contribute to a negative perception of the area. The Third Plan will address infrastructure upgrades, property acquisition, and promotion and marketing opportunities. Infrastructure upgrades include, but are not limited to; road construction, completing streets, improving traffic flow, high gigabyte fiber connectivity, and traffic and engineering studies. The intent of property acquisitions may include but are not limited to; acquiring and removing blight, improving road connectivity and traffic flow, and leasing facilities to qualified companies. Marketing and promotional activities include but are not limited to; streetscape enhancements, LDFA district branding studies, directional and place making signage, social media and website marketing.

The Third Amended and Restated Tax Increment Finance Plan (TIF Plan) is prepared to support the investment of eligible activities within the approved LDFA district. The December 31st 2014 assessment is the base assessment year, and fiscal year 2015/2016 taxable value for the Sterling Enterprise Park property is \$2,818,200. The capital investment in real property is aggressively projected to be \$100,000,000 with an inflationary growth rate of 1.5%. The Projected Local TIF Capture over 20 years is \$10,947,780. The City of Sterling Heights Administration has proposed capturing 50% of the available TIF revenue, and returning the remaining 50% to the taxing jurisdictions. Therefore, the total project TIF capture at 50% is \$5,473,890. The Projected Local School Capture over 10 years, fiscal year ending 2025/2026 (consistent with the 15 year capture period under the SmartZone program) to be \$3,817,652.

3.0 Development Plan

The presentation of the Development Plan follows the statutory requirements of PA 281, specifically Section 15(2)(a) through (p). (MCL 125.2165(a) through (p)).

PA 281 requires that a development plan contain all of the following:

- (a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.
- (b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.
- (c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.
- (d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.
- (e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.
- (f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
- (g) A description of any portions of the property to which the plan applies, which the authority desire to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
- (h) A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities.
- (i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.
- (j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.
- (k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.
- (l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the

authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provisions for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 42 U.S.C 4601 to 4655.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 231.332. of the Michigan Compiled Laws.

(p) Other material that the authority, local public agency, or governing body considers pertinent. It shall be necessary for the board to prepare a development plan pursuant to this section if a development plan that adequately provides for accomplishing the proposed development program has already been prepared and where the development plan has been approved by the board and the governing body pursuant to sections 16 (MCL 125.2166) and 17(MCL 125.2167).

Section 15(2)(a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property. (MCL 125.2165(2)(a)).

At the August 19, 2008 meeting, the City Council adopted a resolution creating the LDFA and establishing the boundaries of the development area now identified as the District.

On May 19, 2009, The City Council adopted a resolution amending the boundaries of the District to include the property designated below.

Section 4:

The East half of the West half of Section 4, Also Parcel Numbers 10-04-251-004, 10-04-401-001, 10-04-451-002, 10-04-451-003, 10-04-451-005, 10-04-451-006

Section 8:

Parcel Numbers 10-08-426-009, 10-08-426-014, 10-08-426-016, 10-08-476-010, 10-08-476-004, 10-08-476-013, 10-08-476-012, 10-08-476-011

Section 9:

All of Section 9 ***Excluding*** the following Parcel Numbers 10-09-226-011, 10-09-200-040, 10-09-200-045, 10-09-200-046, 10-09-200-011, 10-09-200-031, 10-09-200-044, 10-09-200-043, 10-09-200-016, 10-09-200-010, 10-09-277-007, 10-09-276-016, 10-09-200-028

All of Section 16

Section 17:

All of the platted subdivision named Parkridge Industrial Sub. No. 1, Parkridge Industrial Sub. No. 2, Parkridge Industrial Sub. No. 3, and Parkridge Industrial Sub. No. 4

Also Parcel Numbers 10-17-200-007, 10-17-226-032, 10-17-226-004, 10-17-226-045, 10-17-226-046, 10-17-226-047, 10-17-226-048, 10-17-226-049, 10-17-276-006, 10-17-276-006, 10-17-200-006, 10-17-276-008

All of Section 21

All of Section 28

All of Section 33

The district is now generally located in the central portion of the city with 14 Mile Road being the south boundary, Van Dyke the east boundary, Mound the west boundary, and M-59 the north boundary. Please see attached exhibit Map 1.

Section 15(2)(b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise. (MCL 125.2165(2)(b)).

Map 1 – City of Sterling Heights LDFA District Boundaries

The district is now generally located in the central portion of the city with 14 Mile Road being the south boundary, Van Dyke the east boundary, Mound the west boundary, and M-59 the north boundary. Eligible activities under the Certified Technology Park provision Public Act 280 are included within this defined LDFA district.

Map 2 – 34201 Van Dyke

This site is located within the LDFA district. It is located at 34201 Van Dyke generally located west of Van Dyke Avenue, north of 14 Mile Road, and south of 15 Mile Road. The site is comprised of one parcel totaling 81.56 acres. This parcel is home to BAE Systems Land and Armaments, L.P.

Parcel ID Number:

10-33-276-004

Parcel Address

34201 Van Dyke

Parcel Description:

THAT PART OF LAND IN THE NORTHEAST 1/4 OF SECTION 33, TOWN 2 NORTH, RANGE 12 EAST, CITY OF STERLING HEIGHTS, MACOMB COUNTY, MICHIGAN T2N, R12E, SEC 33; S 60.0 ACRES OF E 1/2 OF NE 1/4; EXC THAT PART LYING N OF LINE DESC AS FOLL; COMM AT NE COR SEC 33; TH S01*40'23"E 891.36 FT ALG E SEC LINE TO POB; TH S88*10'34"W 1340.39 FT TO POE, EXC THAT PART FOR VAN DYKE; ALSO BEG AT SW COR OF E 1/2 OF NE 1/4 SEC 33; TH N88*44'40"W 1004.32 FT; TH N02*21'40"W 1313.12 FT; TH S89*13'20"E 997.94 FT; TH S02*04"W 1321.34 FT TO POB. 81.60 A. SPLIT FROM 1033276002 FOR 1988

Map 3- 6633 18 Mile Road – Commonly known as Velocity

The incubator is located within the LDFA district. It is located at 6633 18 Mile Road. Parsimony Lane is a private drive that connects 18 Mile Road to 18 ½ Mile Road. There is a nature preserve to the northwest of the site. Ford Transmission is to the East, and a 350,000 square foot industrial building is to the north.

Parcel ID Number:

10-09-300-042-000

Parcel Description:

T2N, R12E, SEC 9: COMM AT SW COR SEC 9; TH EAST 1829.68 FT; TH N19*59'53"W 63.85 FT; TH EAST 193.23 FT TO POB; TH N00*41'54"E 417.28 FT; TH 96.63 FT ALG A CURVE NW R=128, CB N20*17'01"W 94.35 FT; TH N41*43'53"W 449.73 FT; TH 64.52 FT ALG A CURVE NW R=88, CB N20*06'46"W 63.08 FT; TH N01*07'25"E 187.07 FT; TH S88*38'43"E 965.88 FT; TH S01*20'55"W 572.12 FT; TH WEST 530.00 FT; TH S01*20'55"W 492.98 FT; TH WEST 65.54 FT TO POB. 12.25 AC. Split on 08/13/2003 into 10-09-300-041-000, 10-09-300-042-000;

Map 4 - 38111 Van Dyke (Chrysler Plant and Body Shop)

Parcel ID Number:

10-21-400-012

Parcel Description:

T2N, R12E, SEC 21 E 1/2 OF SEC 21, EXC M.C.R.R. R/W; ALSO EXC BEG AT SE COR SEC 21; TH N0*10"W 330.0 FT; TH S89*17'00"W 665.20 FT; TH S00*06'00"W 330.0 FT; TH N89*17'00"E 666.0 FT TO POB; ALSO EXC M-53 R/W DESC AS BEG AT NE COR SEC 21; TH S01*28'59"E 2688.46 FT; TH S02*00'29"E 2288.07 FT; TH S87*16'37"W 77.0 FT; TH N02*00'29"W 2288.07 FT; TH N88*07'16"E 478.41 FT TO POB; ALSO EXC COM AT SE COR SEC 21; TH W 660.0 FT TO POB; TH N00*06'00"E 60.01 FT; TH S89*20'50"W 1951.12 FT; TH S00*09'20"W 60.01 FT; TH N89*20'50"E 1951.18 FT TO POB; ALSO EXC COMM AT INTERSECTION OF S SEC LINE & E R/W LINE OF M.C.R.R.; TH N00*09'20"E 60.01 FT TO POB; TH N00*09'20"E 600.0 FT; TH N89*20'50"E 490.0 FT; TH S00*09'20"W 600.0 FT; TH S89*20'50"W 490.0 FT TO POB. ALSO EXC: T2N, R12E SEC 21 COMM AT NE 1/4 COR SEC 21; TH S01*29'12"E 60.0 FT; TH S88*07'16"W 110.0 FT TO POB; TH S01*29'12"E 391.45 FT; TH S88*31'01"W 143.14 FT; TH N01*28'59"W 110.0 FT; TH N46*40'52"W 141.58 FT; TH S88*07'16"W 195.0 FT; TH N01*52'44"W 180.0 FT; TH N88*07'16"E 439.82 FT TO POB. SPLIT FROM -008 FOR 2002

This site is located within the LDFFA district at 38111 Van Dyke generally located west of Van Dyke Avenue, north of Metro Parkway, and south of 17 Mile Road.

Map 5 –7191 17 Mile Road - Sterling Enterprise Park – Commonly referred to as Sunnybrook

This site is adjacent and contiguous to 17-mile road to the south, Conrail line and Ford Axel to the west, and commercial uses to the east. Located directly south of 17 mile from the site is the Chrysler Assembly plant. The City of Sterling Heights Department of Public Works is located to the north of this property. This parcel has a small section, which also connects to Van Dyke Ave to the east.

Parcel ID Number:

10-16-401-005-000

Parcel Description

T2N, R12E SEC 16 COMM AT SE COR SEC 16; TH N89*23'00"W 1325.88 FT TO POB; TH N89*23'00"W 1309.05 FT; TH N00*06'37"E 2598.68 FT; TH N00*00'57"E 1317.08 FT; TH S89*36'02"E 1329.40 FT; TH S00*29'29"W 1314.36 FT; TH S00*21'08"W 33.63 FT; TH S89*24'55"E 241.86 FT; TH S38*57'44"E 168.59 FT; TH N89*24'55"W 348.67 FT; TH S00*21'08"W 660.99 FT; TH S89*28'16"E 596.50 FT; TH S00*10'24"W 99.30 FT; TH S89*11'13"E 411.84 FT; TH S00*10'00"W 65.0 FT; TH S89*30'28"E 222.86 FT; TH S00*40'23"W 327.65 FT; TH N88*52'45"W 554.92 FT; TH S00*41'01"W 905.65 FT; TH N89*23'00"W 167.27 FT; TH N00*33'33"E 260.00 FT; TH S89*23'00"W 335.17 FT; TH N00*21'24"E 42.98 FT; TH S59*19'00"W 195.74 FT; TH S00*14'00"W 590.24 FT TO POB. 142.36 AC. 02-21-05: Split/Comb 10-16-476-008 & 10-16-401-004 into 10-16-476-029 & 10-16-401-005

Parcel ID

10-16-426-021-000

Parcel Description

T2N, R12E, SEC 16: COMM AT E 1/4 COR SEC 16; TH S 925.0 FT ALG E SEC LINE; TH S89*53'56"W 355.0 FT TO POB; TH CONT S89*53'56"W 385.16 FT; TH N00*24'42"W 100.0 FT; TH S89*53'56"W 598.62 FT; TH N00*10'25"W 495.0 FT; TH N89*53'56"E 986.0 FT; TH S 595.0 FT TO POB. 12.08 AC SPLIT & COMB FROM -006, -015, -017 & -019 FOR 1997

Please see attached exhibit Maps 1-5.

Section 15(2)(c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses. (MCL 125.2165(2)(c)).

Map 1- LDFA District shows the district boundaries are adjacent to major arterial roadways that traverse the City of Sterling Heights and Macomb County. Van Dyke is to the east, Mound to the West, and M-59 to the north. 14 Mile road is the southern boundary and serves as a secondary feeder street. Existing public facilities include water main, sanitary sewer, and storm sewer located in right-of-way. All other telecommunications utilities are also available. Conrail bisects the district north and south. There are a variety of zoning classifications throughout the entire district that include industrial, commercial, and office. The Conrail service lines bisect this “corridor” allowing for rail access along the LDFA.

Map 2 - 34201 Van Dyke shows Van Dyke Avenue as adjacent and contiguous to the east of this parcel. Conrail railroad runs to the west of the property but is not contiguous; a private conservation easement buffers the property from the rail line. An abandoned rail spur is located on the northwest portion of the property. Existing public facilities include water main, sanitary sewer, and storm sewer located in the Van Dyke right-of-way. All other telecommunications utilities are also available. The Busch Drain runs on the western portion of the property, and a private drain borders the southern boundary. Current zoning for the BAE Systems site is M-1, (Light Industrial), the proposed use is allowed within this zoning category. A PCD (planned commercial district) is adjacent and contiguous to the south, and C-3 (General Business) zoned properties is adjacent and contiguous to the north.

Map 3 – 6633 18 Mile Road (Velocity Center) This building is approximately 12 years old and comprises approximately 35,000 square feet. 6633 18 Mile is a city road that serves a private industrial park known as Plumbrook Technology Park with many other tenants in adjacent buildings including Mitsubishi, TDIC, and United Machining. Water, sewer, sanitary, and all other major utilities service 18 Mile Road.

Map 4 - 38111 Van Dyke (Chrysler Plant and Body Shop)

This site is located within the LDFA district at 38111 Van Dyke generally located west of Van Dyke Avenue, north of Metro Parkway, and south of 17 Mile Road.

Map 5 – 7191 17 Mile Road Sterling Enterprise Park This site is adjacent and contiguous to 17-mile road to the south, Conrail line and Ford Axel to the west, and commercial uses to the east. Located directly south of 17 mile from the site is the Chrysler Assembly plant. The City of Sterling Heights Department of Public Works is located to the north of this property. This parcel has a small section, which also connects to Van Dyke Ave to the east. Existing public facilities include water main, sanitary sewer, and storm sewer located in the Van Dyke right-of-way. All other telecommunications utilities are also available. Current zoning for the site is M-2, (Heavy Industrial), the proposed use is allowed within this zoning category.

Section 15(2)(d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements. (MCL 125.2165(2)(d)).

Chart 1- Project 1: *BAE Land and Armaments L.P.

Site Infrastructure Improvements	Projected Timeline
Demolition	2009
Site Preparation	2009
Water Supply/Distr.	2010
Sanitary Sewer	2010
Storm Sewer	2010
Tele/IT Distr. Sys.	2010
Environmental Remediation	
Surveying	2008
Geotechnical Borings	2008
Soil Remediation Oversight & VSR Sampling	2009
Remediation	2009
Due Diligence and Baseline Environmental Assessment (BEA)	2008
Additional Environmental contingency	2009

** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.*

Chart 2 - Project 2: SmartZone Activities

SmartZone Expenditures	Projected Timeline
Administration and Operations (including Sterling Heights/Non Sterling Heights Personnel)	2013and on-Going
Road Improvements	2016 and on-going
Marketing and Promotion	2016 and on-going
Technology Acceleration programs	2016 and on-going
Equipment for technology acceleration	2016 and on-going
Grants and Loans to accelerate company growth	2016 and on-going
Facility Improvements (owned or leased)	2016 and on-going
High Gigabyte Fiber Improvements	2016 and on-going
Entrepreneurial Training and Education	2016 and on-going
Property Acquisition	2016 and on-going
Technical Consultants	2016 and on-going
Planning, Engineering, Environmental, or Market Studies	2016 and on-going

Chart 3- Project 3: General LDFA Activities

District Infrastructure Improvements	Projected Timeline
Signage and Landscape Improvements	2016 and on going
Street Lighting and Signalization Improvements	2016 and on going
Road and Rail Construction	2017 and on going
High Giga Byte Fiber	2017 and on going
Property Acquisition	2017 and on going
Sanitary, Stormwater, and Sewer System Improvements	2017 and on going
Environmental and Engineering	2016 and on going
Marketing and Promotion	2016 and on going

Section 15(2)(e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion. (MCL 125.2165(2)(e)).

The Local Development Finance Authority Board is empowered to undertake a variety of assignments to revitalize and expand the industrial district. These powers include (MCL 125.2157 (7)), but are not limited to:

- Study and analyze unemployment, underemployment, and joblessness and the impact of the growth upon the authority district or districts;
- Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility;
- Develop long range plans, in cooperation with the agency which is chiefly responsible for planning the municipality, to promote the growth of the authority district or districts, and take steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth;
- Implement any plan of development necessary to achieve the purposes of this act in accordance with the powers of the authority as granted by this act;
- Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties;
- Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interest in that property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to property;
- Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, or operate a building, and any necessary or desirable appurtenances to a building , as provided in section 12 (2) for the use, in whole or in part, of a public or private person or corporation, or a combination thereof;
- Fix, charge, and collect fees, rents, and charges for the use of a building, or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority;
- Lease a building or property or part of a building or property under the board's control;
- Accept grants and donations of property, labor, or other things of value from a public or private source;
- Acquire and construct public facilities;
- Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees;
- Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act.

Public facilities are defined in accordance with MCL 125.2152 (2)(ff)

- A street, road, bridge, storm water or sanitary sewer;
- Sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination;
- Drainage system, retention basin, pretreatment facility, waterway, waterline, water storage facility;

- Rail line;
- Electric, gas, telephone or other communications, or any other type of utility line or pipeline;
- Or other similar or related structure or improvement, together with necessary easements for the structure or improvement;
- Except for rail lines, utility lines, or pipe lines, the structures or improvements described in this sub paragraph shall be either owned or used by a public agency, functionally connected to similar or supporting facilities owned or used by a public agency, or designed and dedicated to used by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity;
- Any road street or bridge shall be continuously open to the public;
- A public facility shall be located on public property or in a public, utility, or transportation easement or right-of-way;
- The acquisition and disposal of land that is proposed or intended to be used in the development of eligible property or an interest in that land, demolition of structures, site preparation, and relocation costs.
- All administrative and real and personal property acquisition and disposal costs related to a public facility described in subparagraphs (i) and (iv), including, but not limited to, architects', engineer's, legal, and accounting fees as permitted by the district's development plan.
- An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1996 PA1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531
- Operational costs and the costs related to acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of land and other assets that are or may become eligible for depreciation under the internal revenue code of 1986 for a business incubator located within a certified technology park.
- Costs related to the acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of land and other assets that are or may become eligible for depreciation under the internal revenue code of 1896 for laboratory facilities, research and development facilities, conference facilities, teleconference facilities, testing, training facilities, and quality control facilities that are or that support eligible property under subdivision (p)(iii), that are owned by a public entity, and that are located within a certified technology park.
- Operating and planning costs included in a plan pursuant to section 12(1)(f), including costs of marketing property within the district and attracting development of eligible property within the district.

Chart 4 - Project *1: BAE Systems Land and Armaments L.P.

Site Infrastructure Improvements	
Site Preparation	\$154,800
Water Supply/Distr.	\$86,430
Sanitary Sewer	\$61,920
Storm Sewer	\$397,320
Tele/IT Distr. Sys.	\$180,600
Sub Total	\$881,070
Escalation	\$264,321
Environmental Remediation	
Surveying	\$40,765
Geotechnical Borings	\$6,450
Soil Remediation Oversight & VSR Sampling	\$150,000
Remediation	\$500,000
Due Diligence and Baseline Environmental Assessment (BEA)	\$170,000
<i>Additional Environmental contingency</i>	\$800,000
Subtotal	\$2,812,606

*** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.**

Project 2: SmartZone Activities

Clarification Third Plan - Project 2 is supported by Tax Increment Revenue from BAE Systems Project, the Chrysler Paint and Body Shop, and the Sterling Enterprise Park.

For purposes of securing designation of the LDFA district as a Certified Technology Park under the provisions of Public Act No. 281 of 1986, entitled *The Local Development Financing Act* (the Act), the City of Sterling Heights is required to “partner” with a Four-Year University, to fulfill the statutory requirement of demonstrating “significant support from an institution of higher education as evidenced by, but not limited to, the following types of support:

- (i) Grants of preferences for access to and commercialization of intellectual property.
- (ii) Access to laboratory and other facilities owned by or under control of the institution of higher education or private research-based institute.
- (iii) Donations of services.
- (iv) Access to telecommunication facilities and other infrastructure.
- (v) Financial commitments.
- (vi) Access to faculty, staff, and students.
- (vii) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.”

The City and the LDFA have conducted activities allowing for commencement of operations of the business incubator within the Certified Technology Park, and an Affiliated Partner Agreement (APA) shall be executed and filed with the Michigan Economic Development Corporation and Sterling Heights City Council according PA 281 as amended. An APA was approved by the Local Development Finance Authority and adopted by the City of Sterling Heights City Council on June 2, 2009 with Oakland University. An APA outlines the partnership of the Sterling Heights LDFA and the affiliated party.

The term of an APA is negotiated by the LDFA and the affiliated party. *The Third Plan requires a contract to accompany any APA agreement.*

The proposed Incubator and related SmartZone administration, marketing, management and personnel items that will be funded based on a total TIF Capture not to exceed \$500,000 are below:

Chart 5 - TIF Expenditure Project 2: SmartZone Activities

Tax Year	Fiscal Year Ending	PROJECT 2: SmartZone Activities			TOTAL
		Incubator Support*	Personnel Cost 33% Reimbursement**	SmartZone Activities***	
2011	2012	22,689			22,689
2012	2013	80,491			80,491
2013	2014	285,000	\$122,400	\$92,600	500,000
2014	2015	285,000	\$124,848	\$90,152	500,000
2015	2016	285,000	\$127,345	\$87,655	500,000
2016	2017	285,000	\$129,892	\$85,108	500,000
2017	2018	285,000	\$132,490	\$82,510	500,000
2018	2019	285,000	\$135,139	\$79,861	500,000
2019	2020	285,000	\$137,842	\$77,158	500,000
2020	2021	285,000	\$140,599	\$74,401	500,000
2021	2022	285,000	\$143,411	\$71,589	500,000
2022	2023	285,000	\$146,279	\$68,721	500,000
2023	2024	285,000	\$149,205	\$65,795	500,000
2024	2025	285,000	\$152,189	\$62,811	500,000
2025	2026	285,000	\$155,233	\$59,767	500,000
TOTALS		\$3,808,180	\$1,796,873	\$998,127	\$6,603,180

* It is anticipated the Incubator program will continually be supplemented by securing grant funds from a variety of organizations. The categories listed above are described in Public Act 281 of 1986 as costs eligible for business incubators.

**Sterling Heights Economic Development Department Personnel Costs are projected to be approximately \$408,000 in FY ending 2014 and an annual increase of 2% was used to project increases in total personnel costs.

***SmartZone Activities include costs associated with marketing, administration, and services that may occur. Periodic reporting on the use of funds will demonstrate actual uses that may arise.

Third Plan - There will no longer be a cap on tax capture as approved in the Second Plan. LDFA capture will be used on infrastructure improvements. Additional tax capture will assist in moving the improvements ahead more quickly. Any un-used funds in a given year will be held in the LDFA account until they are used for eligible activities. Please refer to Chart 6 and 7 for SmartZone TIF Expenditures and LDFA District Wide Expenditures.

Chart 6 – Revised Project 2 – SmartZone Activities

SmartZone Expenditures	Projected Costs
Administration and Operations	\$3 million
Road Improvements	\$5 Million
Marketing and Promotion	\$500,000
Technology Acceleration programs	\$3 million
Equipment for technology acceleration	\$1 million
Grants and Loans to accelerate company growth	\$1 million
Facility Improvements (owned or leased)	\$2 million
High Gigabyte Fiber Improvements	\$5 million
Entrepreneurial Training and Education	\$3 million
Property Acquisition	\$2 million
Technical Consultants	\$3 million
Planning, Engineering, Environmental, or Market Studies	\$500,000

Total \$29,000,000

Chart 7 – Project 3 – LDFA District Improvements

LDFA District Infrastructure Improvements	Projected Costs
Signage and Landscape Improvements	\$5 million
Street Lighting and Signalization Improvements	\$2 million
Road and Rail Improvements	\$12 million
High Giga Byte Fiber	\$5 million
Property Acquisition	\$10 million
Stormwater, Sanitary, Sewer Management Systems	\$3 million
Environmental and Engineering and other Planning	\$500,000
Marketing and Promotion	\$500,000

Total \$38,000,000

**As funds become available the LDFA board will prioritize the development projects against the available funds. Each year, the City Administration will present a budget and projects approval and recommendation to the City of Sterling Heights City Council.*

Section 15 (2)(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage. (MCL 125.2165(2)(f)).

BAE Systems Land and Armaments L.P.

Staged construction commenced in 2009 with demolition and removal of the obsolete TRW manufacturing and office space. BAE Systems is constructing its new technology center with an estimated occupancy date of Spring 2012.

**The project is now complete, however, it is anticipated that the BAE Systems Tactical Wheeled Center of Excellence may expand in the future.*

Velocity Improvements

Required alterations to the facility at 6633 18 Mile Road, as permitted in Public Act 281 of 1986 were conducted in 2011, including build out of tenant client company space, leasehold improvements for the Velocity to accommodate an increase in staff, and required improvements to site facilities and infrastructure to make ready for business occupancy. In 2015, parking lot improvements were made to remedy decaying asphalt conditions. It is anticipated that roof improvements will begin in 2016 to 2017 City fiscal years.

Fiat Chrysler Assembly Plant Body Shop and Paint Shop

FCA started construction on the Assembly plant expansion in 2011. The expansion added an additional 1.5 million square feet of industrial, automotive space. The body shop and paint shop are considered state-of-the-art. The construction on this project was completed in 2014.

Sterling Enterprise Park

Sterling Enterprise Park will begin construction in 2016. First tenants will likely move in the Fall of 2016. The vertical construction of new tenant buildings is expected to continue from 2016 to 2021-2023.

Section 15(2)(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. (MCL 125.2165(2)(g)).

Not applicable.

Section 15(2)(h) A description of desired zoning changes and changes in streets, street levels, intersections, and traffic flow modifications, or utilities. (MCL 125.2165(2)(h)).

The City exercises zoning authority pursuant to Michigan Zoning Enabling Act, Public Act 110 of 2006, and the City's Zoning Ordinance and Map establish and define those zoning districts where specified uses may occur.

Zoning consists of dividing the community into districts or zones and regulating within such districts land use, and heights and area of buildings for the purpose of conserving and promoting the health, safety, and general welfare of the people of the community. Zoning also controls numerous aspects of development within each district, such as intensity and bulk of development, and requirements for parking, landscaping and signage. The zoning ordinance and its administration are the legislative and administrative acts or processes for carrying out the goals and objectives of the Master Land Use Plan. A major component of the City's recent update of the Master Land Use Plan was redevelopment. In order to promote continued development and redevelopment of properties for mixed uses (residential, office, and commercial), City Council adopted a Planned Unit Development (PUD) option to the Zoning Ordinance.

The zoning for the Local Development Finance Authority/Certified Technology Park is a combination of M-2 Zoning, Heavy Industrial, M-1 Zoning, Light Industrial, PCD-Planned Center District, and C-3 General Business. The zoning for the BAE Systems eligible property is M-1, Light Industrial. The proposed project is allowable under the current zoning. The zoning for the Business Incubator is Planned Commercial District, the project is allowable under the current zoning.

The M-1 Light Industrial District is intended to accommodate industrial activities whose external effects are minimal and in no way detrimental to surrounding districts, plus wholesale, warehousing and intensive service activities of a nature such as not to justify their inclusion in the commercial use district, but whose external effects also are non-detrimental. All uses in the district are intended to be compatible with one another. It is further the intent to carefully conserve land in the M-1 Zone for manufacturing and related uses, only in special circumstances will certain convenience services needed to serve the basic light industrial and related uses be permitted. All uses located within this district shall be so designed and operated as to observe the performance standards and regulations of use contained herein. The processing of raw material for shipment in bulk form for use in an industrial operation at another location shall not be permitted.

The M-2 Heavy Industrial District is intended to provide land for the more large-scale and intense manufacturing, fabricating and assembling uses. While such uses may occasionally produce external physical effects noticeable to a limited degree beyond the boundaries of the site, nevertheless, every possible effort shall be made to minimize such effects. All uses located within this district shall be so designed and operated as to observe the performance standards and regulations of use contained in the zoning ordinance.

The Planned Center District is intended to provide, through comprehensive planning, zoning and project review for the development of high intensity, multipurpose centers in planned locations which will serve as focal points within the total urban design of the city, while providing stability and longevity for the economic development of the City of Sterling Heights. The C-3 General Business District is designed to provide for a wide diversity of business activities, which are predominantly but not necessarily totally retail in character. In addition to retail uses, a number of other activities, usually requiring considerable land area and access to major thoroughfares, are permitted. Uses in this district normally must have good automobile accessibility, but should not cause congestion on adjacent thoroughfares

The proposed changes in streets, street levels, intersections, traffic flow modifications, or utilities are detailed in the section Section 15.(2)(e) of this Development Plan. (MCL 125.2165(2)(e)).

Section 15(2)(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing. (MCL 125.2165(2)(i)).

Project 1: *BAE Systems Land and Armaments L.P.

The original projected total cost for the implementation of the project as outlined in Chart 4 above is approximately \$2,812,606. This amount is based on figures provided by BAE Systems during planning and actual amounts may differ. Actual reimbursement is limited to the actual TIF Revenue from the project and cost of eligible expenses. Given the credit of the City the Authority is confident that financing could be arranged on terms favorable to the LDFA should the project require a bond issue. The total real property tax value of the site upon completion is estimated at \$16 million.

The activities of the authority and the development of public improvements shall be financed from one or more of the following sources:

- Tax Incremental Financing (TIF)
- Private cooperation in the District.
- Funding received through grant programs.
- Municipal participation (Staff and Administrative Support/Start Up Costs)
- Bonding for improvements

Tax Increment Financing will be the primary source of funding for the project. The LDFA may issue bonds to generate capital for improvements or it may elect to pay for the improvements on a “pay-as-you-go” basis.

** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.*

Project 2: SmartZone Activities

The estimated total cost for the implementation of Project 2 is approximately \$29,500,000 as outlined in Chart 6 for Incubator Operations and Administration, facility improvements, infrastructure improvements, marketing, and programs dedicated to entrepreneurs. As new projects occur within the certified technology park that require local redevelopment incentives, it has been the goal of the Sterling Heights LDFA to amend this plan to add school tax capture from these new projects. Revenue generated from the BAE Systems Project, The Chrysler Assembly Paint and Body Shop, and Sterling Enterprise Park fund SmartZone Related Activities.

The activities of the authority as it pertains to SmartZone activities are funded in the following ways:

- Tax Incremental Financing (TIF)
- Private donations from the corporate partner program.
- Funding received through grant programs.
- Municipal participation (Staff and Administrative Support/Start Up Costs)
- Bonding for improvements

Tax Increment Financing will be the primary source of funding for the project. The LDFA may issue bonds to pay for capital improvements for the Incubator or it may elect to pay for the improvements on a “pay-as-you-go” basis. Operational expenses will be funded on a “pay-as-you-go” basis. Appropriate grant opportunities will also be pursued as they arise.

Project 3: LDFA District Improvements

The original projected total cost for the implementation of the project as outlined above is approximately \$38,000,000 as outlined in Chart 7. This amount represents broad category estimates for infrastructure improvements throughout the LDFA district, not just one singular parcel. Establishing a large estimate gives the LDFA ultimate flexibility to spend within the categories up to the amount based on available revenues or potential bonding. Given the credit of the City, the Authority is confident that financing could be arranged on terms favorable to the LDFA should the project require a bond issue. Revenue generated from the BAE Systems Project, The Chrysler Assembly Paint and Body Shop, and Sterling Enterprise Park fund LDFA District Improvements.

The activities of the authority and the development of public improvements shall be financed from one or more of the following sources:

- Tax Incremental Financing (TIF)
- Private cooperation in the District.
- Funding received through grant programs.
- Municipal participation (Staff and Administrative Support/Start Up Costs)
- Bonding for improvements

Tax Increment Financing will be the primary source of funding for the project. The LDFA may issue bonds to generate capital for improvements or it may elect to pay for the improvements on a “pay-as-you-go” basis.

Section 15 (2)(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority. (MCL 125.2165(2)(j)).

Project 1: *BAE Land and Armaments L.P.

The project was undertaken for the benefit of BAE Systems Land and Armaments L.P.

** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.*

Project 2: SmartZone Activities

The project is being undertaken for the benefit of the Sterling Heights and Macomb County community as a whole to create jobs and employment opportunities. The activities in the SmartZone will be a source of services to companies developing technologies in the areas of Defense, Aerospace, Advanced Manufacturing, Medical Devices, and other high technology industries. The LDFA will be the recipient of tax increment revenues, which it will in turn use to fund SmartZone activities that foster the goal of creating companies and jobs. Tenant client companies physically located at Velocity may also benefit from tax increment revenues that support training and education, grants or loans, equipment, technical consultants, fiber, marketing programs and the like as eligible under Public Act 281 as amended.

Project 3: Sterling Enterprise Park – LDFA District Wide Improvements

Sterling Development Group LLC, is developing Sterling Enterprise Park a new 144-acre industrial development. In 2015, the vacancy rate for industrial real estate for lease was approximately 2.7%. With increased production in the automotive industry and a tremendous rebound in the North American manufacturing sector, industrial space in Sterling Heights is at a premium. The new park will cater to industrial uses as large as 500,000 square feet or as small as 60,000 square feet. It is anticipated this development will ultimately provide anywhere between 1.3 million to 1.8 million square feet of industrial space.

The district developed over the last fifty to sixty years, and much of the infrastructure requires upgrades and additions. Throughout the LDFA district, obsolete and blighted properties also exist. These properties impede development and at times contribute to a negative perception of the area. An amended LDFA Plan will address infrastructure upgrades, property acquisition, and promotion and marketing opportunities. Infrastructure upgrades include, but are not limited to, road construction, completing streets, improving traffic flow, high gigabyte fiber connectivity, and traffic and engineering studies. Property acquisitions may include but are not limited to acquiring and removing blight, acquiring property to improve road connectivity and traffic flow, and acquiring and leasing facilities to qualified companies. Marketing and promotional improvements include but are not limited to streetscape enhancements, LDFA district branding studies, directional and place making signage, social media and website marketing.

Companies located in the industrial district will benefit from these improvements.

Section 15(2)(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons. (MCL 125.2165(2)(k)).

The Sterling Heights Local Development Finance Authority reviews leases presented to them by the City of Sterling Heights administration as it pertains to client companies leasing space at Velocity. This practice will continue. However, the LDFA has adopted guidelines by resolution that allows the administration to manage leases within certain parameters, and therefore do not require consistent LDFA approval.

The LDFA may also adopt guidelines providing the administration the flexibility to conduct business prescribed by the City of Sterling Heights City Council.

Section 15(2)(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals. (MCL 125.2165(2)(l)).

The LDFA has powers prescribed by the Act to acquire property including residential, commercial, and industrial. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

Section 15(2)(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area. (MCL 125.2165(2)(m)).

Not applicable.

Section 15(2)(n) Provisions for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat. 1894. (MCL 125.2165(2)(n)).

Not applicable.

Section 15(2)(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 231.332. (MCL 125.2165(2)(o)).

Not applicable.

Section 15(2)(p) Other material that the authority, local public agency, or governing body considers pertinent. It shall be necessary for the board to prepare a development plan pursuant to this section if a development plan that adequately provides for accomplishing the proposed development program has already been prepared and where the development plan has been approved by the board and the governing body pursuant to sections 16 and 17. (MCL 125.2165(2)(p)).

As required, the LDFA shall submit amendments to the Development Plan or Tax Increment Plan to the governing body (City Council) for review and approval. Sterling Heights Economic Development will monitor and periodically report on the use of TIF funds to ensure the programs developed and offered in the SmartZone are fulfilling the goals of creating companies and jobs for the community and promoting economic development. The amount of budgeted items must fall within the not to exceed limitation of \$500,000 for TIF Expenditure Project 2: SmartZone Activities, and may be less.

Third Amended and Restated Development Plan and TF Plan - There will no longer be a “not to exceed” on TIF capture for the LDFA and SmartZone.

4.0 Tax Increment Finance Plan

The projects detailed within the Development Plan are designed to stimulate private sector investment within the District and conduct eligible SmartZone activities to achieve a true economic growth and opportunity for new employment. Proposed project expenditures are intended to directly reimburse private entities redevelopment construction costs, conduct activities on behalf of the authority, and provide for SmartZone activities that are eligible under the Act. A number of potential funding sources are available to the LDFA. The following narrative describes how programming expenditures will be funded.

It is the intention of this Plan to capture the incremental tax revenues generated within the District, and utilized ancillary funding sources such as grant programs, private cooperation, municipal participation, or other funding sources to which the LDFA may be eligible for under Section 10 of P A 281 (MCL 125.2160).

The presentation of the Tax Increment Finance Plan follows the statutory requirements of PA 281, specifically Section 12(1)(a) through (k). (MCL 125.2162(a) through (k)).

- (a) A statement of the reason that the plan will result in the development of captured assessed value that could not otherwise be expected. The reason may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
- (b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3).
- (c) The estimated tax increment revenues for each year of the plan.
- (d) A detailed explanation of the tax increment procedure.
- (e) The maximum amount of bond indebtedness to be incurred if any.
- (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
- (g) The costs of the plan anticipated to be paid from tax increment revenues are received.
- (h) The duration of the development plan and tax increment financing plan.
- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
- (j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.
- (k) An estimate of the number of jobs to be created as a result of the implementation of the tax increment financing.
- (l) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, an identification of the real property within the certified technology

park to be included in the tax increment financing plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park is exempt from determining tax increment revenues.

Section 12(a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means. (MCL 125.2162)(1)(a)).

BAE Systems completed their project in 2011. The final investment value of real property was approximately \$26,000,000 with a 2014 taxable value of \$13,270,800. Local tax capture on BAE Systems project has averaged \$104,000 annually. BAE Systems did not comply with the provisions of the development agreement that required them to provide adequate documentation in order to receive reimbursements for eligible activities from the LDFA.

(Project 1)

Chrysler Sterling Heights Assembly Paint Shop Chrysler Group LLC (Chrysler) invested approximately \$850 million in an all new, 425,000 square-foot paint shop at the Sterling Heights Assembly Plant. This project revived the plant, previously slated for closure. This project retained 1,300 jobs and created 900 additional new jobs, not to mention thousands of indirect jobs through suppliers and support industries in the community. The new paint shop enables production of a variety of vehicles with new, state-of-the-art equipment and an eco-friendly focus. The project resulted in \$21,357,363 million of increased taxable value upon completion, and an associated local tax increment of approximately \$239,097 per year. Supported by a tax abatement from the City, the project revenue will increase upon expiration of this abatement in 2024 to a projected value of approximately \$478,193.

Chrysler Sterling Heights Assembly Body Shop Chrysler invested a total of \$165 million to add a new one million square-foot body shop to the Sterling Heights Assembly Plant, including the addition of new equipment that made the facility the most advanced in the industry. The new Body Shop replaced the existing outdated shop on the site and compliment the investment at the Paint shop, further securing the future of this site as a premier assembly location for Chrysler and securing the retention of jobs at this location. The project resulted in \$16,498,252 million increase of taxable value upon completion, and an associated local tax increment of approximately \$184,699 per year, and will increase to \$369,398 when the tax abatement expires. The BAE project will generate increased tax increment revenues from the available school millages (Macomb ISD millage, Stated Education millage, and Local schools millage). The Chrysler projects will also generate tax increment revenues from all both local and school millages. These revenue sources will be made available to the LDFA to fund SmartZone activities under Public act 281 of 1986. Without the support of the tax increment funds, it would not be possible to support the Incubator and achieve the goals of creating jobs and companies that are critical to economic development goals without the plan.

Third Plan - Sterling Development Group LLC, is developing Sterling Enterprise Park a new 144-acre industrial development. In 2015, the vacancy rate for industrial real estate for lease was approximately 2.7%. With increased production in the automotive industry and a tremendous rebound in the North American manufacturing sector, industrial space in Sterling Heights is at a premium. The new park will cater to industrial uses as large as 500,000 square feet or as small as 60,000 square feet. It is anticipated this development will ultimately provide anywhere between 1.3 million to 1.8 million square feet of industrial space.

The December 31st 2014 assessment is the base year, and fiscal year 2015/2016 taxable value for the Sterling Enterprise Park property is \$2,818,200. The capital investment in real property is conservatively projected to be \$100,000,000 with an inflationary growth rate of 1.5%. The Projected Local TIF Capture over 20 years is \$12,370,619. The City of Sterling Heights Administration has proposed capturing 50% of the available

TIF revenue, and returning the remaining 50% to the taxing jurisdictions. Therefore, the total project TIF capture at 50% is \$6,185,310. The Projected Local School Capture over 10 years, fiscal year ending 2025/2026 (consistent with the 15 year capture period under the SmartZone program) to be \$3,057,054.

Section 12(b) An estimate of the captured assessed value for each year of the plan. (MCL 125.2162)(1)(b)).

See the following tables for estimated capture of value:

Table 1-Estimated Capture of Value: BAE Systems Project.....	55
Table 2-Estimated Capture of Value: FCA Paint Shop.....	56
Table 3-Estimated Capture of Value: FCA Body Shop.....	57
Table 4-Estimated Capture Value of Sterling Enterprise Park.....	58

Section 12(c) The estimated tax increment revenues for each year of the plan. (MCL 125.2162)(1)(c)).

See the following tables for estimated tax increment revenues and updated revenues for each year of the plan.

