



PROPOSED AGENDA
REGULAR MEETING OF THE CHARLOTTE CITY COUNCIL
111 E. Lawrence Ave, Charlotte, MI 48813 (517) 543-2750
7:00 P.M. Monday, December 05, 2022

Interested persons can participate in-person or via Zoom
Connect to Zoom from your computer, tablet, or smartphone
Website: <https://us02web.zoom.us/j/88263249135>
One tap mobile: +16465588656,,88263249135#
Telephone: (312) 626-6799 Webinar ID: 882 6324 9135

- 1. Call to Order**
- 2. Roll Call**
- 3. Invocation – Mike Rysko, South Cochran Church of God**
- 4. Pledge of Allegiance**
- 5. Approval of Minutes**
 - a. November 28, 2022 Regular Council Meeting
- 6. Absence of Council Members**
- 7. Public Hearing**
 - a. Industrial Facilities Tax Exemption - Shyft Group Plant 4
 - b. Industrial Facilities Tax Exemption - Shyft Group Plant 7
- 8. Public Comment - Limit presentation to five (5) minutes**
- 9. Approval of Agenda**
- 10. Consent Agenda**
 - a. Approval of Claims and Expenditures totaling \$726,344.15
 - b. Approval of extension to the Shyft Lease with Fitch H Beach Airport
 - c. Approval of Resolution 2022-30 - Poverty Exemption Guidelines for 2023
 - d. Approval of Resolution 2022-31 - To authorize a contract with MDOT for the Safe Routes to School project
 - e. Approval of Resolution 2022-32 - To approve 2023 City meeting dates

11. Business Agenda

- a. Approval of Resolution 2022-33 - IFTE - Shyft Group Plant 4
- b. Approval of Resolution 2022-34 - IFTE - Shyft Group Plant 7
- c. Approval of change order in the amount of \$3,500 for Rowe PSC for traffic study and signal warrant for city's Safe Routes to School project (MDOT JN 212642).
- d. Approval of purchase of Hurst extrication tool for fire department utilizing Michigan Community Enhancement grant funds
- e. Approval of Michigan Mutual Aid Box Alarm System Association Agreement

12. Communications and Committee Reports

- a. City Attorney Report
- b. City Manager Report
- c. Fire Department Activity Report - November 2022
- d. Councilmember Committee Reports

13. Public Comment

14. Mayor and Council Comments

15. Adjourn

~Mary LaRocque, City Clerk

ADDRESSING THE CITY COUNCIL

*Comments shall be made only during times set aside for that purpose.
Each citizen may speak for up to 5 minutes during each public hearing and comments period.
Comments made during public hearings shall be relevant to the subject of the public hearing.
Comments shall be made from the podium unless otherwise directed by the Mayor.
Comments shall be directed to the Mayor and Council members.
Speakers shall begin by stating their name and indicate if they are a resident or non-resident of the City.
Speakers shall refrain from using vulgarity, hate speech or "fighting words."*

CITY OF CHARLOTTE COUNCIL PROCEEDINGS
111 E. Lawrence Ave., Charlotte, MI 48813 (517) 543-2750
Regular Council Meeting
November 28, 2022

CALL TO ORDER:

By Mayor Armitage on Monday November 28, 2022 7:00 p.m.

ROLL CALL:

Mayor Armitage, Mayor Pro-Tem Weissenborn, Council members Rodriguez, Duweck, Van Langevelde, Chin and Dyer who arrived at 7:04 p.m. A quorum was met. Also in attendance were City Manager LaPere, City Clerk LaRocque and via Zoom (Florida) Attorney Hitch.

In the audience Police Chief Brentar, Finance Director/Treasurer Smith, Community Development Director Myrkle

Special guests, Ken Wirt, Mike VanDieren (Shyft), Luke Bonner (Bonner Advisory Group), Jeff Mason (LEAP), Bill Brickey (Plante & Moran), Alissa Flury (Plante & Moran), Nick Anderson (Anderson Construction)

INVOCATION:

~~Andy Shaver—Real Life Church~~; absent

PLEDGE OF ALLEGIANCE:

Led by Mayor Armitage

APPROVAL OF MINUTES:

- a. November 10, 2022 Regular Council Meeting Minutes

Motion by Duweck supported by Van Langevelde to approve the meeting minutes with 2 additions requested by Chin. Carried; Yea 6; Nay 0; Absent 1

EXCUSE ABSENT MEMBERS:

Motion by Duweck supported by Chin to excuse council member Dyer. Carried; Yea 6; Nay 0; Absent 1

Note Dyer arrived to the meeting at 7:04 p.m.

MAYORAL PROCLAMATION:

With honorary Ken Wirt standing by his side, Mayor Armitage read aloud the proclamation of Ken's many contributions to this community, witnessed by his loving family and friends who were in attendance.

SPECIAL PRESENTATION:

- a. FY 21-22 Audit by Plante & Moran

Bill Brickey and Alissa Flury presented to council the audit findings for the FY 21-22.

PUBLIC HEARING:

- a. Shyft Industrial District

Hearing opened at 7:29 p.m. Council was presented with a staff report from Myrkle, a hand out presentation by VanDieren (Shyft) and support from Mason (LEAP). Shyft proposes a 15 million expansion in Charlotte that will bring an additional 200 jobs. With no public comment received, the hearing closed at 7:43 p.m.

- b. Ordinance 2022-08 Fortune Telling/Fines/Renumbering

Hearing opened at 7:43 and closed at 7:43 with no public comment received.

PUBLIC COMMENT:

Kesha Howe – resident and business owner. Kesha noted the aging lighting and decorations within the City and offered her services to work to fundraise and purchase new lighting and decorations.

Don Sovey – resident. Don expressed the great attributes of Ken Wirt and thanked him for all his contributions and thanked Council for recognizing him.

David Lennon – resident. David announced he is the new rep for The County Journal and will be reporting for them.

APPROVAL OF AGENDA:

Armitage requesting to add to the business agenda item f – Mayoral Appointments.