Table 5a-Estimated Local TIF Revenue: BAE Systems	59
Table 5b-2016 Updated Local TIF Revenue: BAE Systems.....	60
Table 6a-Estimated School TIF Revenue: BAE Sytems.....	61
Table 6b-2016 Updated School TIF Revenue: BAE Systems.....	62
Table 6c-15 Year SmartZone Extension: BAE Systems.....	63
Table 7a-Estimated TOTAL TIF Revenue: FCA Paint Shop.....	64
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The Third Plan - The LDFA will no longer be subject to a not to exceed amount for TIF capture.

Section 12(d) Detailed explanation of the tax increment procedure. (MCL 125.2162)(1)(d)).

Tax increment financing (TIF) is a governmental financing mechanism which contributes to economic growth and development by dedicating a portion of the tax base resulting from economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use and thereby facilitates certain projects which create economic growth and development.

The LDFA adopts by reference and incorporates the contents of the Development Plan contained herein to be adopted simultaneously with the TIF Plan.

Tax Increment Procedure

TIF is a method of funding public investments in an area slated for redevelopment by capturing, for a time, all or a portion of the incremental tax revenues that results from increased property values through private investment and inflation. The capture of incremental tax revenues is applied only to the designated district for which a development plan has been prepared and approved by the LDFA and governing body. This plan contains both the development plan and TIF plan.

PA 281 treats all increases in valuation resulting from the development plan whether in fact these increases bear any relation to the development, or from inflationary increases on taxable values in the district. With some exceptions, the incremental tax revenues levied by other governmental units are captured through the approved TIF Plan. These include the city, county, community college, SMART, HCMA, Zoo, Macomb Veterans, or any other millages that may apply in the future*. In regard to the Certified Technology Park, these include the Macomb Intermediate School District, Local Schools, and State Education tax. The amount to be transmitted to a LDFA is that portion of the tax levy of all of these applicable taxing bodies paid each year on real property. Personal property taxes, although eligible, have been excluded from capture within the boundaries of this district.

***Zoo and Detroit Institute of Arts (DIA) Millages are not eligible for tax capture under State Law....The City chooses to reimburse the Veterans millage.**

"Initial value" means the taxable value, of the property within the boundaries of the district area at the time the resolution establishing the tax increment-financing plan is approved, as shown by the most recent assessment roll of the municipality at the time the resolution is adopted. "Captured value," means the amount in any one year by which the current taxable value of the district, exceeds the initial value. Property for which a commercial facilities exemption certificate an industrial facilities exemption certificate, or a commercial housing facilities exemption certificate, is in effect shall not be considered to be property that is exempt from taxation and they will be included in the overall initial value of the district. Tax dollars accrued from any incremental increase in taxable value, as a result of new development or annual inflationary increases, above the initial value (base year total) will then be captured and used by the LDFA for projects in the district. New taxable value resulting in personal property investment will be excluded from the tax increment-financing plan. The proposed personal property investment is less than the real property investment and its eventual depreciation is counterintuitive to tax increment financing.

Total Potential Revenue

The total potential TIF revenue from school taxing units available to the LDFA from captured taxable value from TIF Revenue Project 1: BAE Systems was originally anticipated to total \$3,350,470 per The Original

Plan. The updated and revised figures provided in Table 5 of this plan provide a more accurate projection of incremental value and associated TIF revenue, which is reduced to approximately \$1.5 million now that the project is nearing completion. The proposed Second Amended and Restated Development and Tax Increment Finance Plan will account for the reduction in projected TIF revenue from BAE, which represents a key source of funding for the incubator. Additional revenue will be captured from Chrysler's combined projects as needed to capture TIF revenues not to exceed \$500,000 per year to fund the Incubator and SmartZone activities. Note that local millage revenue from TIF Revenue Project 1: BAE Systems that is dedicated to provide for reimbursement of eligible costs associated with the redevelopment of the site at 34201 Van Dyke pursuant to the Original Development Plan and Tax Increment Plan (TIF Expenditure Project 1: BAE Systems) is not a part of the not to exceed amount and reimbursement of expenses will be limited to actual TIF Capture from local millages. **This plan is no longer subjected to the \$500,000 not to exceed amount for tax capture.**

To total potential TIF revenue from TIF Revenue Projects 1-3 (excluding local millages from BAE Systems) to fund TIF Expenditures for Projects 2 & 3 is \$16 million and is detailed in Table 5-7. This is based on a 0% projected inflationary growth and an incremental value increase totaling over \$79 million upon the completion of all projects. An annual not to exceed amount of \$500,000 represents the maximum combined total from the both the newly identified projects at Chrysler Sterling Heights Assembly Plant and the previously identified project at BAE Systems (school capture only) to fund TIF Expenditure Projects 2 & 3, resulting in a total actual TIF Revenue Capture of approximately \$6.6 million. **This plan is no longer subjected to the \$500,000 not to exceed amount for tax capture.**

BAE Systems completed their project in 2011. The final investment value of real property was approximately \$26,000,000 with a 2014 taxable value of \$13,270,800. Local tax capture on BAE Systems project has averaged \$104,000 annually. BAE Systems did not comply with the provisions of the development agreement that required them to provide adequate documentation in order to receive reimbursements for eligible activities from the LDFA.

(Project 1)

Chrysler Sterling Heights Assembly Paint Shop Chrysler Group LLC (Chrysler) invested approximately \$850 million in an all new, 425,000 square-foot paint shop at the Sterling Heights Assembly Plant. This project revived the plant, previously slated for closure. This project retained 1,300 jobs and created 900 additional new jobs, not to mention thousands of indirect jobs through suppliers and support industries in the community. The new paint shop enables production of a variety of vehicles with new, state-of-the-art equipment and an eco-friendly focus. The project resulted in \$21,357,363 million of increased taxable value upon completion, and an associated local tax increment of approximately \$239,097 per year. Supported by a tax abatement from the City, the project revenue will increase upon expiration of this abatement in 2024 to a projected value of approximately \$478,193.

Chrysler Sterling Heights Assembly Body Shop Chrysler invested a total of \$165 million to add a new one million square-foot body shop to the Sterling Heights Assembly Plant, including the addition of new equipment that made the facility the most advanced in the industry. The new Body Shop replaced the existing outdated shop on the site and compliment the investment at the Paint shop, further securing the future of this site as a premier assembly location for Chrysler and securing the retention of jobs at this location. The project resulted in \$16,498,252 million increase of taxable value upon completion, and an associated local tax increment of approximately \$184,699 per year, and will increase to \$369,398 when the tax abatement expires. The BAE project will generate increased tax increment revenues from the available school millages (Macomb ISD millage, Stated Education millage, and Local schools millage). The Chrysler projects will also generate tax increment revenues from all both local and school millages. These revenue sources will be made available to the LDFA to fund SmartZone activities under Public act 281 of 1986. Without the support of the tax

increment funds, it would not be possible to support the Incubator and achieve the goals of creating jobs and companies that are critical to economic development goals without the plan.

The Third Plan

- **TIF Revenue Project 3: Chrysler Sterling Heights Assembly Body Shop (Funds Project 2 SmartZone Activities and Project 3 LDFA Districtwide Improvements)**

Data presented in the attached Table 3 represents the anticipated capture on the taxable value for the District through the year 2025 from the TIF Revenue Project 3: Chrysler Sterling Heights Assembly Body Shop. The base year, assessment year December 31, 2011 (Fiscal Year 2009/2010), Taxable Value for the District is \$19,872,400. The basic assumptions in this table are a 0% annual inflationary growth, and increment value ramping up to \$30 million by tax year 2014. Tax increment from this project is projected to be approximately \$708,000. However, if the amount not to exceed \$500,000 needed to cover TIF Expenditure Project 2 SmartZone Activities is reached by the combined TIF from TIF Revenue Project 1: BAE Systems project and TIF Revenue Project 2: Chrysler Paint Shop project, no TIF revenue will be derived from the Body Shop investment.

The Third Plan - The LDFA will no longer be subject to a not to exceed amount for TIF capture.

- **TIF Revenue Project 4: Sterling Enterprise Park (Funds Project 2 SmartZone Activities and Project 3 LDFA Districtwide Improvements)**

The TIF Plan will result in a reallocation of tax revenues from the local taxing jurisdictions to the LDFA. The effect of this reallocation of revenue on all taxing bodies affected is detailed in Tables 10 and 11.

Total Potential Expenditure

TIF Expenditure Project 1: BAE Systems

Project 1 will be funded from local millage revenue from TIF Revenue Project 1: BAE Systems. Local millage revenue from this project is solely dedicated to provide for reimbursement of eligible costs associated with the redevelopment of the site at 34201 Van Dyke pursuant to the Original Development Plan and Tax Increment Plan. Local millage revenue dedicated to TIF Expenditure Project 1 is not a part of the not to exceed amount of \$500,000 and reimbursement of expenses will be limited to actual TIF Capture from local millages. Projected amount of local millage revenue from TIF Revenue Project 1: BAE Systems is reflected in Table 5 (Local Capture) and Table 6 (School Capture).

** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.*

TIF Expenditure Project 2: SmartZone Activities

Of the “not to exceed” amount of \$500,000, up to \$285,000 per year of the total will be provided for the SmartZone Activities. The amount of up to \$285,000 will include building related expenses and incubator administration at 6633 18 Mile Road. The balance, up to \$215,000, may be provided annually for SmartZone activities, including reimbursement of up to 33% of Sterling Heights Economic Development Department personnel costs associated with the administration and management of the SmartZone, and other administrative and marketing costs.

The Third Plan - The LDFA will no longer be subject to a not to exceed amount for TIF capture.

Third Amended and Restated Plan -The estimated total cost for the implementation of Project 2 is approximately \$38,500,000 as outlined in Chart 7 for Incubator Operations and Administration, facility improvements, infrastructure improvements, marketing, and programs dedicated to entrepreneurs. As new projects occur within the certified technology park that require local redevelopment incentives, it has been the goal of the Sterling Heights LDFA to amend this plan to add school tax capture from these new projects. Revenue generated from the BAE Systems Project, The Chrysler Assembly Paint and Body Shop, and Sterling Enterprise Park fund SmartZone Related Activities.

Chart 6- TIF Capture Breakdown of Not To Exceed Amount (Per Third Plan – this is no longer applicable)

Project	Annual TIF Amount
Macomb-OU Incubator	\$285,000
SmartZone Administration, Management, and Marketing and Personnel Expense	\$215,000
TOTAL NOT TO EXCEED AMOUNT	\$500,000*

Chart 7 - Summary of TIF Revenue and TIF Expenditure (Per Third Plan – this is no longer applicable)

TIF Revenue Project	TIF Expenditure Project	Amount
Project 1: BAE Systems (local) →	Project 1: BAE Systems	Limited to amount of local TIF
Project 1. BAE Systems (school) Project 2: Chrysler SHAP Paint Shop } → Project 3. Chrysler SHAP Body Shop	Project 2: SmartZone Activities	Limited to combined amount not to exceed \$500,000

Section 12(e) The maximum amount of note or bonded indebtedness to be incurred. (MCL 125.2162)(e)).

TIF Expenditure Project 1: BAE Systems Land and Armaments L.P.

Certain state, federal, and local grants, loans, loan guarantees and other funding sources will be pursued for financing the projects approved for the District. The Development Plan can be financed through the authorization, issuance, and sale of revenue bonds, general obligation bonds and tax increment bonds. It is expected that the LDFA will be implemented on a “pay-as-you-go” basis as tax increment revenues are transmitted to the LDFA on an annual basis. The LDFA intends to create a project fund to deposit captured tax increment revenues to be used to finance the projects described in the Development Plan as sufficient funds become available. A bond for this project is unlikely; however, if the scenario were to occur the city will incur not to exceed the amount of projected TIF Revenue at that time in bond indebtedness, subject to inflationary increases, to finance a portion of the projects, or improvements.

** The LDFA has no further obligation to pay costs relating to the BAE Land and Armaments L.P. and the TIF Revenue generated from the BAE Land and Armaments L.P. will be used to pay for eligible activities in other areas of the LDFA district to be better described in Chart 2 and Chart 3.*

TIF Expenditure Project 2: SmartZone Activities

Certain state, federal, and local grants, loans, loan guarantees and other funding sources will be pursued for financing the projects approved for the District. The Development Plan can be financed through the authorization, issuance, and sale of revenue bonds, general obligation bonds and tax increment bonds. It is expected that the LDFA will be implemented on a “pay-as-you-go” basis as tax increment revenues are transmitted to the LDFA on an annual basis. The LDFA intends to create a project fund to deposit captured tax increment revenues to be used to finance the projects described in the Development Plan as sufficient funds become available. Operations expenses such as personnel costs are not bond eligible expenses.

The estimated total cost for the implementation of Project 2 is approximately \$29,000,000 as outlined in Chart 6 for Incubator Operations and Administration, facility improvements, infrastructure improvements, marketing, and programs dedicated to entrepreneurs. As new projects occur within the certified technology park that require local redevelopment incentives, it has been the goal of the Sterling Heights LDFA to amend this plan to add school tax capture from these new projects. Revenue generated from the BAE Systems Project, The Chrysler Assembly Paint and Body Shop, and Sterling Enterprise Park fund SmartZone Related Activities.

TIF Expenditure Project 4: Sterling Enterprise Park

The original projected total cost for the implementation of the project as outlined in Chart 7 above is approximately \$38,000,000 as outlined in Chart 8. This amount represents broad category estimates for infrastructure improvements throughout the LDFA district, not just one singular parcel. Establishing a large estimate gives the LDFA ultimate flexibility to spend within the categories up to the amount based on available revenues or potential bonding. Given the credit of the City, the Authority is confident that financing could be arranged on terms favorable to the LDFA should the project require a bond issue. Revenue generated from the BAE Systems Project, The Chrysler Assembly Paint and Body Shop, and Sterling Enterprise Park fund LDFA District Improvements.

Section 12(f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid by tax increment financing. (MCL 125.2162)(f)).

Plan for TIF Expenditure Project 1: BAE Systems Land and Armaments L.P

The city will use tax increment funds to pay or reimburse the city for operating and planning expenditures related to the creation of the Local Development Finance Authority and the tax increment finance and development plans. The estimated cost of the expenditures is \$30,000.

Plan for TIF Expenditure Project 2: SmartZone Activities

The City will be reimbursed for tax increment funds for reasonable costs for personnel time necessary to support the SmartZone activities, up to 33%, and related SmartZone administration, management, etc. Chart 4 details projected expenditures of the TIF funds including allocations for City cost reimbursement.

Per the Third Plan \$3.5 million is dedicated to administrative, operations, and planning.

Plan for TIF Expenditure Project 3: LDFA District Wide Improvements

The budgeted amount for planning is \$500,000.

Section 12(g) The costs of the plan anticipated to be paid from tax increment revenues as received. (MCL 125.2162)(g)).

All of the costs of the public facilities identified in the development plan for TIF Expenditure Projects 1-4 are to be paid from tax increment revenues.

Section 12(h) The duration of the development plan and tax increment plan. (MCL 125.2162)(h)).

Project 1: BAE Systems Land and Armaments L. P.

The duration of the Original Plan is 13 years or until the anticipated costs of the plan has been reimbursed to the eligible entity, pursuant to the Original Development Plan and Tax Increment Finance Plan. Additionally, all bond indebtedness issued to fund LDFA projects and paid directly or indirectly from captured tax increment revenues will be retired commencing on its adoption by the City Council in February 2008 and terminating at the end of the LDFA's fiscal year on June 30, 2022 unless the Development Plan and TIF Plan are amended to extend or shorten its duration.

Project 2: SmartZone Activities

The duration of this Development Plan and Tax Increment Finance Plan is 15 years as permitted by Public Act 281 of 1986. Local and State school millage capture for Certified Technology Parks cannot extend beyond this time period. The end date for the Tax Increment Finance Plan for the Certified Technology Park is anticipated to be 2025 based on the ratified agreement with the State (Appendix p 60-61)

Project 3: LDFA Districtwide Improvements (Sterling Enterprise Park)

The duration of the Third Plan is 20 years starting in 2016 and ending in 2036.

Section 12(i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located. (MCL 125.2162)(i)).

TIF Expenditure Project 1: BAE Systems Land and Armaments L.P.

The impact on local tax millages resulting from TIF Revenue Project 1: BAE Systems to fund TIF Expenditure Project 1: BAE Systems (in order to reimburse for eligible expenses needed to redevelop the property) is unchanged by The Second Plan

TIF Expenditure Project 2: SmartZone Activities

See Attached Revised Table 8 for Combined Tax Increment Revenue captured from all taxing jurisdictions. This table is based on an assumption that the actual TIF capture will not exceed \$500,000 to fund TIF Expenditure Projects 2 and that achieving this capture will not require capture of TIF resulting from the Chrysler Sterling Heights Assembly Body Shop (TIF Revenue Project 3), and will require less than 100% of the TIF Capture from the Sterling Heights Assembly Paint Shop (TIF Revenue Project 2)

Per The Third Amended and Restated Plan there is no longer a “not to exceed” limitation on TIF capture. Please see Table 11 for the impact on school capture as it relates to Project 4 – Sterling Enterprise Park.

TIF Expenditure Project 3: LDFA Districtwide Improvements

See attached Table 10 for the impact of local millages resulting in new tax capture. See attached Table 11 for the impact of school millages resulting in new tax capture.

Section 12(j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property. (MCL 125.2162)(j)).

TIF Revenue Project 1: BAE Systems Land and Armaments L. P.

This site is located within the LDFA District generally West of Van Dyke Avenue, North of 14 Mile and South of 15 Mile.

Parcel ID Number:
10-33-276-004

Parcel Address:
34201 Van Dyke

Parcel Description:

THAT PART OF LAND IN THE NORTHEAST 1/4 OF SECTION 33, TOWN 2 NORTH, RANGE 12 EAST, CITY OF STERLING HEIGHTS, MACOMB COUNTY, MICHIGAN
T2N, R12E, SEC 33; S 60.0 ACRES OF E 1/2 OF NE 1/4; EXC THAT PART LYING N OF LINE DESC AS FOLL; COMM AT NE COR SEC 33; TH S01*40'23"E 891.36 FT ALG E SEC LINE TO POB; TH S88*10'34"W 1340.39 FT TO POE, EXC THAT PART FOR VAN DYKE; ALSO BEG AT SW COR OF E 1/2 OF NE 1/4 SEC 33; TH N88*44'40"W 1004.32 FT; TH N02*21'40"W 1313.12 FT; TH S89*13'20"E 997.94 FT; TH S02*04"W 1321.34 FT TO POB. 81.60 A. SPLIT FROM 1033276002 FOR 1988

TIF Revenue Projects 2 & 3: Chrysler Sterling Heights Assembly Plant

This site is located within the LDFA district at 38111 Van Dyke generally located west of Van Dyke Avenue, north of Metro Parkway, and south of 17 Mile Road.

Parcel ID Number:
10-21-400-012

Parcel Address:
38111 Van Dyke
Zip Code: 48312

Parcel Description:

T2N, R12E, SEC 21 E 1/2 OF SEC 21, EXC M.C.R.R. R/W; ALSO EXC BEG AT SE COR SEC 21; TH N0*10'W 330.0 FT; TH S89*17'00"W 665.20 FT; TH S00*06'00"W 330.0 FT; TH N89*17'00"E 666.0 FT TO POB; ALSO EXC M-53 R/W DESC AS BEG AT NE COR SEC 21; TH S01*28'59"E 2688.46 FT; TH S02*00'29"E 2288.07 FT; TH S87*16'37"W 77.0 FT; TH N02*00'29"W 2288.07 FT; TH N88*07'16"E 478.41 FT TO POB; ALSO EXC COM AT SE COR SEC 21; TH W 660.0 FT TO POB; TH N00*06'00"E 60.01 FT; TH S89*20'50"W 1951.12 FT; TH S00*09'20"W 60.01 FT; TH N89*20'50"E 1951.18 FT TO POB; ALSO EXC COMM AT INTERSECTION OF S SEC LINE & E R/W LINE OF M.C.R.R.; TH N00*09'20"E 60.01 FT TO POB; TH N00*09'20"E 600.0 FT; TH N89*20'50"E 490.0 FT; TH S00*09'20"W 600.0 FT; TH S89*20'50"W 490.0 FT TO POB. ALSO EXC: T2N, R12E SEC 21 COMM AT NE 1/4 COR SEC 21; TH S01*29'12"E 60.0 FT; TH S88*07'16"W 110.0 FT TO POB; TH S01*29'12"E 391.45 FT; TH S88*31'01"W 143.14 FT; TH N01*28'59"W 110.0 FT; TH N46*40'52"W 141.58 FT; TH S88*07'16"W 195.0 FT; TH N01*52'44"W 180.0 FT; TH N88*07'16"E 439.82 FT TO POB. SPLIT FROM -008 FOR 2002

Project 4: Sterling Enterprise Park 7191 Seventeen Mile Road

The site is located along Seventeen Mile Road, which acts as the southern boundry. Adjacent and contiguous to the east, by a small amount of frontage, is Van Dyke. Ford Axel Facility is immediately adjacent to the west, which is bounded by the Conrail service line.

Parcel ID Number:

10-16-401-005-000

Parcel Description

T2N, R12E SEC 16 COMM AT SE COR SEC 16; TH N89*23'00"W 1325.88 FT TO POB; TH N89*23'00"W 1309.05 FT; TH N00*06'37"E 2598.68 FT; TH N00*00'57"E 1317.08 FT; TH S89*36'02"E 1329.40 FT; TH S00*29'29"W 1314.36 FT; TH S00*21'08"W 33.63 FT; TH S89*24'55"E 241.86 FT; TH S38*57'44"E 168.59 FT; TH N89*24'55"W 348.67 FT; TH S00*21'08"W 660.99 FT; TH S89*28'16"E 596.50 FT; TH S00*10'24"W 99.30 FT; TH S89*11'13"E 411.84 FT; TH S00*10'00"W 65.0 FT; TH S89*30'28"E 222.86 FT; TH S00*40'23"W 327.65 FT; TH N88*52'45"W 554.92 FT; TH S00*41'01"W 905.65 FT; TH N89*23'00"W 167.27 FT; TH N00*33'33"E 260.00 FT; TH S89*23'00"W 335.17 FT; TH N00*21'24"E 42.98 FT; TH S59*19'00"W 195.74 FT; TH S00*14'00" W 590.24 FT TO POB. 142.36 AC. 02-21-05: Split/Comb 10-16-476-008 & 10-16-401-004 into 10-16-476-029 & 10-16-401-005

Parcel ID

10-16-426-021-000

Parcel Description

T2N, R12E, SEC 16: COMM AT E 1/4 COR SEC 16; TH S 925.0 FT ALG E SEC LINE; TH S89*53'56"W 355.0 FT TO POB; TH CONT S89*53'56"W 385.16 FT; TH N00*24'42"W 100.0 FT; TH S89*53'56"W 598.62 FT; TH N00*10'25"W 495.0 FT; TH N89*53'56"E 986.0 FT; TH S 595.0 FT TO POB. 12.08 AC SPLIT & COMB FROM -006, -015, -017 & -019 FOR 1997

Section 12(k) An estimate of the number of jobs to be created as a result of implementation of the tax increment-financing plan. (MCL 125.2162)(k)).

TIF Expenditure Project 1: BAE Systems Land and Armaments L.P.

BAE Systems announced that 600 high tech jobs would be created at the site after completion with an average annual wage of \$82,000.

TIF Expenditure Project 2: SmartZone Activities

It is projected that by 2016 the Macomb OU-INCubator (now referred to as SmartZone activities under the Third Amended and Restated Plan) will serve 45 companies creating up to 609 direct jobs and an additional 305 indirect jobs for a total impact of 914 jobs for the local community. Various SmartZone activities will compliment and support Macomb-OU Incubator in achieving this goal.

TIF Expenditure Project 3: LDFA Districtwide Improvements (Sterling Enterprise Park)

It is anticipated that 1,500 jobs will be created at Sterling Enterprise Park upon completion. It is also anticipated that after undertaken improvements throughout the LDFA district that another 1,000 jobs will be created over 20 years.

Section 12(l) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, an identification of the real property within the certified technology park to be included in the tax increment financing plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park is exempt from determining tax increment revenues. (MCL 125.2162)(l)).

The legal description of the Certified Technology Park is described below and attached as Map 1:

Section 4:

The East half of the West half of Section 4, Also Parcel Numbers 10-04-251-004, 10-04-401-001, 10-04-451-002, 10-04-451-003, 10-04-451-005, 10-04-451-006

Section 8:

Parcel Numbers 10-08-426-009, 10-08-426-014, 10-08-426-016, 10-08-476-010, 10-08-476-004, 10-08-476-013, 10-08-476-012, 10-08-476-011

Section 9:

All of Section 9 *Excluding* the following Parcel Numbers 10-09-226-011, 10-09-200-040, 10-09-200-045, 10-09-200-046, 10-09-200-011, 10-09-200-031, 10-09-200-044, 10-09-200-043, 10-09-200-016, 10-09-200-010, 10-09-277-007, 10-09-276-016, 10-09-200-028

All of Section 16

Section 17:

All of the platted subdivision named Parkridge Industrial Sub. No. 1, Parkridge Industrial Sub. No. 2, Parkridge Industrial Sub. No. 3, and Parkridge Industrial Sub. No. 4

Also Parcel Numbers 10-17-200-007, 10-17-226-032, 10-17-226-004, 10-17-226-045, 10-17-226-046, 10-17-226-047, 10-17-226-048, 10-17-226-049, 10-17-276-006, 10-17-276-006, 10-17-200-006, 10-17-276-008

All of Section 21

All of Section 28

All of Section 33

The property to which the tax increment finance plan applies for purpose of determining tax increment revenues is the real property for TIF Revenue Project 1:BAE Systems, TIF Revenue Project 2: Chrysler Sterling Heights Assembly Paint Shop, and TIF Revenue Project 3: Chrysler Sterling Heights Assembly Body Shop described in section 12(j). Within the Certified Technology Park boundaries other tax increment finance plans will likely be approved on a project-by-project basis. Personal property is exempt from capture from the tax increment finance plan.

5.0 Appendix

Table 1
Estimated Capture Value
TIF Revenue Project 1
BAE Systems

Tax Year	Fiscal Year Ending	New Taxable Value	Base Year Amount*	Captured Value (A.K.A. Increment Value)
2011	2012	6,676,651	3,921,700	2,754,950
2012	2013	13,695,050	3,921,700	9,773,350
2013	2014	16,018,950	3,921,700	12,097,250
2014	2015	16,018,950	3,921,700	12,097,250
2015	2016	16,018,950	3,921,700	12,097,250
2016	2017	16,018,950	3,921,700	12,097,250
2017	2018	16,018,950	3,921,700	12,097,250
2018	2019	16,018,950	3,921,700	12,097,250
2019	2020	16,018,950	3,921,700	12,097,250
2020	2021	16,018,950	3,921,700	12,097,250
2021	2022	16,018,950	3,921,700	12,097,250
2022	2023	16,018,950	3,921,700	12,097,250
2023	2024	16,018,950	3,921,700	12,097,250
2024	2025	16,018,950	3,921,700	12,097,250
2025	2026	16,018,950	3,921,700	12,097,250

Updated Information as of Dec. 31 2015

Taxable Value - \$13,270,800

Increment Value - \$4,116,500 (IFEC Value)

Table 2
 Estimated Capture of Value
 TIF Revenue Project 2: Chrysler Sterling Heights Assembly Paint Shop

Tax Year	Fiscal Year Ending	New Taxable Value	Base Year Amount*	Captured Value (A.K.A. Increment Value)
2013	2014	52,800,000	19,827,400	32,972,600
2014	2015	52,800,000	19,827,400	32,972,600
2015	2016	52,800,000	19,827,400	32,972,600
2016	2017	52,800,000	19,827,400	32,972,600
2017	2018	52,800,000	19,827,400	32,972,600
2018	2019	52,800,000	19,827,400	32,972,600
2019	2020	52,800,000	19,827,400	32,972,600
2020	2021	52,800,000	19,827,400	32,972,600
2021	2022	52,800,000	19,827,400	32,972,600
2022	2023	52,800,000	19,827,400	32,972,600
2023	2024	52,800,000	19,827,400	32,972,600
2024	2025	52,800,000	19,827,400	32,972,600
2025	2026	52,800,000	19,827,400	32,972,600

Updated Information as of Dec. 31 2015

Taxable Value \$21,357,363

Tax Increment Value \$10,678,682 (IFEC Value)

The Base Year Amount for the FCA Paint Facility should be \$0. Previously \$19,827,400 was mistakenly used as the base value.

Table 3
 Estimated Capture of Value
 TIF Revenue Project 3: Chrysler Sterling Heights Assembly Body Shop

Tax Year	Fiscal Year Ending	New Taxable Value	Base Year Amount*	Captured Value (A.K.A. Increment Value)
2014	2015	50,300,000	19,827,400	30,472,600
2015	2016	50,300,000	19,827,400	30,472,600
2016	2017	50,300,000	19,827,400	30,472,600
2017	2018	50,300,000	19,827,400	30,472,600
2018	2019	50,300,000	19,827,400	30,472,600
2019	2020	50,300,000	19,827,400	30,472,600
2020	2021	50,300,000	19,827,400	30,472,600
2021	2022	50,300,000	19,827,400	30,472,600
2022	2023	50,300,000	19,827,400	30,472,600
2023	2024	50,300,000	19,827,400	30,472,600
2024	2025	50,300,000	19,827,400	30,472,600
2025	2026	50,300,000	19,827,400	30,472,600

Updated Information as of Dec. 31 2015

Taxable Value - \$16,498,251

Tax Increment Value - \$8,249,126 (IFEC Value)

Table 4
 Estimated Capture of Value
 TIF Revenue Project 4: Sterling Enterprise Park

Year	Fiscal Year	Initial Taxable Value *	Building Taxable Value	Tax Increment Value Assuming 50% Abatement	Land Taxable Value	Total New Taxable Value	Tax Increment Value
1	2015/2016	\$ 2,818,200.00			\$ 4,760,536.00	\$ 4,760,536.00	\$ 1,942,336.00
2	2016/2017	\$ 2,818,200.00			\$ 7,180,536.00	\$ 7,180,536.00	\$ 4,362,336.00
3	2017/2018	\$ 2,818,200.00	\$10,000,000.00	\$ 5,000,000.00	\$ 9,600,536.00	\$ 14,600,536.00	\$ 11,782,336.00
4	2018/2019	\$ 2,818,200.00	\$20,500,000.00	\$ 10,250,000.00	\$ 10,080,562.80	\$ 19,850,536.00	\$ 17,032,336.00
5	2019/2020	\$ 2,818,200.00	\$31,525,000.00	\$ 15,762,500.00	\$ 10,584,590.94	\$ 25,363,036.00	\$ 22,544,836.00
6	2020/2021	\$ 2,818,200.00	\$43,101,250.00	\$ 21,550,625.00	\$ 11,113,820.49	\$ 31,151,161.00	\$ 28,332,961.00
7	2021/2022	\$ 2,818,200.00	\$55,256,312.50	\$ 27,628,156.25	\$ 11,669,511.51	\$ 37,228,692.25	\$ 34,410,492.25
8	2022/2023	\$ 2,818,200.00	\$58,019,128.13	\$ 29,009,564.06	\$ 12,252,987.09	\$ 38,610,100.06	\$ 35,791,900.06
9	2023/2024	\$ 2,818,200.00	\$60,920,084.53	\$ 30,460,042.27	\$ 12,865,636.44	\$ 40,060,578.27	\$ 37,242,378.27
10	2024/2025	\$ 2,818,200.00	\$63,966,088.76	\$ 31,983,044.38	\$ 13,508,918.26	\$ 41,583,580.38	\$ 38,765,380.38
11	2025/2026	\$ 2,818,200.00	\$67,164,393.20	\$ 33,582,196.60	\$ 14,184,364.18	\$ 43,182,732.60	\$ 40,364,532.60
12	2026/2027	\$ 2,818,200.00	\$70,522,612.86	\$ 35,261,306.43	\$ 14,893,582.39	\$ 44,861,842.43	\$ 42,043,642.43
13	2027/2028	\$ 2,818,200.00	\$74,048,743.50	\$ 37,024,371.75	\$ 15,638,261.50	\$ 46,624,907.75	\$ 43,806,707.75
14	2028/2029	\$ 2,818,200.00	\$77,751,180.67	\$ 38,875,590.34	\$ 16,420,174.58	\$ 48,476,126.34	\$ 45,657,926.34
15	2029/2030	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85
16	2030/2031	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85
17	2031/2032	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85
18	2032/2033	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85
19	2034/2035	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85
20	2035/2036	\$ 2,818,201.00	\$81,638,739.71	\$ 40,819,369.85	\$ 17,241,183.31	\$ 50,419,905.85	\$ 47,601,705.85

Table 5a Estimated Tax Increment Revenue from Local Millages –Project 1: BAE Systems

Tax Year	Fiscal Year Ending	New Taxable Value	Base Value	Tax Increment Value	City	Macomb County	County Zoo Authority	Veterans Operations	HCMA	SMART	Macomb Community College Operating	TIF Revenue	
2009	2010	3,832,200	3,921,700	0	0	0	0	0	0	0	0	0	
2010	2011	3,331,600	3,921,700	0	0	0	0	0	0	0	0	0	
2011	2012	6,676,650	3,921,700	2,754,950	8,736	3,146	69	28	148	406	979	13,512	
2012	2013	13,695,050	3,921,700	9,773,350	30,993	11,162	244	98	524	1,442	3,472	47,936	
2013	2014	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2014	2015	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2015	2016	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2016	2017	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2017	2018	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2018	2019	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2019	2020	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2020	2021	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2021	2022	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2022	2023	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2023	2024	16,018,950	3,921,700	12,097,250	38,363	13,817	302	121	649	1,784	4,298	59,334	
2024*	2025	16,018,950	3,921,700	12,097,250	76,726	27,633	605	242	1,298	3,569	8,596	118,669	
2025	2026	16,018,950	3,921,700	12,097,250	76,726	27,633	605	242	1,298	3,569	8,596	118,669	
					TOTAL	615,172	221,557	4,850	1,940	10,407	28,613	68,924	951,463

*This project has a PA 198 tax abatement that will expire in 2024.

Table 5b Updated 2016 –Project 1: BAE Systems

Local Tax Capture - BAE Facility									
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>City</u>	<u>County</u>	<u>Macomb Community College</u>	<u>Huron Clinton Metro Authority</u>	<u>S.M.A.R.T</u>	<u>Total Annual Capture</u>
				0.0150736	0.0045685	0.0014212	0.0002146	0.001	
1	2016/2017	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
2	2017/2018	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
3	2018/2019	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
4	2019/2020	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
5	2020/2021	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
6	2021/2022	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
7	2022/2023	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
8	2023/2024	\$ -	\$ 4,116,500.0	\$ 62,050	\$ 18,806	\$ 5,850	\$ 883	\$ 4,117	\$ 91,707
9	2024/2025	\$ -	\$ 7,020,100.0	\$ 105,818	\$ 32,071	\$ 9,977	\$ 1,507	\$ 7,020	\$ 156,393
10	2025/2026	\$ -	\$ 7,020,100.0	\$ 105,818	\$ 32,071	\$ 9,977	\$ 1,507	\$ 7,020	\$ 156,393
				\$ 708,040	\$ 214,592	\$ 66,757	\$ 10,080	\$ 46,972	\$ 1,046,442

Table 6a- Estimated Tax Increment Revenue from School Millages –Project 1: BAE Systems “Original Plan”

Tax Year	Fiscal Year Ending	New Taxable Value	Base Value	Tax Increment Value	Warren Consolidated School	Macomb County ISD	State Education Tax	SHLDFA Revenue
2011	2012	6,676,650	3,921,700	2,754,950	\$12,397	\$2,027	\$8,265	\$22,689
2012	2013	13,695,050	3,921,700	9,773,350	\$43,980	\$7,191	\$29,320	\$80,491
2013	2014	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2014	2015	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2015	2016	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2016	2017	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2017	2018	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2018	2019	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2019	2020	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2020	2021	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2021	2022	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2022	2023	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2023	2024	16,018,950	3,921,700	12,097,250	\$54,438	\$8,901	\$36,292	\$99,630
2024*	2025	16,018,950	3,921,700	12,097,250	\$108,875	\$17,801	\$36,292	\$162,968.10
2025	2026	16,018,950	3,921,700	12,097,250	\$108,875	\$17,801	\$36,292	\$162,968.10
				TOTAL	\$872,945	\$142,731	\$509,381	\$1,525,046

*This project has a PA 198 tax abatement that will expire in 2024. The State Education Tax was not abated.

Table 6b – 2016 Updated School TIF Capture – BAE Systems

School Tax Capture - FCA Paint Facility							
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>Local Schools</u>	<u>Macomb Intermediate School District</u>	<u>State Education</u>	<u>Total Annual Capture</u>
				0.009	0.002943	0.003	
1	2016/2017	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
2	2017/2018	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
3	2018/2019	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
4	2019/2020	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
5	2020/2021	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
6	2021/2022	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
7	2022/2023	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
8	2023/2024	\$ -	\$ 4,116,500.0	\$ 37,049	\$ 12,115	\$ 12,350	\$ 61,513
9	2024/2025	\$ -	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
10	2025/2026	\$ -	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901

Table 6c –15 Year SmartZone Extension – BAE Systems

SmartZone Extension Projections						
<u>Year</u>	<u>Fiscal Year</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>Local School</u>	<u>State Education</u>	<u>Macomb Intermediate School District</u>	<u>Total Annual Capture</u>
11	2026/2027	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
12	2027/2028	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
13	2028/2029	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
14	2029/2030	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
15	2030/2031	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
16	2031/2032	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
17	2032/2033	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
18	2033/2034	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
19	2034/2035	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
20	2035/2036	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
21	2035/2037	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
22	2035/2038	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
23	2035/2039	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
24	2035/2040	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
25	2035/2041	\$ 7,020,100.0	\$ 63,181	\$ 20,660	\$ 21,060	\$ 104,901
			\$ 947,714	\$ 309,902	\$ 315,905	\$ 1,573,520

Table 7a Estimated TOTAL Tax Increment Revenue – TIF Revenue Project 2: Chrysler Sterling Heights Assembly Plant Paint Shop “Second Plan”

Tax Year	Fiscal Year Ending	New Taxable Value	Base Value	Captured Value A.K.A. Increment Value	City	Utica Comm. School (Sum. + Win.)	Macomb County ISD	Macomb County	County Zoo Authority	Veterans Operations	HCMA	SMART	MCC	State Education Tax	TIF Revenue
2013	2014	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2014	2015	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2015	2016	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2016	2017	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2017	2018	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2018	2019	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2019	2020	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2020	2021	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2021	2022	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2022	2023	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2023	2024	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2024	2025	52,800,000	19,827,400	32,972,600	104,563	147,813	24,260	37,659	824	330	1,769	4,863	11,715	98,918	432,713
2025	2026	52,800,000	19,827,400	32,972,600	209,125	295,626	48,519	75,318	1,649	659	3,538	9,727	23,430	98,918	766,509
TOTAL					1,463,881	2,069,382	339,639	527,226	11,537	4,619	24,766	68,083	164,010	1,285,934	5,959,065

*This project has a PA 198 tax abatement that will expire in 2025. The State Education Tax was not abated.

Table 7b – Updated 2016 Local Capture – FCA Paint Facility

Local Tax Capture - FCA Paint Facility									
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>City</u>	<u>County</u>	<u>Macomb Community College</u>	<u>Huron Clinton Metro Authority</u>	<u>S.M.A.R.T</u>	<u>Total Annual Capture</u>
				0.0151858	0.0045685	0.0014212	0.0002146	0.001	
1	2016/2017	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
2	2017/2018	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
3	2018/2019	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
4	2019/2020	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
5	2020/2021	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
6	2021/2022	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
7	2022/2023	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
8	2023/2024	\$ -	\$ 10,678,682	\$ 162,164	\$ 48,786	\$ 15,177	\$ 2,292	\$ 10,679	\$ 239,097
9	2024/2025	\$ -	\$ 21,357,363.0	\$ 324,329	\$ 97,571	\$ 30,353	\$ 4,583	\$ 21,357	\$ 478,193
10	2025/2026	\$ -	\$ 21,357,363.0	\$ 324,329	\$ 97,571	\$ 30,353	\$ 4,583	\$ 21,357	\$ 478,193
				\$ 1,945,972	\$ 585,427	\$ 182,119	\$ 27,500	\$ 128,144	\$ 2,869,161

Table 7c – 2016 Updated School TIF Capture – FCA Paint Facility

School Tax Capture - FCA Paint Facility							
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>City</u>	<u>County</u>	<u>Macomb Intermediate School District</u>	<u>Total Annual Capture</u>
				0.009	0.003	0.002943	
1	2016/2017	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
2	2017/2018	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
3	2018/2019	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
4	2019/2020	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
5	2020/2021	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
6	2021/2022	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
7	2022/2023	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
8	2023/2024	\$ -	\$ 10,678,682	\$ 96,108	\$ 32,036	\$ 31,427	\$ 159,572
9	2024/2025	\$ -	\$ 21,357,363	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
10	2025/2026	\$ -	\$ 21,357,363	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143

Table 7d – 15 year SmartZone Extension – FCA Paint Facility

SmartZone Extension							
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>City</u>	<u>County</u>	<u>Macomb Intermediate School District</u>	<u>Total Annual Capture</u>
11	2026/2027	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
12	2027/2028	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
13	2028/2029	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
14	2029/2030	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
15	2030/2031	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
16	2031/2032	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
17	2032/2033	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
18	2033/2034	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
19	2034/2035	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
20	2035/2036	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
21	2035/2037	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
22	2035/2038	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
23	2035/2039	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
24	2035/2040	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143
25	2035/2041	\$ -	\$ 21,357,363.0	\$ 192,216	\$ 64,072	\$ 62,855	\$ 319,143

Table 8a Estimated TOTAL Tax Increment Revenue – TIF Revenue Project 3: Chrysler Sterling Heights Assembly Plant Body Shop “Second Plan”

Tax Year	Fiscal Year Ending	New Taxable Value	Base Value	Captured Value A.K.A. Increment Value	City	Utica Comm. School (Sum. + Win.)	Macomb County ISD	Macomb County	County Zoo Authority	Veterans Operations	HCMA	SMART	MCC	State Education Tax	TIF Revenue	
2014	2015	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2015	2016	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2016	2017	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2017	2018	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2018	2019	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2019	2020	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2020	2021	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2021	2022	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2022	2023	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2023	2024	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2024	2025	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
2025	2026	50,300,000	19,827,400	30,472,600	193,284.65	273,211	44,840	69,607	1,524	609	3,270	8,989	21,654	91,418	\$708,407	
					TOTAL	\$543,331.50	\$3,278,535	\$538,085	\$835,284	\$18,284	\$7,313	\$39,237	\$107,873	\$259,846	\$1,097,014	\$8,500,880

*This project does not have a real property tax abatement as of the time this plan was prepared.