Motion by Armitage supported by Van Langevelde to approve the agenda with the addition of business agenda item f. Carried. Yea 7; Nay 0; Absent 0

CONSENT AGENDA:

a. Approval of Claims and Expenditures totaling \$435,117.47

b. Approval of Firewood Bid

Motion by Dyer supported by Weissenborn to approve the consent agenda. Carried by roll call vote. Yea 7; Nay 0; Absent 0

BUSINESS AGENDA:

a. Approval Resolution 2022-29 Establishment of Industrial District – Shyft Group

Motion by Van Langevelde supported by Chin to approve Resolution 2022-29 Establishment of Industrial District – Shyft Group. Carried. Yea 7; Nay 0; Absent 0

b. Discussion on potential land sale to Anderson Construction (Eric Rogers)

Anderson has proposed a potential land exchange deal to the city and is looking to see if Council is interested before pursuing it further. Council is willing to consider this proposal and would like more information to determine a fair value exchange.

c. Second reading and consider approval of Ordinance 2022-08 Fortune Telling/Fines and renumbering.

A request by Duweck to replace “Second” with “Subsequent” in Sect. 32-6 (A) “Subsequent repeat offenses \$300”

Motion by Van Langevelde supported by Dyer to approve Ordinance 2022-08 with the proposed language change. Carried by roll call vote; Yea 6; Nay 1 (Rodriguez); Absent 0

d. Approve purchase of two Penn-Valley sludge pumps

Motion by Chin supported by Dyer to waive the sealed bid process and approve purchase of Penn-Valley sludge pumps. Carried; Yea 7; Nay 0; Absent 0

e. 2023 Council meeting date schedule discussion

Monthly workshop meetings to be scheduled on the Wednesday in between the 1st Monday and 3rd Monday Council meetings. LaPere to bring resolution for approval to the December 5th meeting.

f. Mayoral Appointments – Christmas Tree Lighting and Décor Downtown committee

Motion by Dyer supported by Weissenborn to approve the Mayoral Appointments to the Christmas Tree Lighting and Décor Downtown committee. Carried. Yea 7; Nay 0; Absent 0

COMMUNICATIONS AND COMMITTEE REPORTS:

a. City Attorney report was received

Via Zoom (Florida) Hitch reported on the status of the Rental Inspection program and the efforts now underway to bring non-compliant land lords into compliance.

b. City Manager report was received

LaPere updated Council on the status of various ongoing City projects

c. Police Dpt. Report – October was received

Chief Brentar was able to provide answers to the various questions from Council who suggested options for community involvement and education. Brentar noted two upcoming police events; Shop with a Hero and Fill a Cop Car.

d. Council member Committee Reports

No reports

PUBLIC COMMENTS:

No comments

MAYOR AND COUNCIL COMMENTS:

Chin – Requesting updates on; 2020 Management Consultant Services analysis; Vision 2025 Strategic Plan; I.T. security; digital sign for Westside Fire Station; ARPA fund usage; performance review for the city manager; and contract services. He offers his insight for members of the Christmas Tree Lighting and Décor Downtown committee.

Duweck – No comment

Dyer – Thanked Myrkle for all his work bringing two economic opportunities before Council for consideration. He thanked Brentar and all City Department Heads as all are a great asset to the community.

Weissenborn – Thanked Brentar and Myrkle for all the work to keep Council informed and thanked Brentar for his community

effort with the children (Shop with a Hero). She inquired about a process for addressing blighted homes and possible grants for funding urban renewal.

Rodriguez – No comment

Van Langevelde – Council has accomplished a lot today, she thanked Myrkle and Brentar, noted increase in crime and urged citizens to report incidents to police and not try to handle things on their own. She thanked the police for upcoming Shop with a Hero, Fill a Cop Car and fire for Christmas Kiddies programs and asked the community to not forget the food shelter and Siren this holiday season

Armitage – He noted the Christmas parade and tree lighting event was overall a good event – the Grinch did not steal Christmas! He acknowledged DPW’s limited resources in this regard and noted all their hard work with leaf collections, street sweeping, snow removal, lighted downtown trees, and addressing issues with the downtown light pole lights. He also acknowledged the Charlotte Rotary club for their holiday decorations in the Courthouse Square. He discussed the purpose for creating the Christmas Tree Lighting and Décor Downtown committee.

ADJOURN:

Motion by Van Langevelde supported by Dyer to adjourn the meeting at 9:57 p.m. Carried; Yea 7; Nay 0; Absent 0

Mayor Michael Armitage

Mary LaRocque, City Clerk

— THE CITY OF —
CHARLOTTE
— MICHIGAN —

Memo

To: Honorable Mayor Armitage, City Council
From: Mary LaRocque, City Clerk
Date: November 30, 2022
Re: Claims and Expenditures for Council approval on December 05, 2022

Background

Section 7.7(B) of the City Charter requires Council approval for the expenditure of city funds.

Recommendation

A report of claims is provided to council for review on the Wednesday preceding a council meeting at which the claims are approved. Questions about these claims should be directed to the Finance Director and answers resolved by the Friday preceding said council meeting. Claims and expenditures are budgeted items and or larger purchases pre-approved by council. While review is recommended, approval should not be hindered.

Financial Impacts

Insurance claims week of November 28, 2022	\$ 2,472.80
Payroll paid Friday December 02, 2022	\$ 99,300.55
Invoiced claims as of November 30, 2022	<u>\$624,570.80</u>
Total	<u>\$726,344.15</u>