Table 8b – 2016 Updated Local TIF Capture – FCA Body Shop

Local Tax Capture - FCA Body Shop									
<u>Year</u>	<u>Fiscal Year</u>	<u>Initial Taxable Value</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>City</u>	<u>County</u>	<u>Macomb Community College</u>	<u>Huron Clinton Metro Authority</u>	<u>S.M.A.R.T</u>	<u>Total Annual Capture</u>
				0.0151858	0.0045685	0.0014212	0.0002146	0.001	
1	2016/2017	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
2	2017/2018	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
3	2018/2019	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
4	2019/2020	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
5	2020/2021	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
6	2021/2022	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
7	2022/2023	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
8	2023/2024	\$ -	\$ 8,249,126	\$ 125,270	\$ 37,686	\$ 11,724	\$ 1,770	\$ 8,249	\$ 184,699
9	2024/2025	\$ -	\$ 16,498,252	\$ 250,539	\$ 75,372	\$ 23,447	\$ 3,541	\$ 16,498	\$ 369,398
10	2025/2026	\$ -	\$ 16,498,252	\$ 250,539	\$ 75,372	\$ 23,447	\$ 3,541	\$ 16,498	\$ 369,398
				\$ 1,503,235	\$ 452,234	\$ 140,684	\$ 21,243	\$ 98,990	\$ 2,216,385

Table 8c – 2016 Updated School TIF Capture – FCA Body Shop

School Tax Capture - FCA Body Shop						
<u>Year</u>	<u>Fiscal Year</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>Local Schools</u>	<u>Stated Education</u>	<u>Macomb Intermediate School District</u>	<u>Total Annual Capture</u>
			0.009	0.003	0.002943	
1	2016/2017	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
2	2017/2018	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
3	2018/2019	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
4	2019/2020	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
5	2020/2021	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
6	2021/2022	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
7	2022/2023	\$ 8,249,126	\$ 74,242	\$ 24,747	\$ 24,277	\$ 123,267
8	2023/2024	\$ 16,498,251.0	\$ 148,484	\$ 49,495	\$ 48,554	\$ 246,533
9	2024/2025	\$ 16,498,251.0	\$ 148,484	\$ 49,495	\$ 48,554	\$ 246,533
10	2025/2026	\$ 16,498,251.0	\$ 148,484	\$ 49,495	\$ 48,554	\$ 246,533

Table 8d – 15 Year SmartZone Extension – FCA Body Shop

SmartZone Extension						
<u>Year</u>	<u>Fiscal Year</u>	<u>Tax Increment Value - 50% Abatement</u>	<u>Local Schools</u>	<u>State Education</u>	<u>Macomb Intermediate School District</u>	<u>Total Annual Capture</u>
11	2026/2027	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
12	2027/2028	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
13	2028/2029	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
14	2029/2030	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
15	2030/2031	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
16	2031/2032	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
17	2032/2033	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
18	2033/2034	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
19	2034/2035	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
20	2035/2036	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
21	2035/2037	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
22	2035/2038	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
23	2035/2039	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
24	2035/2040	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533
25	2035/2041	\$ 16,498,251.0	\$148,484	\$ 49,495	\$ 48,554	\$246,533

Table 9a projected local tax increment revenues from TIF Revenue Project 4: Sterling Enterprise Park.

Local Tax Capture - Sterling Enterprise Park																
Year	Assessment Year*	Fiscal Year	Initial Taxable Value **	Real Property Investment	Building Taxable Value	Tax Increment Value Assuming 50% Abatement	Land Taxable Value	Total New Taxable Value	Tax Increment Value	City	County	Macomb Community College	Huron Clinton Metro Authority	S.M.A.R.T	Total Annual Capture	
										0.0151858	0.0045685	0.0014212	0.0002146	0.001		
1	2015	2016/2017	\$2,863,291				\$ 5,488,600	\$ 5,488,600	\$ 2,625,309	\$ 39,867	\$ 11,994	\$ 3,731	\$ 563	\$ 2,625	\$ 58,781	
2	2016	2017/2018	\$2,863,291				\$ 7,180,536	\$ 7,180,536	\$ 4,317,245	\$ 65,561	\$ 19,723	\$ 6,136	\$ 926	\$ 4,317	\$ 96,664	
3	2017	2018/2019	\$2,863,291	\$ 20,000,000	\$ 10,000,000	\$ 5,000,000	\$ 9,600,536	\$ 14,600,536	\$ 14,600,536	\$ 221,721	\$ 66,703	\$ 20,750	\$ 3,133	\$ 14,601	\$ 326,907	
4	2018	2019/2020	\$2,863,291	\$ 20,000,000	\$ 20,500,000	\$10,250,000	\$10,080,563	\$ 19,850,536	\$ 19,850,536	\$ 301,446	\$ 90,687	\$ 28,212	\$ 4,260	\$ 19,851	\$ 444,455	
5	2019	2020/2021	\$2,863,291	\$ 20,000,000	\$ 31,525,000	\$15,762,500	\$10,584,591	\$ 25,363,036	\$ 25,363,036	\$ 385,158	\$ 115,871	\$ 36,046	\$ 5,443	\$ 25,363	\$ 567,881	
6	2020	2021/2022	\$2,863,291	\$ 20,000,000	\$ 43,101,250	\$21,550,625	\$11,113,820	\$ 31,151,161	\$ 31,151,161	\$ 473,055	\$ 142,314	\$ 44,272	\$ 6,685	\$ 31,151	\$ 697,478	
7	2021	2022/2023	\$2,863,291	\$ 20,000,000	\$ 55,256,313	\$27,628,156	\$11,669,512	\$ 37,228,692	\$ 37,228,692	\$ 565,347	\$ 170,079	\$ 52,909	\$ 7,989	\$ 37,229	\$ 833,554	
8	2022	2023/2024	\$2,863,291		\$ 58,019,128	\$29,009,564	\$12,252,987	\$ 38,610,100	\$ 38,610,100	\$ 586,325	\$ 176,390	\$ 54,873	\$ 8,286	\$ 38,610	\$ 864,484	
9	2023	2024/2025	\$2,863,291		\$ 60,920,085	\$30,460,042	\$12,865,636	\$ 40,060,578	\$ 40,060,578	\$ 608,352	\$ 183,017	\$ 56,934	\$ 8,597	\$ 40,061	\$ 896,960	
10	2024	2025/2026	\$2,863,291		\$ 63,966,089	\$31,983,044	\$13,508,918	\$ 41,583,580	\$ 41,583,580	\$ 631,480	\$ 189,975	\$ 59,099	\$ 8,924	\$ 41,584	\$ 931,061	
11	2025	2026/2027	\$2,863,291		\$ 67,164,393	\$33,582,197	\$14,184,364	\$ 43,182,733	\$ 43,182,733	\$ 655,764	\$ 197,280	\$ 61,371	\$ 9,267	\$ 43,183	\$ 966,866	
12	2026	2027/2028	\$2,863,291		\$ 70,522,613	\$35,261,306	\$14,893,582	\$ 44,861,842	\$ 44,861,842	\$ 681,263	\$ 204,951	\$ 63,758	\$ 9,627	\$ 44,862	\$ 1,004,461	
13	2027	2028/2029	\$2,863,291		\$ 74,048,743	\$37,024,372	\$15,638,262	\$ 46,624,908	\$ 46,624,908	\$ 708,037	\$ 213,006	\$ 66,263	\$ 10,006	\$ 46,625	\$ 1,043,936	
14	2028	2029/2030	\$2,863,291		\$ 77,751,181	\$38,875,590	\$16,420,175	\$ 48,476,126	\$ 48,476,126	\$ 736,149	\$ 221,463	\$ 68,894	\$ 10,403	\$ 48,476	\$ 1,085,385	
15	2029	2030/2031	\$2,863,291		\$ 81,638,740	\$40,819,370	\$17,241,183	\$ 50,419,906	\$ 50,419,906	\$ 765,667	\$ 230,343	\$ 71,657	\$ 10,820	\$ 50,420	\$ 1,128,907	
16	2030	2031/2032	\$2,863,291		\$ 85,720,677	\$42,860,338	\$17,241,184	\$ 52,460,874	\$ 52,460,874	\$ 796,660	\$ 239,668	\$ 74,557	\$ 11,258	\$ 52,461	\$ 1,174,604	
17	2031	2032/2033	\$2,863,291		\$ 90,006,711	\$45,003,355	\$17,241,185	\$ 54,603,891	\$ 54,603,891	\$ 829,204	\$ 249,458	\$ 77,603	\$ 11,718	\$ 54,604	\$ 1,222,587	
18	2032	2033/2034	\$2,863,291		\$ 94,507,046	\$47,253,523	\$17,241,186	\$ 56,854,059	\$ 56,854,059	\$ 863,374	\$ 259,738	\$ 80,801	\$ 12,201	\$ 56,854	\$ 1,272,968	
19	2033	2034/2035	\$2,863,291		\$ 99,232,398	\$49,616,199	\$17,241,187	\$ 59,216,735	\$ 59,216,735	\$ 899,253	\$ 270,532	\$ 84,159	\$ 12,708	\$ 59,217	\$ 1,325,869	
20	2034	2035/2036	\$2,863,291		\$ 104,194,018	\$52,097,009	\$17,241,188	\$ 61,697,545	\$ 61,697,545	\$ 936,927	\$ 281,865	\$ 87,685	\$ 13,240	\$ 61,698	\$ 1,381,414	
				\$ 100,000,000						\$ 11,750,611	\$ 3,535,057	\$ 1,099,709	\$ 166,055	\$ 773,789	\$ 10,947,780	
* The base assessment year is Dec. 31 2014																
**Includes the value of the land in year one.										50% LDFA	\$ 5,875,305.49	\$ 1,767,528.42	\$ 549,854.74	\$ 83,027.60	\$ 386,894.70	\$ 5,473,890.10
										50% Local	\$ 5,875,305.49	\$ 1,767,528.42	\$ 549,854.74	\$ 83,027.60	\$ 386,894.70	\$ 5,473,890.10

Table 9b projected *school* tax increment revenues from TIF Revenue Project 4: Sterling Enterprise Park

School Tax Capture-Sterling Enterprise Park												
Year	Fiscal Year	Initial Taxable Value **	Real Property Investment	Building Taxable Value	Tax Increment Value Assuming 50% Abatement	Land Taxable Value	Total New Taxable Value	Tax Increment Value	Local Schools Millage	State Education Tax	Macomb Intermediate School District	Total Annual Capture
									0.009	0.003	0.002943	
1	2016/2017	\$2,818,200				\$ 5,488,600	\$ 5,488,600	\$ 2,670,400	\$ 24,034	\$ 8,011	\$ 7,859	\$ 39,904
2	2017/2018	\$2,818,200				\$ 7,180,536	\$ 7,180,536	\$ 4,362,336	\$ 39,261	\$ 13,087	\$ 12,838	\$ 65,186
3	2018/2019	\$2,818,200	\$ 20,000,000	\$10,000,000	\$ 5,000,000	\$ 9,600,536	\$ 14,600,536	\$ 14,600,536	\$ 131,405	\$ 43,802	\$ 42,969	\$ 218,176
4	2019/2020	\$2,818,200	\$ 20,000,000	\$20,500,000	\$10,250,000	\$10,080,563	\$ 19,850,536	\$ 19,850,536	\$ 178,655	\$ 59,552	\$ 58,420	\$ 296,627
5	2020/2021	\$2,818,200	\$ 20,000,000	\$31,525,000	\$15,762,500	\$10,584,591	\$ 25,363,036	\$ 25,363,036	\$ 228,267	\$ 76,089	\$ 74,643	\$ 379,000
6	2021/2022	\$2,818,200	\$ 20,000,000	\$43,101,250	\$21,550,625	\$11,113,820	\$ 31,151,161	\$ 31,151,161	\$ 280,360	\$ 93,453	\$ 91,678	\$ 465,492
7	2022/2023	\$2,818,200	\$ 20,000,000	\$55,256,313	\$27,628,156	\$11,669,512	\$ 37,228,692	\$ 37,228,692	\$ 335,058	\$ 111,686	\$ 109,564	\$ 556,308
8	2023/2024	\$2,818,200		\$58,019,128	\$29,009,564	\$12,252,987	\$ 38,610,100	\$ 38,610,100	\$ 347,491	\$ 115,830	\$ 113,630	\$ 576,951
9	2024/2025	\$2,818,200		\$60,920,085	\$30,460,042	\$12,865,636	\$ 40,060,578	\$ 40,060,578	\$ 360,545	\$ 120,182	\$ 117,898	\$ 598,625
10	2025/2026	\$2,818,200		\$63,966,089	\$31,983,044	\$13,508,918	\$ 41,583,580	\$ 41,583,580	\$ 374,252	\$ 124,751	\$ 122,380	\$ 621,383
			\$ 100,000,000						\$ 2,299,329	\$ 766,443	\$ 751,880	\$ 3,817,652
* The base assessment year is Dec. 31 2014												
**Includes the value of the land in year one.												
The LDFA has 10 years of capture remaining under the current SmartZone												

Table 9c – 15 Year SmartZone Extension - Sterling Enterprise Park

SmartZone Extension												
Year	Fiscal Year	Initial Taxable Value *	Real Property Investment	Building Taxable Value	Tax Increment Value Assuming 50% Abatement Expires in Year 20	Land Taxable Value	Total New Taxable Value	Tax Increment Value	Local Schools Millage	State Education Tax	Macomb Intermediate Schools	Total Annual Capture
			\$100 Million						0.009	0.003	0.002943	
11	2026/2027	\$ 2,818,200		\$ 67,164,393	\$ 33,582,197	\$ 14,184,364	\$ 43,182,733	\$ 43,182,733	\$ 388,645	\$ 129,548	\$ 127,087	\$ 645,280
12	2027/2028	\$ 2,818,200		\$ 70,522,613	\$ 35,261,306	\$ 14,893,582	\$ 44,861,842	\$ 44,861,842	\$ 403,757	\$ 134,586	\$ 132,028	\$ 670,371
13	2028/2029	\$ 2,818,200		\$ 74,048,743	\$ 37,024,372	\$ 15,638,262	\$ 46,624,908	\$ 46,624,908	\$ 419,624	\$ 139,875	\$ 137,217	\$ 691,527
14	2029/2030	\$ 2,818,200		\$ 77,751,181	\$ 38,875,590	\$ 16,420,175	\$ 48,476,126	\$ 48,476,126	\$ 436,285	\$ 145,428	\$ 142,665	\$ 713,742
15	2030/2031	\$ 2,818,200		\$ 81,638,740	\$ 40,819,370	\$ 17,241,183	\$ 50,419,906	\$ 50,419,906	\$ 453,779	\$ 151,260	\$ 148,386	\$ 737,067
16	2031/2032	\$ 2,818,200		\$ 85,720,677	\$ 42,860,338	\$ 17,241,184	\$ 52,460,874	\$ 52,460,874	\$ 472,148	\$ 157,383	\$ 154,392	\$ 761,559
17	2032/2033	\$ 2,818,200		\$ 90,006,711	\$ 45,003,355	\$ 17,241,185	\$ 54,603,891	\$ 54,603,891	\$ 491,435	\$ 163,812	\$ 160,699	\$ 787,275
18	2033/2034	\$ 2,818,200		\$ 94,507,046	\$ 47,253,523	\$ 17,241,186	\$ 56,854,059	\$ 56,854,059	\$ 511,687	\$ 170,562	\$ 167,321	\$ 814,277
19	2034/2035	\$ 2,818,200		\$ 99,232,398	\$ 49,616,199	\$ 17,241,187	\$ 59,216,735	\$ 59,216,735	\$ 532,951	\$ 177,650	\$ 174,275	\$ 842,629
20	2035/2036	\$ 2,818,200		\$ 104,194,018	\$ 104,194,018	\$ 17,241,188	\$ 113,794,554	\$ 113,794,554	\$ 1,024,151	\$ 341,384	\$ 334,897	\$ 1,497,563
21	2036/2037	\$ 2,818,200		\$ 109,403,719	\$ 109,403,719	\$ 17,241,189	\$ 119,004,255	\$ 119,004,255	\$ 1,071,038	\$ 357,013	\$ 350,230	\$ 1,560,079
22	2037/2038	\$ 2,818,200		\$ 114,873,905	\$ 114,873,905	\$ 17,241,190	\$ 124,474,441	\$ 124,474,441	\$ 1,120,270	\$ 373,423	\$ 366,328	\$ 1,625,722
23	2038/2039	\$ 2,818,200		\$ 120,617,600	\$ 120,617,600	\$ 17,241,191	\$ 130,218,136	\$ 130,218,136	\$ 1,171,963	\$ 390,654	\$ 383,232	\$ 1,694,646
24	2039/2040	\$ 2,818,200		\$ 126,648,480	\$ 126,648,480	\$ 17,241,192	\$ 136,249,016	\$ 136,249,016	\$ 1,226,241	\$ 408,747	\$ 400,981	\$ 1,767,017
25	2040/2041	\$ 2,818,200		\$ 132,980,904	\$ 132,980,904	\$ 17,241,193	\$ 142,581,440	\$ 142,581,440	\$ 1,283,233	\$ 427,744	\$ 419,617	\$ 1,843,006
*The base year is Dec 31 2014									\$ 11,007,206	\$ 3,669,069	\$ 3,599,356	\$ 16,651,760
This table represents an additional 15 years of capture IF the LDFA is granted a 15 year extension by the MEDC												

Table 10a - Total Local Tax Increment Revenues – All Projects

Local Capture All Projects								
Year	Fiscal Year	BAE Systems	FCA Paint	FCA Body	Total		Sterling Enterprise	Total
1	2016/2017	\$ 91,707	\$ 239,097	\$ 184,699	\$ 515,502		\$ 29,390	\$ 544,893
2	2017/2018	\$ 91,707	\$ 239,097	\$ 184,699	\$ 515,502		\$ 48,332	\$ 563,834
3	2023/2024	\$ 91,707	\$ 239,097	\$ 184,699	\$ 515,502		\$ 163,454	\$ 678,956
4	2024/2025	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 222,228	\$ 1,226,212
5	2025/2026	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 283,940	\$ 1,287,925
6	2026/2027	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 348,739	\$ 1,352,723
7	2027/2028	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 416,777	\$ 1,420,761
8	2028/2029	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 432,242	\$ 1,436,226
9	2029/2030	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 448,480	\$ 1,452,464
10	2030/2031	\$ 156,393	\$ 478,193	\$ 369,398	\$ 1,003,984		\$ 465,530	\$ 1,469,514
11	2031/2032						\$ 483,433	\$ 1,093,952
12	2032/2033						\$ 502,231	\$ 1,136,490
13	2033/2034						\$ 521,968	\$ 1,181,153
14	2034/2035						\$ 542,693	\$ 1,228,051
15	2035/2036						\$ 564,453	\$ 1,277,293
16	2036/2037						\$ 587,302	\$ 1,328,997
17	2037/2038						\$ 611,293	\$ 1,383,286
18	2038/2039						\$ 636,484	\$ 1,440,290
19	2039/2040						\$ 662,934	\$ 1,500,143
20	2040/2041						\$ 690,707	\$ 1,562,990
							\$ 8,662,611	\$ 24,566,153

10b – School Tax Capture – All Projects

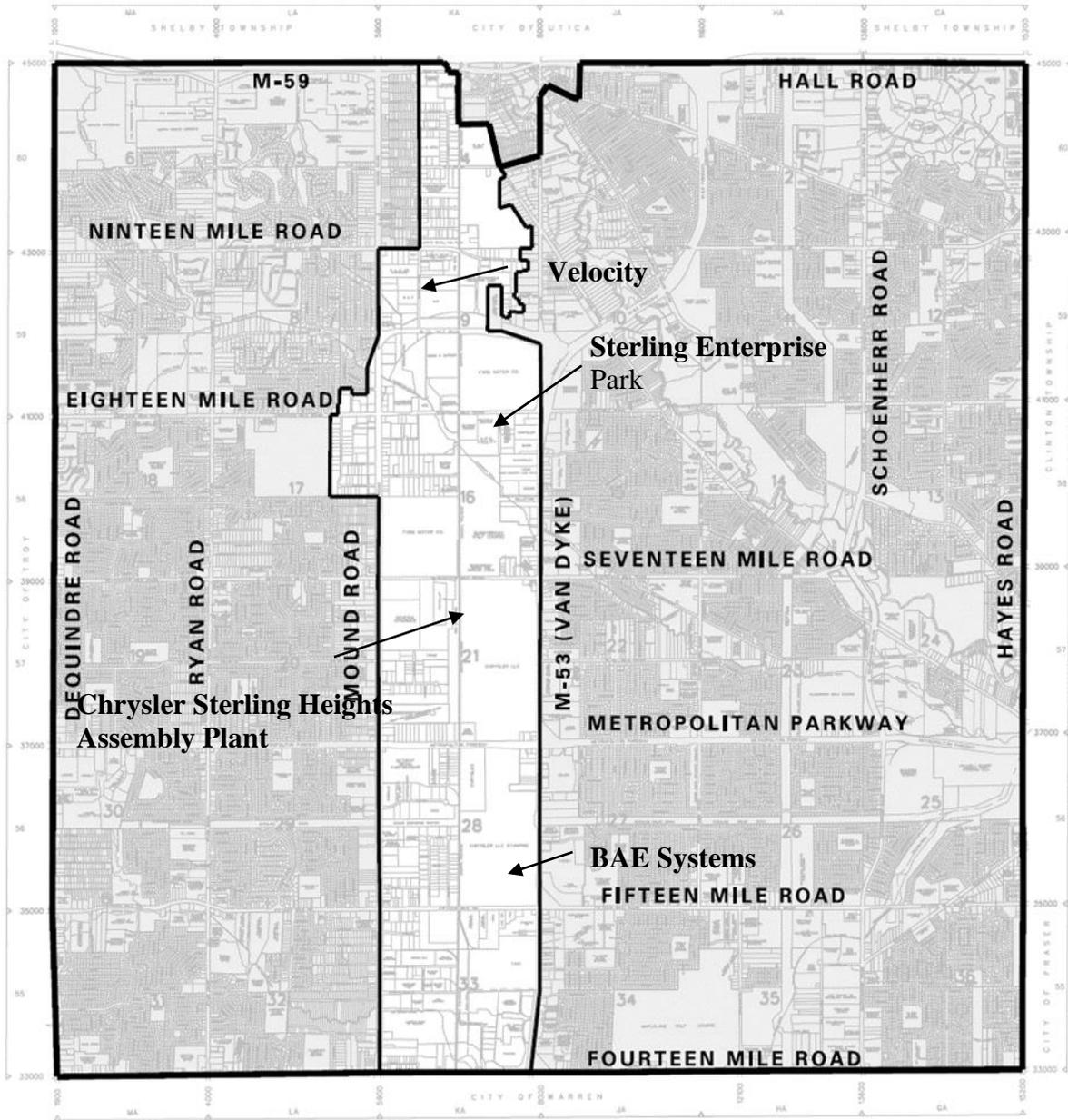
School Capture All Projects								
Year	Fiscal Year	BAE Systems	FCA Paint	FCA Body	Total		Sterling Enterprise	Total
1	2016/2017	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 39,904	\$ 384,255
2	2017/2018	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 65,186	\$ 409,537
3	2018/2019	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 218,176	\$ 562,527
4	2019/2020	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 296,627	\$ 640,978
5	2020/2021	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 379,000	\$ 723,351
6	2021/2022	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 465,492	\$ 809,843
7	2022/2023	\$ 61,513	\$ 159,572	\$ 123,267	\$ 344,351		\$ 556,308	\$ 900,659
8	2023/2024	\$ 61,513	\$ 159,572	\$ 246,533	\$ 467,618		\$ 576,951	\$ 1,044,568
9	2024/2025	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578		\$ 598,625	\$ 1,269,203
10	2025/2026	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578		\$ 621,383	\$ 1,291,961
		\$ 701,906	\$ 1,914,859	\$ 1,602,467	\$ 4,219,231		\$ 3,817,652	\$ 8,036,883

10c – SmartZone Extension – School Tax Capture – All Projects

SmartZone Extension All Projects							
Year	Fiscal Year	BAE Systems	FCA Paint	FCA Body	Total	Sterling Enterprise	Total
11	2026/2027	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 645,280	\$ 1,315,858
12	2027/2028	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 670,371	\$ 1,340,948
13	2028/2029	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 691,527	\$ 1,362,105
14	2029/2030	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 713,742	\$ 1,384,320
15	2030/2031	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 737,067	\$ 1,407,645
16	2031/2032	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 761,559	\$ 1,432,137
17	2032/2033	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 787,275	\$ 1,457,853
18	2033/2034	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 814,277	\$ 1,484,855
19	2034/2035	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 842,629	\$ 1,513,207
20	2035/2036	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,497,563	\$ 2,168,141
21	2036/2037	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,560,079	\$ 2,230,657
22	2037/2038	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,625,722	\$ 2,296,299
23	2038/2039	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,694,646	\$ 2,365,224
24	2039/2040	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,767,017	\$ 2,437,594
25	2040/2041	\$ 104,901	\$ 319,143	\$ 246,533	\$ 670,578	\$ 1,843,006	\$ 2,513,583
					\$ 10,058,667	\$ 16,651,760	\$ 26,710,427

Map 1

Local Development Finance Authority District Technology Advancement SmartZone of Sterling Heights



TECHNOLOGY ADVANCEMENT SMARTZONE OF STERLING HEIGHTS



STERLING HEIGHTS, MICHIGAN



PREPARED BY
ENGINEERING DEPARTMENT
REVISED 7-24-07

Map 3
Velocity
6633 18 Mile Road



Map 4
Chrysler Sterling Heights Assembly Plant

38111 Van Dyke Ave



Map 5
Sterling Enterprise Park



**RATIFICATION AGREEMENT BY THE STATE TREASURER
City of Sterling Heights SmartZone**

WHEREAS, the Michigan Legislature passed and the Governor signed Public Act 248 of 2000 to promote, *inter alia*, the development of high technology businesses throughout the State of Michigan; and

WHEREAS, the Michigan Economic Development Corporation ("MEDC") has been authorized by Public Act 281 of 1986, as amended, being MCL 125.2151 et seq. (the "Act"), to designate a certain number of areas within districts of a local development finance authority created under the Act as certified technology parks, by December 31, 2002; and

WHEREAS, Public Act 105 of 2008, amended the Act to allow for 3 additional SmartZones

WHEREAS, the MEDC, for strategic marketing purposes, has chosen to designate certain of the aforementioned certified technology parks as "SmartZones"; and

WHEREAS, the MEDC issued a Request for Proposals for SmartZone designation; and

WHEREAS, the MEDC received a proposal requesting designation as a certified technology park of certain area located within the jurisdictions of the City of Sterling Heights ("City"); and

WHEREAS, on December 16, 2008 the MEDC, the City of Sterling Heights, and the Sterling Heights Local Development Finance Authority ("LDFA") entered into an agreement ("SmartZone Agreement") which established a certified technology park in the City of Sterling Heights (CTP); and

WHEREAS, on December 1, 2009 the City and the LDFA approved a tax increment financing plan ("TIFP"), pursuant to the Act which contemplates, with respect to the CTP, the capture of fifty percent (50%), of the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq. (the "State Education Tax"), and by local and intermediate school districts for a period of fifteen (15) years commencing with levies imposed on or after January 1, 2011 and concluding with levies imposed on or before December 31, 2025, (such levies from the CTP collectively referred to as the "State Capture"), on the basis of an initial taxable value determined as of December 31, 2008, for all purposes and in those amounts authorized under the Act by the TIFP; and

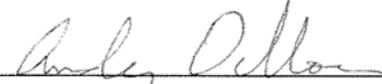
WHEREAS, the State Capture may be authorized under the Act to fund the costs of public facilities related to or for the benefit of eligible property located within the CTP if those public facilities have been included in the SmartZone Agreement and if the State Treasurer determines that the State Capture is necessary to reduce unemployment, promote economic growth, and increase capital investment in the City, and;

WHEREAS, the State Treasurer has made no determination of the validity, adequacy or sufficiency of the TIFP or the SmartZone Agreement for purposes of this ratification or compliance therewith or with the Act.

NOW THEREFORE, the State Treasurer makes the following determinations:

1. The State Capture is necessary to reduce unemployment, promote economic growth, and increase capital investment in the City subject to the following conditions:
 - a. The State Capture shall be determined from those ad valorem and specific tax levies by the State of the State Education Tax and by local and intermediate school districts that may be included as tax increment revenues under the Act and the TIFP. The State Capture shall be based upon the captured assessed value of all property that is identified within the CTP and included in the TIFP.
 - b. State Capture may be based upon up to 50% of the amounts levied by the State pursuant to the State Education Tax Act, Public Act 331 of 1993, being MCL 211.901 et seq., and by local and intermediate school districts. Tax increment revenues captured by the CTP may include State Capture for a period of fifteen (15) years commencing with levies imposed on or after January 1, 2011 and concluding with levies imposed on or before December 31, 2025, with captured assessed value calculated on the basis of an initial taxable value established on the basis of assessments made on December 31, 2008.
 - c. All costs of public facilities, as defined by section (aa)(v) of the Act, have been approved by the MEDC.
 - d. Except as provided by subdivision (e) below, the LDFA will not capture the TIFP other than those taxes comprising the State Capture for the purposes authorized under the TIFP and the SmartZone Agreement as in effect on the date of this Ratification.
 - e. This Ratification does not prohibit the LDFA from amending the TIFP to capture local non-educational taxes ("Local Taxes") for the purposes authorized under the TIFP and the SmartZone Agreement, provided that the LDFA may not capture Local Taxes and State Capture from any one parcel in an amount in excess of the total taxes assessed against such parcel, and provided further that the LDFA submit to the State Treasurer such documentation as the State Treasurer may deem necessary or appropriate to verify compliance with this subparagraph.

Approved on this 30th day of March, 2011.

BY: 
Andy Dillon, State Treasurer



Business of the LDFA
Sterling Heights, Michigan

Item No:
Meeting: 3/15/2016

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: LDFA/SMARTZONE Third Amended and Restated TIF and Development Plan

Submitted By: Luke Bonner, Senior Economic Development Advisor

Contact /Telephone: Luke Bonner 734-846-9746

Administration (initial as applicable)

Attachments

Table with 2 columns: Administration (initial as applicable) and Attachments. Rows include City Clerk, Finance & Budget Director, City Attorney, and City Manager, with corresponding checkboxes for Resolution, Ordinance, Contract, Minutes, and Plan/Map.

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Several changes were made to the tax increment financing plan previously approved by the LDFA board on February 16, 2016. The changes are as follows: 1) The Macomb Intermediate School District millage should be captured by the SmartZone and not the Local Tax Capture 2) The property values of each project were changed to reflect their current IFEC values (Industrial Facilities Exemption Certificate)

Attached is the Third Amended and Restated Tax Increment Finance Plan and Development Plan. The Main Objective of this plan includes the following:

Objective One - BAE Systems Land and Armaments L.P., the benefactor of the "Original Plan", did not provide valid invoices for repayment of their eligible activities with tax increment finance (TIF) revenues. Therefore, "the Plan" will eliminate TIF expenditures adopted in the "Original Plan" and reallocate them to eligible activities that benefit the broader LDFA district.

Objective Two - The "First Plan" referenced the Macomb OU-INCubator as the sole service provider of incubator related activities. The "Plan" removes Macomb OU-INCubator and references incubation services more generally as an eligible activity under the broader "SmartZone Activities" heading. The defined terms of service of any organization providing incubation services on behalf of the LDFA will require a contract between the LDFA and the specific service provider, or service providers.

Objective Three - The Second Plan has a combined tax increment finance capture, not to exceed \$500,000. The third amended and restated TIF plan eliminates the not to exceed portion of the capture.

Objective Four - A new project within the LDFA, known as Sterling Enterprise Park, will generate a significant amount of new TIF revenue. The Third Plan will include the eligible activities in the broader LDFA district supported by TIF revenue generated by the Sterling Enterprise Park development project.

Objective Five - The Sterling Enterprise Park project will also generate new school TIF. The Third Plan will reflect the school tax capture and its use to support incubator related activities as well as additional LDFA district improvements that

support entrepreneurial growth. The charts in the Third Plan will acknowledge the change in these funding activities.

Objective Six – The Second Plan mistakenly used an incorrect base taxable value for the Chrysler Paint Facility. The Paint Facility was built on a newly established IFT Parcel (Industrial Facility Tax) with a base value of \$0. However, a value of \$19,827,400 was used. The Third Plan corrects the base value of the Paint Facility and now projects an annual capture of \$256,288 of school capture and \$541,048 for local capture.

Objective Seven – The City of Sterling Heights, and the Sterling Heights LDFA, would like to pursue a 15-year extension to its tax increment finance capture period for SmartZone Related activities. On July 15th, 2015 Governor Snyder signed into law House Bill 4226. This legislation allows for up to 9 existing SmartZones (such as the City of Sterling Heights) extend tax capture for an additional 15 years to provide early stage company support services. The primary condition for an existing SmartZone (City of Sterling Heights) to qualify for a 15-year extension is to collaborate with another community outside of Macomb County, which also has the desire to create a SmartZone of their own. This partner community considered a “satellite” SmartZone location, would only be eligible to get such designation if it collaborates with an existing SmartZone (Sterling Heights). The satellite zones have a commitment to work with the partner zone on joint projects of interest. No exchange of resources or control of revenue collected in either zone is required in the partnership agreement. The City of Sterling Heights can capture school taxes under the SmartZone provision until approximately the 2025/2026 fiscal year.

Suggested Action:

MOVED BY: 

SECONDED BY: 

RESOLVED, to receive and place on file the Third Amended and Restated Tax Increment Finance and Development Plans and recommend approval the Sterling Heights City Council – with the administrative changes that have taken place.



AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: Consent Agenda

Submitted By: Office of the City Clerk

Contact Person/Telephone: Mark Carufel, 446-2421

Administration (initial as applicable)

Attachments

- | | | |
|---|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Resolution | <input type="checkbox"/> Minutes |
| <input type="checkbox"/> Finance & Budget Director | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Plan/Map |
| <input type="checkbox"/> City Attorney (as to legal form) | <input type="checkbox"/> Contract | <input type="checkbox"/> Other |
| <input type="checkbox"/> City Manager | | |

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Suggested Action:

MOVED BY:

SECONDED BY:

2. CONSENT AGENDA

- A. Approval of Minutes
Regular Meeting of April 5, 2016
- B. Approval of Bills
- C. To extend the terms and conditions of a proposal for noxious weed/grass cutting on residential and commercial/industrial properties in violation of state law and city code for a one-year period (Estimated annual expenditure of \$100,000 recovered from property owner).
- D. To purchase banquet services in fiscal year 2016/17 (Estimated expenditure of \$15,600).
- E. To award a bid for elevator maintenance services (Estimated annual expenditure \$9,600)
- F. To award a bid for the mosquito control program for a three-year period at unit prices bid (Estimated annual expenditure of \$16,035).

- G. To award a bid for emergency lighting and equipment for city vehicles (Estimated expenditure of \$80,000).
- H. To receive a report from the Purchasing Manager pursuant to City Code §2-221(B) regarding the emergency repairs to a public sanitary sewer line situated at the intersection of Arcola Drive and Dill Drive, Section 22, south of 17 Mile Road and east of Van Dyke (Total expense of \$28,750).
- I. To split an award of a bid for miscellaneous fitness equipment for the Sterling Heights Fire Department (Total expenditure of \$12,990.55 – 90% grant-funded by the Assistance to Firefighters' Grant).
- J. To award a bid for water service parts for a one-year period based on unit prices bid (Estimated annual expense of \$90,958.50).
- K. To approve Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program, City Project #12-236, Special Assessment District SW-16-01.
- L. To adopt a resolution designating May 1st through May 7th, 2016 as Public Service Recognition Week in the City of Sterling Heights.
- M. To adopt a resolution designating May, 2016 as Pride & Shine month in the city of Sterling Heights.
- N. To approve a reduction in the retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266.

*Delivered April 14, 2016
Agenda Item 2-A
Meeting: 04/19/16*

CITY OF STERLING HEIGHTS
MINUTES OF REGULAR MEETING OF CITY COUNCIL
TUESDAY, APRIL 5, 2016
IN CITY HALL

Mayor Michael C. Taylor called the meeting to order at 7:30 p.m.

Mayor Taylor led the Pledge of Allegiance to the Flag and Mark Carufel, City Clerk, gave the Invocation.

Council Members present at roll call: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, Barbara A. Ziarko.

Also Present: Mark D. Vanderpool, City Manager; Jeffrey Bahorski, City Attorney; Mark Carufel, City Clerk; Susan Pitrone, Recording Secretary.

APPROVAL OF AGENDA

Moved by Koski, seconded by Romano, to approve the Agenda as presented.

Yes: All. The motion carried.

REPORT FROM CITY MANAGER

Mr. Vanderpool reported that the second Community Forum will be held on be held on April 20th at 7 pm at the Senior Center. The goal of the second Community Forum is to formulate planning proposals related to the redevelopment, land use, recreation and non-motorized networks throughout the City. More information is available on the City's website. Mr. Vanderpool stated that the City has held a number of these

forums over the past few months. He pointed out the City is in the midst of updating the Master Plan, which includes the Parks and Recreation Plan. Initiatives of the Parks and Recreation Plan will be highlighted at the upcoming Community Forum. Mr. Vanderpool reported that the Sterling Heights Regional Chamber of Commerce is hosting a Town Hall meeting on April 25, 2016 at 10:00 a.m. at 12900 Hall Road, to talk about major road reconstruction work to begin in 2017 on M59. A presentation from MDOT will explain the scope of work, the temporary lanes that will be installed, the timeframe for construction, and what the entire \$35,000,000 project will entail. It will encompass from Delco Blvd to Hayes, both sides of M59, a complete reconstruction of the roadway including new lighting and landscaping.

Mr. Vanderpool stated that the Website Technology Plan is going through an update and the City is seeking to hear from the community in regards to IT needs, ways to provide better information and allow improved access to City services. Mr. Vanderpool encouraged residents to access the main page of the City's website at www.sterling-heights.net and share their technology experiences by taking the Technology Plan Survey.

Mr. Vanderpool reported on Velocity Jr., which is seeking ways to inspire tomorrow's tech-oriented workforce. The City, Utica Community Schools, Fiat Automobiles (FCA) Foundation and community businesses, have partnered to offer more programming than ever before, including, innovative programs aimed at creating excitement for elementary and middle school students in engineering, computer science, robotics, and more during the summer break. Classes begin at the end of June and continue through the summer. Classes take place at Velocity, Jr.,

which used to be Rose Kidd Elementary School. This is a unique program recognized by the White House to stimulate interest in STEM, (Science, Technology, Engineering, and Mathematics) at an early age. Mr. Vanderpool pointed out the huge demand for STEM jobs in southwest Michigan and the opportunity to keep our younger generation in Sterling Heights and/or Michigan.

Mr. Vanderpool reminded the community that starting this week the City of Sterling Heights will begin its 25th year offering separate curbside collection of yard waste. He reminded residents that clear plastic bags can no longer be used for yard waste disposal.

Mr. Vanderpool reported that the 2nd Annual Charity Basketball Tastefest will be held on Thursday, April 14, 2016 when the Sterling Heights Fire Fighters and Police Officers take on the Utica Fire Fighters and Police Officers in a game of basketball at Joe Dumars Fieldhouse. The event begins at 5:30 p.m. Admission is a minimum of \$5 donation and includes food samples from local restaurants, and a 50/50 raffle. All proceeds will benefit Henry Ford Health System Josephine Ford Cancer Center.

In addition, there will be a Police Honor Guard all-u-can-eat Spaghetti Dinner on Wednesday, April 13, 2016 from 5:00 p.m. to 8:00 p.m. at Penna's of Sterling, 38400 Van Dyke. The proceeds will help offset costs with the Honor Guard.

Mr. Vanderpool reported that Saturday, April 16, 2016 from 9:00 a.m. – 1 p.m. is “E-Waste Recycling” Day. Anything that plugs in can be brought to the DPW and recycled.

Mr. Vanderpool reported that on Saturday, April 23, 2016 from 8:00 a.m. – 2:00 p.m. the Department of Public Works will hold their “Shred Day” for the general public.

Mr. Vanderpool reported the City of Sterling Heights has scheduled Saturday, May 7, 2016 as this year's spring Community Pride & SHINE Day, and will be cleaning up numerous homes throughout the city. Volunteers are always welcome. Anyone who would like to volunteer can contact the Community Relations Department at (586) 446-2480.

Mr. Vanderpool reported that the City of Sterling Heights Police Department is seeking applicants for its CERT program, which is our Community Emergency Response Team. Residents who are interested should contact the police department at 446-2946 or email the department. Mr. Vanderpool commented that it is very well organized and an excellent program.

Mayor Taylor recognized and thanked State Senator Phil Pavlov for attending the City Council meeting this evening. In addition, Mayor Taylor recognized a young man named Jaden, in attendance at tonight's City Council meeting. Jaden is a webelos cub scout and personally received a tour from Mayor Taylor of the City Council chambers.

PRESENTATION

Councilwoman Ziarko recognized and presented Nice Neighbor Award Certificates in recognition of their efforts to assist the community and contributions in making Sterling Heights' overall quality of life second to none to residents Mary Lou Francek and Jane Personen. Mary Lou and Jane were nominated by Rhonda Kasper for the Nice Neighbor Award. Councilwoman Ziarko stated that Mary Lou Francek and Jane Personen help Rhonda Kasper with yardwork, planting flowers, and chores around

the house. Councilwoman Ziarko stated that Rhonda said they are both wonderful woman and that she is lucky to have them as neighbors.

CONSENT AGENDA

2. Mr. Dennis White, Consent Item E, Civic Center improvements, unsafe potholes.

Ms. Linda Godfrey, Consent Item C, similar approved agenda and grant item from 2014 and 2015, status of previous grants for basically the same criteria, financial commitment for the Certification Program, opposes expenditure of taxpayers' dollars.

Ms. Mary Marciniak, Consent Item E, number of fire hydrants protecting City buildings .

Mr. Horan, Consent Item F, promoting small business, more information should be available on lawsuits.

Moved by Koski, seconded by Romano, **RESOLVED** to approve the Consent Agenda:

- A. To approve the minutes of the Regular Meeting of March 15, 2016, as presented:
- B. To approve payment of the bills as presented: General Fund - \$1,078,219.33, Water & Sewer Fund - \$3,154,064.79, Other Funds - \$3,565,788.51, Total Checks - \$7,798,072.63.
- C. **RESOLVED**, to approve the Peer Fitness Trainer Certification Program to be hosted by the Sterling Heights Fire Department.

- D. **RESOLVED**, to schedule a special meeting of the City Council on May 4, 2016 at 6:30 p.m. for the purpose of recognizing and congratulating recipients of scholarships awarded through the 2016 Sterling Heights Community Foundation Scholarship Program and direct the City Clerk to post the appropriate notices in accordance with Michigan's Open Meetings Act.
- E. **RESOLVED**, to award the base bid for Richard J. Notte Civic Center Improvements – Phase II, City Project #15-279, to DiLisio Contracting, Inc. 3525 Lakepointe, Clinton Township, MI 48036 at a total cost of \$1,825,692.78, authorize the Mayor and City Clerk to sign all required documents on behalf of the City, and authorize a budget amendment in the amount of \$700,000 from General Fund Reserves.
- F. **RESOLVED**, to receive the lawsuit, *John T. Zawadzki v. Sterling Heights Police*, 41A District Court Case No. S-16-808-GZ.

Yes: All. The motion carried.

CONSIDERATION

2. A presentation was made by Ms. Denice A. Gerstenberg, City Development Director for consideration of approval of the fiscal year 2016/17 Community Development Block Grant One-Year Action Plan, a recommendation for the 42nd year of the Community Development Block Grant Program as discussed by the Citizens Advisory Committee. The City's Community Development Block Grant (CDBG) allocation is just over \$700,000, which is 2% higher than last year's allocation. CDBG is a federal program that provides eligible communities with funds that can be used to revitalize neighborhoods, expand affordable housing, and improve

community facilities for low and moderate income residents. Each year, the Citizens Advisory Committee review requests for funding and make recommendations to the City Council following the appropriate qualification requirements. The guidelines for the use of the money are the same as last year: 20% of the money can be spent on administrative expenses, and 15% of the money must be used for public services. The Citizens Advisory Committee is recommending funding for all of the public service agencies that received funds last year, including Turning Point, Salvation Army, MCCrest, Care House, the Sterling Heights Library, and Wigs for Kids. There were no new public service agency requests this year. The remainder of the dollars, 65% or just over \$478,000 of the total must be used for capital projects. This year, recommended projects for continued funding include the minor home repair program, code enforcement, lighting and technology upgrades at the Senior Center, and concrete replacement on one of our local roads Arlingdale Drive.

Moved by Romano, seconded by Ziarko , **RESOLVED** to approve the fiscal year 2016/2017 Community Development Block Grant One-Year Action Plan as recommended by the Citizens Advisory Committee and City Administration based on an estimated entitlement of \$736,837, and authorize City Administration to complete the Federal application and secure the funds.

Yes: All. The motion carried.

3. A presentation was made by Mr. Michael Moore, Public Works Director, for consideration of acceptance of a proposal for Refuse, Recyclables, and Yard Waste Collection Services. The current contract between the City of Sterling Heights and Waste Management of Michigan, Inc expires on April 30, 2016. The bids received

from the Invitation to Bid as approved by the City Council were rejected at the February 16, 2016 City Council meeting with the goal being to save additional money and enhance curbside recycling. He reported that all objectives have been met. The Department of Public Works and Office of Purchasing prepared the RFP (Request for Proposals), for refuse, recycles, and yard waste collection that was approved by City Council on March 1, 2016; Proposals from interested vendors were due on March 17, 2016; Interviews of vendors who submitted proposals were conducted on March 21, 2016; Follow-up interviews with the two lowest vendors were conducted March 24, 2016; Recommendation for a Council award with a contract beginning date of May 1, 2016. An evaluation committee was developed and comprised of Mr. Brian Baker, Finance and Budget Director, Ms. Denice Gerstenberg, City Development Director, Mr. James Buhlinger, Purchasing Manager, and Mr. Michael Moore, Public Works Director. The goal of the committee was to evaluate the vendors on qualifications/experience, capacity, methodology, references, and cost. Three vendors submitted proposals and were interviewed by the committee: Emterra Environmental, Rizzo Environmental, and Waste Management. Each vendor had the opportunity to give a 15 minute power-point presentation and a 45 minute question and answer question. After the interviews were complete, Mr. Moore reported that the two most qualified and lowest cost vendors returned for a follow-up interview and further negotiation. Upon completion of the second interview, there was one recommendation of the vendor that could provide the desired service at the lowest cost. Rizzo Environmental Services provided the lowest cost which included a 2% annual discount if awarded an eight year contract equaling \$800,000 over the term of

the contract. Rizzo's proposal does not include a fuel surcharge which means there is no cost to the City for fuel increases over the eight year period. Rizzo will absorb all fuel related charges. Rizzo Environmental Services is headquartered in Sterling Heights and also services Bloomfield Township, the City of Royal Oak, Bloomfield Hills, St. Clair Shores, Shelby Township, Clinton Township, Madison Heights, and Livonia. All of the aforementioned, are eight year contracts or longer. Mr. Moore stated that residents can expect to see ten new refuse trucks and five new yard waste trucks. Rizzo Environmental Services employs over 60 Sterling Heights residents. To insure Sterling Heights is being serviced properly, Rizzo Environmental will be adding 20% more staff and equipment in the first couple of months to make sure Sterling Heights will be handled efficiently. The routes and scheduled pickup dates will not change. A transition team is in place to make sure the transition progresses in a smooth and inefficient manner. A mailing will be sent to residents along with updates to the City's website and to the Rizzo Environmental Services website listing the changes and the options available. Residents will be able to contact the call center at Rizzo Environmental Services to ask questions. A back-up plan is in place should Waste Management discontinue their subscription curbside recycling services resulting in no interruption in the service to the residents. Within 12 months, a software application will be available through Rizzo to residents to place a service requests and access other important information through their Smart Phone regarding refuse, issues, complaints, etc. Mr. Moore reviewed the three options proposed by Rizzo Environmental Services. These options are:

Option #1: Weekly collection of refuse in approved containers along with a weekly collection of yard waste in approved containers on a seasonal basis. The recycling centers would remain open and continue to be operated by City staff. Rizzo Environmental Services is proposing an enhanced subscription curbside recycling program that would be ten dollars less than our current cost and it would be a weekly program. Refuse and yard waste carts would be available for purchase to residents at a cost of \$75.00 for a 64 gallon cart and \$85.00 for a 96 gallon cart with no increased cost to their collection. The two carts along with a 35 gallon cart and an 18 gallon bin are on display in City Council chambers.

Option #2: Weekly collection of refuse in approved containers along with a weekly collection of yard waste in approved containers on a seasonal basis. Recycling centers would close and each resident would receive a recycling cart. The recycling program would be paid by the City and free to the residents.

Option #3: Weekly collection of refuse in approved containers along with a weekly collection of yard waste in approved containers on a seasonal basis. However, each resident would receive an 18 gallon bin for free to be paid by the City. Larger bins are available to residents for purchase: A 35 gallon cart for \$45 and a 65 gallon cart for \$65.

Mr. Brian Baker, Finance and Budget Director, addressed the benefits of an eight year contract as opposed to a five year contract. He pointed out that Rizzo Environmental Services offered a 2% discount per year for eight years saving the City \$800,000 and

it would be unlikely the City could benefit that amount of savings on a five year contract. In addition, there is not a fuel adjustment cost, which locks in the City's potential fuel savings for an additional three years. In comparing the Waste Management and Rizzo Environmental Services proposals, Rizzo is less expensive for each of the options for either five years or eight years. In regards to the enhanced subscription curbside recycling program, Rizzo will save residents \$50,000 per year, dropping the subscription price of \$67 a year to \$57 a year. In addition to any option, there is a potential \$100,000 savings per year in fuel. Mr. Baker stated that there was a savings rebidding the service from the January bids to the March Request for Proposals. Each of the vendors came in lower with Rizzo Environmental Services being the lowest. Keeping the recycling centers operational and run by City staff, there is a net eight year savings to the City of over \$4,000,000 as a result of rebidding. Mr. Baker reviewed the impact on the proposed budget of options 1, 2, and 3. The recommendation is Option 1 as the low cost service option as well as an increase in pickups for subscription based service from biweekly to weekly as well as a cost savings to residents who have a subscription based service.

Mr. Jeffrey Norgrove, disapproval of how the bid process was handled, eight year contract; who told Rizzo Environmental Services to buy the trucks; the original bid from Waste Management came in at \$2,800,000 and was thrown out; campaign money.

Ms. Linda Godfrey, contract for Rizzo Environmental Services drawn up after the fact; requested a special meeting be held to review the language with the option(s) and approve the contract as written; the free 18 gallon bin is not free,

but paid for by the taxpayers; any cost savings needs to be added to the proposed budget regarding the millage rate, disapproval of the waste hauling contract process, campaign donations.

Ms. Mary Marciniak, agrees with prior speakers, clarification of bulk pick-up; wear and tear on roads; where will the trucks be stored, pending litigation against a bidding contractor , condition of the Recycling Center on 18 mile .

Mr. Chuck Myers, trucks needed to pick up different trash containers, use of trash bags and containers. .

Ms. Jazmine Early, concern about Rizzo Environmental Services; a flyer; and a channel 7 report.

Ms. Dolores Hatton, weight of the carts; and her disapproval.

Mr. Michael Lombardini, campaign donations from the bidding parties.

Mr. Charles Jefferson, refuse contract bidding process.

Mrs. Elias, concern of approving an eight year contract as opposed to a five year contract with a new business client.

Mr. Dennis White, Recycling Center.

Mr. Greve from Waste Management, consider awarding Waste Management a five year contract noting the residents have been very satisfied with their services over the years. He added that Waste Management was not asked about the subscription program, and not asked for a final and best offer.

Mr. Rod Runyon, support for Waste Management, unhappy with the way the Rizzo trucks are driven on 17 Mile Road, new trucks purchased by Rizzo.

Mr. Moore responded that the ten Rizzo Environmental Services trucks the residents referred to are available for immediate use by the City of Sterling Heights due to a contract that was awarded to Rizzo Environmental Services by the City of Southfield that does not start until June or July, making the trucks available. In addition, he explained residents can use the 32 gallon containers or approved paper bags for yard waste, noting that does not change for any of the options. If a recycling option is chosen, a bin or cart would then be used. Residents will not be forced to buy a cart but it will be available. The trucks have the ability to handle a cart pickup and a bag pickup. Mr. Moore commented that the same amount of trucks will be seen. There are a total of ten refuse trucks and five compost trucks. There will be four different kinds of trucks, a refuse truck, a yard waste truck, a recycling truck, and a typical commercial truck to pick up the dumpsters. As far as the disclaimer mentioning the May 1st deadline, Waste Management does have a license for curbside recycling so the disclaimer was to inform residents and City Council. Bulk pickup would not change.

Moved by Shannon, seconded by Skrzyniarz, **RESOLVED** to accept the proposal by Rizzo Environmental Services, Inc., 6200 Elmridge, Sterling Heights, MI 48313, for provision of base refuse and seasonal yard waste collection and disposal services for the period May 1, 2016 to April 30, 2024, and provision of a subscription-based weekly curbside recycling program services starting no later than May 1, 2018 and continuing to April 30, 2024, at a cost of \$4,349,620 per year and authorize the Mayor and City Clerk to sign all required documents on behalf of the City.

Councilman Shannon stated that this is Option 1 of the proposal. He commented that the process started in October of 2015 with a goal of saving money on the refuse contract. Councilman Shannon then made a motion to put the contract out to bid. After reviewing the bids received, the bids were not good enough. After extensive consideration, an RFP was put out asking the companies to do better. Councilman Shannon reported that these efforts were successful saving the City a substantial amount of money. Based on the original bids, Rizzo Environmental Services underbid Waste Management by approximately \$5,000,000 over eight years. Rizzo is not taking advantage of the fuel adjustment clause, which means there is no cost to the City for fuel increases over the eight years of the contract. Residents will be able to participate in a subscription based recycling program on an enhanced weekly basis and a 2% annual reduction resulting in a \$800,000 savings if an eight year contract is approved with Rizzo Environmental Services. In addition, there is a 15% decrease in cost to residents in a subscription based recycling program for our residents, a \$50,000 savings per year. The Recycling centers will stay open. To clarify, no one is required to use a bin for regular refuse. Subscription based recycling would require the bin, but if that isn't something a resident prefers, the Recycling Center is still an option. Councilman Shannon encouraged residents to use some type of receptacle or trash bin when putting their garbage out to the curb to discourage animals from making a mess. In addressing a concern what residents can do with their used oil, there may be some other options forthcoming, but at this time the oil can still be taken to the Recycling Centers. In referencing the eight year contract, he assured the residents that if Rizzo Environmental Services does not adhere to the contract, they

would be in breach of the contract, and that does not mean the City would have to continue if they were not doing what they agreed to do. Councilman Shannon stated that he is happy with the decision and will be voting yes.

Councilman Skrzyniarz commented that he is excited to conclude the issue this evening. The contract has been thoroughly debated. He questioned the sizes of the recycling bins.

Mr. Moore responded that depending on what option is chosen, residents would receive an 18 gallon bin and a 32 gallon or 64 gallon cart could be purchased. In Option 2, everyone would receive a 32 gallon or a 64 gallon cart.

Councilman Skrzyniarz inquired what size cart residents could chose in Option 1.

Mr. Moore stated a 64 gallon cart would be the only option on Option 1.

Councilman Skrzyniarz referenced a complaint on our current recycling program is the bulky size of the 96 gallon cart. The size will be decreased in 2018. He referenced the feedback he received from citizens wanting to keep the Recycling Centers open. Councilman Skrzyniarz would like to continue to review the use of the Recycling Centers. He extended a challenge to the residents to take a closer look at recycling and spend the participation fee, to invest in the future. Councilman Skrzyniarz stated that he will support the motion on the floor, Option 1, and it meets the goal to save money and maintain quality services.

Councilwoman Koski requested Mr. Mark Vanderool, City Manager to address the issues that were brought up by the audience. When will the contract be written; doing business with someone who is in litigation; and what is the policy regarding condominiums?

Mr. Vanderpool stated that as part of our due diligence effort, an agreement has been worked on by the City Attorney, our Finance and Budget Director, our Purchasing Manager, and the DPW Director, and is ready to be signed and executed tomorrow. With respect to the litigation question, Mr. Vanderpool stated it is his understanding that the litigation has been settled. Regarding the condominiums, Mr. Vanderpool requested Mr. Moore address the question.

Mr. Moore stated that as far as condominiums, apartments, and mobile home parks are concerned, if a recycling subscription exists and they have door step pickup, that will continue. If that does not exist, Rizzo Environmental Services will work with the management company and designate a location for a certain amount of carts, or Rizzo Environmental Services can place a large commercial style container for recycling there as well. It would work the same way for their refuse.

Councilwoman Koski questioned if the trucks would be driving down the narrow streets in those facilities.

Mr. Moore stated that it could provide the curbside pickup or by working with the management companies of the facilities, designated areas would be assigned.

Councilwoman Ziarko stated she did not like the process but thinks that City Council should see a copy of the contract before it is signed. She inquired if the other two vendors had the opportunity to match this contract?

Mr. Moore responded yes, everybody was interviewed the initial time. The second process involved the two lowest vendors and the committee negotiated to get lower costs and extra services for this costs. The vendors were asked if there was anything else they wanted to provide in their RFP or best and final.

Councilwoman Ziarko repeated that Mr. Greve stated he was not asked for his best and final. She asked Mr. Moore if he got the impression that he was.

Mr. Moore responded yes he was, 100%.

Councilwoman Ziarko asked if a precedent is being set with the eight year contract.

Mr. Vanderpool responded that the City has numerous terms of lengths of contracts beginning with a one year contract, three years, and four years. Mr. Vanderpool commented that eight years would certainly be on the longer end. He stated that he is not aware of an existing eight year contract but stated that there are protections in the contract should there be poor performance. Both contractors have excellent reputations and have been in business a long time. They both have had long term contracts in place with comparable communities. Mr. Vanderpool stated that the vendors have a track record of being able to fulfill the eight year terms.

Councilwoman Ziarko questioned if there is a change in cost savings over the next eight years if Waste Management continues their recycling services?

Mr. Baker responded that the cost savings would not change. However, the residents would not save the \$50,000 in their subscription program per year until 2018. If Waste Management exercises their 90 day out clause, Rizzo will step in.

Councilwoman Ziarko would like to see the out clause in the Waste Management contract. She requested to ask the following question of a representative from Rizzo Environmental Services: If the company is sold off, will the buyer assume all the responsibilities.

A representative from Rizzo Environmental Services, Tom Baretto, responded that Waste Management has been sold a couple of times and that Rizzo Environmental is not going anywhere.

Councilwoman Ziarko commented that individuals are appointed to provide the best information to City Council to make the difficult decisions that have to be made.

Councilwoman Ziarko stated that before making a decision, she asks herself what is in the best interest of 130,000 people, not necessarily my own best interest.

Councilwoman Schmidt echoed Councilwoman Ziarko's sentiments on the process that has taken place over the past few months. She has concerns over the eight year contract and would hope a five year contract with extensions continuing the exact same contract would be considered. Regarding the curbside recycling, does the \$57 cover the cost of the cart and the service? The City is not paying for these carts, correct?

Mr. Moore stated that the \$57 would cover the cost of the cart and the service.

Councilwoman Schmidt commented that the taxpayers that do not participate in curbside recycling program will not be paying for that program.

Mr. Moore stated that is correct.

Councilwoman Schmidt stated she was happy that the Recycling Centers will remain open. She reiterated that the eight year contract makes her uncomfortable and would appreciate it if Rizzo Environmental Services would consider a five year contract with extensions with the cost savings included.

Mayor Taylor commented on the process stating the bid was put out in October. With less than 30 days away from the expiration of the current contract, the City could not

have waited any longer. Mayor Taylor stated that every step of the process resulted in cost savings to the residents. The backup is public information and shows the review committee rating Rizzo Environmental Services the highest, 98% on the review. References were obtained from communities Rizzo has been doing business with for over a number of years resulting in very few problems, or no complaints. Mayor Taylor stated the process was met with resistance and misinformation as they were trying to save more money. The process ended up saving money every step of the way. Mayor Taylor stated the process worked perfectly and provided an opportunity for the City and residents to get what they wanted at the best possible price. In addition, Mayor Taylor stated his preference would be Option 3 striking a balance between cost savings and a group service. In March, Mayor Taylor had the opportunity to read to the 6th and 7th grade class at Noir Academy in Sterling Heights. He asked the class if they recycled at their curb and out of the 80% of the students that raised their hands, none of them lived in Sterling Heights. Mayor Taylor stated that his goal for the City has always been the lowest cost and enhanced recycling ability for the residents. In regards to the campaign contribution question from audience participation, Mayor Taylor responded that he did not receive any campaign contributions from any contractor. That is public information. Mayor Taylor stated that City Council leads with integrity and does not allow any campaign contributions to dictate what they are going to do. In response to an audience participation comment about Rizzo Environmental Services back loading the savings. Mayor Taylor did not agree. Mayor Taylor stated that he will be in support of the contract

and also commented that he would like to see a better recycling program in Sterling Heights.

Councilwoman Schmidt questioned if the refuse millage rate will be changing in the budget that will be discussed next week.

Mr. Baker responded that there will be a slight savings as a result of choosing Option 1 in the budget, about \$180,000.

Roll Call Vote:

Yes: Shannon, Skrzyniarz, Ziarko, Koski, Romano, Schmidt, Taylor

No: None

Motion carried 7-0.

COMMUNICATIONS FROM CITIZENS

State Senator Phil Pavlov – Introduced himself and announced he has filed to run for the vacant seat in the United States Congress.

Mr. Scott Morrison – Police Chief position hiring process.

Mr. Jeffrey Norgrove – Upcoming budget meeting dates and times; and the results of the fire survey.

Mr. Michael Lombardini – Recommending appointing the existing Interim Police Chief to the permanent position.

Ms. Mary Marciniak – Requesting better communication on this year's spring clean-up; also questioned how services are segregated, according to their SEV, in the budget process.

Ms. Dolores Hatton – Positive feedback on shredding; concerned that Dodge Park is becoming over commercialized; growth of natural resources; positive feedback on meeting with the City Manager; and nature center funds;

Mr. Charles Jefferson – suggested one week just for Sterling Heights vendors at Farmers market; recycling; and an Airbnb City ordinance.

Ms. Elias - Requesting a resolution to the Michigan Department of Education opposing the guidance of student gender identity in schools.

Ms. Jazmine Early – opposes the guidance of student gender identity in schools; amenities of the Master Plan; 6th tax increase in six years; development of land on 15 Mile Road between Mound and Ryan.

Mr. Michael Radtke – disagreed with previous speakers regarding gender identity.

Mr. Horan – Thanked the Mayor for saving money; Police Chief position.

REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

Mr. Vanderpool stated there are budget hearings on April 12, 2016 and April 26, 2016 at 6:30 p.m. The final budget hearing is on Wednesday, May 4, 2016 at 7:30 p.m. There is a special part of the meeting starting at 6:30 p.m. for the Foundation Scholarship Awards. In response to Ms. Marciniak's inquiry about special drop-off days, Mr. Vanderpool stated that they will be every Saturday in May. With respect to the budget information, the average price home is what the budget is based on, the typical priced home in Sterling Heights is around \$170,000.

Mr. Bahorski reported there are no items for closed session.

Councilwoman Schmidt stated that she is getting phone calls on the construction on Van Dyke and asked what is left to be done, and the anticipated timeframe.

Mr. Vanderpool responded that there are two major intersections left, Metropolitan Parkway and Van Dyke, and 18 Mile Road and Van Dyke. They are planned to be completed by summer, followed by landscaping in the median, lighting, and the underground irrigation needs to be completed and should be finished up by the fall.

Councilman Romano commented that his brother passed away unexpectedly and thanked everyone for their kind words, cards, and outpouring of sympathy.

Councilman Skrzyniarz commented that former Detroit Mayor Roman Griggs passed away earlier today and expressed condolences to his family. He also addressed comments during audience participation opposing the Parks and Recreation Plan.

Councilman Skrzyniarz stated that the details have not yet been rolled out on the plan. In referencing a couple of speakers in tonight's audience participation, he commented that the City Council joined together a couple years ago in support of anti-discrimination in the City of Sterling Heights. He stated he was disappointed in some of the comments from tonight.

Councilwoman Ziarko requested a hard copy of the construction scheduled on Dodge Park.

UNFINISHED BUSINESS

There was no Unfinished Business discussed.

NEW BUSINESS

There was no New Business.

ADJOURN

Moved by Schmidt, seconded by Romano, to adjourn the meeting.

Yes: All. The motion carried.

The meeting was adjourned at 10:05 p.m.

MARK CARUFEL, City Clerk

EXPENDITURES FOR THE MEETING OF
April 19, 2016

	TOTAL PREPAYMENT LISTING	INTERFUND TRANSFERS	PROPERTY TAXES TO OTHER ENTITIES	EXPENSES & EXPENDITURES
GENERAL FUND	\$911,621.46			\$911,621.46
WATER & SEWER FUND	\$1,575,941.54			\$1,575,941.54
OTHER FUNDS	\$1,107,262.26			\$1,107,262.26
TOTAL CHECKS	\$3,594,825.26	\$0.00	\$0.00	\$3,594,825.26

BILL LISTING DETAIL IS AVAILABLE AT THE STERLING HEIGHTS PUBLIC LIBRARY

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To extend the terms and conditions of a proposal for noxious weed/grass cutting on residential and commercial/industrial properties in violation of state law and city code for a one-year period (Estimated annual expenditure of \$100,000 recovered from property owner).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

JB

Attachments

<i>MC</i>	City Clerk	—	Resolution	—	Minutes
<i>AB</i>	Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>JB</i>	City Attorney (as to legal form)	—	Contract	—	Other
<i>[Signature]</i>	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- In accordance with state law and the city code of ordinances, the city of Sterling Heights conducts a noxious weed abatement program. Noxious weeds and tall grass (in excess of six (6) inches) on residential, commercial and industrial properties are abated through cutting after notice to the property owner or responsible party. The City utilizes the services of a private contractor under the direction of the Department of Public Works to perform the noxious weed abatement. The property owner is invoiced for the cost of the abatement action and the City has a lien against the benefitted property.
- Following an extensive RFP process involving eight written proposals, interviews by an evaluation committee, and recommendation by staff, City Council accepted a proposal from Landscape Services, Inc. (LSI) on March 20, 2012 for noxious weed / grass cutting. LSI's proposal was based on unit pricing for a period of three-years, with an option for two one-year extensions. LSI's pricing for the optional fourth and fifth years is the same as year three of the proposal.
- Since 2012, LSI has been charged with and taken responsibility for the inspection, documentation, and abatement of nuisance conditions on properties in violation of state law and city code. The DPW is very satisfied with LSI's performance over the past four years and has indicated the volume of violations issued and properties being cut are slowly decreasing indicating the abatement program is working.

- LSI's "all inclusive" Code V service provides for weekly inspection of all residential, commercial, and industrial properties for code violations by qualified, trained, and uniformed personnel, who inspect, document, administer, and abate, if necessary, all noxious weed/grass violations. Unique to LSI's Code V service is its weekly inspection of all properties and proprietary web-based software which allows Code V personnel and authorized City personnel to view property information, violation notices, and photographic documentation from any device with internet capabilities. Both LSI personnel and City staff can access and input service request information compiled for the past four years.
- Please see the attached recommendation from the Department of Public Works.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to extend the terms and conditions of a proposal by Landscape Services, Inc., 22932 Rasch, Clinton Twp., MI 48035, for noxious weed / grass cutting for a one-year period based on the following unit pricing:

	<u>2016</u>
Improved and Select Unimproved Lot – Flat Fee	\$55.13/ea.
Medium / Large Unimproved Lot – Hourly Rate	\$93.71/hr.
Add the per Unimproved Lot Fee	\$9.37/ea.
Miscellaneous Mowing	\$71.66/ea.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On January 19, 2012, the City received vendor responses to its request for proposals for noxious weeds / grass cutting. Upon thorough review and analysis, staff recommended and City Council accepted the proposal submitted by Landscape Services, Inc. (LSI) to provide the requested services for a three-year period effective March 21, 2012. The accepted proposal provided the option for two one-year extensions with no increase in unit pricing from year three.

The fees paid to LSI are reimbursed to the City through an invoice to the offending property owner. If the invoice is not paid, the balance is placed on the tax roll and collected through the general property tax collection system in accordance with state law.

Funds are budgeted and payments to the contractor are expensed in account 11744442 (Public Works Center) 820000 (Tree/Weed cutting).

STAFF ANALYSIS AND FINDINGS:

LSI's "all inclusive" Code V service provides for weekly inspection of all properties and identification of those with code violations, placement of violation notices to properties, photographic documentation of violations, follow-up inspection, and, if necessary, mowing / cutting as required for timely abatement of the violation. LSI's Code V proprietary web-based software allows LSI personnel (as well as authorized City personnel) to view property information, violation notices, and photographic documentation from any device with internet capabilities. Immediate access to current information creates an environment of proactive problem solving while maintaining a high level of ordinance compliance.

LSI has provided liability insurance and a hold harmless and indemnity agreement in favor of the City, and will provide an updated \$25,000 performance bond.

The DPW has been extremely satisfied with the level of service provided by LSI over the past four years. The City's noxious weed / grass abatement program is cost effective and efficient.

LSI's three-year proposal provided the option for year-three pricing to be extended for two one-year periods. The first of the two one-year extensions was approved in March 2015. Recommendation is being made to exercise the second of the two one-year extensions. Please see the attached recommendation memorandum from the Department of Public Works.

STAFF RECOMMENDATION:

Please see the suggested action on the Agenda Statement.

Notification list:

Landscape Services, Inc.

22932 Rasch Drive

Clinton Twp., MI 48035

Len Cugliari, Department Manager

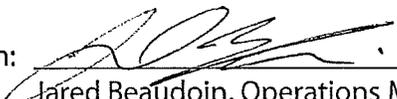
lcugliari@lsimichigan.com



Interoffice Memorandum

Date: February 25, 2015

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Recommendation to Extend the Current Contract for Noxious Weed/Grass Cutting

The Department of Public Works recommends that the City exercise its option to extend the current contract for noxious weed/grass cutting for a final one-year period, as outlined in the negotiated proposal.

The current three-year contract that was awarded on March 20, 2012 expired November 1, 2014, provides an option to extend for two additional one-year periods upon mutual consent of both parties under the same terms and conditions. We recommend that this contract be extended for a final one-year period, for noxious weed/grass cutting services to:

Landscape Services, Inc.
22932 Rasch Drive
Clinton Township, MI 48035
Attn: Leonard Schafer and Paul Doppke, Partner/Owner

Based on their unit prices bid below:

	Hourly Rate
Improved and Select Unimproved Lot – Flat Fee	\$55.13
Medium/Large Unimproved Lot – Hourly Rate	\$93.71
Miscellaneous Mowing	\$71.66

Public Works staff is very satisfied with Landscape Services, Inc. (LSI) ability to identify properties in violation of the Noxious Weed Ordinance and have them cut within 24 hours. The software program that they provide to the City is extremely helpful as pictures, dates, and work times are all recorded for each individual cutting, easily accessible by staff to answer any resident inquiries.

Funds in the amount of \$100,000 have been budgeted in the Public Works Center – Tree/Weed Cutting account #11744442-820000.

C: Michael Moore, Public Works Director

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To purchase banquet services for the 2016 *Volunteer Appreciation Dinner* (Estimated expenditure of \$15,600).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)



Attachments

	City Clerk	—	Resolution	—	Minutes
	Finance & Budget Director	—	Ordinance	—	Plan/Map
	City Attorney (as to legal form)	—	Contract	—	Other
	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- Without the skill and dedication of its volunteers, the City of Sterling Heights could not function. From board, commission, and committee membership to emergency response teams, volunteers simply make Sterling Heights' overall quality of life better.
- It is fitting to recognize the countless hours given to the City by its volunteers. Consistent with past practice, the City is hosting a *Volunteer Appreciation Dinner* in 2016. In order to secure a venue of sufficient size and quality to host this event, the Office of Purchasing and Community Relations Department thoroughly reviewed the available options for banquet hall services within the City limits.
- Based on per plate pricing received from Penna's of Sterling, Inc. in the amount of \$26.00, the anticipated expenditure for this banquet will be approximately \$15,600, which includes hall rental and gratuities. Penna's of Sterling's banquet facilities are of sufficient size and quality to host the 2016 *Volunteer Appreciation Dinner*, which is expected to draw approximately 600 guests. The *Volunteer Appreciation Dinner* will also provide a forum to recognize the board member/commissioner, volunteer, police officer, fire fighter, and administrator of the year.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to waive the competitive bidding requirements in accordance with City Code §2-217(A)(9)(b) and purchase banquet services from Penna's of Sterling, Inc., 38400 Van Dyke, Sterling Heights, MI 48312, for the 2016 *Volunteer Appreciation Banquet* at the per plate fee of \$26.00, inclusive of hall rental and gratuities.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

Every year, City volunteers serve in a multitude of capacities. A small sampling of the ways volunteers assist City operations include:

- Boards, commissions, and committees
- Citizen Emergency Response Team
- Annual City events, including Sterlingfest, Sterling Christmas, Music in the Park
- Friends of the Sterling Heights Library
- SHINE events
- Clinton River clean-up

The crucial role volunteerism plays in enhancing the quality of life in Sterling Heights should be recognized. As a token of appreciation, the City has held a volunteer appreciation dinner for many years.

Funding for this purchase is available in 11728292 (Community Relations) 982000 (Miscellaneous Expense).

STAFF ANALYSIS AND FINDINGS:

City Code §2-217(A) provides in relevant part as follows:

Competitive bids shall not be required with respect to the following purchases unless otherwise required by law:

(9) Purchases where a 5/7 majority of the City Council has determined that one or more of the following situation exists and that competitive bids should be waived and is in the best interests of the City, applying the standards of section 2-216(B) (1 – 8):

(b) Past experience indicates that, for the subject of the acquisition or sale, cost variances are negligible, and, therefore, the bid procedure is not economically merited.

City Code §2-216(B) (1 – 8) provide in relevant part as follows:

In determining the lowest responsible bidder and responsive bidder, in addition to price, the Purchasing Manager, City Manager and City Council shall consider:

- (1) The ability, capacity and skill of the bidder to perform the contract or provide the service required, and the bidder's prior performance of previous contracts or services and compliance with applicable laws and ordinances relating to similar contracts or services;
- (2) Whether the bidder can perform the contract or provide the services promptly, or within the time specified, without delay or interference;
- (3) Whether the bid complies in all material respects with the bid specifications;
- (4) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (5) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (6) The quality, availability and adaptability of the supplies or contractual services to the particular use required;
- (7) The ability of the bidder to provide future maintenance and service for the use of the supplies or services which are the subject of the contract; and
- (8) The number and scope of conditions attached to the bid.

It should be noted that prior attempts to secure multiple bids or proposals for banquet services in response to a City invitation to bid have failed. Banquet facilities situated in the City and of the size needed to host the Volunteer Appreciation Dinner are very limited. In addition, these facilities do not routinely bid their services and due to time demands, do not readily respond to such solicitations. Consequently, the Office of Purchasing and Community Relations Department opted to reach out to the owners of the banquet facilities directly in lieu of expending time and resources associated with an RFP or bid.

A committee comprised of the Community Relations Director, Citizens Services Specialist and Purchasing Manager undertook a review and requested written quotes from those banquet facilities located within the City capable of hosting an event with approximately 500-600 attendees. Based upon this evaluation, recommendation is being made to purchase banquet services from Penna's of Sterling, Inc. to host the 2016 *Volunteer Appreciation Dinner* on Wednesday, October 26, from 6:00 to 10:00 p.m. The quote from Penna's of Sterling includes a family style dining option menu with an all inclusive price of \$26/person for a two (2) entrée family style dinner and cash bar.

Invitations will be mailed to guests during the week of September 2nd with an RSVP deadline of October 5th. Based on past experiences, the 1,000-guest invitation list will likely generate an attendance of 600 guests for the event.

STAFF RECOMMENDATION:

Please see the Suggested Action set forth on the Agenda Statement.

Notification list:

Penna's of Sterling

38400 Van Dyke

Sterling Heights, MI 48312

Mary Lou Penna

maryloupenna@gmail.com



Date: March 28, 2016

To: Jim Buhlinger, Purchasing Manager

From: Bridget Doyle, Community Relations Director

Re: Volunteer/Employee Appreciation Dinner Venue Recommendation 2016

In planning and preparation for the upcoming Volunteer/Employee Appreciation Dinner, Community Relations and Purchasing staff reviewed two venues in Sterling Heights that were possible contenders in size and price within the City's limits for this year's event. The venues, Sterling Inn and Penna's of Sterling, were each vetted based on their menus, attendee capacity and other set-up and event-related capabilities.

After careful review of the possible venues, the Community Relations Department recommends the following:

- **Penna's of Sterling, Family Style Entrée Dinner with Cash Bar at a cost of \$26/per person.**

The determination was made largely because Penna's of Sterling offered the best offering in term of per-plate-price and venue capacity for our event.

The invitation list will comprise of board and commission members, city volunteers that assist various departments and programs (such as Sterlingfest, CERT, SHINE and others) and liaisons to boards and commissions. In addition to these guests, we will also continue honoring selected commission, commissioner, volunteer, employee and administrator of the year recipients at the event. This year we will also continue the tradition of honoring employees for significant anniversaries.

This is a budgeted expenditure, which is in line with the Community Relations Department's continued objective to strengthen our sense of community by encouraging and promoting volunteerism within Sterling Heights. It is important we show gratitude to the men and women of Sterling Heights who dedicate their time and resources to enhance our city's safety, family-friendly events and community services.

The Volunteer/Employee Appreciation Dinner is slated for 6 to 10 p.m. Wednesday, October 26.

Timeline for preparation for this event:

- April 19th – Council Consideration of Venue Selection

- September 2nd – Invitations Mailed
- October 5th – RSVP Deadline
- October 26th – Event

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To award a bid for elevator maintenance services (Estimated annual expenditure of \$9,600)

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

JB

Attachments

<i>MC</i>	City Clerk	—	Resolution	—	Minutes
<i>BB</i>	Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>JB</i>	City Attorney (as to legal form)	—	Contract	—	Other
<i>MB</i>	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- The City owns ten elevators that require monthly inspection and routine protective maintenance pursuant to State of Michigan regulations. On March 8, 2016, the Office of Purchasing received three (3) bids for protective maintenance of the City's ten (10) traction and hydraulic elevators. The bid specifications sought pricing for a two-year period, with an option for a third year.
- The low bidder, Great Lakes Elevator, LLC, has performed the requested services over the last three years to the satisfaction of the Office of Building Services and Facilities Maintenance. Great Lakes Elevator's monthly / annual bid pricing is as follows:

	<u>Monthly</u>	<u>Annual</u>
Year One	\$780.00	\$9,360
Year Two	\$820.00	\$9,840
Optional: Year Three	\$945.00	\$11,340

- Recommendation is being made to award the bid to Great Lakes Elevator, as the low bidder meeting bid specifications.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to award the bid for elevator maintenance services to Great Lakes Elevator, LLC, 530 E. Grand River, Williamston, MI 48895, for a two-year period, with an option for the City Manager to extend for a third year, at unit prices bid.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager Ext. No. 2741

GENERAL INFORMATION:

On March 8, 2016, bids were received for elevator maintenance services. Invitations to bid were advertised on SHTV, posted to the MITN website, Facebook and Twitter and published in the Sentry Newspaper. Three (3) vendors responded with qualifying bids as outlined in the attached bid tabulation. One bid was received and deemed non-responsive. The bid specifications sought pricing for a two-year period with an option to extend one (1) additional one (1) year term. Funds are budgeted annually in 1744412 (Building & Facilities Maintenance) 832000 (Building Maintenance).

STAFF ANALYSIS AND FINDINGS:

The City owns ten elevators, located within six city facilities that require monthly inspection and maintenance pursuant to State of Michigan regulations. Monthly inspections will be made on the machine, motor, generator, controller, dispatching equipment, selector, governor, car, hoistway, and door tracks to ensure each component is adjusted and lubricated as required to maintain the equipment in a proper and safe operating condition. A pre-bid meeting and facilities tour was conducted on February 24, 2016 to allow vendors with the elevators/lifts to be serviced.

The Office of Building Services & Facilities Maintenance and Office of Purchasing thoroughly reviewed all bids. Great Lakes Elevator is the lowest overall bidder meeting the bid specifications and the incumbent vendor for these services. Great Lakes Elevator has proven to be a reliable vendor. References were checked and found to be acceptable.

Great Lakes Elevator's monthly / annual bid pricing is as follows:

	<u>Monthly</u>	<u>Annual</u>
Year One	\$780	\$9,360
Year Two	\$820	\$9,840
Optional: Year Three	\$945	\$11,340

The City is in receipt of the required signed indemnification agreement and minimum \$1,000,000 of liability insurance coverage with the City named as an additional insured. Please see the attached memorandum from the Department of Public Works for further information.

STAFF RECOMMENDATION:

Please see the Suggested Action on the accompanying Agenda Statement.

Notification list:

Great Lakes Elevator

530 E. Grand River Road

Williamston, MI 48895

Patrice Drainville, Administrative Operations

info@glelevators.com



Date: March 17, 2016

To: Jim Buhlinger, Purchasing Manager

From: Michael Viazanko
Michael Viazanko, Building Official

Subject: Elevator Services and Repairs

I had the opportunity to extensively review the three bids submitted for traction and hydraulic protective maintenance for the elevators in the city buildings in response to the City's invitation to bid (ITB-SH16-016). The bid specs requested pricing to perform monthly preventative maintenance and service to all the elevators in our city buildings. The length of this contract is for 2-years with an option for a third if we chose to extend it. There was actually four bids submitted but one of them was disqualified by the Purchasing Department, leaving only three to review. All three qualified bids submitted met the necessary specification as indicated in the ITB solicitation.

I am recommending that this bid be awarded to Great Lakes Elevator, 530 Grand River, Williamston, Mi. 48895. Currently the City of Sterling Heights is utilizing Great Lakes Elevator for maintenance and service and has proven to be effective in keeping the equipment working properly. Their bid submitted for the first year is \$9,360.00 and \$9,840.00 for the second year for a two-year total of \$19,200.00.