Suggested Motion

City Council approves Claims and Expenditures in the amount of **\$726,344.15**

User: CKOENIG

INVOICE ENTRY DATES 11/28/2022 - 11/30/2022

DB: Charlotte

BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID

BANK CODE: POOL

Vendor Code	Vendor Name		Amount
	Invoice	Description	
02015	ADVANTAGE FLEET, LLC		
	7577	TWO MINIPUMPER FIRE TRUCKS, FORD F550 - MICHIG	585,780.70
TOTAL FOR: ADVANTAGE FLEET, LLC			585,780.70
01669	ALRO STEEL CORPORATION		
	CKR6357LZ	8 FT 1-3/4 ODX.095 WALL 1.560 ID	96.99
TOTAL FOR: ALRO STEEL CORPORATION			96.99
01764	AMAZON CAPITAL SERVICES		
	199H-CX4T-CRCV	LYSOL SURFACE CLEANER, ULTRA STRONG CLEAN TOUCH	118.17
	1MLW-F1DH-QJ1V	WALL CALENDERS MONTHLY PLANNER,	131.31
TOTAL FOR: AMAZON CAPITAL SERVICES			249.48
01665	AMBS MESSAGE CENTER INC.		
	221001169	ANSWERING SERVICE (USAGE PERIOD 09/30/22-10/30	117.10
TOTAL FOR: AMBS MESSAGE CENTER INC.			117.10
01629	AVERY OIL & PROPANE, INC		
	773716	TANK RENTAL	75.00
	785409	FINANCE FEE	1.13
TOTAL FOR: AVERY OIL & PROPANE, INC			76.13
01558	BULLSEYE PEST DEFENSE		
	2105112122	MICE AND INTERIOR/EXTERIOR TREATMENTS	75.00
TOTAL FOR: BULLSEYE PEST DEFENSE			75.00
01954	CAPITAL CITY JANITORIAL LLC		
	775	CONTRACTUAL CLEANING MONTH OF: NOVEMBER	710.00
TOTAL FOR: CAPITAL CITY JANITORIAL LLC			710.00
01486	CONSULTANTS ON CALL, LLC		
	2022-23101	MANAGED SERVICE FEES - OCTOBER 2022	2,800.00
	2022-23132	MANAGED SERVER, MANAGED WORKSTATIONS MANAGED O	2,800.00
	2022-23135	WEBSITE HOSTING SERVICES & WEBSITE HOSTING BAC	187.50
	2022-23136	HP DESKTOP, W11 PRO, MONITOR, MONITORS CODE ENF	2,159.90
TOTAL FOR: CONSULTANTS ON CALL, LLC			7,947.40
01380	EDWARDS INDUSTRIAL SALES		
	3365745	VERIFIED VFD PROGRAM FOR APPLICATION NEEDS AND	250.00
TOTAL FOR: EDWARDS INDUSTRIAL SALES			250.00
00932	ERIC ROGERS LLC		
	29450	1 OF 10 PAYMENTS PER CONTRACT	1,180.00
TOTAL FOR: ERIC ROGERS LLC			1,180.00
01964	FERGUSON ENTERPRISES, LLC # 2000		
	SC146573	FEE	3.38
TOTAL FOR: FERGUSON ENTERPRISES, LLC # 2000			3.38
01322	GALE BRIGGS, INC.		
	81492	CONCRETE, LIMESTONE IN CONCRETE	189.00
TOTAL FOR: GALE BRIGGS, INC.			189.00

11/30/2022 04:07 PM
User: CKOENIG
DB: Charlotte

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF CHARLOTTE
INVOICE ENTRY DATES 11/28/2022 - 11/30/2022
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: POOL

Page: 2/3

Vendor Code	Vendor Name	Invoice	Description	Amount
01321	GALLOUP	S112317635.001	HEX BUSHING,	157.14
TOTAL FOR: GALLOUP				157.14
01440	HUTSON, INC	9757448	THERMOSTAT	36.45
TOTAL FOR: HUTSON, INC				36.45
01207	KENNEDY INDUSTRIES INC.	633953	LANSING ST STATION TECHNICIAN LABOR 7 HRS	1,352.75
TOTAL FOR: KENNEDY INDUSTRIES INC.				1,352.75
01182	LANSING UNIFORM CO.	95193-B	BOOTS	369.00
TOTAL FOR: LANSING UNIFORM CO.				369.00
01173	LEA'S AUTO BODY	6303	TOW FOR 2020 TAHOE, DIAGNOSE CHECK ENGINE WENT	147.84
TOTAL FOR: LEA'S AUTO BODY				147.84
01148	MAMC	11.28.2022	2023 RENWAL OF MEMBERS	75.00
TOTAL FOR: MAMC				75.00
01911	MATT MCLOUTH	1942	BOOT REINBURSEMENT	190.79
TOTAL FOR: MATT MCLOUTH				190.79
01153	MICHIGAN ASSESSORS ASSOCIATION	11.23.2022	RENEWING MEMBER FOR 2023 REGULAR & SUBSCRIBING	95.00
TOTAL FOR: MICHIGAN ASSESSORS ASSOCIATION				95.00
01082	MICHIGAN NETWORK CONSULTANTS	2022-23133	IT SERVICES FOR FIRST HALF OF NOVEMBER	3,150.00
		2022-23134	IT SERVICES FOR 2ND HALF OF NOVEMBER	3,175.00
		2022-23137	IT SERVICES- FIREWALL VPN FOR DPW, CABLE MODEM	1,249.00
TOTAL FOR: MICHIGAN NETWORK CONSULTANTS				7,574.00
01048	MUNICIPAL SUPPLY COMPANY	INV80291	SURE GRIP PLUG, ETCO 6" T-CONE FOR CONDUIT BAR	1,087.56
TOTAL FOR: MUNICIPAL SUPPLY COMPANY				1,087.56
00183	PVS TECHNOLOGIES INC	323174	FERRIC CHLORIDE SOLUTION DWG 9LFCD) BULK ANALY	5,940.91
TOTAL FOR: PVS TECHNOLOGIES INC				5,940.91
01234	RANDY JEWELL	2022-11	ASSESSING SERVICES	3,262.00
TOTAL FOR: RANDY JEWELL				3,262.00
00946	ROBERT RICH	11.19.2022	REINBURSEMENT BOOT ALLOWANCE	158.99
TOTAL FOR: ROBERT RICH				158.99

11/30/2022 04:07 PM
User: CKOENIG
DB: Charlotte

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF CHARLOTTE
INVOICE ENTRY DATES 11/28/2022 - 11/30/2022
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: POOL