There was two additional quotes submitted to the ITB-SH16-016. Both Elevator Technology and Toledo Elevator submitted quotes that were higher than Great Lakes. Elevator Technology submitted a quote of \$23,700.00 for the first year and \$23,700.00 for the second year. There overall quote for the two year contract is \$47,400.00. The third bid submitted Toledo Elevator submitted a quote of \$9,900.00 for the first year and \$10,200.00 for the second year. After the term of the contract their quote is \$20,100.00. Both additional bids are higher than the contractor being recommended.

Funding for this service will be budgeted in Facility Maintenance Account #11744412-832000 for the sum indicated above.

CITY OF STERLING HEIGHTS
BID TABULATION - MARCH 8, 2016
ITB-SH16-016: ELEVATOR MAINTENANCE

	Elevator Technology		
	<i>Year 1</i>	<i>Year 2</i>	<i>Optional Year 3</i>
Monthly Maintenance	\$1,975.00**	\$1,975.00**	\$1,975.00**
Annual Total	\$23,700.00**	\$23,700.00**	
Bid Grand Total, Year 1 & 2	<u>\$47,400.00</u>		
Hourly Labor Rate	166.00*	166.00*	166.00*
Overtime Portion Rate	135.00	135.00	135.00

	Great Lakes Elevator		
	<i>Year 1</i>	<i>Year 2</i>	<i>Optional Year 3</i>
Monthly Maintenance	\$780.00	\$820.00	\$945.00
Annual Total	\$9,360.00	\$9,840.00	
Bid Grand Total, Year 1 & 2	<u>\$19,200.00</u>		
Hourly Labor Rate	135.00	142.00	148.00
Overtime Portion Rate	50.00	50.00	50.00

	Toledo Elevator		
	<i>Year 1</i>	<i>Year 2</i>	<i>Optional Year 3</i>
Monthly Maintenance	\$825.00	\$850.00	\$850.00
Annual Total	\$9,900.00	\$10,200.00	
Bid Grand Total, Year 1 & 2	<u>\$20,100.00**</u>		
Hourly Labor Rate	189.00**	189.00**	198.45**
Overtime Portion Rate	299.00**	299.00**	313.95**

NOTE: Non-responsive bid received from Thyssenkrupp Elevator.

* One Mechanic
 ** Adjusted by Purchasing
 N/B - No Bid



CITY OF Sterling Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko

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cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

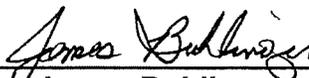
City Manager Mark D. Vanderpool

INVITATION TO BID

ITB-SH16-016

The City of Sterling Heights, Michigan is accepting sealed bids for **ELEVATOR MAINTENANCE** until **TUESDAY, MARCH 8, 2016 AT 2:30 P.M.** in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.

There will be a Pre-Bid Meeting and walk-thru of facilities with elevators on **WEDNESDAY, FEBRUARY 24, 2016 at 9:00 A.M.** at the City Council Chambers located in City Hall, 40555 Utica Road, Sterling Heights, Michigan 48313.



 James Buhlinger
 Purchasing Manager

**Office of Purchasing
586-446-2740**

VI. SPECIFICATIONS

The City of Sterling Heights is seeking sealed bids to contract traction and hydraulic elevator protective maintenance at City buildings. Specifications are as follows.

Proposal to furnish protective maintenance on the following described equipment:

<u>Location</u>	<u>Type</u>	<u>Manufacturer</u>
City Hall 40555 Utica Road	(1) Passenger Elevator	Dover
Police Department 40333 Dodge Park	(3) Passenger Elevators	Lardner
Public Library 40255 Dodge Park	(1) Passenger Elevator (1) Service Elevator (1) Book Lift*	Lardner
41A District Court 40111 Dodge Park	(1) Passenger Elevator	Otis
Community & Youth Center 40620 Utica Road	(1) Wheelchair Elevating Device*	Porch-Lift
Senior Activity Center 40200 Utica Road	(1) Passenger Elevator	Schindler

* Service twice a year - spring and fall only.

Contractor shall maintain the equipment herein described on the following terms and conditions:

Contractor shall use trained personnel, directly employed and supervised by Contractor, who shall be qualified to properly adjust and maintain equipment and who will use reasonable care to maintain the equipment in proper and safe operating condition.

Contractor shall monthly and systematically examine, adjust, lubricate as required and, if conditions warrant, unless specifically excluded under the exception paragraph, repair or replace the following:

MACHINE: Worm gear, thrust bearing, drive sheave, drive sheave shaft bearings, brake coil, brake linings and components.

MOTOR: Motor windings, bearings, rotating element, commutators, brushes and brush holders.

MOTOR GENERATOR: Motor generator windings, bearings, rotating element, commutators, brushes and brush holders.

CONTROLLER:	Relays, resistors, contacts, coils, leads, transformers, timing devices and solid state components.
DISPATCHING EQUIPMENT:	Relays, resistors, contacts, coils, leads, transformers, timing devices and solid state components.
SELECTOR:	Electrical or mechanical drive components, cams, contacts, relays, resistors, leads and transformers.
GOVERNOR:	Sheave, bearings, shafts, contacts and governor jaws.
CAR:	Power door operator, door protective devices, car door hangers, car door contact, load weighing equipment, car safety devices, car guide shoes including roller guides and emergency lighting.
HOISTWAY:	Deflector sheave, secondary sheaves, buffers, governor tension assemblies, compensating chain or cables, traveling cables, hoistway and machine room wiring, hoistway door interlocks, hoistway door hanger and gibs and auxiliary closer.
ACCESSORY EQUIPMENT:	All accessory elevator equipment installed prior to commencement of this contract unless excluded in the exception paragraph.
DOOR TRACKS:	As part of the preventative maintenance the service personnel shall include cleaning out the elevator door tracks to allow for doors to operate properly with no interferences.

Contractor shall examine all safety devices and conduct safety tests as required by local laws or ordinances existing at time of execution of contract. Contractor will not be liable for any damage to the building resulting from such tests. Examinations shall be conducted on a monthly basis.

In the case of hydraulic elevators, Contractor shall systematically examine, lubricate as required, and, if conditions warrant, repair or replace: *pump, motor, muffler and controller parts, valves, valve magnet coils, valve motors, packing, windings, rotating elements, and all electrical and mechanical parts not excluded in the exception paragraph below.* Examinations shall be conducted on a monthly basis.

Contractor shall renew all wire ropes as often as is necessary to maintain an adequate factor of safety; equalize the tension on all hoisting ropes, and repair or replace conductor cables.

A major parts inventory of manufacturer's parts will be kept in your local and/or regional warehouses. This inventory will include such items as door operating equipment, armatures, controller switches and parts, solid state units, selector tapes and drives, door hangers, brake magnets, limit switches, rectifiers, and other spare lending and replacement parts deemed necessary for continuity of service.

Wiring diagrams will be mounted on a hardboard surface for permanent and long-term use by Contractor's examiners. City to furnish a complete set of wiring diagrams which will be left in the building upon completion of this contract.

Performance

Contractor shall:

1. Where possible and in keeping with safe practices maintain the original performance time including acceleration and deceleration, door opening and closing time within the limits of applicable codes.
2. Where it applies, make periodic checks of the group dispatching and supervisory system and make all necessary tests and adjustments to maintain design standards.
3. Upon being notified that service is needed, the contractor has two (2) hours to arrive on site.
4. Contractor shall NOT invoice until work has been completed. This includes quarterly preventative maintenance.
5. All invoices for service calls need to be invoiced within 30 days of work performed. This does not include preventative maintenance to be invoiced quarterly.
6. After each service call, an inspection report outlining the service performed must be furnished to the Manager of Facilities Maintenance for review. Any unusual or unfavorable conditions observed will be noted and the Contractor will complete corrective measures with the approval of the Manager of Facilities Maintenance or in his/her absence, the Equipment Maintenance Coordinator. Contractor will be required to sign in and out in the Facilities Maintenance Office. Failure to do so will result in non-payment for time and/or materials.

Contractor assumes no responsibility for the following items of elevator equipment:

Electrical power switches, fuses and feeders to the controller; car enclosure, together with permanent and removable panels, door panels, car gates, fans and plenum chambers, telephones, hung ceilings, light ballasts, light tubes and bulbs, including power source, handrails, mirrors, car floor tiles and/or carpets; hoistway enclosure, together with hoistway gates, doors, frames and sills, and swing door closers; hydraulic elevator cylinders, plungers and buried piping.

Schedule of Prorated Parts

In order to provide the City with the maximum use from existing hoist, governor, and compensating cables, Contractor shall accept them in their present condition with the understanding that the City shall pay, in addition to the base amount of this agreement, an extra charge at the time these items are first repaired or replaced. The charge for these

Official bid specifications are available only at www.mitn.info.

replacements will be determined by deducting from the total cost of replacing the individual items the percentage of the life of the items used after the commencement of this contract.

Exceptions

Contractor shall not be required to make other tests or install new attachments on the equipment, whether or not recommended by insurance companies or by government authorities; or make any replacements with parts of a different design; or make renewals or repairs necessitated by reason of negligence or misuse of the equipment or by reason of any other cause beyond our control except ordinary wear and tear.

It is agreed, in consideration of Contractor's performance of the service enumerated herein at the price stated, that nothing shall be construed to mean that Contractor assumes any liability on account of accidents or injury to persons or property, except those directly due to Contractor's negligent acts or omissions or those of Contractor's employees; and that the City's own responsibility for accidents or injuries to persons or property related to the subject equipment is in no way affected.

Contractor shall not be liable for any loss, damage or delay due to any cause beyond his reasonable control including, but not limited to, acts of government, strikes, lockouts, fire, explosion, theft, floods, earthquake, riot, civil commotion, vandalism, war, or act of God.

The City shall:

1. Give Contractor written notice, within twenty-four hours of any accident, alteration or change affecting the equipment and of any change of ownership.
2. Discontinue immediately the equipment from service when the equipment becomes unsafe or operates in a manner which might cause injury to a user.
3. Maintain surveillance of the equipment for such purposes.

This contract shall be for a period of two (2) years with the option to extend one (1) additional year for a total of three (3) years.

All work is to be performed during the regular working hours of Contractor's regular working days, unless otherwise specified below:

These specifications include emergency call-back service during regular working hours. Emergency call-backs for this purpose are defined as affecting safe or continuous operation of equipment covered under this contract.

If overtime services are requested by the City, the Contractor shall absorb the single time rate portion of the worked hours, and the City will be charged only for the overtime portion rate over and above the regular hourly billing rate.

Example: Regular hourly rate: \$75
 Overtime hourly rate: \$95

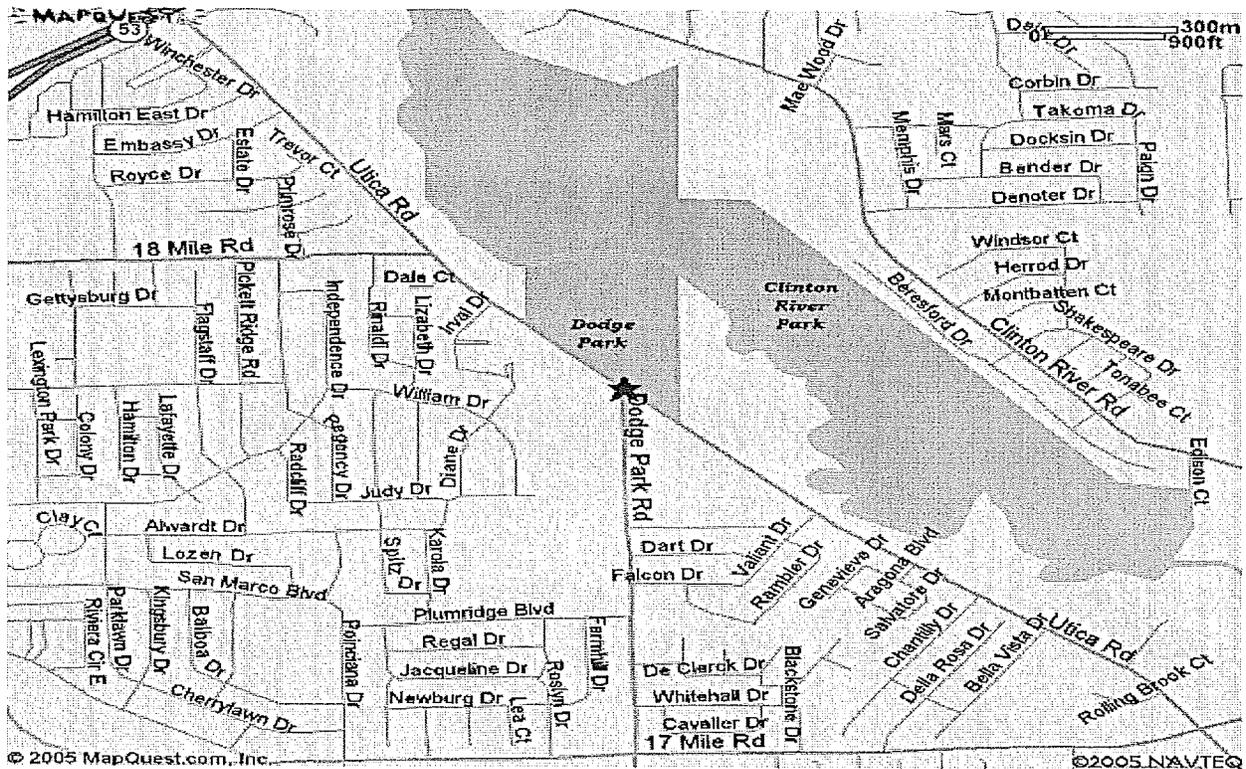
Official bid specifications are available only at www.mitn.info.

The City would be responsible for \$20. This is the overtime portion rate.

Contractors interested in inspecting the elevators should contact Mike Viazanko, Facilities Maintenance Manager, at 586-446-2361.

LOCATION OF BUILDINGS

All buildings are located at Utica and Dodge Park Roads



VII. BID FORM

The undersigned hereby declares that he has carefully examined the instructions and specifications and will furnish **ELEVATOR MAINTENANCE** for the price set forth in this bid. It is understood and agreed that all bids are **F.O.B. DESTINATION**, that all bid prices shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for the award of the bid and that, if chosen the successful vendor, the prices bid will remain firm for a two (2) year period with the option for the City to extend the same terms and conditions for one (1) additional year.

The undersigned bidder further agrees and understands that the City of Sterling Heights is reserving the right to reject any and all bids and the right to waive irregularities in bidding if it determines such action to be in the best interest of the City to do so.

Bid Grand Total, Year 1 & 2: \$ _____

How did you receive notification of this bid? _____

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company _____

Address _____

City/State/Zip _____

Representative/Title _____

Telephone/Fax _____

E-Mail Address/Website _____

Terms _____

Signature/Date _____

VII. BID FORM (CONT'D)

	<u>Year 1</u>	<u>Year 2</u>	<u>Optional</u> <u>Year 3</u>
Five (5) hydraulic Lardner Elevators, one (1) Dover Elevator, one (1) Otis Elevator, one (1) Schindler Elevator, one (1) Porch-Lift vertical platform and one (1) Book lift per specifications, including parts and labor per specifications, per month	\$ _____	\$ _____	\$ _____
Bid Grand Total, Year 1 & 2: (Please carry Total forward to page 14)		\$ _____	
Hourly Labor Rate	\$ _____	\$ _____	\$ _____
Overtime Portion Rate	\$ _____	\$ _____	\$ _____

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To award a bid for a mosquito control program for a three-year period at unit prices bid (Estimated annual expenditure of \$16,035).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)



Attachment

	City Clerk	—	Resolution	—	Minutes
	Finance & Budget Director	—	Ordinance	—	Plan/Map
	City Attorney (as to legal form)	—	Contract	—	Other
	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- The City of Sterling Heights annually conducts a mosquito control program for the purpose of controlling the active mosquito population primarily through the following treatment activities in the Dodge Park / Clinton River Trail System:
 - Spraying of the trailway system;
 - Application of Altosid briquettes in standing water;
 - Application of a granular larvicide; and,
 - Weekly monitoring of breeding site(s) May 15th thru September 15th.
- On February 23, 2016, four vendors responded with five bids in response to the City's bid solicitation for the mosquito control program. The pricing submitted by the four responsive bidders is as follows:

	<u>Annual Price Bid</u>
APM Mosquito Control	\$16,035.00
Landscape Services	\$16,940.00
Custom Lawn Care	\$17,768.85
Custom Lawn Care - Alternate	\$17,147.10
Rose Pest Solutions	\$20,270.00

- Recommendation is to award the bid to APM Mosquito Control as the low bidder meeting all bid specifications. APM Mosquito Control has the relevant skills and experience to successfully administer the mosquito control program in Sterling Heights with currently 20 municipal clients across Michigan.

- This vendor is new to the City; however, references were contacted and proved favorable. They are certified and licensed through the State of Michigan Department of Agriculture and Rural Development.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to award the bid for the mosquito control program to APM Mosquito Control, 21240 34 Mile Road, Armada, MI 48005, for a three-year period based on unit prices bid as follows:

	<u>Bid Item</u>	<u>Unit Cost</u>
Bid Item "A"	Adult mosquito control and monitoring	\$215.00/week
Bid Item "B"	Application of Altoid Briquettes	\$825.00/application
Bid Item "C"	Granular larvicide application (150 acres)	\$45.00/acre

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On February 23, 2016, bids were received for the mosquito control program. Invitations to Bid were advertised on SHTV, posted to the MITN website, Facebook and Twitter and published in the Sentry Newspaper. The bid solicitation was sent to 167 potential vendors via the MITN electronic bid notification system. Four (4) vendors responded with five bids as noted on the attached bid tabulation.

It is anticipated that approximately \$16,035 will be spent annually for services rendered in connection with the program. Funding is available in 11744770 (Parks & Grounds Maintenance) 821000 (Spraying Services).

STAFF ANALYSIS AND FINDINGS:

Personnel from the Department of Public Works and Office of Purchasing have reviewed the bids and are recommending an award to APM Mosquito Control, the lowest qualified bidder meeting all bid specifications.

APM Mosquito Control was established in 1986 and has been providing pest control services for 30 years. They are headquartered in Armada, Michigan and have field offices in Flint and Gladwin specializing in community-wide integrated mosquito control programs. APM is currently under contract with 20 cities and townships throughout Michigan. Calls made to references provided by APM proved favorable.

STAFF RECOMMENDATION:

Please refer to Suggested Action on the Agenda Statement.

Notification list:

APM Mosquito Control

21240 34 Mile Road

Armada, MI 48005

Charles Mullins, General Manager

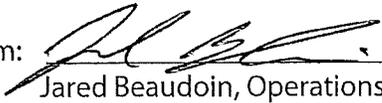
chuck.mullins@advancedmosquito.com



Interoffice Memorandum

Date: March 14, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
 Jared Beaudoin, Operations Manager

Subject: Bid Recommendation – Mosquito Control Program

The Department of Public Works has reviewed the bids received on February 23, 2016 for the Mosquito Control Program. This bid includes the seasonal application of Altosid briquettes, granular larvicide, and weekly control and monitoring for adult mosquitoes. After careful review and analysis of all bids, staff at the Department of Public Works recommends awarding to the following company as the lowest qualified bidder meeting all bid specifications:

APM Mosquito Control
 21240 34 Mile Road
 Armada, MI 48005
 Attn: Charles Mullins, General Manager

APM Mosquito Control specializes in mosquito control programs and has been in the industry for over 30 years. All references contacted utilize APM for mosquito control programs similar to Sterling Heights, and were extremely positive in their experience and value.

The award is based on unit prices for a three-year contract, which begins April 1, 2016 through October 31, 2018.

Bid Item (Product Manufacturer)	Unit Cost	Quantity	Total Cost per Bid Item
Bid Item "A" – Adult mosquito control and monitoring (Clarke)	\$215.00 per week	24 weeks	\$5,160.00
Bid Item "B" – 5 Applications of Altosid Briquettes (Wellmark)	\$825.00 per application	5 applications	\$4,125.00
Bid Item "C" – Granular larvicide application (Valent)	\$45.00 per acre	150 acres	\$6,750.00
Total per year			\$16,035.00
Total for entire contract			\$48,105.00

The expected annual expenditure for the mosquito control program is \$16,035.00 and is funded through Parks and Grounds Maintenance, Spraying Services account #11744770 821000.

C: Michael Moore, Public Works Director
Marty Sowa, General Supervisor
Josh Cole, Parks and Grounds Maintenance Supervisor

CITY OF STERLING HEIGHTS
BID TABULATION - FEBRUARY 23, 2016
ITB-SH16-013: MOSQUITO CONTROL PROGRAM

Item	Qty.	<u>APM Mosquito Control</u>		<u>Custom Lawn Care</u>		<u>Custom Lawn Care Alternate Bid *</u>		<u>Landscape Services</u>		<u>Rose Pest Solutions</u>	
		Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
A Adult control and monitoring, per week Dodge Park/Clinton River Park System	24	\$ 215.00	\$ 5,160.00	\$ 373.85	\$ 8,972.40	\$ 373.85	\$ 8,972.40	\$ 360.00	\$ 8,640.00	\$ 430.00	\$ 10,320.00
B Altosid briquettes for standing water	5	825.00	4,125.00	567.39	2,836.95	443.04*	2,215.20	520.00	2,600.00	2600.00**	2600.00
C Granular larvicide application, per acre	150	45.00	6,750.00	39.73	5,959.50	39.73	5,959.50	38.00	5,700.00	49.00	7350.00
Bid Grand Total, A-C			<u>\$ 16,035.00</u>		<u>\$ 17,768.85</u>		<u>\$ 17,147.10</u>		<u>\$ 16,940.00</u>		<u>\$ 20,270.00</u>

* Custom Lawn Care Alternate Bid - proposes use of Granular VectoLex CG in place of Altosid briquettes

**Rose Pest Solutions Altosid briquettes: Only one application needed, using Altosid XR 150-day Ingots

Proposed Product Manufacturer:

	<u>APM Mosquito Control</u>	<u>Custom Lawn Care</u>	<u>Custom Lawn Care Alternate Bid *</u>	<u>Landscape Services</u>	<u>Rose Pest Solutions</u>
A	Clarke	Clark	Clark	AquaBac (200G)	Univar
B	Wellmark	Valent Biosciences	Valent Biosciences	Mosquito Dunks Summit	Wellmark
C	Valent	Valent Biosciences	Valent Biosciences	AquaBac (200G)	Valent



CITY OF Sterling Heights
 InnovatingLiving

Richard J. Notte Sterling Heights City Center
 City Hall
 40555 Utica Road | P.O. Box 8009
 Sterling Heights, MI | 48311-8009

City Council	
<i>Mayor</i>	Michael C. Taylor
<i>Mayor Pro Tem</i>	Joseph V. Romano
<i>Councilwoman</i>	Deanna Koski
<i>Councilwoman</i>	Maria G. Schmidt
<i>Councilman</i>	Nate Shannon
<i>Councilman</i>	Doug Skrzyniarz
<i>Councilwoman</i>	Barbara A. Ziarko
City Manager	Mark D. Vanderpool

TEL 586.446.CITY (2489) FAX 586.276.4077
 cityhall@sterling-heights.net | www.sterling-heights.net
 facebook.com/cityofsterlingheights | twitter.com/sterling_hts

INVITATION TO BID
ITB-SH16-013

The City of Sterling Heights, Michigan is accepting sealed bids for a MOSQUITO CONTROL PROGRAM until TUESDAY, FEBRUARY 23, 2016 AT 2:30 P.M. in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.



 James Buhlinger
 Purchasing Manager

Office of Purchasing
586-446-2740

VII. SPECIFICATIONS

General

The City of Sterling Heights reserves the right to delete any portion of the work indicated if deemed to be in its best interest. Applications and acreage are used for bid purposes only.

Bid prices shall remain firm for a period of at least 90 days from the date of the bid opening to allow for the award of the bid.

Each bidder shall be responsible for visiting the area of the proposed work to fully acquaint themselves with existing conditions so that they may fully understand any difficulties and restrictions involving the execution of the work.

A map is available off the City's GIS system found at the following link: <http://secure.sterling-heights.net/gis/index.html>. The park service area runs in a diagonal direction from Northwest to Southeast, with service area of the park located between Utica Road, Clinton River Road, Riverland Drive and Edison Court.

Bidders shall thoroughly examine all bid documents. The failure or omission of any bidder to examine any form, instrument, addendum, or other document or to visit the site and acquaint themselves with existing conditions shall in no way relieve the bidder from any obligation with respect to their bid. The submission of a bid shall be taken as prima facie evidence of compliance with this section.

All work outlined in the specification will be subject to periodic field inspections by a representative of the Department of Public Works and the Contractor's presence may be requested during inspections at any or all of the locations specified.

Contractor guarantees the reimbursement, repair or replacement and restoration of any cultivated area damaged by careless or accidental use of equipment or machinery. Contractor agrees to repair or replace any turf area, fences, signs, poles, and/or appurtenances damaged or destroyed by careless or accidental use of equipment or machinery.

The Contractor shall not sublet, assign or transfer the contract or any portion of any payment due him thereunder, without the written consent of the City.

Contractor must submit numbered invoices on a monthly basis specifying:

1. Dates of service;
2. Work performed;
3. Total dollar amount for each category;
4. Specific applicable rates

The City shall remit to the Contractor for services rendered normally within thirty (30) days after receipt of itemized billing and verification of work completed, for the previous month's work.

- A. Contractor agrees to recruit, train and **supervise** the necessary persons for the service to be provided hereunder, such personnel to be employees of the Contractor.
- B. The Contractor agrees that he will not discriminate against any employee or applicant for employment during the performance of this Contract with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight or marital status.

The City of Sterling Heights reserves the right to reject any or all bids, to waive any irregularities in the bidding and to accept any bid it deems in the best interest of the City.

Contractor's Responsibility

All work that is not done in accordance with the provisions and specifications of the Contract shall be corrected and rectified by the Contractor.

The Contractor shall be responsible for any and all damages to any person or private property that occur as a result of any activity or omission associated with this Contract.

Should the City determine that the Contractor has not performed required services in a manner or time frame acceptable to the City, a City representative will notify the Contractor giving them from the date/time delivered:

- A. 24 hours to contact the City and discuss problem(s)
- B. 48 hours to correct the situation, unless otherwise agreed to by the City

Should the contractor fail to make correction to City's satisfaction and/or in the required time frame, City crews or another contractor will correct the situation, and continue corrections until Contractor resumes his responsibilities or the contract is terminated. Invoiced amounts due Contractor will be reduced at a rate of:

- C. If completed by City Crews
Cost for labor, equipment (based on MDOT schedule C), and a 50% administration charge
- D. If completed by another contractor:
Invoiced amount plus 50%

Should there be insufficient invoiced amounts to cover penalties, Contractor will be

billed. Should the contractor fail to pay the penalties, the City will seek appropriate action for reimbursement, including forfeiture of contractor's cash performance bond.

Each deficiency will be reviewed for possible termination of contract. The City of Sterling Heights reserves the right to terminate the contract upon written notice due to poor performance or for any reason deemed in its best interest.

Workmanship

All work shall be performed in accordance with the best modern practice and workmanship of highest quality. Failure to conform to standards specified by the City shall be considered a breach of the Contract.

All work shall be performed in a professional and courteous manner using quality equipment and materials, all of which must be maintained and operated with the highest standard **as well as meeting all OSHA and MIOSHA safety standards.**

The Contractor shall designate a supervisor who shall be available at all times to accommodate the City. The supervisor shall have the power to initiate immediate action to resolve disputes and/or complaints.

The Department of Public Works Director and/or his designate shall be notified prior to the start of any mosquito control.

Equipment

A visit to inspect the Contractor's equipment may be made by the City prior to awarding of the bid. Failure to pass this inspection of equipment may be cause for disqualification from further consideration.

Mosquito Control

Successful bidder shall make weekly inspections and monitoring to determine potential larval development sites.

The initial inspection and weekly monitoring of the sites shall include larvicidal counts from 1 or 2 typical breeding sites throughout the park, maintained by the contractor from May 15th thru September 15th.

Larviciding

The successful bidder shall larvicide breeding sites throughout the park by backpack or ground vehicle. The 150 acres metric is to be used for bidding purposes only, and may vary. The per-acre unit price for larviciding will be used for any subsequent larviciding applications that may be requested.

Early spring application of larvicide shall be done utilizing *Bacillus thuringiensis* variane

israelensis (Bti) applied at recommended rate to insure coverage.

Early spring application of Bti shall be completed when weather permits, for optimum effectiveness.

An application of 30-day Altosid briquettes shall be distributed in areas of the park that have permanent standing water and are potential breeding sites.

For bidding purposes, the cost per application of Altosid will be based on a per case price.

Adult Mosquito Control

Weekly mosquito shall be controlled using an EPA approved insecticide formulated for outdoor mosquito control. A sample label of the product must accompany this bid.

Adulticiding must be provided using U.L.V. (Ultra Low Volume) concentration at the recommended application rate.

When rain occurs within six (6) hours after application, a reservice must be made at no additional cost.

Bidder must supply all required material, labor, equipment, and insurance coverage to provide all service items listed above. All materials to be used must be approved and registered by the U.S. EPA and the State of Michigan Department of Agriculture. All applications must be made by fully trained and licensed (Michigan Department of Agriculture) pesticide applicators.

Any deviations from specifications must be clearly stated and described. The program will begin upon City notification approximately May through October with spraying to be done in the early morning hours with completion prior to 6:00 a.m.

VIII. BID FORM

The undersigned submits their proposal for furnishing all labor, materials, and equipment for a **MOSQUITO CONTROL PROGRAM** for the Sterling Heights Dodge Park/Clinton River Park Trail System, thoroughly spraying shrubbery and vegetation where mosquitoes may breed, also adjacent marshy areas and stagnant pools or ponds. The area of the Clinton River Trail Systems is bounded by Utica Road, Edison Ct., Clinton River Road, and Riverland Drive. Bidder has carefully examined the specifications, has visited the site of work, and has fully informed themselves as to all conditions and matters that would in any way affect the work or the cost thereof. The undersigned bidder further agrees and understands that the City of Sterling Heights is reserving the right to reject any and all bids and the right to waive irregularities in bidding if it determines such action to be in the best interest of the City to do so. It is the intent of the City to purchase the services and/or products in the quantity and frequency as listed in this bid, however, the City reserves the right to modify or eliminate this purchase without prior notice.

Prices bid are to be firm through the term of this three-year period from **April 1, 2016 through October 31, 2018.**

Bid Grand Total, "A" – "C": \$_____

How did you receive notification of this bid? _____

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company_____

Address_____

City/State/Zip_____

Representative/Title_____

Telephone/Fax_____

E-Mail Address/Website_____

Terms_____

Signature/Date_____

VIII. BID FORM (CONT'D)

	<u>Unit Cost</u>		<u>Total Cost</u>	<u>Product Manufacturer</u>
Bid Item "A" – Adult mosquito control and monitoring (per week). For total cost, multiply by 24 weeks.				
1. Dodge Park/Clinton River Park Trail System	\$ _____	X 24	\$ _____	_____
Bid Item "B" – Application of 30-day Altosid briquettes (1 case) for standing water park application. Unit cost is per application. For total cost, multiply by 5 applications.				
	\$ _____	X 5	\$ _____	_____
Bid Item "C" – Granular larvicide application. Unit cost is per acre. For total cost, multiply by 150 acres.				
	\$ _____	X 150	\$ _____	_____
Bid Grand Total, "A" – "C" (Please carry Total forward to page 14)			\$ _____	

This form **must** be completed and returned with your bid.

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To award a bid for emergency lighting and equipment for city vehicles (Estimated expenditure of \$80,000).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

JB

Attachments

<i>MC</i> City Clerk	—	Resolution	—	Minutes
<i>BB</i> Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>SB</i> City Attorney (as to legal form)	—	Contract	—	Other
<i>MM</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- On March 8, 2016, bids were received in response to the City's solicitation for emergency lighting and equipment for installation primarily on police, fire and DPW vehicles. DPW personnel perform the installation of these items on all city-owned vehicles.
- Recommendation is being made to award the bid to Cruisers, Inc., the overall low bidder. The Department of Public Works has worked with Cruisers, Inc. in the past and has been satisfied with the service and quality of parts provided. Please see the Departmental Recommendation and Staff Report for additional information.
- It is estimated that the City will expend approximately \$80,000 on emergency lighting and equipment through the bid term ending February 28, 2017.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to award the bid for emergency lighting and equipment for city vehicles to Cruisers, Inc., 988 Rickett Road, Brighton, MI 48116, for the term ending February 28, 2017 based on the unit prices bid.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On March 8, 2016, bids were received for emergency lighting and equipment for city vehicles. An invitation to bid was advertised on SHTV, posted to the MITN website, Facebook and Twitter and published in the Sentry Newspaper. Four (4) vendors responded with bids as outlined in the attached bid tabulation.

It is expected that the City will expend approximately \$80,000 during the term of this ten-month bid period. Funds are budgeted in 11744553 (DPW Fleet Maintenance) 759000 (Parts and Sublet Services) and 27734324 (Public Safety OWI Forfeitures) 751000 (Supplies).

STAFF ANALYSIS AND FINDINGS:

The Department of Public Works reviewed the bids received and is recommending that the bid be awarded to Cruisers, Inc. as the lowest responsible bidder. Cruisers, Inc. is the incumbent supplier of these products to the City and has performed to the satisfaction of the DPW. Although other bidders bid lower unit pricing for some items, the higher costs associated with administering a split bid award outweigh the savings. Overall, the City realizes the best pricing through the unit pricing bid by Cruisers, Inc.

Please see the attached bid tabulation and recommendation from the Department of Public Works.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.

Notification list:

Cruisers, Inc.

988 Rickett Road

Brighton, MI 48116

Keith Wallaker, President

kwallaker@cruiserscorp.com



Interoffice Memorandum

Date: March 9, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Bid Recommendation – Emergency Lighting and Equipment for City Vehicles

The Department of Public Works has reviewed the bids received on March 8, 2016 for emergency lighting and equipment, which will be purchased and installed on Police, Fire, and DPW vehicles. Based on their unit prices bid and percentage discount on all other parts, the DPW recommends that the bid be awarded to the lowest bidder meeting all specifications, bid items, and requirements:

Cruisers, Inc.
988 Rickett Road
Brighton, MI 48116
Attn: Keith Wallaker, President

Cruisers, Inc. is the incumbent for the current contract, and DPW staff is satisfied with the quality of products and services provided.

The DPW estimate purchasing approximately \$80,000.00 worth of emergency lighting and equipment annually for this contract that expires on February 28, 2017. It is possible that the DPW may need to purchase additional pieces of equipment at unit prices bid. Funds for these purchases are budgeted in the Fleet Maintenance, Parts and Sublet Services account #11744553-759000 and OWI Forfeiture, Operating Supplies account #27734324-751000.

C: Michael Moore, Public Works Director
John Berg, Police Captain
Don Barron, Fleet Maintenance Supervisor

**CITY OF STERLING HEIGHTS
 BID TABULATION - MARCH 8, 2016
 ITB-SH16-019: EMERGENCY LIGHTING AND EQUIPMENT FOR CITY VEHICLES**

	<u>Cruiser's Inc.</u>	<u>Priority One Emergency</u>	<u>The Public Safety Store</u>	<u>Winder Police Equipment Inc.</u>
	Unit Price	Unit Price	Unit Price	Unit Price
Hide-A-Blast - Blue	\$75.00	\$108.63	N/B	\$102.48
Hide-A-Blast - Red	60.00	108.63	N/B	81.65
MR6 Hood/Flush Mount Light - Blue	60.00	70.14	N/B	70.36
MR6 Hood/Flush Mount Light - Red	60.00	70.14	N/B	70.36
XT3 Single Head Flashing Light - Blue	32.00	49.29	N/B	46.50
XT3 90 Degree "L" Shaped Light Bracket	6.00	5.24	N/B	5.40
XT6 90 Degree "L" Shaped Light Bracket	6.00	5.24	N/B	5.40
XT6 Single Head Flashing Light - Red/Blue	47.00	62.46	N/B	58.92
XT6 Single Head Flashing Light - Red/Red	47.00	62.46	N/B	58.92
Sliding Trunk Tray - Chevrolet Caprice	385.00	343.66	N/B	384.69
Trunk Organizer w/Lid - Chevrolet Caprice	280.00	240.99	N/B	253.50
Prisoner Transport Seat - Chevrolet Caprice	590.00	500.00	N/B	524.90
Push Bumper - Chevrolet Caprice	230.00	245.00	N/B	220.00
Full Seat Partition Mount - Chevrolet Caprice	Included	265.65	N/B	206.25
18" Low profile Console - Chevrolet Caprice	280.00	396.18	N/B	307.50
Passenger Seat Computer Mount - Chevrolet Caprice	315.00	458.85	N/B	356.25
Stash-n-Stow Kickpanel - Chevrolet Caprice	100.00	140.07	N/B	108.75
Stash-n-Stow Partition - Chevrolet Caprice	565.00	796.95	N/B	618.75
Black Ghost MM Light - Red/Blue	83.00	105.70	73.99	98.15
XP 63 Deck/Grille Light - Red/Blue	75.00	109.20	81.83*	108.55
nForce Dual Windshield Light - Red/Blue	216.00	275.10	192.57	255.45
Intersector Under Mirror Light - Blue	136.00	172.90	121.03	160.55
Intersector Under Mirror Light - Red	136.00	172.90	121.03	160.55
Pinnacle Mini Lightbar - Amber	235.00	292.60	208.74	276.25
Pinnacle Rear Deck Lightbar - Red/Blue	598.00	856.10	599.27	794.95
Chevrolet Caprice Headlight Flashers	59.00	74.20	51.94	68.90
Ion Mirror-Beam Red/Blue - Chevrolet Caprice	275.00	240.95	N/B	256.75
BID GRAND TOTAL:	\$4,951.00	\$6,229.23	\$1,450.40	\$5,660.68**

* EL6GDJ is being replaced by manufacturer w/ENFFTS DGS6J

**NOTE: Shipping charges will be charged; Actual UPS charges & freight charges. Unable to determine what charges will be until billing arrives.

N/B - No Bid



CITY OF Sterling Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

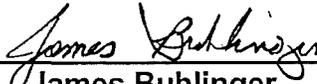
City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

**INVITATION TO BID
ITB-SH16-019**

The City of Sterling Heights, Michigan is accepting sealed bids for **EMERGENCY LIGHTING AND EQUIPMENT FOR CITY VEHICLES** until **TUESDAY, MARCH 8, 2016 AT 2:30 P.M.** in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.



James Buhlinger
Purchasing Manager

**Office of Purchasing
586-446-2740**

V. BID FORM

The undersigned hereby declares the instructions and specifications have been carefully examined, and **EMERGENCY LIGHTING AND EQUIPMENT FOR CITY VEHICLES** will be furnished for the prices set forth in this bid. It is understood and agreed that all bids are F.O.B. DESTINATION, that all bid prices shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for the award of the bid and that, if chosen the successful vendor, the prices bid will remain firm **through February 28, 2017**. The undersigned bidder further agrees and understands that the City of Sterling Heights is reserving the right to reject any and all bids and the right to waive irregularities in bidding if it determines such action to be in the best interest of the City to do so. Bids not conforming to these specifications will be rejected. It will be the responsibility of the bidder to conform to these requirements unless deviations have been cited in the bid and our acceptance made on this basis. It is the intent of the City to purchase the services and/or products in the quantity and frequency as listed in this bid, however, the City reserves the right to modify or eliminate this purchase without prior notice, and to split and/or reject all bids to realize the greatest cost savings.

Bid Grand Total: \$ _____

Delivery time after receipt of PO _____

Parts warranty _____

Return policy _____

Percentage Discount on parts not included in this solicitation _____

How did you receive notification of this bid? _____

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company _____

Address/City/State/Zip _____

Representative/Title _____

Telephone/Fax _____

E-Mail Address/Website _____

Terms _____

Signature/Date _____

V. BID FORM (CONT'D)

<u>Brand</u>	<u>Part/Model #</u>	<u>Description</u>	<u>Unit Price</u>
Code 3	HB915B	Hide-A-Blast – Blue	\$ _____
Code 3	HB915R	Hide-A-Blast – Red	\$ _____
Code 3	MR6-B	MR6 Hood/Flush Mount Light - Blue	\$ _____
Code 3	MR6-R	MR6 Hood/Flush Mount Light – Red	\$ _____
Code 3	XT3B	XT3 Single Head Flashing Light – Blue	\$ _____
Code 3	XT3LBKT	XT3 90 Degree “L” Shaped Light Bracket	\$ _____
Code 3	XT6LBKT	XT6 90 Degree “L” Shaped Light Bracket	\$ _____
Code 3	XT6RB	XT6 Single Head Flashing Light – Red/Blue	\$ _____
Code 3	XT6RR	XT6 Single Head Flashing Light – Red/Red	\$ _____
Havis	C-TTB-CAPR-3	Sliding Trunk Tray – Chevrolet Caprice	\$ _____
Pro-Gard	TO53CC11	Trunk Organizer w/Lid – Chevrolet Caprice	\$ _____
Prisoner Transport Systems (PTS)	PC02	Prisoner Transport Seat – Chevrolet Caprice	\$ _____
Go Rhino	5083	Push Bumper – Chevrolet Caprice	\$ _____
Troy Products	2-SAB-CAP14	Full Seat Partition Mount – Chevrolet Caprice	\$ _____
Troy Products	CC-CP-E-LP18	18" Low profile Console – Chevrolet Caprice	\$ _____
Troy Products	CM-PSCP-SA-LED	Passenger Seat Computer Mount – Chevrolet Caprice	\$ _____
Troy Products	KP-CAP11-WSS	Stash-n-Stow Kickpanel – Chevrolet Caprice	\$ _____
Troy Products	TP-CP-SS-TROY1	Stash-n-Stow Partition – Chevrolet Caprice	\$ _____
Sound Off Signal	EGHST1J-12	Black Ghost MM Light – Red/Blue	\$ _____
Sound Off Signal	EL6GDJ	XP 63 Deck/Grille Light – Red/Blue	\$ _____
Sound Off Signal	ENFDWP2RB	nForce Dual Windshield Light – Red/Blue	\$ _____

V. BID FORM (CONT'D)

<u>Brand</u>	<u>Part/Model #</u>	<u>Description</u>	<u>Unit Price</u>
Sound Off Signal	ENT2B3B	Intersector Under Mirror Light – Blue	\$ _____
Sound Off Signal	ENT2B3R	Intersector Under Mirror Light – Red	\$ _____
Sound Off Signal	EPL7PDAC	Pinnacle Mini Lightbar – Amber	\$ _____
Sound Off Signal	EPL8000	Pinnacle Rear Deck Lightbar – Red/Blue	\$ _____
Sound Off Signal	ETHFSS-CP	Chevrolet Caprice Headlight Flashers	\$ _____
Whelen	MBCC11RB	Ion Mirror-Beam Red/Blue – Chevrolet Caprice	\$ _____

BID GRAND TOTAL:
(Please carry TOTAL forward to page 7) \$ _____

This form **must** be completed and returned with your bid.



**Business of the City Council
Sterling Heights, Michigan**

DELIVERED APR 14 2016

City Clerk's Use
Item No: 2-H
Meeting: 04/19/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To receive a report from the Purchasing Manager pursuant to City Code §2-221(B) regarding the emergency repairs to a public sanitary sewer line situated at the intersection of Arcola Drive and Dill Drive, Section 22, south of 17 Mile Road and east of Van Dyke (Total expense of \$28,750).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

Attachments

	City Clerk	—	Resolution	—	Minutes
	Finance & Budget Director	—	Ordinance	—	Plan/Map
	City Attorney (as to legal form)	—	Contract	—	Other
	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- City Code §2-221(B) requires that the Purchasing Manager file a report with the City Council regarding the circumstances giving rise to an emergency purchase.
- On Saturday, March 5, 2016, a Department of Public Works sewer inspector responded to a reported basement backup at 8776 Calvert Court in Section 22 of the City. Visual inspection of the manholes located in the street found the sanitary sewer system to be fully charged, which is indicative of a blockage. A Vactor truck was called to the site to jet and clean the blocked sanitary line believed to be causing the backup. The jetting nozzle clogged with sand which had infiltrated the sanitary line due to a collapse.
- The DPW determined the sanitary sewer line collapse was located under the roadway at a depth of 18', which is too deep for DPW staff to safely excavate and repair. Because the collapsed sanitary line provided service for 33 nearby residences, the DPW determined that an emergency repair needed to be undertaken. The City's four pre-qualified underground contractors were contacted regarding availability for the emergency repair and requested to quote the job. V.I.L. Construction, Inc. was able to mobilize manpower and equipment in order to start the repair the following morning.
- V.I.L. Construction commenced excavation work at 7:30 a.m. on Sunday, March 6, 2016 by removing a 25' x 20' section of Dill Drive. The excavation area needed to expose the collapsed sanitary sewer line measured 20' wide, 20' long, and 18' deep. The contractor removed a 5' section of a collapsed 12"

sanitary sewer and replaced it with 12" PVC. The excavation site was backfilled and brought to grade utilizing cold patch as a temporary repair. Final repairs to the roadway will be completed this construction season.

- After work was completed, positive flow through the sanitary sewer line was achieved and verified. All work has been completed to the satisfaction of the DPW. Please see the attached departmental correspondence and supporting documentation for additional information.
- The total cost for the emergency repair rendered by V.I.L. Construction is \$28,750 and will be expensed in fiscal year 2015/2016 in account 59958558 (DPW Sewer Collection) 842000 (Sewer Main Repair).

Suggested Action:

MOVED BY:

SECONDED BY:

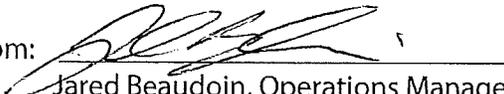
RESOLVED, to receive the report of the Purchasing Manager pursuant to City Code §2-221(B) regarding the emergency repair of the public sanitary sewer line situated at the intersection of Arcola Drive and Dill Drive in Section 22, south of 17 Mile Road and east of Van Dyke, by V.I.L. Construction, Inc., 6670 Sims, Sterling Heights, MI 48313, at a total cost of \$28,750.



Interoffice Memorandum

Date: March 30, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Emergency Purchase Follow Up for Sanitary Repair at Intersection of Arcola & Dill

A 12" sanitary main collapse was discovered at the intersection of Arcola & Dill on March 5, 2016. The sanitary collapse had the potential of 33 homes being affected by the sanitary sewage blockage if not repaired immediately. When contacting contractors, the mobilization time was the top priority taken into consideration when evaluating any quotes received.

V.I.L. Construction, Inc. was the first contractor to respond and met the Sewer Division Supervisor within an hour. Mobilization of equipment began immediately and excavation will occur within 24hrs. An early estimation of \$20,000.00 for the repair was documented.

V.I.L. began excavating promptly at 7:30am on March 6. The contractor had to remove a much larger section of roadway than expected (25' x 20'), and the excavation was more difficult than anticipated. The total excavation was 20ft long, 20ft wide, and approximately 18ft deep. The contractor removed the collapsed 5 foot section of 12" sanitary main that caused the blockage and replaced it with 12" PVC. Positive flow was achieved after the completion of the repair and no further damage to residential properties occurred.

The excavation site was backfilled with a mixture of crushed stone, pea stone, and fill sand. The Streets Division brought the roadway to grade utilizing cold patch as a temporary repair. The Engineering Department will repair the roadway with existing contractors this year.

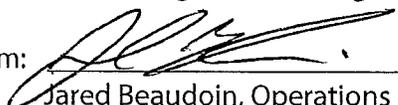
The cost of this unbudgeted expenditure in the amount of \$28,750.00 reflects the unforeseen complications with the repair and will be charged to the Sewer Collection, Sewer Main Repair account #59958558-842000.



Interoffice Memorandum

Date: March 16, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Emergency Purchase for Sanitary Repair at Intersection of Arcola & Dill

On Saturday, March 5, 2016, a Sewer Division Inspector responded to a sewer backup complaint at 8776 Calvert Court, Section 22. The Inspector confirmed the sewer backup at 7:16am, and a sewer jet crew began attempts to clear the sanitary blockage. The sewer jet became stuck in the 12" sanitary main due to a sand washout approximately 20 feet from the sanitary structure. Attempts were made to visually verify the exact location of the sanitary collapse after removal of the sewer jet, but were unsuccessful.

The sanitary collapse location was determined to be under the roadway in the east side of the intersection of Arcola Drive and Dill Drive. The 12" sanitary sewer main is 18ft. deep at this location, which is too deep for in-house staff to safely excavate and make the necessary repair. The Department of Public Works staff contacted the four prequalified contractors that were established on June 16, 2015, consent agenda 3H.

Due to the potential of 33 homes affected by the sanitary sewage blockage if not repaired immediately, the mobilization time was the top priority taken into consideration when evaluating any quotes received. V.I.L. Construction, Inc. was the first contractor to respond and met the Sewer Division Supervisor within an hour. Mobilization of equipment began immediately and excavation was scheduled to begin Sunday, March 6 at 7:30am.

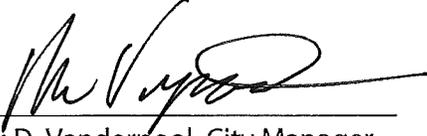
The Sewer Division staff spent over 28 hours suctioning out sewage from the 12" sanitary main to prevent more residential homes from backing-up.

V.I.L. began excavating at 7:30am on March 6 and had to remove a 25' x 20' section of the roadway. The total excavation was 20ft long, 20ft wide, and approximately 18ft deep. The contractor removed the collapsed 5 foot section of 12" sanitary main that caused the blockage and replaced it with 12" PVC. Positive flow was achieved after the completion of the repair.

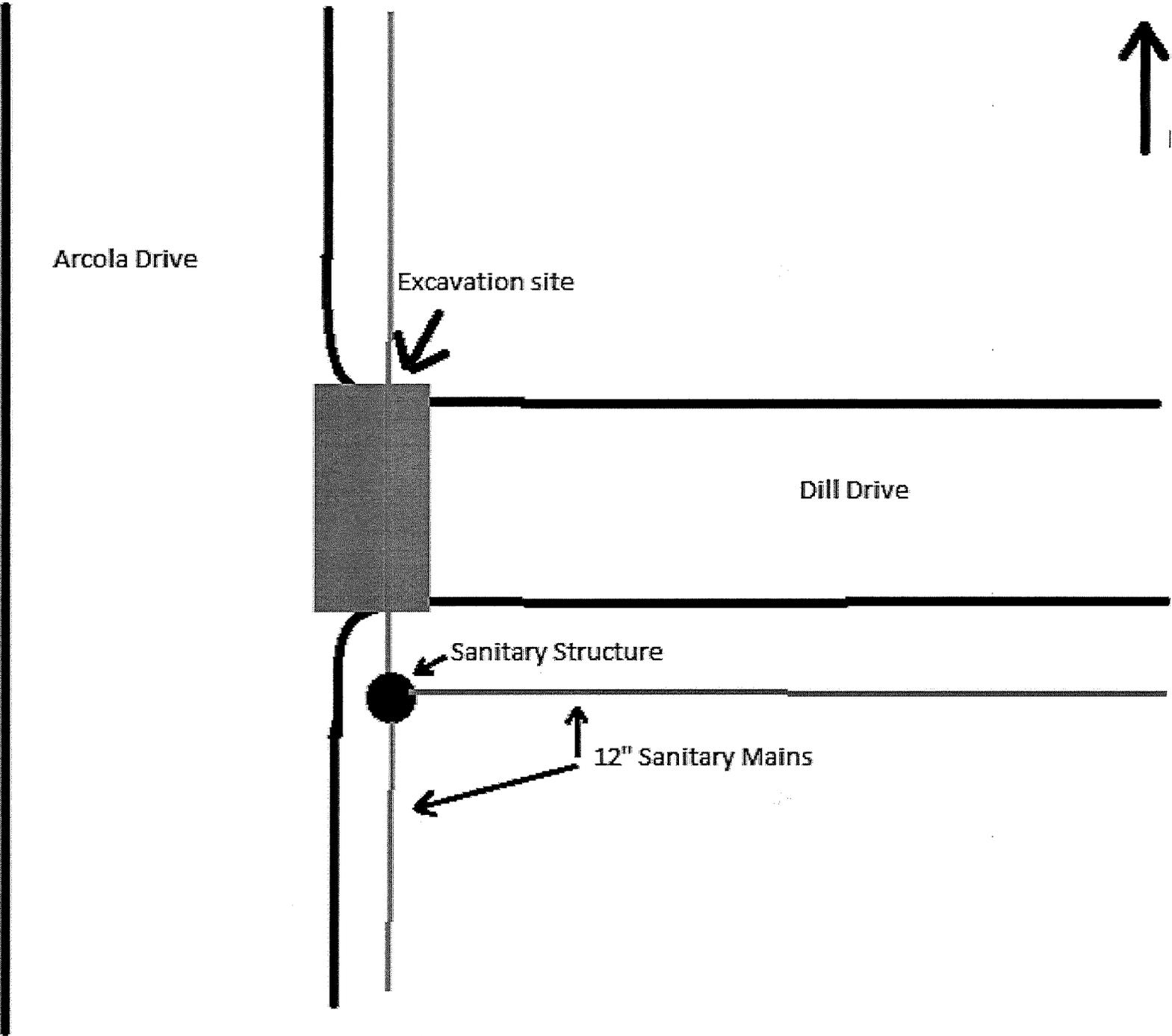
The excavation site was backfilled with a mixture of crushed stone, pea stone, and fill sand. The Streets Division brought the roadway to grade utilizing cold patch as a temporary repair. The Engineering Department will repair the roadway with existing contractors this year.

The cost of this unbudgeted expenditure in the amount of \$20,000.00 will be charged to the Sewer Collection, Sewer Main Repair account #59958558-842000.

Reviewed and Approved:

A handwritten signature in black ink, appearing to read 'Mark Vanderpool', written over a horizontal line.

Mark D. Vanderpool, City Manager



Jim Buhlinger

From: Michael Moore
Sent: Monday, March 07, 2016 8:43 AM
To: Mark Vanderpool
Cc: Mark Carufel; Jim Buhlinger
Subject: Sanitary Break
Attachments: Arcola.jpg

Mark,

On Saturday morning we received a phone call of a flooded basement on Arcola Drive. When staff inspected the sanitary manholes on the street they found the system charged (full). A vacor truck was called into jet and clean the underground sanitary line that was believed to be blocked causing a backup. Upon jetting the blocked line the nozzle became stuck underground. This generally only happens when there is a break in the line. See attached map for location of break (yellow) and effected homes (red).

Our four prequalified underground contractors were contacted Saturday afternoon to conduct an immediate excavation and repair. The only vendor to respond was VIL Construction who was able to begin Sunday morning. VIL excavated the area and found the 12" sanitary main to be separated. It has since been repaired, backfilled and now flowing properly. Crews will cold patch the area today and it will be added to Engineering's list for concrete when Galui is available.

I will have Jared follow up with a memo to Jim will all the necessary information so we can take to Council as the repair is estimated to be \$25,000. We are aware of two basements that flooded due to this sanitary break. Both residents reported clear water.



Michael Moore | Public Works Director
City of Sterling Heights | 7200 Eighteen Mile | Sterling Heights, MI 48314 USA
t: 586.446.2450 f: 586.268-7516



City of Sterling Heights

40555 Utica Road
PO Box 8009
Sterling Heights, MI 48311-8009
Tel: 586.446.2740 Fax: 586.276.4062

Purchase Order

Fiscal Year 2016

Page 1

B
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T
O

STERLING HEIGHTS PUBLIC WORKS
ATTN: SEWER DIVISION
7200 EIGHTEEN MILE ROAD
STERLING HEIGHTS, MI 48314

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.	
Purchase Order #	20161038-01

Mail Invoices In Duplicate To Above Address

V.I.L. CONSTRUCTION
6670 SIMS

STERLING HEIGHTS, MI 48313

V
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STERLING HEIGHTS PUBLIC WORKS
ATTN: SEWER DIVISION
7200 EIGHTEEN MILE ROAD
STERLING HEIGHTS, MI 48314

Vendor Phone Number		Vendor Fax Number		Requisition Number		Delivery Reference	
				20161188			
Date Ordered	Vendor Number	Date Required	Freight Method/Terms		Department/Location		
03/17/16	015975				SEWER COLLECTION		
Item#	Description/Part No.		Qty/Unit	Cost Each	Extended Price		
001	PURCHASE ORDER FOR THE EMERGENCY REPAIR OF A 12" SANITARY MAIN LOCATED AT THE INTERSECTION OF ARCOLA & DILL, SEC 22		1.00 EACH	28750.00000	28,750.00		
	PREQUALIFIED EMERGENCY REPAIR CONTRACTOR APPROVED BY CITY COUNCIL JUNE 16, 2015 CONSENT AGENDA ITEM 3H						
	REPAIR ITSELF WILL BE TAKEN TO COUNCIL.						
	TOTAL COST UPDATED TO REFLECT INVOICE #9013 DATED MARCH 29, 2016.						
	59958558-842000		28,750.00				
				PO Total	28,750.00		

Delivery Hours: 8:30 a.m. - 12:00 p.m. 1:00 p.m. - 4:00 p.m.	Municipalities Are Exempt From All Sales Taxes and Federal Taxes. Net 30 Days
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James P. Buhlinger
James Buhlinger Purchasing Manager

Please be advised that the following is the City of Sterling Heights' policy with regard to ordering:

- Items shall not be shipped to the City of Sterling Heights unless Purchase Order is received or an authorized Purchase Order Number is given over the phone. Items received without an authorized Purchased Order Number will be returned to the vendor at the vendor's expense.
- Any changes/additions to this order must be approved by Purchasing

Purchasing Copy



V.I.L. Construction, Inc.
6670 Sims Drive
Sterling Heights, MI 48313
PH (586) 979-6020
FAX (586) 979-7355

INVOICE

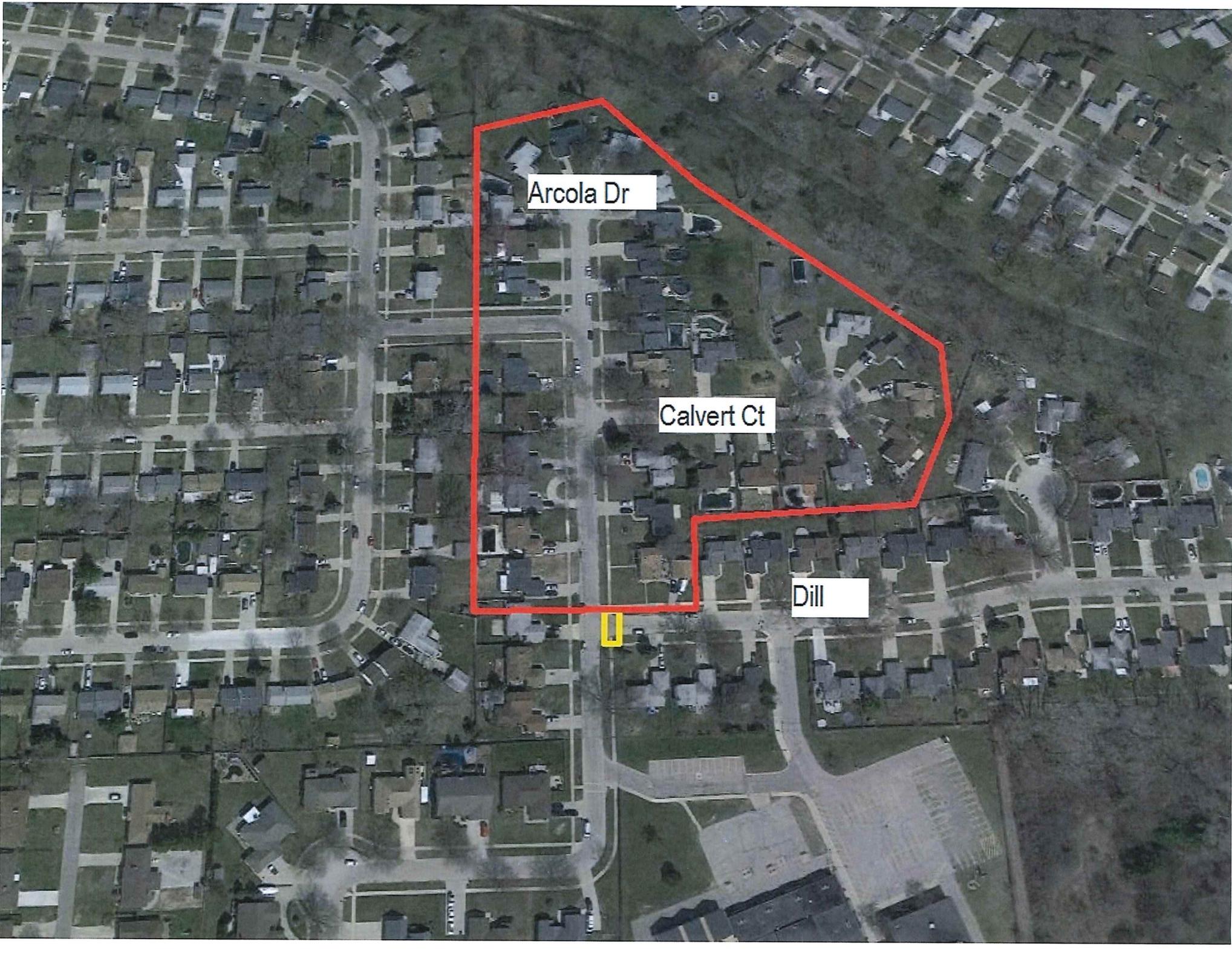
DATE	INVOICE NO.
3/29/2016	9013

CUSTOMER	SHIP TO
City Of Sterling Heights 40555 Utica Road Sterling Heights, MI 48313	

DUE DATE	P.O. NUMBER
4/28/2016	Emergency

DESCRIPTION	QTY	RATE	AMOUNT
Emergency Sunday Repair of Sanitary Sewer on Dill & Arcola Price Includes Sunday Work, Materials for Repair, Backfill, Disposal of Concrete, Dirt, Pipe, Etc...	1	28,750.00	28,750.00 0.00
Total			28,750.00

59958558 - 842000
20161038
[Signature] 3/29/16



Arcola Dr

Calvert Ct

Dill



**Business of the City Council
Sterling Heights, Michigan**

DELIVERED APR 14 2016

City Clerk's Use

Item No: 2-I

Meeting: 04/19/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To split an award of a bid for miscellaneous fitness equipment for the Sterling Heights Fire Department (Total expenditure of \$12,990.55 – 90% grant-funded by the Assistance to Firefighters' Grant).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

Attachments

	City Clerk	—	Resolution	—	Minutes
	Finance & Budget Director	—	Ordinance	—	Plan/Map
	City Attorney (as to legal form)	—	Contract	—	Other
	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- Physical fitness plays an important role in the ability of a Sterling Heights firefighter / paramedic to carry out his/her job duties.. Weight training and cardio exercise builds muscle, increases endurance, and enhances flexibility. These attributes help to reduce the risk of on-duty injuries, which are costly. To assist the firefighters in maintaining an optimal level of fitness, the City has recently undertaken a number of fitness initiatives, including:
 - Approved the grant-funded purchase of commercial grade treadmills and elliptical machines for installation at Fire Station work-out rooms.
 - Approved grant-funded medical and physical evaluations for all firefighters.
 - Approved training for six firefighters who will serve as peer fitness counselors for the purpose of facilitating an IAFF/IAFC Peer Fitness Program to be implemented department-wide.
- Funding from the Assistance to Firefighters' Grant (AFG) is available to purchase additional equipment that will supplement the overall fitness program available to firefighters. Use of this miscellaneous fitness equipment will improve a firefighter's fitness, strength, and muscular endurance. In addition, the firefighters will have an ability to monitor progress on a number of key fitness metrics.
- The Fire Department identified specific items of fitness equipment that the Office of Purchasing incorporated into an invitation to bid (ITB). On March 8, 2015, nine bids were received in response to the City's ITB.
- After review of the bids, recommendation is being made to split the award of bid among the low

bidders meeting specifications for each item of fitness equipment. Please refer to the suggested action below and attached staff report for details on the items being purchased and the low bidders.

- Recommendation is being made to reject the bids received for the following two items:
 - FitBit Blaze Fitness Watch – The bids are higher than if the Office of Purchasing purchased the product directly from the manufacturer; and,
 - Sandbag Trainer Combo Package – None of the vendors bid on this item with a product that matched the ITB in terms of product functionality and durability.

The Purchasing Manager will seek to purchase these two items through alternate sources.

- The AFG covers 90% of the \$12,990.55 purchase price for this fitness equipment. The 10% City-share is included in the fiscal year 2015/16 budget.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to:

- a) Split the award of the bid for miscellaneous fitness equipment between the following vendors at the respective unit prices bid:

To: American Home Fitness, 44937 Schoenherr Road, Sterling Heights, MI 48313, for Exercise Circuit Timers;

To: BSN Sports, PO Box 7726, Dallas, TX 75209, for conditioning rope and 80, 85, 90, 95, and 100 lb. dumbbells;

To: The Fitness Armory, 5160 Mercury Pointe, Suite A, San Diego, CA 92111, for TRX Suspension Trainers, 44, 53, and 62 lb. kettlebells, yoga mats, and Ab wheels;

To: G&G Fitness Equipment, 7350 Transit Road, Williamsville, NY 14221, for 10, 15, 20, and 25 lb. Slam Balls, Strength Band Packages, foam rollers, hanging Ab straps, and jump ropes;

To: Henry Schein, PO Box 3227, Irmo, CA 49063, for weight scales.

- b) Reject the bids received for FitBit Blaze Fitness Watches and Sandbag Trainer Combo Package and authorize the Purchasing Manager to seek alternate purchasing options for these items.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

The Sterling Heights Fire Department applied for and received grant funding under the Assistance to Firefighter Grant (AFG) program, administered by the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS). The monies received under the AFG initially funded the purchase of treadmills and elliptical machines previously approved by City Council on December 2, 2014. The same AFG grant also funded medical and fitness evaluations for Fire Department personnel approved by City Council on April 15, 2015. The Fire Department is proposing to utilize the balance of AFG funds for the purchase of miscellaneous fitness equipment.

An Invitation to Bid for the purchase of miscellaneous fitness equipment was advertised on SHTV, posted to the MITN website, Facebook and Twitter and published in the Sentry Newspaper. Nine (9) bids were submitted, as outlined in the attached bid tabulation.

Funds for this purchase are appropriated in the 2015/16 budget in 43733339 (Capital Projects Fund – Fire Extinguishment) 982001 (Machinery & Equipment – Grant).

STAFF ANALYSIS AND FINDINGS:

Specifications were developed for the miscellaneous fitness equipment necessary to complement the existing weight resistance and cardio training equipment already in place throughout the five fire stations. Prior to the development of these specifications, research was conducted internally to identify the fitness equipment best suited to simulate specific job functions in the fire service.

Personnel from the Office of Purchasing and Fire Department reviewed the nine bids received. Recommendation is being made to split the award of bid between the vendors submitting bids meeting specifications. Several alternate bids with lower unit prices were submitted that did not meet the ITB specification. Fire Administration contacted all vendors to discuss items bid to ensure compliance. Those non-compliant bids are not being recommended for award.

Review of the bids for the FitBit Blaze Fitness watches and Sandbag Trainer Combo Package has resulted in a recommendation to reject the bids received. The Fire Department and Office of Purchasing are confident that there are sources from which to acquire these items at a lower price.

Presented below is a summary of the recommended vendors submitting the low bid per item specified:

• American Home Fitness, 44937 Schoenherr Road, Sterling Heights, MI 48313	
○ (10) Exercise Circuit Timers	\$1,455.00
• BSN Sports, PO Box 7726, Dallas, TX 75209	
○ (10) Conditioning Rope	840.00
○ (10) Dumbbells – 80 pound	840.00
○ (10) Dumbbells – 85 pounds	910.00
○ (10) Dumbbells – 90 pounds	980.00
○ (10) Dumbbells – 95 pounds	1,040.00
○ (10) Dumbbells – 100 pounds	1,150.00
• The Fitness Armory, 5160 Mercury Pointe, Suite A, San Diego, CA 92111	
○ (5) TRX Suspension Trainers	949.75
○ (6) Kettlebells – 44 pounds	290.40
○ (6) Kettlebells – 53 pounds	349.80
○ (6) Kettlebells – 62 pounds	409.20
○ (15) Yoga mats	599.85
○ (7) Ab Wheels	76.65
• G&G Fitness Equipment, 7350 Transit Road, Williamsville, NY 14221	
○ (6) Slam Balls – 10 pounds	126.00
○ (6) Slam Balls – 15 pounds	156.00
○ (6) Slam Balls – 20 pounds	192.00
○ (6) Slam Balls – 25 pounds	240.00
○ (10) Strength Band Packages	1,230.00
○ (10) Foam rollers	150.00
○ (5) Hanging ab straps	145.00
○ (10) Jump ropes	160.00
• Henry Schein, PO Box 3227, Irmo, CA 49063	
○ (5) Weight scales	<u>700.90</u>
Total	<u>\$12,990.55</u>

Please see the attached memorandum from the Fire Department for additional information.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.

Notification list:

American Home Fitness
44937 Schoenherr Road
Sterling Heights, MI 48313
Matt Hunter, Store Manager
Sterlingheights@americanhomefitness.com

BSN Sports
PO Box 7726
Dallas, TX 75209
Craig Mostaffa, Bid Specialist
cmostaffa@bsnsports.com

The Fitness Armory, Inc.
5160 Mercury Point, Suite A
San Diego, CA 92111
David Lee, Owner
info@thefitnessarmory.com

G & G Fitness Equipment, Inc
7350 Transit Road
Williamsville, NY 14221
Steve Wisniewski, Michigan Commercial Account Manager
swisniewski@livefit.com

Henry Schein
PO Box 3227
Irmo, SC 29063
Jesse Garringer, Vice President
Jesse.garringer@henryschein.com



Date: March 30, 2016

To: Jim Buhlinger, Purchasing Manager

From: Robert Duke
Robert Duke, EFO
Assistant Fire Chief

Subject: Recommendation for Misc. Fitness Equipment ITB-SH16-017

Today's firefighter needs to better understand the correlation between physical fitness and improved job performance. Firefighting is a career that requires you to be at the peak of your game at all times. Going from a sound sleep to your peak heart rate within three minutes can put physical and emotional stress on anybody. Improving firefighters overall strength through physical fitness allows the performance of fireground tasks without putting yourself or others at risk for injury. Mental and physical strength enable a firefighter to stay focused on a given task and have the muscular endurance to complete it.

Through a regimented training program, you can train your body to face many different challenges. With proper cardiovascular and strength training, you will have the muscular and respiratory endurance to operate in a variety of scenarios and situations in which a less fit member may not. Firefighters desire to help someone else in a time of need and go out of their way in the attempt to save a life, whether it's pulling someone from a burning building or performing cardiopulmonary resuscitation. However, firefighters must see the overall picture more clearly so they can achieve a level of peak performance that will enable them to do their job more efficiently. By incorporating all aspects of fitness, strength training, and muscular endurance into a regular routine, firefighters can start to make the strides that create a safer workplace for themselves, their coworkers, and the public.

After reviewing the bid tabulation for ITB-SH16-017: Miscellaneous Fitness Equipment, the fire department is recommending a split bid to the following vendors for the equipment listed below:

American Home Fitness: 44937 Schoenherr, Sterling Heights, MI 48313

- Exercise Circuit Timer
 - Unit Price: \$145.50; Total Price \$1,455.00

BSN Sports: PO Box 7726, Dallas, Texas 75209

- Conditioning Rope
 - Unit Price: \$84.00; Total Price \$840.00
- Dumbbells – 80 lbs.
 - Unit Price: \$84.00; Total Price \$840.00
- Dumbbells – 85 lbs.
 - Unit Price: \$91.00; Total Price \$910.00
- Dumbbells – 90 lbs.
 - Unit Price: \$98.00; Total Price \$980.00

- Dumbbells – 95 lbs.
 - Unit Price: \$104.00; Total Price \$1,040.00
- Dumbbells – 100 lbs.
 - Unit Price: \$115.00; Total Price \$1,150.00

The Fitness Armory, Inc.: 5160 Mercury Pointe, Suite A, San Diego, CA 92111

- TRX Suspension Trainer
 - Unit Price: \$189.95; Total Price \$949.75
- Kettlebells – 44 lbs.
 - Unit Price: \$48.40; Total Price \$290.40
- Kettlebells – 53 lbs.
 - Unit Price: \$58.30; Total Price \$349.80
- Kettlebells – 62 lbs.
 - Unit Price: \$68.20; Total Price \$409.20
- Yoga Mats
 - Unit Price: \$39.99; Total Price \$599.85
- Ab Wheel
 - Unit Price: \$10.95; Total Price \$76.65

G & G Fitness Equipment: 7350 Transit Rd., Williamsville, NY 14221

- Slam Balls – 10 lbs.
 - Unit Price: \$21.00; Total Price \$126.00
- Slam Balls – 15 lbs.
 - Unit Price: \$26.00; Total Price \$156.00
- Slam Balls – 20 lbs.
 - Unit Price: \$32.00; Total Price \$192.00
- Slam Balls – 25 lbs.
 - Unit Price: 40.00; Total Price \$240.00
- Strength Band Package
 - Unit Price: \$123.00; Total Price \$1,230.00
- Foam Rollers
 - Unit Price: \$15.00; Total Price \$150.00
- Hanging Ab Straps
 - Unit Price: 29.00; Total Price \$145.00
- Jump Ropes
 - Unit Price: \$16.00; Total Price \$160.00

Henry Schein: PO Box 3227, Irmo, SC 49063

- Weight Scale
 - Unit Price: \$140.18; Total Price \$700.90

The fire department is recommending the rejection of bids for the FitBit Blaze Fitness Watches as the bidders on this item are charging more for this item than the manufacturer. Additionally, the fire department is recommending the rejection of bids for the Sandbag Trainer Combo Packages as no vendor is providing the desired style of equipment for durability and functionality of use.

All bids have been reviewed and recommendations of vendors have been established based on bid specifications. Several vendors were contacted for clarification to the bids submitted and after review, several pieces of equipment were not awarded to the low bidder based on vendor's equipment not meeting the specifications set forth and needs of the department.

The total price for this miscellaneous fitness equipment is **\$12,990.55**. Funding for this fitness equipment has been obtained through the 2013 Assistance to Firefighter's Grant (AFG) and is a continuation of city GID number is 201415-001. Funding has been budgeted in the FY14/15 fire department grant budget account number 43501040-529000.

**CITY OF STERLING HEIGHTS
 BID TABULATION - MARCH 8, 2016
 ITB-SH16-017: MISCELLANEOUS FITNESS EQUIPMENT**

Description	All-Pro Exercise, Inc.			American Home Fitness		BSN Sports		Direct Fitness Solutions		The Fitness Armory, Inc.		Fitness Things, Inc.		G & G Fitness Equipment		Henry Scheln		Pro Maxima	
	Qty	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
Fitbit Blaze Fitness Watch	88	N/B	\$0.00	N/B	\$0.00**	N/B	\$0.00	N/B	\$0.00	\$219.00	\$19,272.00	N/B	\$0.00	N/B	\$0.00	N/B	\$0.00	\$199.00	\$17,512.00
Sandbag Trainer Combo Package	6	N/B	0.00	144.00	864.00	N/B	0.00	N/B	0.00	219.00	1,314.00	N/B	0.00	194.00	1,164.00	N/B	0.00	89.95	539.70
60 lb Filler Bag (Sandbag Combo)	24	N/B	0.00	30.00	720.00	N/B	0.00	N/B	0.00	N/B	0.00	N/B	0.00	37.00	888.00	N/B	0.00	INCL	0.00*
Slam Balls - 10 lbs	6	20.00	120.00	30.00	180.00	14.89	89.34*	28.50	171.00	20.00	120.00	39.00	234.00	21.00	126.00	N/B	0.00	63.24	379.44
Slam Balls - 15 lbs	6	25.00	150.00	40.00	240.00	16.88	101.28	34.00	204.00	25.00	150.00	50.00	300.00	26.00	156.00	N/B	0.00	73.44	440.64
Slam Balls - 20 lbs	6	30.00	180.00	50.00	300.00	22.56	135.36	39.50	237.00	30.00	180.00	60.00	360.00	32.00	192.00	N/B	0.00	81.60	489.60
Slam Balls - 25 lbs	6	35.00	210.00	60.00	360.00	26.66	159.96	43.75	262.50	35.00	210.00	67.20	403.20	40.00	240.00	N/B	0.00	89.76	538.56
Strength Bands Package	10	170.00	1,700.00	198.00	1,980.00	N/B	0.00	N/B	0.00	135.00	1,350.00	185.05	1,850.50	123.00	1,230.00	N/B	0.00	196.35	1,963.50
Foam Rollers	10	24.00	240.00	29.50	295.00	18.78	187.80	N/B	0.00	29.00	290.00	22.95	229.50	15.00	150.00	8.89	88.90	44.95	449.50
Conditioning Rope	10	124.00	1,240.00	150.00	1,500.00	84.00	840.00	139.90	1,399.00	105.00	1,050.00	147.15	1,471.50	150.00	1,500.00	N/B	0.00	215.00	2,150.00
TRX Suspension Trainer	5	175.00	875.00	199.80	999.00	204.00	1,020.00	159.00	795.00	189.95	949.75*	183.95	919.75	175.00	875.00	N/B	0.00	125.00	625.00
Exercise Circuit Timer	10	N/B	0.00	145.50	1,455.00	N/B	0.00	N/B	0.00	189.00	1,890.00	215.00	2,150.00	215.00	2,150.00	N/B	0.00	375.00	3,750.00
Jump Ropes	10	N/B	0.00	19.50	195.00	N/B	0.00	N/B	0.00	12.00	120.00	10.11	101.10	16.00	160.00	N/B	0.00	15.95	159.50
Kettlebells - 44 lbs	6	N/B	0.00	54.50	327.00	N/B	0.00	N/B	0.00	48.40	290.40	66.24	397.44	62.00	372.00	59.56	357.36	60.00	360.00
Kettlebells - 53 lbs	6	N/B	0.00	64.50	387.00	N/B	0.00	N/B	0.00	58.30	349.80	73.60	441.60	73.00	438.00	70.59	423.54	81.55	489.30
Kettlebells - 62 lbs	6	N/B	0.00	74.00	444.00	N/B	0.00	N/B	0.00	68.20	409.20	88.32	529.92	86.00	516.00	87.13	522.78	95.40	572.40
Dumbbells - 80 lbs	10	112.00	1,120.00	107.20	1,072.00	84.00	840.00	108.00	1,080.00	88.00	880.00	84.64	846.40	79.00	790.00	198.30	1,983.00	73.60	736.00
Dumbbells - 85 lbs	10	119.00	1,190.00	113.90	1,139.00	91.00	910.00	114.75	1,147.50	93.50	935.00	89.93	899.30	109.00	1,090.00	198.30	1,983.00	78.20	782.00
Dumbbells - 90 lbs	10	126.00	1,260.00	120.60	1,206.00	98.00	980.00	121.50	1,215.00	99.00	990.00	95.22	952.20	113.00	1,130.00	198.30	1,983.00	82.80	828.00
Dumbbells - 95 lbs	10	133.00	1,330.00	127.30	1,273.00	104.00	1,040.00	128.25	1,282.50	104.50	1,045.00	100.51	1,005.10	124.00	1,240.00	198.30	1,983.00	87.40	874.00
Dumbbells - 100 lbs	10	140.00	1,400.00	134.00	1,340.00	115.00	1,150.00	135.00	1,350.00	110.00	1,100.00	105.80	1,058.00	130.00	1,300.00	198.30	1,983.00	92.00	920.00
Weight Scale	5	N/B	0.00	226.00	1,130.00	196.00	980.00	N/B	0.00	199.00	995.00	250.00	1,250.00	215.00	1,075.00	140.18	700.90	299.00	1,495.00
Yoga Mats	15	N/B	0.00	33.00	495.00	N/B	0.00	N/B	0.00	39.99	599.85	16.50	247.50	20.00	300.00	N/B	0.00	89.00	1,335.00
Hanging Ab Straps	5	40.00	200.00	48.50	242.50	N/B	0.00	N/B	0.00	44.00	220.00	54.28	271.40	29.00	145.00	N/B	0.00	45.00	225.00
Ab Wheel	7	N/B	0.00	11.90	83.30	N/B	0.00	N/B	0.00	10.95	76.65	13.79	96.53	12.00	84.00	N/B	0.00	12.00	84.00
Shipping	1	N/B	0.00	N/B	0.00	N/B	0.00	N/B	0.00	N/B	0.00	1,273.00	1,273.00	N/B	0.00	N/B	0.00	2,250.00	2,250.00
Bid Grand Total			\$11,215.00		\$18,226.80**		\$8,433.74		\$9,143.50		\$34,786.65*		\$17,287.94*		\$17,511.00		\$12,008.48		\$39,948.14**

* Adjusted by Purchasing
 ** Bid based on all or none basis
 * Included in price above
 ** Non compliant bid submitted
 N/B - No Bid



CITY OF Sterling Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko
City Manager	Mark D. Vanderpool

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
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INVITATION TO BID

ITB-SH16-017

The City of Sterling Heights, Michigan is accepting sealed bids for MISCELLANEOUS FITNESS EQUIPMENT until TUESDAY, MARCH 8, 2016 AT 2:30 P.M. in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.

James Buhlinger

James Buhlinger
Purchasing Manager

Office of Purchasing
586-446-2740

IV. SPECIFICATIONS

The City of Sterling Heights is accepting sealed bids for the purchase of Miscellaneous Fitness Equipment to be used by the Fire Department.

The following equipment is being requested:

<u>Description</u>	<u>Specification</u>	<u>Est. Qty.</u>
Fitbit Blaze Fitness Watch	<ul style="list-style-type: none"> • Band Color: Black • Sizes to be determined • Charging cable • 3-axis accelerometer • Optical Heart rate monitor • Altimeter • Ambient light sensor • Vibration motor • Touch Screen • Color LCD 	88
Sandbag Trainer combo package	<ul style="list-style-type: none"> • Each package to include: (1) Small, (1) Medium, (1) Large • 60 lb filler bag 	6 24
Slam Balls	<ul style="list-style-type: none"> • 10 lbs • 15 lbs • 20 lbs • 25 lbs 	6 6 6 6
Strength Bands package	<ul style="list-style-type: none"> • Package to include: <ul style="list-style-type: none"> ○ Red – XX-Light ○ Purple –X-Light, 1½" wide ○ Green – Light, 1" wide ○ Blue – Medium, 2" wide ○ Orange – Heavy, 3" wide ○ Black – X-Heavy, 4" wide 	10
Foam Rollers	<ul style="list-style-type: none"> • 36"x6" – premium molded high density foam roller 	10
Conditioning Rope	<ul style="list-style-type: none"> • 1½" x 50' 	10
TRX Suspension Trainer	<ul style="list-style-type: none"> • TRX Suspension Trainer 	5
Exercise Circuit Timer	<ul style="list-style-type: none"> • USA wall timer 	10
Jump Ropes	<ul style="list-style-type: none"> • F-1 Turbo Speed Jump Rope 	10

<u>Description</u>	<u>Specification</u>	<u>Est. Qty.</u>
Kettlebells	<ul style="list-style-type: none"> • 44 lbs • 53 lbs • 62 lbs 	<p>6 6 6</p>
Dumbbells	<ul style="list-style-type: none"> • 80 lb Hex Dumbbell • 85 lb Hex Dumbbell • 90 lb Hex Dumbbell • 95 lb Hex Dumbbell • 100 lb Hex Dumbbell 	<p>10 10 10 10 10</p>
Weight Scale	<ul style="list-style-type: none"> • Detecto 439 Eye Level Beam Physician Scale 400 lb x 4 oz w/Height Rod 	5
Yoga Mats	<ul style="list-style-type: none"> • 5mm thickness – 36"x72" • Black or Blue color • Workout mat w/handle 	15
Hanging Ab Straps	<ul style="list-style-type: none"> • Harbinger Deluxe Ab Straps 	5
Ab Wheel	<ul style="list-style-type: none"> • Dual Ab Wheel 	7

V. BID FORM

The undersigned hereby declares that the instructions and specifications have been carefully examined and the **MISCELLANEOUS FITNESS EQUIPMENT** will be furnished for the prices set forth in this bid. It is understood and agreed that all bids are **F.O.B. DESTINATION**, that all bid prices shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for award of the bid. It is the intent of the City to purchase the services and/or products in the quantity and frequency as listed in this bid, however, the City reserves the right to modify or eliminate this purchase without prior notice.