Page: 3/3

Vendor Code	Vendor Name	Description	Amount
	Invoice		
00861	STANDARD LIFE INSURANCE CO		
	006468820001	LIFE INSURANCE	1,444.46
TOTAL FOR: STANDARD LIFE INSURANCE CO			1,444.46
01465	THE COUNTY JOURNAL		
	253787	FALL LEAF COLLECTION ADD	116.20
	254804	NOTICE OF PUBLIC HEARING ORDINANCE NO 2022-08	70.70
	254805	NOTICE OF ORDINANCE NO 2022-07	80.30
	254806	NOTICE OF MEETING DATE CHANGE, RESOLUTION 2022	61.10
	254843	PLANNING COMMISSION NOTICE OF LOT CONVEYANCE	161.90
	254950	NOTICE OF PUBLIC HEARING SITE PLAN REVIEW HUTS	89.90
	254958	PUBLIC HEARING NOVEMBER 28, 2022 SHYFT GROUP I	424.06
	255032	PUBLIC HEARING DECEMBER 5, 2022 SHYFT GROUP US	147.50
TOTAL FOR: THE COUNTY JOURNAL			1,151.66
01536	THE PARTS PLACE		
	240995	BATTERY, CORE DEPOSIT, HEAVY DUTY ANTIFREEZE	480.06
	241229	HEAVY DUTY ANTIFREEZE (CREDIT)	(149.88)
TOTAL FOR: THE PARTS PLACE			330.18
02014	TIGER TOUGH		
	72655	2021-2022 SPECIAL SERVICE TAHOE WITH IRON BRAN	210.94
TOTAL FOR: TIGER TOUGH			210.94
00820	TRACE ANALYTICAL LABORATORIES		
	2110767	WATER QUALITY SAMPLES	96.25
TOTAL FOR: TRACE ANALYTICAL LABORATORIES			96.25
00791	USA BLUE BOOK		
	173872	AMONIA STANDAD, PHOSPHATE STANDARD, PHOSPHORUS	2,054.70
TOTAL FOR: USA BLUE BOOK			2,054.70
00759	WIN-911 SOFTWARE		
	XC52C4874-202322	ANNUAL RENEWAL OF BASIC CARE SUBSCRIPTION FOR	2,160.00
TOTAL FOR: WIN-911 SOFTWARE			2,160.00
TOTAL - ALL VENDORS			624,570.80
PAYMENT TYPE TOTAL			
Paper Check			624,570.80



Memo

To: Honorable Mayor Armitage; City Council
From: Bryan Myrkle, Community Development Director
Date: December 1, 2022
Re: Staff report on proposed extension of lease for parking at airport

Background

As Councilmembers may remember, the City of Charlotte is leasing space to the Shyft Group to park vehicles it manufactures at Beach Airport. The terms of the lease require City Council approval to extend the arrangement beyond 6 months.

As both parties have found this to be a mutually beneficial arrangement and there have been no issues reported with the use of the airport space, I am requesting the lease be extended on a month-to-month basis under the same terms.

Using the airport provides Shyft with space to use that it needs, and the lease helps bring revenue to the City that it would not otherwise get.

Recommendation

Authorize the lease to be extended on a month-to-month basis for up to 12 additional months.

Financial Impacts

This increases revenue at the airport by \$2,500 for each month it is in effect.

Suggested Motion

I move the approval of an extension of the City's lease with Shyft for parking vehicles at Beach Airport under the existing terms on a month-to-month basis for another 12 months.

LEASE AGREEMENT

THIS LEASE AGREEMENT, is made and entered into June 15, 2022, by and between The Shyft Group USA, Inc., a South Dakota corporation, with its principal office located at 41280 Bridge St., Novi, MI 48375 ("Shyft Group") as Lessee, and the City of Charlotte, of 111 E. Lawrence Ave., Charlotte, MI 48813 ("Lessor");

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Fitch H. Beach Airport in the City of Charlotte, Eaton County, Michigan; and

WHEREAS, the Lessor desires to lease a part of the Airport property totaling approximately four (4) acres as depicted in Exhibit 1(hereinafter referred to as the "Premises") to Shyft Group who desires to lease the premises for the purpose of storing partially completed vehicles pursuant to the terms and conditions hereinafter specified; and

WHEREAS, the Parties desire to enter into said Lease Agreement; and

WHEREAS, the Charlotte City Council, by lawful resolution, has authorized the Mayor and the City Clerk to execute this Lease Agreement at a public meeting conducted pursuant to the Michigan Open Meetings Act.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings by the parties to be performed, the adequacy of which is acknowledged, it is hereby agreed as follows:

1. Lease of the Premises: Lessor, for and in consideration of the rents herein required to be paid by Shyft Group, and for and in consideration of the covenants to be kept and performed by Shyft Group, does hereby lease, let and demise unto the Shyft Group the premises described in Exhibit 1 for use by Shyft Group to store partially completed vehicles.

2. Term of the Lease: This Lease Agreement shall be for an initial term of three (3) months (the "Initial Term"). The Initial Term shall commence on the day following the execution of this Lease Agreement.

3. Extension of Term: At the end of the Initial Term, the Lease Agreement shall automatically renew for thirty (30) days, and every thirty (30) days thereafter (each a "Renewal Term" and with the Initial Term, the "Term"), on the same terms and conditions, unless the Shyft Group has notified Lessor in writing 30 days before the expiration of the Initial Term or current Renewal Term, that it does not want the Lease Agreement to renew, in such case the Lease Agreement will terminate at the end of the then current Initial Term or Renewal Term, as applicable. The Renewal Terms may not extend more than 90 days after the expiration of the Initial Term without City Council approval.

4. Rental Payments: Shyft Group shall pay to the Lessor during the Term as provided above, rent in the amount of Two Thousand Five Hundred Dollars (\$2,500) per month. The rent shall be payable to Lessor in monthly installments in advance on the first day of each calendar month, made payable and addressed to Lessor at the first address set forth above or such other place as Lessor may from time to time designate in writing.

5. Insurance, Utilities, and Maintenance Expenses:

- A. The Shyft Group shall, at its expense, obtain and maintain during the Term premises liability insurance on the property naming Lessor as an additional named insured and comprehensive general liability insurance at limits referred to as One Million Dollars (\$1,000,000) combined single limits for bodily injury or property damage. Shyft Group shall provide Lessor with a certificate of insurance providing Lessor

with at least thirty (30) days' notice prior to cancellation or nonrenewal of the insurance.