The undersigned bidder further agrees and understands that the City of Sterling Heights reserves the right to reject any and all bids and has the right to waive irregularities in bidding if it determines such action to be in the best interest of the City to do so. Bids not conforming to these specifications will be rejected. It will be the responsibility of the bidder to conform to these requirements unless deviations have been cited in the bid and our acceptance made on that basis.

Bid Grand Total: \$ _____

How did you receive notification of this bid? _____

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company _____

Address _____

City/State/Zip _____

Representative/Title _____

Telephone/Fax _____

E-Mail Address/Website _____

Terms _____

Signature/Date _____

V. BID FORM (CONT'D)

<u>Description</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Extended Total</u>
Fitbit Blaze Fitness Watch	88	\$ _____	\$ _____
Sandbag Trainer Combo Package	6	\$ _____	\$ _____
60 lb Filler Bag (Sandbag Combo)	24	\$ _____	\$ _____
Slam Balls – 10 lbs	6	\$ _____	\$ _____
Slam Balls – 15 lbs	6	\$ _____	\$ _____
Slam Balls – 20 lbs	6	\$ _____	\$ _____
Slam Balls – 25 lbs	6	\$ _____	\$ _____
Strength Bands Package	10	\$ _____	\$ _____
Foam Rollers	10	\$ _____	\$ _____
Conditioning Rope	10	\$ _____	\$ _____
TRX Suspension Trainer	5	\$ _____	\$ _____
Exercise Circuit Timer	10	\$ _____	\$ _____
Jump Ropes	10	\$ _____	\$ _____
Kettlebells – 44 lbs	6	\$ _____	\$ _____
Kettlebells – 53 lbs	6	\$ _____	\$ _____
Kettlebells – 62 lbs	6	\$ _____	\$ _____
Dumbbells – 80 lbs	10	\$ _____	\$ _____
Dumbbells – 85 lbs	10	\$ _____	\$ _____
Dumbbells – 90 lbs	10	\$ _____	\$ _____
Dumbbells – 95 lbs	10	\$ _____	\$ _____
Dumbbells – 100 lbs	10	\$ _____	\$ _____
Weight Scale	5	\$ _____	\$ _____

V. BID FORM (CONT'D)

<u>Description</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Extended Total</u>
Yoga Mats	15	\$ _____	\$ _____
Hanging Ab Straps	5	\$ _____	\$ _____
Ab Wheel	7	\$ _____	\$ _____

BID GRAND TOTAL: \$ _____
(Please carry this total forward to page 8)

This form **must** be completed and returned with your bid.

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To award a bid for water service parts for a one-year period based on unit prices bid (Estimated annual expense of \$90,958.50).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)



Attachments

	City Clerk	—	Resolution	—	Minutes
	Finance & Budget Director	—	Ordinance	—	Plan/Map
	City Attorney (as to legal form)	—	Contract	—	Other
	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- The Water Division of the Department of Public Works utilizes many water service parts in the maintenance and repair of the City's water distribution system, as well as to expand the same system as needed for new development. Water service parts must meet very stringent specifications to match existing system parts and ensure a reliable, code compliant, and consistently constructed water distribution infrastructure.
- The water service parts included in this bid award (repair clamps, brass service saddles, unions, reducers, ball corporation stops, and curb stops) allow DPW employees to perform controlled taps to charged water mains and turn water on/off to structures being serviced. Additionally, the curb box provides secure access to the curb stop, both of which are buried underground between the water main and the structure being serviced with water. The curb box is connected to the corporation stop on the water main by 1" type K-Copper. This soft copper line comes in 60' rolls and is pliable enough to be unrolled on-site as it is being buried. The City routinely purchases these water service parts for water service installations.
- Based upon the bids received for water service parts, recommendation is being made by the DPW and Office of Purchasing to award the bid to HD Supply Waterworks, Limited Partnership, d/b/a HD Supply Waterworks, the lowest overall bidder meeting City specifications.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to award the bid for water service parts to HD Supply Waterworks, Limited Partnership, d/b/a HD Supply Waterworks, 4901 Dewitt Road, Canton, MI 48188 for a one-year period at unit prices bid.

CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On March 8, 2016, bids were received for the purchase of water service parts. An invitation to bid was advertised on SHTV, posted to the MITN website, Facebook and Twitter, and published in the Sentry Newspaper. Seven (7) vendors responded with bids as outlined in the attached bid tabulation. One non-responsive bid was received.

The estimated expense for the purchase of water service parts is approximately \$90,958.50. Purchases will be initially charged against inventory in 59110000 (W&S Operations and Maintenance Fund) 111001 (General Stores) and ultimately charged out to (and currently budgeted in) 59956556 (DPW Water Distribution Division) Account 772000 (Tap-In Materials – Water), 840000 (Water Main Repair) and 841000 (Distribution Line Repair) when pulled from inventory and placed into service.

STAFF ANALYSIS AND FINDINGS:

The Water Division of the Department of Public Works frequently makes installations and repairs to water service connections throughout the community using water service parts. Several of the parts included in this bid award are routinely incorporated into such installations and repairs - curb boxes, curb stops and type K-Copper, all of which are buried underground during the installation/repair process. The curb boxes house and provide access to curb stops, which control the flow of water between the water main and structure being provided water service. The 1" type K-Copper is the flexible tubing used to connect corporation stop on the water main to the curb stop. This type of copper tubing differs from the type L used inside the home/structure as it is more flexible and can be unrolled from a 60' roll as it is buried.

The brass service saddle allows a charged water main to be tapped in conjunction with the ball corporation stop, which restricts flow from the main until the installation is complete. The curb stop, which controls the flow of water between the main and structure being provided water service, is installed within the curb box five to six feet underground. Repair clamps, unions and reducers are used to affect repairs throughout the system.

Personnel of the Department of Public Works and Office of Purchasing have reviewed the bids. HD Supply Waterworks is the lowest overall bidder meeting specifications and requirements included in this solicitation. The City is currently making purchases from HD Supply Waterworks and found this vendor to be prompt and reliable. References provided were checked and found to be acceptable.

Recommendation is being made to award the bid to HD Supply Waterworks, Limited Partnership, d/b/a HD Supply Waterworks, as the lowest overall bidder meeting specifications.

Please see the attached memorandum from the Department of Public Works for further information.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.

Notification list:

HD Supply Waterworks

4901 Dewitt Road

Canton, MI 48188

Dan Napier, Sales

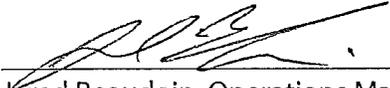
dan.napier@hdsupply.com



Interoffice Memorandum

Date: March 11, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
 Jared Beaudoin, Operations Manager

Subject: Recommendation – Water Service Parts

The Department of Public Works has reviewed the bids received on March 8, 2016 for water service parts. These parts will be used during the daily installation and repair of the community water supply by the Water Division. The DPW recommends that the bid be awarded to the lowest bidder meeting all specifications, bid items, and requirements:

HD Supply Waterworks
 4901 Dewitt Road
 Canton, MI 48188
 Attn: Dan Napier

Based on their unit prices bid for the following items:

Item	Quantity	Unit Price	Estimated Total Cost
Soft Copper Pipe			
K-Copper Roll 3/4" x 60'	1	\$2.20	\$132.00
K-Copper Roll 1" x 60'	100	\$2.88	\$17,280
2" x 20' Lengths K Copper	10	\$9.32	\$1,864.00
2" x 60' Roll K Copper	1	\$7.57	\$454.20
Repair Clamps CI			
8" x 12" Ford #FS1-939-125	20	\$68.50	\$1,370.00
8" x 12"x 1" Ford #FS1-939-CC4	15	\$76.00	\$1,140.00
12" x 12" Ford #FS1-1350-125	5	\$82.00	\$410.00
12" x 12" x 1" Ford #FS1-1350-125-CC4	4	\$87.50	\$350.00
16" x 15" x 1" Ford #FS2-1790-15-CC4	2	\$156.00	\$312.00
Repair Clamps AC			
16" x 15" x 1" Ford #FS2-1925-15-CC4	2	\$156.00	\$312.00
Service Saddles			
8" x 1" Ford #202B-962-CC4	50	\$91.00	\$4,550.00

8" x 2" Ford #202B-962-CC7	50	\$105.00	\$5,250.00
12" x 2" Ford #202B-1438-CC7	10	\$152.00	\$1,520.00
Curbs NL			
3/4" Ford #B22-444M-NL	10	\$52.00	\$520.00
1" Ford #B22-444M-NL	150	\$68.50	\$10,275.00
1 1/2" Ford #B22-444M-NL	5	\$162.50	\$812.50
2" Ford #B22-444M-NL	50	\$261.16	\$13,058.00
Corps NL			
3/4" Ford #FB600-4-NL	10	\$33.37	\$333.70
1" Ford #FB600-4-NL	200	\$42.80	\$8,560.00
1 1/2" Ford #FB600-4-NL	5	\$99.00	\$495.00
2" Ford #FB600-4-NL	50	\$177.08	\$8,854.00
Stop Boxes			
1" AY McDonald 5615WB	400	\$28.60	\$11,440.00
Other Brass & Copper Fittings			
3/4" Union	10	\$11.96	\$119.60
1" Union	10	\$20.97	\$209.70
1 1/2" Union	5	\$62.94	\$314.70
2" Union	5	\$102.69	\$513.45
1" x 3/4" Reducer	5	\$17.73	\$88.65
1 1/2" x 1" Reducer	5	\$42.00	\$210.00
2" x 1 1/2" Reducer	5	\$42.00	\$210.00
Bid Grand Total			\$90,958.50

HD Supply Waterworks has supplied the Department of Public Works with water service parts through multiple awarded contracts, and is currently the incumbent for the current contract. DPW staff is very pleased with their timely delivery and quality of parts.

The DPW estimates spending \$90,958.50 annually for the purchase of water service parts. Funds will be budgeted in the Water Division accounts: Water Main Repair #59956556-840000, Distribution Line Repair #59956556-841000, and Tap-In Materials - Water #59956556-772000.

C: Michael Moore, Public Works Director
Jim Nichols IV, Water Division Supervisor

**CITY OF STERLING HEIGHTS
 BID TABULATION - MARCH 8, 2016
 ITB-SH16-018: WATER SERVICE PARTS**

	Qty	EJ USA, Inc.		Etna Supply Company		Gunnars Meters & Parts		HD Supply		Michigan Pipe & Valve		SLC Meter, LLC		T & N Services, Inc.	
		Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
Soft Copper Pipe															
½" x 60' Roll K Copper	1	\$180.00	\$180.00	\$137.40**	\$137.40	\$2.90^	\$174.00	\$2.20** ^	\$132.00	\$2.78^	\$166.80*	\$129.76@	\$129.76	N/B	0.00
1" x 60' Rolls K Copper	100	225.00	22,500.00	298.00**	29,800.00*	3.25^	19,500.00	2.88** ^	17,280.00	3.75^	22,500.00	171.15@	17,115.00	N/B	0.00
2" x 20' Lengths K Copper	10	220.00	2,200.00	192.00**	1,920.00	9.30^	1,860.00	9.32** ^	1,864.00	186.78	1,867.80	182.50@	1,825.00	N/B	0.00
2" x 60' Roll K Copper	1	600.00	600.00	471.00**	471.00	9.30^	558.00	7.57** ^	454.20	9.34^	560.40*	445.20@	445.20	N/B	0.00
Repair Clamps CI:															
8" x 12" Ford #FS1-939-125	20	113.60	2,272.00	76.00	1,520.00	N/B	0.00	68.50	1,370.00	71.07	1,421.40*	81.68	1,633.60	87.27	1,745.40
8" x 12" x 1" Ford #FS1-939-CC4	15	138.45	2,076.75	84.00	1,260.00	N/B	0.00	76.00	1,140.00	79.31	1,189.65	101.79	1,526.85	96.23	1,443.45
12" x 12" Ford #FS1-1350-125	5	171.32	856.60	91.00	455.00	N/B	0.00	82.00	410.00	85.34	426.70*	127.61	638.05	101.00	505.00
12" x 12" x 1" Ford #FS1-1350-125-CC4	4	195.83	783.32	97.00	388.00	N/B	0.00	87.50	350.00	91.36	365.44*	147.77	591.08	106.37	425.48
16" x 15" x 1" Ford #FS2-1790-15-CC4	2	403.00	806.00	174.00	348.00	N/B	0.00	156.00	312.00	162.71	325.42	275.43	550.86	193.83	387.66
Repair Clamps AC:															
16" x 15" x 1" Ford #FS2-1925-15-CC4	2	429.00	858.00	205.00	410.00	N/B	0.00	156.00	312.00	162.71	325.42	350.75	701.50	193.83	387.66
Service Saddles:															
8" x 1" Ford #202B-962-CC4	50	92.74	4,637.00	92.65	4,632.50	92.00	4,600.00	91.00	4,550.00*	99.37	4,968.50*	91.68	4,584.00	N/B	0.00
8" x 2" Ford #202B-962-CC7	50	106.30	5,315.00	106.00	5,300.00	105.00	5,250.00	105.00	5,250.00	113.89	5,694.50*	105.84	5,292.00	N/B	0.00
12" x 2" Ford #202B-1438-CC7	10	154.40	1,544.00	154.25	1,542.50	152.00	1,520.00	152.00	1,520.00	165.44	1,654.40	152.64	1,526.40	N/B	0.00
Curbs NL:															
¾" Mueller B-25154N	10	52.99	529.90	52.95	529.50	53.00	530.00	52.00	520.00	56.71#	567.10*	51.51	515.10	N/B	0.00
1" Mueller B-25154N	150	69.96	10,494.00	71.45	10,717.50	70.00	10,500.00	68.50	10,275.00	75.79#	11,368.50*	69.55	10,432.50	N/B	0.00
1½" Mueller B-25154N	5	168.05	840.25	167.80	839.00	168.00	840.00	162.50	812.50	178.08#	890.40	164.94	824.70	N/B	0.00
2" Mueller B-25154N	50	265.94	13,297.00*	271.50	13,575.00	265.00	13,250.00	261.16	13,058.00	288.11#	14,405.50*	266.87	13,343.50	N/B	0.00
Corps NL:															
¾" Mueller B-25000N	10	33.98	339.80	33.60	336.00	34.00	340.00	33.37	333.70	36.01#	360.10*	33.22	332.20	N/B	0.00
1" Mueller B-25000N	200	43.60	8,720.00	43.10	8,620.00	44.00	8,800.00	42.80	8,560.00	46.23#	9,246.00*	42.65	8,530.00	N/B	0.00
1½" Mueller B-25000N	5	103.25	516.25	102.00	510.00	103.00	515.00	99.00	495.00	109.42#	547.10*	100.95	504.75	N/B	0.00
2" Ford #FB600-4-NL	50	180.35	9,017.50	178.25	8,912.50	180.00	9,000.00	177.08	8,854.00	191.13#	9,556.50*	176.34	8,817.00	N/B	0.00
Stop Boxes:															
1" AY McDonald 5615WB	400	29.15	11,660.00	28.75	11,500.00	30.00	12,000.00	28.60	11,440.00	35.78#	14,312.00*	29.70	11,880.00	N/B	0.00
Other:															
¾" Union	10	12.19	121.90	12.05	120.50	12.00	120.00	11.96	119.60	12.93#	129.30*	11.93	119.30	N/B	0.00
1" Union	10	21.36	213.60	21.10	211.00	22.00	220.00	20.97	209.70	22.63#	226.30*	20.87	208.70	N/B	0.00
1½" Union	5	64.10	320.50	63.35	316.75	64.00	320.00	62.94	314.70	67.93#	339.65*	62.68	313.40	N/B	0.00
2" Union	5	104.59	522.95	103.35	516.75	104.00	520.00	102.69	513.45	110.83#	554.15*	102.26	511.30	N/B	0.00
1" x ¾" Reducer	5	18.06	90.30	17.85	89.25	18.00	90.00	17.73	88.65	19.14#	95.70	18.70	93.50	N/B	0.00
1½" x 1" Reducer	5	N/B	0.00	66.65	333.25	130.00	650.00	42.00	210.00	71.50#	357.50	41.41	207.05	N/B	0.00
2" x 1½" Reducer	5	N/B	0.00	N/B	0.00	210.00	1,050.00	42.00	210.00	137.06#	685.30	72.98	364.90	N/B	0.00
Bid Grand Total			\$101,312.62*		\$105,311.40*		\$92,207.00		\$90,958.50*		\$105,107.53*		\$93,557.20		\$4,894.65

NOTE: Non-responsive bid received from Audio Visual Equipment and Supplies

* Adjusted by Purchasing
 ** Cost on Soft Copper Pipe is good for 30 days
 ^ Copper pricing is per foot.
 # Quoting all Ford Brass
 @ Copper pricing is invoice at cost plus 1% for the contract term
 NB - No Bid



CITY OF Sterling Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

**INVITATION TO BID
ITB-SH16-018**

The City of Sterling Heights, Michigan is accepting sealed bids for WATER SERVICE PARTS until TUESDAY, MARCH 8, 2016 AT 2:30 P.M. in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.

James Buhlinger

James Buhlinger
Purchasing Manager

Office of Purchasing
586-446-2740

IV. BID FORM

The undersigned hereby declares that he has carefully examined the instruction and specifications and will furnish **WATER SERVICE PARTS** for the prices set forth in this bid. It is understood and agreed that all bids are **F.O.B. DESTINATION**, that all bid prices shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for the award of the bid. Quantities stated on bid are estimates and prices shall remain in effect for a one (1) year period from date of award. It is the intent of the City to purchase the products in the quantity and frequency as listed in this bid, however, the City reserves the right to modify the quantities or eliminate this purchase without prior notice. **ALL PRODUCTS MUST BE OF US ORIGIN.**

The undersigned bidder further agrees and understands that the City of Sterling Heights is reserving the right to reject any and all bids and the right to waive irregularities in bidding if it determines such action to be in the best interest of the City.

BID GRAND TOTAL: \$ _____

Delivery Time after Receipt of PO/Order: _____

Warranty: _____

How did you receive notification of this bid? _____

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company _____

Address/City/State/zip _____

Representative/Title _____

Telephone/Fax _____

Terms _____

E-mail Address/Website _____

Signature _____

IV. BID FORM (CONT'D)

SOFT COPPER PIPE - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
1	¾" x 60' rolls	K Copper	\$ _____	\$ _____
100	1" x 60' rolls	K Copper	\$ _____	\$ _____
10	2" x 20' lengths	K Copper	\$ _____	\$ _____
1	2" x 60' roll	K Copper	\$ _____	\$ _____

REPAIR CLAMPS CI - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
20	8" x 12"	Ford #FS1-939-125, Power Seal #3121AS8C12S, or equivalent; All Stainless, 1 Piece, Full Seal	\$ _____	\$ _____
15	8" x 12" x 1"	Ford #FS1-939-125-CC4, Power Seal #3121AS8C12S1CC, or equivalent; All Stainless, 1 Piece, Full Seal	\$ _____	\$ _____
5	12" x 12"	Ford #FS1-1350-125, Power Seal #3121AS12C12S, or equivalent; All Stainless, 1 Piece, Full Seal	\$ _____	\$ _____
4	12" x 12" x 1"	Ford #FS1-1350-125-CC4, Power Seal #3121AS12C12S1CC, or equivalent; All Stainless, 1 Piece, Full Seal	\$ _____	\$ _____

IV. BID FORM (CONT'D)

2	16" x 15" x 1"	Ford #FS2-1790-15-CC4, Power Seal #3122AS16C16S1CC, or equivalent; All Stainless, Must be 2 Piece, Full Seal	\$ _____	\$ _____
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REPAIR CLAMPS AC - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
2	16" x 15" x 1"	Ford #FS2-1925-15-CC4, Power Seal #3122AS16C160CD1CC or equivalent; All Stainless, Must be 2 Piece, Full Seal	\$ _____	\$ _____

SERVICE SADDLES - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
50	8" x 1"	Ford #202B-962-CC4, AY McDonald #3825, or equivalent Bronze, 2 Straps x AWWA	\$ _____	\$ _____
50	8" x 2"	Ford #202B-962-CC7, AY McDonald #3825, or equivalent Bronze, 2 Straps x AWWA	\$ _____	\$ _____
10	12" x 2"	Ford #202B-1438-CC7, AY McDonald #3825, or equivalent Bronze, 2 Straps x AWWA	\$ _____	\$ _____

CURBS NL - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
10	3/4"	Mueller B-25154N, or AY McDonald 76104 Ball Valve, Minneapolis Style, FLxFL, Lead Free Brass	\$ _____	\$ _____

IV. BID FORM (CONT'D)

150	1"	Mueller B-25154N, or AY McDonald 76104 Ball Valve, Minneapolis Style, FLxFL, Lead Free Brass	\$ _____	\$ _____
5	1½"	Mueller B-25154N, or AY McDonald 76104 Ball Valve, Minneapolis Style, FLxFL, Lead Free Brass	\$ _____	\$ _____
50	2"	Mueller B-25154N, or AY McDonald 76104 Ball Valve, Minneapolis Style, FLxFL, Lead Free Brass	\$ _____	\$ _____

CORPS NL - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
10	¾"	Mueller B-25000N, or AY McDonald 76701B Ball Valve, AWWA/CCxFL, Lead Free Brass	\$ _____	\$ _____
200	1"	Mueller B-25000N, or AY McDonald 76701B Ball Valve, AWWA/CCxFL, Lead Free Brass	\$ _____	\$ _____
5	1½"	Mueller B-25000N, or AY McDonald 76701B Ball Valve, AWWA/CCxFL, Lead Free Brass	\$ _____	\$ _____
50	2"	Ford #FB600-4-NL, or AY McDonald 76701B Ball Valve, AWWA/CCxFL, Lead Free Brass	\$ _____	\$ _____

IV. BID FORM (CONT'D)

STOP BOXES - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
400	1"	AY McDonald 5615WB Minneapolis Pattern, Base Tapped 2", 5'6" extended length	\$ _____	\$ _____

OTHER - MUST BE US ORIGIN

<u>Est. Qty</u>	<u>Size</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total Price</u>
10	3/4" union	FLxFL, Lead Free Brass	\$ _____	\$ _____
10	1" union	FLxFL, Lead Free Brass	\$ _____	\$ _____
5	1 1/2" union	FLxFL, Lead Free Brass	\$ _____	\$ _____
5	2" union	FLxFL, Lead Free Brass	\$ _____	\$ _____
5	1" - 3/4" reducer	FLxFL, Lead Free Brass	\$ _____	\$ _____
5	1 1/2" x 1" reducer	FLxFL, Lead Free Brass	\$ _____	\$ _____
5	2" x 1 1/2" reducer	FLxFL, Lead Free Brass	\$ _____	\$ _____

BID GRAND TOTAL:
(Please carry TOTAL forward to page 6) \$ _____

This form **must** be completed and returned with your bid.

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To approve Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program, City Project #12-236, Special Assessment District SW-16-01

Submitted By: Office of Engineering

Contact Person/Telephone: *Brent Bashaw J.C.* Brent Bashaw, P.E., City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

<i>MC</i>	City Clerk	___	Resolution	___	Minutes
<i>B</i>	Finance & Budget Director	___	Ordinance	___	Plan/Map
<i>JF</i>	City Attorney (as to legal form)	___	Contract	<u>X</u>	Other
<i>ML</i>	City Manager				Letter, Agreements

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

At the June 3, 2014 regular meeting, City Council awarded the bid for the 2014 Sidewalk Replacement Program, City Project #12-236 to A Land Construction Inc. The scope of work called for replacement of defective sidewalk located in Section 24 of the City.

In accordance with the "Streets, Sidewalks, and Right-of-Way Ordinance," § 48.6-E, City Council also adopted a resolution requiring the owners of the properties included in the project area to reconstruct or repair the defective sidewalks adjacent to or abutting their lots or premises or be invoiced for the work completed by the City's contractor. In the event the owners are unable to pay the invoice balance in one lump sum, the City allows for installment payments pursuant to a Consent Special Assessment.

Attached for City Council approval are six signed Consent Special Assessment Agreements whereby the property owners will pay the invoice balance over five years with a six percent interest charge on the unpaid balance in lieu of one lump sum. Only 3.8% of the property owners involved in the 2014 Sidewalk Replacement Program have opted to pay via the installment payment option.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve the Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program, City Project #12-236, Special Assessment District SW-16-01, and authorize the Mayor and City Clerk to sign the Agreements on behalf of the City.

**CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016**

RE: Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program,
City Project #12-236, Special Assessment District SW-16-01

Prepared By: Brent Bashaw, City Engineer

(586) 446-2720

GENERAL INFORMATION: At the June 3, 2014 regular meeting, City Council awarded the bid for the 2014 Sidewalk Replacement Program, City Project #12-236 to A Land Construction Inc. The scope of work called for replacement of defective sidewalk located in Section 24 of the City.

In accordance with the "Streets, Sidewalks, and Right-of-Ways Ordinance" § 48.6-E, City Council also adopted a resolution requiring the owners of the properties included in the project area to reconstruct or repair the sidewalks adjacent to or abutting their lots or premises or be invoiced for the work completed by the City's contractor.

TECHNICAL INFORMATION: Attached is a copy of the letter sent to the individual property owners along with the invoice for the work completed by the City as part of the 2014 Sidewalk Replacement Program. As indicated in the letter, the property owners were given the option of paying the invoice in one lump sum or they could sign an attached Consent Special Assessment form agreeing to pay the invoice over five years with a six percent interest charge on the unpaid balance.

STAFF ANALYSIS AND FINDINGS: Of the 159 property owners invoiced in the 2014 Sidewalk Replacement Program, only six (or 3.8%) have signed the Consent Special Assessment form agreeing to pay the invoice over five years.

STAFF RECOMMENDATION: Please see the Suggested Action on the accompanying agenda statement.

Cc: Jennifer Varney, City Treasurer
Dwayne McLachlan, City Assessor
Denice Gerstenberg, City Development Director
Dean Martindale, Civil Engineer II



CITY OF
**Sterling
Heights**
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Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council

<i>Mayor</i>	Michael C. Taylor
<i>Mayor Pro Tem</i>	Joseph V. Romano
<i>Councilwoman</i>	Deanna Koski
<i>Councilwoman</i>	Maria G. Schmidt
<i>Councilman</i>	Nate Shannon
<i>Councilman</i>	Doug Skrzyniarz
<i>Councilwoman</i>	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077

cityhall@sterling-heights.net | www.sterling-heights.net

facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

January 15, 2016

Re: Sidewalk Installation – City Project #12-236

Dear Property Owner:

On March 18, 1997 the City Council approved a sidewalk installation program ordinance. Under the ordinance, the property owner is responsible for installation of the sidewalks on his/her property. As the property owner, you were notified and given time to install the sidewalk. If the installation was not made, the City retained a contractor to complete the work. The costs of the installation and administration of the program are then billed to the property owner as required by the ordinance.

During 2014 a new sidewalk was installed on your property in accordance with the ordinance. Enclosed is the invoice for the work on your sidewalk. This invoice constitutes a lien on your property under the sidewalk installation program ordinance. **The City must receive your payment by February 15, 2016 or a 6% late payment penalty will be added.**

If you are unable to pay for the sidewalk installation in a lump sum, you have another option. The second option requires you to contact the Sterling Heights Treasury Office and request a Special Assessment Consent form. Upon receipt of the form, you must complete the required data, sign and have the form notarized, and return it to the Treasury Office prior to the due date of the invoice. The terms of the agreement allow you to make five annual payments. The interest rate that will apply to the Special Assessment agreement is 6% per year.

In summary, you have two options. Pay the amount due or request and complete a Special Assessment Consent form prior to the due date of the invoice. **You must choose one of these options:**

1. Enclose payment for the full amount and return it to the address below with the invoice, **OR**
2. Contact the Treasury Office and request a Special Assessment Consent form. Complete the form, have it notarized, and return it to the address below:

Treasury Office
City of Sterling Heights
P.O. Box 8009
Sterling Heights, MI 48311-8009

If you do not pay the entire invoice or return a completed, notarized Special Assessment Consent form by the due date, the remaining balance, along with a 17% penalty, will be included as a lien on your July 2016 tax bill. Please contact the Engineering Department at (586) 446-2720 with any questions regarding the Sidewalk Installation Program – City Project #12-236 or the charges contained on the enclosed invoice. If you have questions on the payment options outlined above, contact the Treasury Office at (586) 446-2780.

Sincerely,

Jennifer L. Varney
Treasurer

JLV/kp

Enclosure

I:\personal\CAROLYN LETTERS\Sidewalks\FORM LETTER JANUARY 15 2016.doc



Interoffice Memorandum

Date: February 23, 2016

To: Brent Bashaw and Dwayne McLachlan

From:


Jennifer L. Varney

Subject: 2014 Sidewalk Replacement Program – City Project #12-236

Enclosed please find the sidewalk "special assessment agreement" forms that were returned to the Treasury Office for the 2014 Replacement Program. There were a total of 6 forms returned:

<u>Sidwell No.</u>	
10-02-176-007-000	\$ 456.30
10-14-351-027-000	\$ 623.70
10-24-329-004-000	\$ 537.30
10-24-454-001-000	\$ 315.00
10-26-107-004-000	\$1,403.55
10-30-428-001-000	\$1,449.90

Please take the steps necessary to establish the special assessment roll (SW 16-01) for these parcels and to authorize the Mayor and City Clerk to sign each agreement.

Thank you for your help in this matter. If you have any questions, I can be reached on ext. 2781.

JLV/kp

Attachments

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on January 28, 2016 between Charles P. Strozeski and Penny J. Strozeski, his wife, whose address is 44297 Whithorn Dr, Sterling Heights, Michigan 48313 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10 -02 -176 -007 -000, the property address of which is 44297 Whithorn Dr as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 456.30 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

9. *Governing Law.* This Agreement is made in the State of Michigan and shall be governed by its laws.

10. *Authority by Execution.* By execution of this Agreement, the respective parties acknowledge that each has executed the Agreement with full and complete authority to do so.

The parties have executed this Agreement on the dates set forth below.

PROPERTY OWNER:

Charles P. Strozieski
Signature of Property Owner

Charles P. Strozieski
Printed Name of Property Owner

Penny J. Strozieski
Signature of Property Owner's Spouse

Penny J. Strozieski
Printed Name of Property Owner's Spouse

Dated: 1/28/16

ACKNOWLEDGMENT OF PROPERTY OWNER

STATE OF MICHIGAN)
) SS
COUNTY OF Macomb)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on Jan. 28 2016 by Charles P. Strozieski and Penny J. Strozieski, his wife (if applicable).

Cindy M. Hassar
Notary Public
Macomb County, Michigan
My Commission expires: 3-5-2019

CINDY M HASSAR
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF MACOMB
My Commission Expires Mar. 5, 2019
Acting in the County of Macomb

[Signatures and acknowledgment of City officials follow on next page]

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation

MICHAEL C. TAYLOR, Mayor

M CARUFEL, City Clerk

Dated: _____

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on _____, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

Notary Public
County, Michigan
My Commission expires: _____

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

City of Sterling Heights
Legal Description Summary
for
10-02-176-007-000
44297 Whithorn Dr

Taxpayer's Address:

STROZESKI, CHARLES P.

Current Class: School District

401

P.R.E. %

100.00%

Lcl Pcl:

003200015500

44297 WHITHORN DR
STERLING HEIGHTS MI 48313-1059

Land Informatio

Values

Frontage: 60
Depth: 120
Acreage: .17
Zoning: R-60

2015 SEV: 60,100
2015 CPV: 55,122
2015 TXV: 55,122

Legal Description:

M 155 \$BETHANY MEADOWS SUBDIVISION LOT 155

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on FEBRUARY 9, 2016 between RUBEN B CALDERERO and EVANGELINE CALDERERO, his wife, whose address is 11753 WHITEHALL DR, Sterling Heights, Michigan 48313 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10-14-351-027-000, the property address of which is 11753 WHITEHALL DR STERLING HEIGHTS as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 623.70 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

9. *Governing Law.* This Agreement is made in the State of Michigan and shall be governed by its laws.

10. *Authority by Execution.* By execution of this Agreement, the respective parties acknowledge that each has executed the Agreement with full and complete authority to do so.

The parties have executed this Agreement on the dates set forth below.

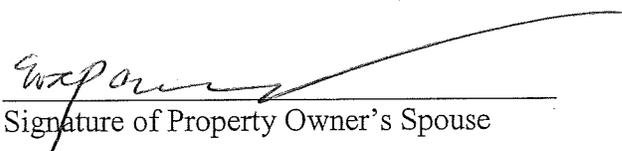
PROPERTY OWNER:



Signature of Property Owner

RUBEN B. CALDERERO

Printed Name of Property Owner



Signature of Property Owner's Spouse

EVANGELINE P CALDERERO

Printed Name of Property Owner's Spouse

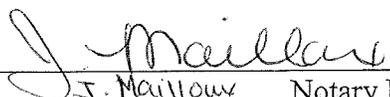
Dated: 2-9-16

ACKNOWLEDGMENT OF PROPERTY OWNER

STATE OF MICHIGAN)
) SS
COUNTY OF Macomb)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 9, 2016, 2016 by Ruben B. Calderero and Evangelina P. Calderero, his wife (if applicable).

J. MAILLOUX
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Dec 31, 2017
ACTING IN COUNTY OF Macomb



J. Mailloux Notary Public
Macomb County, Michigan
My Commission expires December 31, 2017

[Signatures and acknowledgment of City officials follow on next page]

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation

MICHAEL C. TAYLOR, Mayor

M CARUFEL, City Clerk

Dated: _____

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on _____, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

Notary Public

County, Michigan
My Commission expires: _____

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

Parcel Number:

10-14-351-027-000

OWNERS ADDRESS:

CALDERERO, RUBEN & EVANGELINE

11753 WHITEHALL DR

STERLING HEIGHTS, MI 48313-5078

PROPERTY ADDRESS:

11753 Whitehall Dr

Sterling Heights, MI 48313

DATE PRINTED: 02/18/2016

2015 LEGAL DESCRIPTION:

M 17 \$"DERBY VILLAGE SUB." LOT 17

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on January 21 2016 between Jeffrey K Wolff and Kataleen Wolff, his wife, whose address is 14507 Suffield Lane, Sterling Heights, Michigan 48312 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10-24-329-004-000, the property address of which is 14507 Suffield Lane as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 537.30 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation

MICHAEL C. TAYLOR, Mayor

M CARUFEL, City Clerk

Dated: _____

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on _____, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

Notary Public
County, Michigan
My Commission expires: _____

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

Parcel Number:

10-24-329-004-000

OWNERS ADDRESS:

WOLFF, JEFFREY K. & KATHLEEN

14507 SUFFIELD LN

STERLING HEIGHTS, MI 48312-2559

PROPERTY ADDRESS:

14507 Suffield Lane

Sterling Heights, MI 48312

DATE PRINTED: 01/22/2016

2015 LEGAL DESCRIPTION:

\$MEADOWVIEW SUBDIVISION LOT 108

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on FEB 11th, 2016 between HORST R. WOLLMANN and BRIDGET A. WOLLMANN, his wife, whose address is 14532 SUFFIELD LN., Sterling Heights, Michigan 48312 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10-24-454-001-000, the property address of which is 14532 SUFFIELD LN. as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 315.00 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

9. *Governing Law.* This Agreement is made in the State of Michigan and shall be governed by its laws.

10. *Authority by Execution.* By execution of this Agreement, the respective parties acknowledge that each has executed the Agreement with full and complete authority to do so.

The parties have executed this Agreement on the dates set forth below.

PROPERTY OWNER:

Horst R. Wollmann
Signature of Property Owner

HORST R. WOLLMANN
Printed Name of Property Owner

Bridget A. Wollmann
Signature of Property Owner's Spouse

BRIDGET A. WOLLMANN
Printed Name of Property Owner's Spouse

Dated: 2-11-2016

ACKNOWLEDGMENT OF PROPERTY OWNER

STATE OF MICHIGAN)
) SS
COUNTY OF Macomb)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 11, 2016 by BRIDGET A. WOLLMANN and HORST R. WOLLMANN, his wife (if applicable).

MEGHAN E. AHEARN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Aug 24, 2020
ACTING IN COUNTY OF Macomb

Meghan E Ahearn
Meghan E Ahearn Notary Public
Macomb County, Michigan
My Commission expires: 8-24-2020

[Signatures and acknowledgment of City officials follow on next page]

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation


MICHAEL C. TAYLOR, Mayor


M. CARUFEL, City Clerk

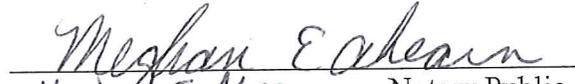
Dated: 2-11-16

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 11, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

MEGHAN E. AHEARN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Aug 24, 2020
ACTING IN COUNTY OF Macomb


McComb Notary Public
County, Michigan
My Commission expires: 8-24-2020

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

Parcel Number:

10-24-454-001-000

OWNERS ADDRESS:

WOLLMANN, HORST & BRIDGET

14532 SUFFIELD LN

STERLING HEIGHTS, MI 48312-2558

PROPERTY ADDRESS:

14532 Suffield Lane

Sterling Heights, MI 48312

DATE PRINTED: 02/23/2016

2015 LEGAL DESCRIPTION:

\$MEADOWVIEW SUBDIVISION LOT 91

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on 2-8-16, 2016 between Scott Henderson and Nancy Henderson, his wife, whose address is 36840 Aaron Court, Sterling Heights, Michigan 48312 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10-26-107-004-000, the property address of which is 36840 Aaron Court as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 1,403.55 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

9. *Governing Law.* This Agreement is made in the State of Michigan and shall be governed by its laws.

10. *Authority by Execution.* By execution of this Agreement, the respective parties acknowledge that each has executed the Agreement with full and complete authority to do so.

The parties have executed this Agreement on the dates set forth below.

PROPERTY OWNER:

[Handwritten Signature]
Signature of Property Owner

Scott Henderson
Printed Name of Property Owner

Nancy Henderson
Signature of Property Owner's Spouse

Nancy Henderson
Printed Name of Property Owner's Spouse

Dated: 2-8-16

ACKNOWLEDGMENT OF PROPERTY OWNER

STATE OF MICHIGAN)
) SS
COUNTY OF Macomb)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 8th, 2016 by Scott Henderson and Nancy Henderson, his wife (if applicable).

J. MAILLOUX
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Dec 31, 2017
ACTING IN COUNTY OF Macomb

[Handwritten Signature]
J. Mailloux Notary Public
Macomb County, Michigan
My Commission expires: December 31, 2016

[Signatures and acknowledgment of City officials follow on next page]

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation

Michael C. Taylor
MICHAEL C. TAYLOR, Mayor

M Carufel
M CARUFEL, City Clerk

Dated: 2-11-16

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 11, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

MEGHAN E. AHEARN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Aug 24, 2020
ACTING IN COUNTY OF Macomb

Meghan E Ahearn
Meghan E. Ahearn Notary Public
Macomb County, Michigan
My Commission expires: 8-24-2020

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

Parcel Number:
10-26-107-004-000

OWNERS ADDRESS:
HENDERSON, SCOTT & NANCY

36840 AARON CT
STERLING HEIGHTS, MI 48312-3000

PROPERTY ADDRESS:
36840 Aaron Court
Sterling Heights, MI 48312

DATE PRINTED: 02/23/2016

2015 LEGAL DESCRIPTION:
\$STERLING COUNTRY ESTATES SUB NO 3 LOT 642

**SPECIAL ASSESSMENT AGREEMENT
FOR SIDEWALK CONSTRUCTION (INDIVIDUAL OWNERS)**

**SIDEWALK INSTALLATION
CITY PROJECT #12-236**

This Agreement made on FEBRUARY 3, 2016 between CHRISTOPHER STANDERWICK and CRYSTAL STANDERWICK, his wife, whose address is 3470 YARDLY COURT, Sterling Heights, Michigan 48310 (collectively referred to as "Property Owner") and the City of Sterling Heights, a Michigan municipal corporation, whose address is 40555 Utica Road, P.O. Box 8009, Sterling Heights, Michigan 48311-8009 ("City").

RECITALS

A. Property Owner is the owner of a certain parcel of property commonly known as Sidwell No. 10-30-428-001-000, the property address of which is 3470 YARDLY COURT as more particularly described on attached Exhibit A ("Property").

B. City has recently undertaken a Sidewalk Construction Program to replace defective sections of public sidewalk and to construct public sidewalks in certain areas to promote public safety as authorized by the City Charter and City Code.

C. City has determined that certain sections of the public sidewalk abutting the Property needs to be replaced or constructed (which construction is sometimes referred to as the "Public Improvement").

D. City has hired a contractor to install the Public Improvement adjacent to the Property.

E. City Council has approved a sidewalk construction policy that allows Property Owner to pay the cost of the Public Improvement which they are responsible in installments over a five (5) year period.

F. Property Owner is willing to enter into an agreement with the City to have the Property subject to special assessment for extension of the Public Improvement to serve the Property in accordance with the procedures authorized by Section 47-27 of the City Codes and the City Charter.

G. City is willing to install the Public Improvement to serve the Property, provided Property Owner enters into this Agreement for imposition and payment of a special assessment in accordance with the terms of Section 47-27 of the City Code and this Agreement.

NOW THEREFORE, for valuable consideration, Property Owner and the City agree as follows:

1. *Installation of Public Improvement.* City agrees to install the Public Improvement to serve the Property as more fully set forth on approved plans on file with the Sterling Heights Office of Engineering.

2. *Reasonableness of Installation Cost.* Property Owner acknowledges the cost of the Public Improvement is reasonable and beneficial and agrees to pay the cost of the Public Improvement.

3. *Installment Payment of Construction Cost.* Property Owner agrees to pay the cost of the Public Improvement in five (5) annual installments with interest at a rate of six percent (6%) per annum.

4. *Consent to Imposition of Lien.* Property Owner consents to the imposition of a lien against the Property in the amount of \$ 1449.90 and to pay off the assessment in accordance with the terms of this Agreement.

5. *Waiver of Notice: Complete Assessment Procedure.* Property Owner, for himself/herself, his/her heirs, successors and subsequent owners of the Property, waives all notice requirements in connection with the imposition of such assessment. Such assessment shall be treated in all manner exactly the same as a tax assessment including the provisions for the payment of interest, imposition of penalties, and availability of foreclosure. Property Owner covenants that this Agreement shall be considered an assessment by contract in accordance with Section 47-27 of the City Codes and City Charter, and shall operate as a complete special assessment procedure and all other requirements for special assessments imposed upon the City by statute, charter or ordinance are expressly waived by Property Owner. The method of collection provided for in this section shall be in addition to any other remedy available to the CITY and shall not be considered the exclusive means of collection.

6. *Binding Effect.* The covenants, conditions, and agreements contained in this Agreement shall be binding upon and shall inure to the benefit of Property Owner and the City and their respective heirs, successors, and assigns, and all transferees of the Property, provided, however, that Property Owner may not assign this Agreement without the prior written consent of the City.

7. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder shall remain in full force and effect.

8. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may be modified only by a written instrument signed by all parties.

9. *Governing Law.* This Agreement is made in the State of Michigan and shall be governed by its laws.

10. *Authority by Execution.* By execution of this Agreement, the respective parties acknowledge that each has executed the Agreement with full and complete authority to do so.

The parties have executed this Agreement on the dates set forth below.

PROPERTY OWNER:

Christopher Standerwick
Signature of Property Owner

CHRISTOPHER STANDERWICK
Printed Name of Property Owner

Crystal Standerwick
Signature of Property Owner's Spouse

Crystal Standerwick
Printed Name of Property Owner's Spouse

Dated: 2/3/2016

ACKNOWLEDGMENT OF PROPERTY OWNER

STATE OF MICHIGAN)
) SS
COUNTY OF Macomb)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on February 3, 2016 2016 by Christopher Standerwick and Crystal Standerwick, his wife (if applicable).

MEGHAN E. AHEARN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES Aug 24, 2020
ACTING IN COUNTY OF Macomb

Meghan E Ahearn
Notary Public
Macomb County, Michigan
My Commission expires: 8-24-2020

[Signatures and acknowledgment of City officials follow on next page]

CITY:

CITY OF STERLING HEIGHTS,
a Michigan municipal corporation

MICHAEL C. TAYLOR, Mayor

M CARUFEL, City Clerk

Dated: _____

ACKNOWLEDGMENT OF CITY

STATE OF MICHIGAN)
) SS
COUNTY OF MACOMB)

The foregoing Special Assessment Agreement for Sidewalk Construction was acknowledged before me on _____, 2016, by Michael C. Taylor and M Carufel, Mayor and City Clerk, respectively, of the City of Sterling Heights, a Michigan municipal corporation, on behalf of the municipal corporation.

Notary Public

County, Michigan
My Commission expires: _____

Drafted by:

Clark A. Andrews
O'Reilly Rancilio P.C.
12900 Hall Rd., Ste. 350
Sterling Heights, MI 48313

When Recorded, Return to:

M Carufel, City Clerk
City of Sterling Heights
40555 Utica Rd., P.O. Box 8009
Sterling Heights, MI 48311-8009

EXHIBIT A

Attached Legal Description of Property

Parcel Number:

10-30-428-001-000

OWNERS ADDRESS:

STANDERWICK, CHRISTOPHER

3470 YARDLY CT

STERLING HEIGHTS, MI 48310

PROPERTY ADDRESS:

3470 Yardly Court

Sterling Heights, MI 48310

DATE PRINTED: 02/23/2016

2015 LEGAL DESCRIPTION:

YARDLY COURT SUBDIVISION, LOT 19 SIDWELL CHANGED FROM 1030427019 FOR 1992



AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To adopt a resolution designating May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights.

Submitted By: Office of City Management

Contact Person/Telephone: Amanda Thomas, Management Services Specialist, 586-446-2305

Administration (initial as applicable)

Attachments

MC	City Clerk	<u>X</u>	Resolution	___	Minutes
JB	Finance & Budget Director	___	Ordinance	___	Plan/Map
JP	City Attorney (as to legal form)	___	Contract	___	Other
AMS	City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

Celebrated the first week of May since 1985, *Public Service Recognition Week* is annually designated across the United States as a week for recognizing the contributions of men and women who serve our country at the federal, state, and local levels of government. Without the effort of public servants at every level, continuity in the delivery of critical public services would be impossible in a democracy that regularly changes its elected officials.

During *Public Service Recognition Week*, residents of Sterling Heights are urged to acknowledge the dedicated work of the professional public employees that serve the City and its residents every day.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to adopt the resolution designating May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights.



Resolution

Sterling Heights City Council

A resolution of the Sterling Heights City Council designating May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights

Whereas, Americans are served every single day by public servants at the federal, state, county and city levels. These unsung heroes do the work that keeps our nation operating; and

Whereas, the President and Congress have officially declared the first week of May as *Public Service Recognition Week*; and

Whereas, the City of Sterling Heights is pleased to honor our public employees and the vital work they perform on behalf of all Sterling Heights residents; and

Whereas, municipal government depends on the dedicated work of professional public servants, and these dedicated men and women tend to the day-to-day functioning of our community, and their adept handling of their duties improves the quality of our lives;

NOW, THEREFORE,

BE IT RESOLVED, that the City Council of the City of Sterling Heights, County of Macomb, and State of Michigan, hereby designates May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights and encourages residents to recognize the invaluable services that public employees provide.

This Resolution was duly adopted at a regular meeting of the Sterling Heights City Council held on the 19th day of April, 2016.

Mark Carufel, City Clerk



Business of the City Council
Sterling Heights, Michigan

DELIVERED APR 14 2016

City Clerk's Use
Item No: 2-M
Meeting: 04/19/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To adopt a resolution designating May, 2016 as *Pride & Shine* month in the city of Sterling Heights.

Submitted By: City Development Department

Contact Person/Telephone: *Denice Gerstenberg*
Denice Gerstenberg, City Development Director, (586) 446-2386

Administration (initial as applicable)

Attachments

<i>MC</i> City Clerk	—	Resolution	—	Minutes
<i>AB</i> Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>JB</i> City Attorney (as to legal form)	—	Contract	—	Other
<i>WR</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Pride & Shine Month was initiated in 2015 as a concerted effort by City Administration to encourage residents to protect their property values by making their properties *Shine* in preparation for the summer months. Based upon last year's success, City Council is again being asked to adopt a resolution designating the month of May 2016 as *Pride & Shine Month* in the city of Sterling Heights. The city has a number of activities planned, including the following:

- April 16th **Electronics Recycling Day.** An opportunity for residents to clean out and drop off old televisions, computers and other electronic items at the DPW facility at 7200 18 Mile Road.
- April 23rd **Shred Day.** Documents will be shredded for free at the DPW facility between 8:00 a.m. and 2:00 p.m.
- May 2nd **Adopt-a-Road Clean Up.** The Beautification Commission will be hosting an "Adopt-A-Road" cleanup at 6 p.m. on Monday, May 2 along Dodge Park Road

from Utica to 17 Mile and in and around Dodge Park and the City Campus. The City would also like to encourage this day as a day other groups in the area can clean up residential roads and parks in their neighborhood

May 7th, 14th,
21st, 28th

Clean-Up Saturdays. The DPW will host Clean-Up Saturdays every Saturday in May, from 8 a.m. to 2 p.m. at the DPW facility located at 7200 18 Mile Road. Residents can bring by and drop off any items they wish to dispose of without restriction. This includes but is not limited to: tires, paint, old furniture, lumber, loose lawn clippings, household hazardous waste items (motor oil, pesticides, drain cleaner), dirt and much more. A full list of items is available at www.sterling-heights.net/sterlingpride. This is in an effort to encourage residents to clean out their garages, basements, backyards and any other area for a fresh start to Spring. These special neighborhood cleanup days, taking place on each Saturday in May, offer residents the opportunity to dispose of trash in a convenient way. The City is asking residents to participate by sprucing up their properties and disposing of trash and debris.

May 7th

Pride & Shine Day. A wonderful opportunity to volunteer and assist residents who cannot maintain their property due to a physical or age-related condition.

May 14th

Plant Exchange. The Sterling Heights Beautification Commission will host its annual Plant Exchange from 10 a.m. to Noon on May 14th at the Nature Center, 42700 Utica Road. Residents can bring plants from their garden they wish to share and exchange with others. The free “green” event allows gardeners to exchange plants of various varieties. Participants may package their plants in plastic bags, pots, boxes or other small containers. Those exchanging plants make up cards giving the plant’s name, brief description and care. Selling of plants is not permitted.

May 17th

Sterling Pride Day. The Sterling Heights City Council will host a tree planting ceremony at 6:30 p.m. on Tuesday, May 17th at the Richard J. Notte City Center. This new annual event will be a day each year when the Mayor and City Council gather to plant a tree on the grounds of the City Center campus and publicly encourage residents to plant trees on their property as well. The City of Sterling Heights is dedicated to enhancing and protecting its green space and urban forest.

Month of May **Discount Tree Sale.** The DPW will be discounting the cost for homeowners purchasing a street tree in the month of May to be planted in front of their residence this fall. The trees will be on “sale” for \$150, representing a 25% discount from the normal \$200 price. The DPW will distribute a list of tree choices to residents for planting in the public right-of-way. Trees purchased in May will be planted following the first frost of the season, likely in the end of

October or early November 2016. For more information, call DPW at (586) 446-2440.

Month of May **#SterlingPride**. Throughout May, Community Relations is running a photo contest to encourage residents to share photos of their efforts to take pride in Sterling Heights. Whether the activity involves planting trees, cleaning up a neighborhood, or sprucing up a residence, residents are strongly encouraged to show their pride by submitting photographs via email at photos@sterling-heights.net or via the social media hashtag #sterlingpride. The top three photos will earn gift cards to a local nursery. All photos collected will be shared on the City's social media accounts following the contest.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to adopt the resolution designating the month of May, 2016 as *Pride & Shine* Month in the city of Sterling Heights.

~ Resolution ~

A resolution of the city of Sterling Heights City Council designating the month of May, 2016 as *Pride & Shine* Month in the city of Sterling Heights.

- The city of Sterling Heights is renowned throughout Michigan as a great place to live, work, and raise a family as evidenced by a growing population, continual safe city distinctions, and new corporate investments.
- A key element in establishing this reputation has been clean, well-maintained, and safe neighborhoods that enhance the overall quality of life for residents.
- In order to preserve the city's excellent reputation, the Sterling Heights Initiative for Neighborhood Excellence (SHINE) was created. Through SHINE, city personnel are working directly with a variety of groups in a concerted effort to maintain high standards of property maintenance. SHINE is also coordinating volunteers from churches, service clubs, schools and other civic organizations to help homeowners who are unable to help themselves with exterior property maintenance.
- To prepare for the forthcoming summer months, the Office of Neighborhood Services is encouraging residents and businesses to participate in a community-wide *Pride & Shine* initiative during the month of May. This initiative offers many opportunities for residents to demonstrate community pride, including recycling and shred days, community clean-up days, plant exchanges and tree planting, and more. These events are but a few ways that residents can improve the overall appearance of their community and properties.
- To highlight all of these activities and build momentum for this effort, recommendation is being made to designate May, 2016 as *Pride & Shine* Month in Sterling Heights.

NOW, THEREFORE,

BE IT RESOLVED, that the City Council of the City of Sterling Heights, County of Macomb, and State of Michigan, does hereby designate the month of May, 2016 as *Pride & Shine* Month in Sterling Heights.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sterling Heights to be affixed this 19th day of April, 2016.

Mark Carufel
City Clerk

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To approve a reduction in the retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266

Submitted By: Office of Engineering

Brent Bashaw J.C.

Contact Person/Telephone: Brent Bashaw, P.E., City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

<i>MC</i>	City Clerk	___	Resolution	___	Minutes
<i>BS</i>	Finance & Budget Director	___	Ordinance	___	Plan/Map
<i>JP</i>	City Attorney (as to legal form)	___	Contract	___	Other
<i>MM</i>	City Manager				
<input type="checkbox"/>	Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office				

Executive Summary:

At the March 17, 2015 regular meeting, City Council approved a contract for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266, with Galui Construction Inc. In the interim, Galui Construction has completed the scope of work for City Project #15-266, except for minor restoration items and irrigation system repairs. These punch list items, which could not be completed before the onset of winter weather, are scheduled for completion this spring.

The Office of Engineering has retained the amount of \$118,230.00, representing 5% of the contract price, until all punch list items are complete and final payment is approved. Galui Construction has requested a reduction in the retainage for City Project #15-266. The Office of Engineering has no objection to reducing the retainage by \$98,230.00 because the remaining balance of \$20,000 (\$118,230.00 less \$98,230.00) is more than adequate to cover the cost of completing the outstanding punch list items should Galui Construction default. The City of Sterling Heights has further security in the event of a breach in the form of the performance bond that Galui Construction provided for City Project #15-266.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve the reduction in the retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266, to \$20,000.00.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

**CITY OF STERLING HEIGHTS
STAFF REPORT
April 19, 2016**

RE: Reduction in retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266

Prepared By: Brent Bashaw, City Engineer

(586) 446-2720

GENERAL INFORMATION: At the March 17, 2015 regular meeting, City Council approved a contract for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266, with Galui Construction Inc. In the interim, Galui Construction has completed the scope of work for City Project #15-266, except for minor restoration items and irrigation system repairs. These punch list items, which could not be completed before the onset of winter weather, are scheduled for completion this spring.

The Office of Engineering has retained the amount of \$118,230.00, representing 5% of the contract price until all punch list items are complete and final payment is approved. Galui Construction has requested a reduction in the retainage for City Project #15-266. The Office of Engineering has no objection to reducing the retainage by \$98,230.00 because the remaining balance of \$20,000 (\$118,230.00 less \$98,230.00) is more than adequate to cover the cost of completing the outstanding punch list items should Galui Construction default. The City of Sterling Heights has further security in the event of a breach in the form of the performance bond that Galui Construction provided for City Project #15-266.

TECHNICAL INFORMATION: The irrigation system repairs were actually completed in the fall of 2015. However, due to the property owners winterizing their systems, we could not confirm if the repairs were completed successfully.

STAFF ANALYSIS AND FINDINGS: If the reduction is approved, the City will pay Galui Construction \$98,230.00, leaving a balance of \$20,000 as the new retainage. The Office of Engineering is comfortable that this retainage is sufficient to ensure completion of the minor restoration and irrigation system repairs, if necessary.

STAFF RECOMMENDATION: Please see the suggested action on the accompanying Agenda Statement.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

NOTIFICATION LIST

Galui Construction, Inc.
33805 Harper
Clinton Township, MI 48035

CITY OF STERLING HEIGHTS

40555 Utica Road
Sterling Heights, Michigan
Phone (586) 446-2720

Progress Payment Certificate

**PROJECT:
2015 LOCAL ROAD CONCRETE
RECONSTRUCTION PROGRAM**

City Project No. 15-266

CONTRACTOR:

Galui Construction Inc.
33805 Harper Ave.
Clinton Twp., MI 48035

DATE: 04/04/2016

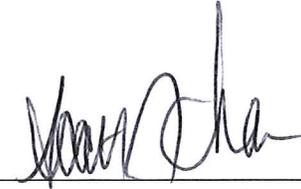
ESTIMATE NUMBER 6

Original Contract Price: \$ 2,364,645.00
Final Contract Price: \$ -
Percent Paid Including
This Estimate: 91%

Amount Earned to Date: \$ 2,182,922.17
Amount Withheld: \$ 22.17
Subtotal: \$ 2,182,900.00
Retain: \$ 20,000.00
Total: \$ 2,162,900.00
Less Previous Payment: \$ 2,064,670.00
Amount Due This Estimate: \$ 98,230.00

PAY AMOUNT
\$98,230.00

Estimate #1 \$ 200,700.00
Estimate #2 \$ 439,380.00
Estimate #3 \$ 757,490.00
Estimate #4 \$ 450,600.00
Estimate #5 \$ 216,500.00
Estimate #6 \$ 98,230.00
Estimate #7
Estimate #8
Estimate #9
Estimate #10
Final Estimate

Checked By:  Date: 4/4/16
Scott Charron, Civil Engineer II
Approved By:  Date: 4/7/16
FOR Brent Bashaw, City Engineer

Total \$2,162,900.00

TOTAL AMOUNT TO BE HELD IN RETAINAGE ACCOUNT \$20,000

ITEM/DESCRIPTION	CONTRACT QUANTITY		ACTUAL QUANTITY	UNIT PRICE	AMOUNT
Local Roads (23700700-988266)					
Arcola Drive, Austin Drive, Baker Drive, Barrington Drive, Castleton Drive, Daventry Court, Deville Drive, Ircal Drive, Jerome Drive, and Wayne Drive					
1. Remove Concrete Pavement & Replace 7" Concrete Pavement	37,000	SYD	34941.1	\$40.50	\$1,415,114.55
2. Remove Concrete Pavement & Replace 9" Concrete Pavement	500	SYD	169.6	\$49.50	\$8,395.20
3. 2" MDOT 21AA Crushed Concrete - C.I.P.	34,000	SYD	27607.6	\$1.40	\$38,650.64
4. 6" MDOT 21AA Crushed Concrete - C.I.P.	3,000	SYD	3065.3	\$3.25	\$9,962.23
5. Undercut	200	CYD	0.0	\$10.00	\$0.00
6. Fill, 21AA Crushed Concrete Aggregate - C.I.P.	200	CYD	0.0	\$12.00	\$0.00
7. Remove & Replace 6" Concrete Pavement (Drive Approaches)	200	SYD	184.1	\$29.50	\$5,430.95
8. Remove Existing Sidewalk	5,000	SFT	4724.0	\$0.75	\$3,543.00
9. 4" Concrete Sidewalk	1,500	SFT	845.4	\$2.80	\$2,367.12
10. 6" Concrete Sidewalk Ramp	3,500	SFT	3882.4	\$3.25	\$12,617.80
11. Detectable Warning Surface	500	FT	400.0	\$28.00	\$11,200.00
12. Reconstruct Drainage Structure	120	FT	62.5	\$50.00	\$3,125.00
13. 6" Edge Drain (w/ Pea Stone Backfill)	22,000	FT	20441.0	\$5.50	\$112,425.50
14. Replace Existing Catch Basin Frame & Cover w/ New EJIW 5105 Frame & Cover	50	EA	48.0	\$525.00	\$25,200.00
15. Pavt Mrk, Polyurea, 6 inch, Crosswalk	800	FT	0.0	\$4.00	\$0.00
16. Pavt Mrk, Polyurea, 24 inch, Stop Bar	200	FT	0.0	\$13.50	\$0.00
17. Pipe in Curb Repair	2	EA	0.0	\$1.00	\$0.00
18. Sprinkler Repair, 3/4" Poly Pipe	854	FT	0.0	\$1.00	\$0.00
19. Sprinkler Repair, 1" Poly Pipe	854	FT	0.0	\$1.00	\$0.00
20. Sprinkler Rotary Head	50	EA	0.0	\$15.00	\$0.00
21. Sprinkler Spray Head	50	EA	0.0	\$10.00	\$0.00
22. Color Audio-Video Recording of Project Area	1	LS	1.0	\$3,350.00	\$3,350.00
23. Restoration - 3" Topsoil & Sod	200	SYD	0.0	\$5.50	\$0.00

ITEM/DESCRIPTION	CONTRACT QUANTITY		ACTUAL QUANTITY	UNIT PRICE	AMOUNT
24. Restoration - 3" Topsoil, Fertilizer, Seed, & Hydroseeding	5000	SYD	0.0	\$3.50	\$0.00
25. Inlet Filter	60	EA	0.0	\$1.00	\$0.00
26. Traffic Maintenance and Control	1	LS	1.0	\$2,000.00	\$2,000.00
Sub Total					\$1,653,381.99
City Center Pavement Repairs (43700700-975130)					
Change Order #1					
27. Remove Concrete Pavement & Replace 7" Concrete Pavement	8,600	SYD	8840.0	\$40.50	\$358,020.00
28. 2" MDOT 21AA Crushed Concrete - C.I.P.	8,425	SYD	5770.2	\$1.40	\$8,078.28
30. Fill, 21 AA Crushed Concrete - C.I.P.	500	CYD	9.0	\$12.00	\$108.00
31. Undercut	500	CYD	9.0	\$10.00	\$90.00
32. Reconstruct Drainage Structure	50	FT	18.0	\$50.00	\$900.00
33. Saw Cut (Vertical)	2,000	FT	0.0	\$2.00	\$0.00
34. 6" Edge Drain (w/ Pea Stone Backfill)	750	FT	100.0	\$5.50	\$550.00
35. Replace Existing Catch Basin Frame & Cover w/ New EJIW 5105 Frame & Cover	17	EA	11.0	\$525.00	\$5,775.00
36. Remove Existing Sidewalk	3,050	SFT	1833.0	\$0.75	\$1,374.75
37. 4" Concrete Sidewalk	425	SFT	2181.1	\$2.80	\$6,107.08
38. 4" Concrete Sidewalk w/ Integral Header	2,000	SFT	745.2	\$5.00	\$3,726.00
39. 6" Concrete Sidewalk Ramp	850	SFT	632.6	\$3.25	\$2,055.95
40. Detectable Warning Surface	50	FT	95.0	\$28.00	\$2,660.00
41. Pvmnt Marking, Waterborne, 4" (Yellow & Blue)	5,200	Ft	6026.8	\$0.50	\$3,013.40
42. Pvmnt Marking, Handicap Symbol	8	EA	9.0	\$100.00	\$900.00
43. Sprinkler Repair, 3/4" Poly Pipe	248	FT	0.0	\$1.00	\$0.00
44. Sprinkler Repair, 1" Poly Pipe	250	FT	0.0	\$1.00	\$0.00
45. Sprinkler Rotary Head	50	EA	0.0	\$15.00	\$0.00
46. Sprinkler Spray Head	50	EA	0.0	\$10.00	\$0.00
47. Color Audio-Video Recording of Project Area	1	LS	1.0	\$2,500.00	\$2,500.00

ITEM/DESCRIPTION	CONTRACT QUANTITY		ACTUAL QUANTITY	UNIT PRICE	AMOUNT
48. Restoration - 3" Topsoil, Fertilizer, Seed, & Hydroseeding	500	SYD	0.0	\$3.50	\$0.00
49. Inlet Filter	17	EA	0.0	\$1.00	\$0.00
50. Sign, Reinstall Salvaged w/ New Post	8	EA	0.0	\$350.00	\$0.00
51. Traffic Maintenance and Control	1	LS	1.0	\$4,500.00	\$4,500.00
Sub Total					\$400,358.46
DPW Catch Basin Repairs (23700700-894000 = 67%, 59956556-840000 = 33%)					
Change Order #2					
52. Remove Concrete Pavement & Replace 7" Concrete Pavement	1,174	SYD	2166.3	\$40.50	\$87,735.15
53. Saw Cut (Vertical)	499	FT	477.2	\$3.00	\$1,431.60
54. 6" MDOT 21AA Crushed Concrete - C.I.P.	1,492	SYD	3550.3	\$3.25	\$11,538.48
55. Remove Existing Sidewalk	3,021	SF	2744.0	\$0.75	\$2,058.00
56. 6" Concrete Sidewalk Ramp	3,021	SF	2744.0	\$3.25	\$8,918.00
57. Detectable Warning Surface	336	FT	80.0	\$28.00	\$2,240.00
58. Reconstruct Drainage Structure	497	FT	45.5	\$50.00	\$2,275.00
59. Replace Existing Catch Basin Frame & Cover w/ New EJIW 5105 Frame & Cover	43	EA	11.0	\$525.00	\$5,775.00
60. 6" Edge Drain (w/ Pea Stone Backfill)	1,180	FT	1311.0	\$5.50	\$7,210.50
Sub Total					\$129,181.73
TOTAL					\$2,182,922.17



**33805 Harper Avenue
Clinton Township, MI 48036
Phone: (586) 294-2081 - Fax: (586) 792-8325**

April 6, 2016

City of Sterling Heights
Office of Engineering
40555 Utica Rd, PO Box 8009
Sterling Heights, MI 48311-8009

Re: 2015 Local Road Concrete Reconstruction Program
City Project No. 15-266

Please let this letter serve as our request for payment on the above referenced project which is 100% complete, except for a few restoration and sprinkler items.

Your cooperation in this matter is greatly appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Anthony D. Galui". The signature is written in a cursive style with a large initial "A".

Anthony D. Galui
Vice President

CONTRACTOR'S DECLARATION

I hereby declare that I have not, during the period MARCH 1, 2016 to MARCH 31 A.D., 2016, performed any work, furnished any material, sustained any loss, damage or delay for any reason, including soil conditions encountered or created, or otherwise done anything for which I shall ask, demand, sue for, or claim compensation from the Owner, or his agents, in addition to the regular items set forth in the contract numbered City Project #15-266, and dated March 17th A.D., 2015, for the 2015 Local Road Concrete Reconstruction Program executed between myself and the Owner, and in the Change Orders for work issued by the Owner in writing as provided thereunder, except as I hereby make claim for additional compensation and/or extensions of time as set forth on the itemized statement attached hereto.

There is is not an itemized statement attached.

Date: APRIL 6, 2016

By: _____

Anthony D. Galui

Title: _____

ANTHONY D. GALUI
VICE PRESIDENT



AGENDA STATEMENT
OMB AS03 Rev. 11/04

Item Title: To confirm the City Manager's appointment of John Berg as the new Police Chief for the Sterling Heights Police Department (Presentation – City Manager)

Submitted By: Office of City Management

Contact Person/Telephone: Mark D. Vanderpool, City Manager, x2301

Administration (initial as applicable)

Attachments

 City Clerk	___	Resolution	___	Minutes
 Finance & Budget Director	___	Ordinance	___	Plan/Map
 City Attorney (as to legal form)	___	Contract	<u>X</u>	Other
 City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

Introduction – With the retirement of Michael Reese in December, 2015, the City undertook the administrative process to fill the vacancy in the office of Police Chief for the Sterling Heights Police Department. The City solicited and received applications from internal candidates, as well as from external candidates.

Three internal candidates and one external candidate participated in the day-long assessment center conducted by Empco, Inc., a Troy-based company that specializes in independent testing services for public safety and municipal government agencies. Based upon their respective performances on the interview, oral presentation, role playing, and in-basket exercises, Empco scored Captain Dale Dwojakowski, Captain John Berg, and Captain Dave Smith as the top three candidates. Pursuant the Sterling Heights Command Officers Association's collective bargaining agreement, the City Manager has the right to appoint from the candidates achieving the top three scores in the assessment center.

To assist in the evaluative process and to provide another perspective on qualifications to be the next Police Chief, the top three candidates were further subjected to a written exercise and an oral interview by a panel comprised of the City Manager, Assistant City Manager / Human Resources Director, and City Attorney.

Recommendation – Based on the results of the arduous evaluative process described above, the City can and should be proud that the Sterling Heights Police Department is under the command of three outstanding internal candidates. While confident that Captain Berg, Captain Dwojakowski, and Captain

Smith are all well qualified and capable of competently leading the Police Department, the City Manager can appoint only one of the three.

The City Manager has selected Interim Chief John Berg for appointment to the position of Police Chief effective April 20, 2016. In accordance with both the City Charter and the collective bargaining agreement between the City and the Sterling Heights Executive Group, City Council confirmation of this appointment is required.

John Berg has had a distinguished 27-year career with the Sterling Heights Police Department. Having commenced his law enforcement career as a police officer in 1989, Mr. Berg progressed quickly through the ranks to become a Sergeant in 1995, Lieutenant in 2000, and Captain in 2009. He has a wealth of command and leadership experience in all divisions and bureaus of the department, including administration, operations and investigations.

Along the way, Mr. Berg has established an impressive record of academic and professional achievements. Mr. Berg holds a bachelor's degree from Wayne State University in Interdisciplinary Studies. He has completed training at the FBI Academy and the Eastern Michigan University School of Police Staff and Command. His department recognition awards include 2 Chief's Awards, 3 Unit Merit Citations, 1 Merit Citation, 7 Letters of Commendation, and 7 Performance Ribbons. He has also received community awards from the Thin Blue Line of Michigan and Warren Consolidated School District. Mr. Berg has forged effective relationships with his peers, subordinates, community leaders, and regional stakeholders. He is a hands-on leader who in the last year alone has personally made two felony arrests. Mr. Berg's integrity is beyond reproach, having performed his duties for 27 years in an exemplary manner.

John Berg has performed admirably during the five months that he has served as the interim Police Chief. During this time, Mr. Berg has displayed the traits that are essential to preserving the excellent level of service that is the hallmark of the Sterling Heights Police Department. He provided a stabilizing force to a department undergoing an unprecedented amount of turnover generated by retirements and new hires. John Berg's management experience in every facet of departmental operations is crucial to an organization whose management structure will be largely comprised of newly-promoted command officers by 2017. Mr. Berg has also integrated himself into the City's leadership team, which is very important due to the interdependence of City's departments in ensuring the delivery of quality public services.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to confirm the City Manager's appointment of John Berg as Police Chief effective April 20, 2016 in accordance with the Charter of the City of Sterling Heights.

John D. Berg

◆ ◆ ◆ jberg@sterling-heights.net

when there was a need for creating positive morale and production, which was stifled due to prior command inefficiencies.

In early November 2015, City Manager Mark Vanderpool met with the entire police executive staff and announced that I was the obvious candidate to be named as the Interim Police Chief because of my vast experience and qualifications.

I am most qualified to stay on as Chief after the application and testing period is completed because I have earned the respect of the members of not only the Sterling Heights Police Department, but also City directors and managers, police chiefs of neighboring communities, police commanders from around the country, and the community as a whole. I have the knowledge of the inner workings of the Department from a truly unparalleled perspective along with unmatched experience, unrivaled leadership skills, and an unquestioned character. I believe that my lifelong work has driven me to be the most qualified candidate for the position of Chief of Police for the Sterling Heights Police Department.

Sincerely,



John D. Berg

John D. Berg

✧ ✧ ✧ ✧ jberg@sterling-heights.net

EXECUTIVE PROFILE

Proven Leader ✧ Experienced Police Commander ✧ Driven Achiever with Integrity ✧ Team Player

CORE COMPETENCIES

- Proven Leadership
 - Extensive Experience
 - Budget Planning and Cost Control
 - Tactical Operations Management
 - Effective Communication Skill-set
 - Strategic Planning
-

PROFESSIONAL EXPERIENCE

Interim Chief of Police

11/2015 – Present

- Lead Police Department through Succession Planning
- Attend City Council Meetings and make presentations
- Review and respond to complaints regarding departmental personnel
- Delegate duties to appropriate personnel as needed
- Dispense discipline accordingly
- Supervise overall function of entire Department
- Handle and settle labor disputes
- Communicate on a regular basis with City Manager, City Directors and Managers, City Council

Police Captain

7/2009 – Present

Criminal Investigations Division/Emergency Management/Grants Manager (7/2015 to present)

- Responsible for oversight of the division to include budgeting, case management, officer safety, and personnel management of Detective Bureau, Youth Bureau, and Crime Suppression Unit
- Supervise and monitor forfeiture proceedings of both State and Federal cases
- Responsible for open communications between other captains, divisions, and the Office of the Chief
- Primary liaison between the City and the County Emergency Manager
- Responsible for all Emergency Management duties, to include activation of the Emergency Operations Center (EOC), coordinating efforts with State and Federal agencies, and overall operations of all Emergency Management functions
- Created affiliation with the Federal Bureau of Investigation's Violent Crime Task Force

Operations Division/Criminal Investigations Division/Emergency Management/Grants Manager (5/2015 to 7/2015)

- Responsible for entire department's sworn enforcement personnel
- Special Response Team (SRT) Executive Commander
- Oversight of all Uniform Services, to include; Patrol Bureau, Traffic Safety Bureau, and the Community Response Unit
- Responsible for turning around the morale and performance of the Operations Division
- Responsible for commanding the Criminal Investigations Division, Emergency Management operations, and the duties as the Grant Manager (see details as listed above)

Administration Division/Criminal Investigations Division/Support Services Division (4/2014 to 5/2015)

- Responsible for coordination and management of the Records Bureau, Communications Bureau, Training Bureau, Detective Bureau, Youth Bureau, Crime Suppression Unit
- Completion and monitoring of Department's budget
- Grant Management
- Responsible for all FOIA requests and crime reporting to the State and Federal Governments
- Oversight of the Communications Center Consolidation with the County (COMTEC)

Operations Division/Support Services Division (2/2012 to 4/2014)

- Responsible for the management and leadership of the Operations Division reeling from a major disciplinary crisis
- Serve and the commander of all Operations and Support Services Division personnel
- Created the Community Response Unit (CRU)

Criminal Investigations Division (7/2009 to 2/2012)

- Responsible for management oversight of the Division, which included Detective Bureau, Youth Bureau, and the Crime Suppression Unit (CSU)
- Commander of the Criminal Transient Task Force (7/2009 to present) – Considered a National Expert in the Field

Police Lieutenant**7/2000 – 7/2009****Assignments:**

- Records Bureau Commander
 - FOIC Coordinator
 - Animal Control
 - Property Room
 - Communications
- Special Services/Professional Standards
 - Responsible for creating Performance Evaluation Policy/Procedure
 - Commission on Accreditation for Law Enforcement Agencies (CALEA) Review
 - Organize, staff, and Command of SterlingFest
- Administration Division
 - Community Resource Bureau
 - Training Bureau
- Operations Shift Commander
 - Midnight and Day Shift

Police Sergeant**12/1995 – 7/2000****Assignments:**

- Records and Communications Supervisor (10/1998 – 7/2000)
 - Oversaw Police and Fire Dispatch Consolidation
 - Prepared for the Y2K Issue
- Afternoon Shift Supervisor (12/1995 – 10/1998)

Police Officer

9/1989 – 12/1995

Assignments:

- Detective – Criminal Investigations Division – Youth Bureau
 - Liaison Officer – Sterling Heights High School and Feeder Schools
 - Arson Investigator
 - Juvenile Criminal Sexual Assault Investigator
 - Testified as an Expert Witness on Juvenile Street Gangs at two (2) separate Homicide Trials
 - Advisor – Sterling Heights Police Explorers Post 80
- Patrol Officer
 - Field Training Officer (After only one (1) year on the job)

EDUCATION

FBI National Academy Federal Bureau of Investigations, Quantico, VA (2014)
 Eastern Michigan University School of Police Staff and Command (2003)
 Center for Police Management and Leadership Studies (2008) Macomb Community College
 Michigan Police Executive Development Seminar (FBI) Augusta, MI (2007)
 Bachelor of Arts – Interdisciplinary Studies, Wayne State University (2006)

PROFESSIONAL AFFILIATIONS / ACCOMPLISHMENTS

FBI National Academy Association
 International Association of Chiefs of Police
 Michigan Association of Chiefs of Police
 Macomb County Chiefs of Police
 National Tactical Officers Association

2 – Chief’s Awards
 3 – Unit Merit Citations
 1 – Merit Citation
 7 – Letters of Commendation
 7 – Performance Ribbons

The Thin Blue Line of Michigan “Excellence Award” (first ever), for “The Administrative Care and Support to the Family of Mark Sawyer” (7/25/2004)

Warren Consolidated School District’s “Excellent Service Award” for “Service to the Community” (1/18/1995)

Elected Positions

President – Sterling Heights Police Command Officers Association (2002 – 2009)
 Vice President – Sterling Heights Police Command Officers Association (2000 – 2002)
 Board of Directors – Juvenile Officers Association of Michigan and Ontario (1993 -1995)

REPORT ON THE CITY COUNCIL MEETING
OF TUESDAY, APRIL 19, 2015

Mayor Michael C. Taylor called the meeting to order at 7:30 p.m.

Council Members present at roll call: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, Barbara A. Ziarko.

Moved: Koski

Seconded: Romano

RESOLVED, to approve the Agenda, as presented.

The motion carried. 7/0.

Agenda Item #1

Moved: Romano

Seconded: Skrzyniarz

RESOLVED, to adopt the resolution approving the Third Amended and Restated Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended.

Moved: Koski

Seconded: Romano

RESOLVED, to **postpone** until the regular May 4, 2016 City Council meeting the adoption of the resolution approving the third Amended and Restated Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended.

The motion carried. 7/0.

Agenda Item #2

Moved: Koski

Seconded: Romano

RESOLVED, to approve the Consent Agenda, as presented.

- A. Approval of Minutes
Regular Meeting of April 5, 2016
- B. To approve payment of the bills as presented: General Fund - \$911,621.46, Water & Sewer Fund - \$1,575,941.54, Other Funds - \$1,107,262.26, Total Checks - \$3,594,825.26.
- C. To extend the terms and conditions of a proposal by Landscape Services, Inc., 22932 Rasch, Clinton Twp., MI 48035, for noxious weed / grass cutting for a one-year period based on the following unit pricing:

	<u>2016</u>
Improved and Select Unimproved Lot – Flat Fee	\$55.13/ea.
Medium / Large Unimproved Lot – Hourly Rate	\$93.71/hr.
Add the per Unimproved Lot Fee	\$9.37/ea.
Miscellaneous Mowing	\$71.66/ea.

- D. To waive the competitive bidding requirements in accordance with City Code §2-217(A)(9)(b) and purchase banquet services from Penna’s of Sterling, Inc., 38400 Van Dyke, Sterling Heights, MI 48312, for the 2016 *Volunteer Appreciation Banquet* at the per plate fee of \$26.00, inclusive of hall rental and gratuities.
- E. To award the bid for elevator maintenance services to Great Lakes Elevator, LLC, 530 E. Grand River, Williamston, MI 48895, for a two-year period, with an option for the City Manager to extend for a third year, at unit prices bid.
- F. To award the bid for the mosquito control program to APM Mosquito Control, 21240 34 Mile Road, Armada, MI 48005, for a three-year period based on unit prices bid as follows:

	<u>Bid Item</u>	<u>Unit Cost</u>
Bid Item "A"	Adult mosquito control and monitoring	\$215.00/week
Bid Item "B"	Application of Altoid Briquettes	\$825.00/application
Bid Item "C"	Granular larvicide application (150 acres)	\$45.00/acre

- G. To award the bid for emergency lighting and equipment for city vehicles to Cruisers, Inc., 988 Rickett Road, Brighton, MI 48116, for the term ending February 28, 2017 based on the unit prices bid.
- H. To receive the report of the Purchasing Manager pursuant to City Code §2-221(B) regarding the emergency repair of the public sanitary sewer line situated at the intersection of Arcola Drive and Dill Drive in Section 22, south of 17 Mile Road and east of Van Dyke, by V.I.L. Construction, Inc., 6670 Sims, Sterling Heights, MI 48313, at a total cost of \$28,750.
- I. To split an award of a bid for miscellaneous fitness equipment for the Sterling Heights Fire Department (Total expenditure of \$12,990.55 – 90% grant-funded by the Assistance to Firefighters’ Grant).

Report on Regular City Council Meeting

April 19, 2016

Page 3

- J. To award the bid for water service parts to HD Supply Waterworks, Limited Partnership, d/b/a HD Supply Waterworks, 4901 Dewitt Road, Canton, MI 48188 for a one-year period at unit prices bid.
- K. To approve the Consent Special Assessment Agreements for the 2014 Sidewalk Replacement Program, City Project #12-236, Special Assessment District SW-16-01, and authorize the Mayor and City Clerk to sign the Agreements on behalf of the City.
- L. To adopt a resolution designating May 1st through May 7th, 2016 as *Public Service Recognition Week* in the City of Sterling Heights.
- M. To adopt the resolution designating the month of May, 2016 as *Pride & Shine* Month in the city of Sterling Heights.
- N. To approve the reduction in the retainage for the 2015 Local Road Concrete Reconstruction Program, City Project #15-266, to \$20,000.00.

The motion carried. 7/0.

Agenda Item #3

Moved: Ziarko

Seconded: Schmidt

RESOLVED, to confirm the City Manager's appointment of John Berg as Police Chief effective April 20, 2016 in accordance with the Charter of the City of Sterling Heights.

The motion carried. 7/0.

Adjourn

Moved: Ziarko

Seconded: Romano

RESOLVED, to adjourn the meeting. The meeting was adjourned at 9:02 p.m.

The motion carried. 7/0.

THIS IS A SUMMARY OF ACTIONS TAKEN AT THE CITY COUNCIL MEETING. THE OFFICIAL MINUTES WILL BE POSTED TO THE WEBSITE, AT WWW.STERLING-HEIGHTS.NET, WHEN THEY ARE APPROVED.

Clerk of the Council