B. Shyft Group shall be responsible for the payment of all costs of maintenance of the premises, including, without limitation, lawn mowing.

6. Covenants by Shyft Group: Shyft Group hereby covenants and agrees with the Lessor as follows:

A. Shyft Group will keep the premises in a good state of repair during the Term and will be responsible for all ordinary maintenance and repairs.

B. Shyft Group will quit and surrender the premises at the expiration of the Term in a good state of repair and shall restore all damage, if any, caused by Shyft Group.

C. Shyft Group is a corporation in good standing and is authorized to enter into this agreement by those persons executing the Lease Agreement on behalf of the Shyft Group.

7. Covenants of the Lessor: The Lessor hereby covenants and agrees with Shyft Group as follows:

A. Upon receipt of monthly rentals and upon Shyft Group's observing and performing all the terms, covenants, and conditions to be performed by it, Shyft Group may peaceably have, hold, and occupy and enjoy the premises without hindrance or interference by Lessor or any other person or persons lawfully or equitably claiming by, through, or under the Lessor; provided, however, that this covenant shall not prohibit Lessor, or Lessor's agent, from examining the premises upon request at any reasonable time., provide such examination does not interfere with Shyft Group's operations.

B. Upon expiration of the Term, Shyft Group shall have the right to remove any landscaping installed by Shyft Group, provided Shyft Group shall restore the premises affected by such removal by grading, seeding, and mulching.

C. Lessor does not have a real estate brokerage or any other person or entity entitled to commission or compensation in connection with this Lease Agreement. Shyft Group is responsible for payment of all real estate brokerage commissions, lease fees, or other expenses incident to negotiating this lease or any renewal hereof, owing to its agent Advocate Commercial Real Estate Advisors, LLC.

8. Use of the Premises: Shyft Group covenants and agrees that the premises shall be used by it only for the purpose of providing storage for partially completed vehicles, and for no other purposes, except with the prior written consent of Lessor. Lessor agrees not to unreasonably withhold such consent.

9. Successors: This lease is binding upon the parties hereto, their heirs, and representatives, successors and assigns.

10. Entire Agreement: This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of the Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

11. Modifications in Writing: Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

12. Governing Law: It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Michigan.

13. Timeliness: It is specifically declared and agreed that time is of the essence of this Agreement.

14. Invalidity: The invalidity of any portion of this Agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by other parties subsequent to the expungement of the invalid provision.

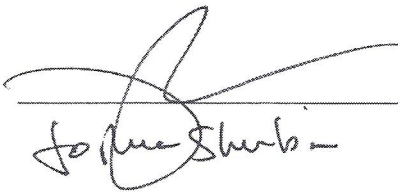
15. Titles: The titles to the paragraphs of this Agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provision of this Agreement.

16. Notices and Addresses: Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

17. Duplicates: This Agreement may be executed in counterparts, each of which shall be deemed an original, and such counterparts shall together constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed this lease at Charlotte, Michigan, on the day, month and year first above written.

Witnesses:



John Shubert



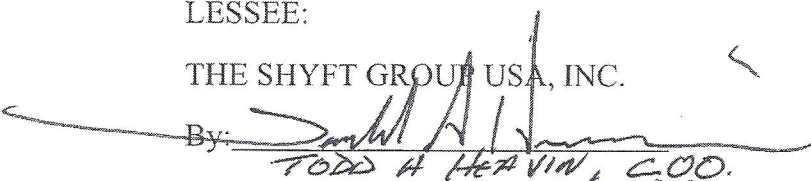
Mikayla Benson



[illegible]

LESSEE:

THE SHYFT GROUP USA, INC.

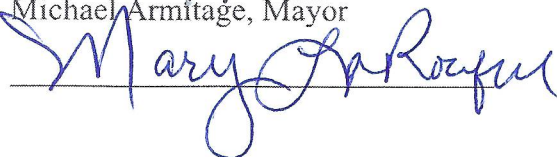
By: 
TODD A. HEAVIN, COO.

LESSOR:

CITY OF CHARLOTTE



Michael Armitage, Mayor

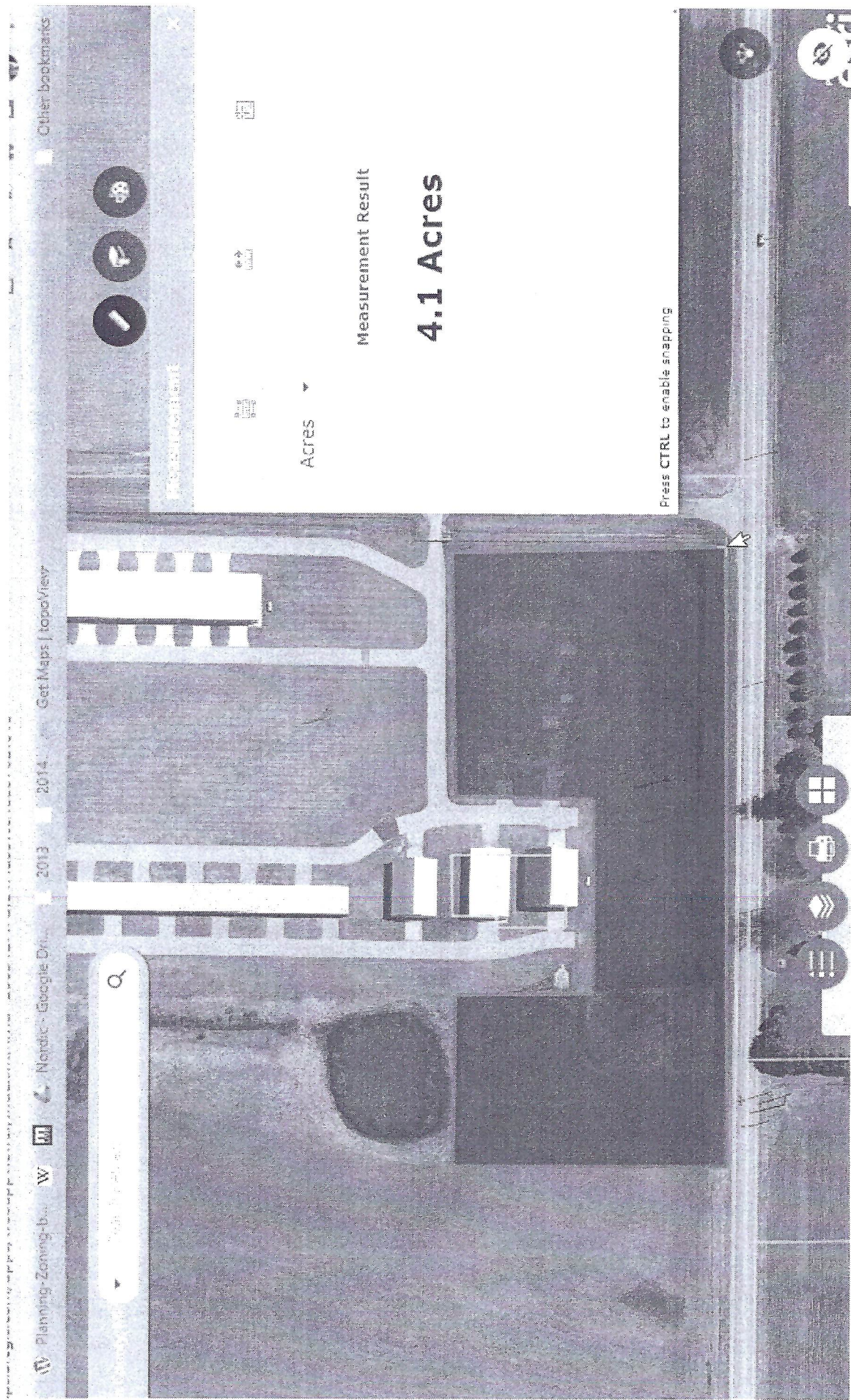


Mary LaRocca

Mary LaRocque, Clerk

Drafted by and approved as to form:
Thomas M. Hitch (P25558)
Charlotte City Attorney
2900 West Rd., Suite 500
East Lansing, MI 48823

EXHIBIT 1 - PREMISES



**CITY OF CHARLOTTE
GUIDELINES FOR POVERTY EXEMPTIONS - 2023
RESOLUTION 2022-30**

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Charlotte, County of Eaton, State of Michigan adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year, which are as follows;

<u>Persons Residing in Residence</u>	<u>Annual Allowable Income</u>
1 person	\$13,590
2 persons	\$18,310
3 persons	\$23,030
4 persons	\$27,750
5 persons	\$32,470
6 persons	\$37,190
7 persons	\$41,910
8 persons	\$46,630
For Each Additional Person add	\$ 4,720

MAXIMUM ASSET STANDARDS TO BE ELIGIBLE FOR A POVERTY

EXEMPTION. PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test. This asset test CANNOT include the value of the principal residence. The asset test can include assets such as, but not limited to, a second home, land, vehicles including recreational vehicles, buildings other than the principal residence, jewelry, antiques, artwork, bank accounts, stocks, withdrawals of bank deposits and borrowed money, gifts, loans, lump-sum inheritances, one-time insurance payments, etc. The maximum asset limits are as follows:

<u>Persons Residing in Residence</u>	<u>Annual Allowable Income</u>
1 person	\$20,000
2 persons	\$25,000
3 persons	\$30,000
4 persons	\$35,000
5 persons	\$40,000
6 persons	\$45,000
7 persons	\$50,000
8 persons	\$55,000
For Each Additional Person add	\$ 5,000

NOW THEREFORE BE IT RESOLVED that the City of Charlotte Board of Review shall follow the above stated income and asset level guidelines in granting or denying an exemption, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these are communicated in writing to the claimant.

The foregoing resolution was presented by _____ and supported by _____ for approval
Carried/Failed; Yea ; Nay ; Absent .

CERTIFICATION

I, Mary LaRocque, City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on December 05, 2022.

Mary LaRocque, City Clerk

Memo

To: City Council
From: Amy E. Gilson, P.E., Director of Public Works
Date: November 29, 2022
Re: MDOT Contract for Safe Routes to School

As you are aware, the City has been working with the Charlotte Public Schools for years on the Safe Routes to School (SRTS) project. The project will be bid by the Michigan Department of Transportation (MDOT) in January, 2023. As outlined in the resolution, we are receiving a \$1,828,489 grant. This agreement allows MDOT to administer the construction contract. It is a standard agreement that MDOT uses for all projects. It is anticipated that with approval of this standard contract that construction will begin at the end of January or the beginning of February.

There is a resolution in the Council packet that needs approval.

Please let me know if you have any questions.

TAP

DA

Control Section	TA 23000
Job Number	212642CON
Project	22A0533
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	22-5227

PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF CHARLOTTE, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in Charlotte, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated November 17, 2022, attached hereto and made a part hereof:

Concrete sidewalk and curb ramps, curb and gutter and driveway, hot mix asphalt pavement, grading, subbase and aggregate base, non-reinforced block wall, drainage, tree removal, permanent signing and pavement markings along Lawrence Avenue from Lincoln Street to Van Lieu Street, along Van Lieu Street from Lawrence Avenue to Seminary Street, along Seminary Street from Van Lieu Street approximately 300 feet easterly and from State Street approximately 450 feet easterly, along State Street from Lovett Street to Seminary Street, along Henry Street from State Street to Pearl Street, along Pearl Street from Shapard Street to Fourth Street, and Henry Street to Shaw Street, along Shaw Street from Pearl Street curve approximately 400 feet easterly, along Charlotte School property from the Shepard Street and State Street intersection northwesterly to Charlotte Upper Elementary, along Mikesell Street from State Street to Walnut Street, along Bonnie Street from Mikesell Street approximately 450 feet easterly, along Walnut Street from Lincoln Street approximately 225 feet westerly, along Cherry Street from State Street to Lincoln Street, along Fourth Street from Pearl Street approximately 70 feet easterly, along Sheldon Street at Shepard Street, along Seminary Street from Prairie Street to Johnson Street, along Merritt Street from Warren Avenue to Henry Street, along Pleasant Street from Shepard Street to Third Street, along Third Street from just west of Pleasant Street to St. Mary Boulevard, along St. Mary Boulevard from Shepard Street approximately 425 feet southerly, along St. Mary Boulevard at Shepard Street, along High Street from Beech Highway to approximately 600 feet south of Amity Street and Harris Street to Foote Street, along Amity Street from Forest Street to Sheldon Street and along Foote Street from High Street approximately 425 feet easterly; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of transportation enhancement activities; and

WHEREAS, it has been determined that the PROJECT qualifies for such funding by virtue of its direct relationship with the intermodal transportation system; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

TRANSPORTATION ALTERNATIVES PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

The Michigan Department of Environment, Great Lakes, and Energy has informed the DEPARTMENT that it adopted new administrative rules (R 325.10101, et. seq.) which prohibit any governmental agency from connecting and/or reconnecting lead and/or galvanized service lines to existing and/or new water main. Questions regarding these administrative rules should be directed to the Michigan Department of Environment, Great Lakes, and Energy. The cost associated with replacement of any lead and/or galvanized service lines, including but not limited to contractor claims, will be the sole responsibility of the REQUESTING PARTY.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, under the terms of this contract, shall:

A. At no cost to the PROJECT

(1) Design or cause to be designed the plans for the PROJECT.

(2) Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.

(3) Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

B. At least 10 days prior to any ceremony to be held in connection with the PROJECT, notify the DEPARTMENT.

C. When issuing any news release or promotional material regarding the PROJECT, give the DEPARTMENT and FHWA credit for participation in the PROJECT and provide a copy of such material to the DEPARTMENT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

5. The PROJECT COST shall be met in part by contributions by the Federal Government. Federal Transportation Alternatives Program Funds shall be applied to the eligible items of the PROJECT COST up to the lesser of: (1) \$1,828,489, or (2) an amount such that 81.85 percent, the normal Federal participation ratio for such funds, is not exceeded at the time of the award of the construction contract.

Federal toll credits shall be applied to the balance of the PROJECT COST such that the Federal toll credits in combination with Federal Transportation Alternatives Program Funds shall equal an amount not to exceed \$1,828,489 of those PROJECT COSTS eligible for participation with such funds. Federal toll credits are limited to \$331,870.75.

The balance of the PROJECT COST, after deduction of Federal Funds and Federal toll credits, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds shall be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses.

7. It is understood that the REQUESTING PARTY is responsible for the facilities constructed as the PROJECT and that said facilities may require special or unusual operation and/or maintenance. The REQUESTING PARTY certifies, by execution of this contract, that upon completion of construction and at no cost to the PROJECT or the DEPARTMENT, it will properly maintain or provide for the maintenance and operation of the PROJECT, making ample provisions each year for the performance of such maintenance work as may be required. Upon completion of the PROJECT, the REQUESTING PARTY shall accept the facilities constructed as built to specifications within the construction contract documents.

On projects involving the mobility for bicyclists, the REQUESTING PARTY will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such facility constructed as the PROJECT except those for maintenance or emergency assistance purposes, or mobility for persons with disabilities.

On projects involving the restoration of historic facilities, the REQUESTING PARTY agrees that the project will not be awarded until the owner of such facilities has an Historic Preservation Covenant, which includes an Historic Preservation Easement, or an Historic Preservation Agreement, as appropriate, with the Michigan State Historic Preservation Office in accordance with 1995 PA 60 for the purpose of ensuring that the historic property will be preserved. The REQUESTING PARTY also agrees that such facilities shall be maintained and repaired by the REQUESTING PARTY or owner, as applicable, at no cost to the DEPARTMENT or the PROJECT, in such a manner as to preserve the historical integrity of features, materials, appearance, workmanship, and environment.

On projects which include landscaping, the DEPARTMENT, at PROJECT COST, agrees to perform or cause to be performed, the watering and cultivating necessary to properly establish the plantings for a period of two growing seasons, in general conformance with Section 815.03(L) of the DEPARTMENT'S Standard Specifications for Construction. The

REQUESTING PARTY shall maintain all plantings following completion of said period of establishment.

Failure of the REQUESTING PARTY to fulfill its responsibilities as outlined herein may disqualify the REQUESTING PARTY from future Federal aid participation in Transportation Alternatives Program projects or in other projects on roads or streets for which it has maintenance responsibility. Federal aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that it is not aware if and has no reason to believe that the property on which the work is to be performed under this agreement is a facility, as defined by the Michigan Natural Resources and Environmental Protection Act [(NREPA), PA 451, 1994, as amended 2012]; MCL 324.20101(1)(s). The REQUESTING PARTY also certifies that it is not a liable party pursuant to either Part 201 or Part 213 of NREPA, MCL 324.20126 et seq. and MCL 324.21323a et seq. The REQUESTING PARTY is a local unit of government that has acquired or will acquire property for the use of either a transportation corridor or public right-of-way and was not responsible for any activities causing a release or threat of release of any hazardous materials at or on the property. The REQUESTING PARTY is not a person who is liable for response activity costs, pursuant to MCL 324.20101 (vv) and (ww).

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Michigan Department of Environment, Great Lakes, and Energy, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Michigan Department of Environment, Great Lakes, and Energy and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections, and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY of its ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control, or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of any of their highways and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

Upon completion of the PROJECT, the REQUESTING PARTY shall accept the facilities constructed as built to specifications within the contract documents. It is understood that the REQUESTING PARTY shall own the facilities and shall operate and maintain the facilities in accordance with all applicable Federal and State laws and regulations, including, but not limited to, Title II of the Americans with Disabilities Act (ADA), 42 USC 12131 et seq., and its associated regulations and standards, and DEPARTMENT Road and Bridge Standard Plans and the Standard Specifications for Construction.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of any REQUESTING PARTY highway for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and

specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsible for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed as written below.

CITY OF CHARLOTTE

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:



November 17, 2022

EXHIBIT I

CONTROL SECTION	TA 23000
JOB NUMBER	212642CON
PROJECT	22A0533

ESTIMATED COST

CONTRACTED WORK

Estimated Cost	\$2,048,500
----------------	-------------

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$2,048,500
Less Federal Funds*	<u>\$1,828,489</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$ 220,011

*Federal Funds for the PROJECT are limited to an amount as described in Section 5.

NO DEPOSIT

DOT

TYPE B
BUREAU OF HIGHWAYS
03-15-93

PART II

STANDARD AGREEMENT PROVISIONS

SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES

SECTION II PROJECT ADMINISTRATION AND SUPERVISION

SECTION III ACCOUNTING AND BILLING

SECTION IV MAINTENANCE AND OPERATION

SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

SECTION I

COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
 - 1. Engineering
 - a. FAPG (6012.1): Preliminary Engineering
 - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
 - c. FAPG (23 CFR 635A): Contract Procedures
 - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
 - 2. Construction
 - a. FAPG (23 CFR 140E): Administrative Settlement Costs-Contract Claims
 - b. FAPG (23 CFR 140B): Construction Engineering Costs
 - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
 - d. FAPG (23 CFR 635A): Contract Procedures
 - e. FAPG (23 CFR 635B): Force Account Construction
 - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
 - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
 - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
- 3. Modification Or Construction Of Railroad Facilities
 - a. FAPG (23 CFR 140I): Reimbursement for Railroad Work
 - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
 - 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
 - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
 - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

SECTION II

PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.

SECTION III

ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate

arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507).

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

The Reporting Package
The Data Collection Form
The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Education
Accounting Service Center
Hannah Building
608 Allegan Street
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.
3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number _____", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

B. Payment of Contracted and DEPARTMENT Costs:

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

SECTION IV

MAINTENANCE AND OPERATION

- A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:

1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.

2. Projects Financed in Part with Federal Monies:

- a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).

- b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.

- c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.

- d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.

- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

SECTION V

SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

APPENDIX A

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, 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. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

APPENDIX C

TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:**

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:**

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

RESOLUTION NO. 2022-31

A RESOLUTION TO AUTHORIZE A CONTRACT WITH MICHIGAN DEPARTMENT OF TRANSPORTATION FOR THE SAFE ROUTES TO SCHOOL PROJECT

WHEREAS, the Michigan Department of Transportation (MDOT) has presented their standard contract for the purpose of fixing the rights and obligations of the City and MDOT as it relates to the Safe Routes to School sidewalk project; and

WHEREAS, the standard contract outlines the administrative duties of both parties; and

WHEREAS, the contract states that the grant shall be applied to the entire project cost up to \$1,828,489; and

WHEREAS, the City is responsible for any costs above the grant amount plus engineering; and

WHEREAS, it is estimated that the City will be responsible for \$0.00 for the construction of the sidewalks.

THEREFORE, BE IT RESOLVED That the City enter into Contract No. 22-5227 with MDOT for the terms and conditions related to the Safe Routes to School project and that the City Clerk and Director of Public Works be directed to sign said contract on behalf of the City.

The foregoing resolution was presented by ____ and supported by ____ for approval.
Carried/Failed; Yea ; Nay ; Absent .

CERTIFICATION

I, Mary LaRocque, City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on December 05, 2022, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Mary LaRocque, City Clerk



Memo

Date: December 2, 2022
To: Honorable Mayor Armitage; City Council
From: Erin LaPere, City Manager
Re: Proposed 2023 Meeting Dates

On the agenda for Council's approval are the proposed 2023 meeting dates for City Council and other city boards/commissions. There are four holiday conflicts with regular Council meetings that will necessitate alternate meeting dates in 2023. January 2nd – New Years Day; January 16th – MLK Jr Day; February 20th – Presidents Day; and September 4th – Labor Day. Of those conflicts, the following Tuesday is a scheduled Planning Commission and Parks Advisory Board, or DDA meeting in all three of the months (January, February, and September). In the past when we've had meeting conflicts the Planning Commission have met the following week and DDA has met in the Community Room, so I have recommended we schedule the meetings as in prior years. The Parks Advisory Board has requested to maintain their meeting schedule and meet in the Community Room.

Attached is a resolution for Council's approval.

eel

attachment

CITY OF CHARLOTTE RESOLUTION 2022-32

A RESOLUTION TO SET MEETING DATES FOR THE 2023 CALENDAR YEAR

WHEREAS, Public Act 267 of 1976 and city ordinance requires City Council to approve and publish a schedule of regular meeting dates.

NOW THEREFORE BE IT RESOLVED, that the regular meeting dates of the Charlotte City Council and other Boards and Commissions be as follows for the 2023 calendar year.

<u>City Council</u> Regular Meetings: First and Third Monday at 7pm Work session Meetings: Monthly Wednesday at 7pm		
Month	Regular Council Meeting	Workshop Council Meeting
January	Tuesday 3 rd *	Wednesday 11 th
	Tuesday 17 th *	
February	Monday 6 th	Wednesday 15 th
	Tuesday 21 st *	
March	Monday 6 th	Wednesday 15 th
	Monday 20 th	
April	Monday 3 rd	Wednesday 12 th
	Monday 17 th	
May	Monday 1 st	Wednesday 10 th
	Monday 15 th	
June	Monday 5 th	Wednesday 14 th
	Monday 19 th	
July	Monday 3 rd	Wednesday 12 th
	Monday 17 th	
August	Monday 7 th	Wednesday 16 th
	Monday 21 st	
September	Tuesday 5 th *	Wednesday 13 th
	Monday 18 th	
October	Monday 2 nd	Wednesday 11 th
	Monday 16 th	
November	Monday 6 th	Wednesday 15 th
	Monday 20 th	
December	Monday 4 th	Wednesday 13 th
	Monday 18 th	
Meetings are held at Council Chambers, 111 E Lawrence Ave, Charlotte MI 48813 *meeting date moved due to holiday		

Planning Commission Regular Meetings: First Tuesday at 7 pm	
Month	Regular Planning Commission Meeting
January	Tuesday 10 th *
February	Tuesday 7 th
March	Tuesday 7 th
April	Tuesday 4 th
May	Tuesday 2 rd
June	Tuesday 6 th
July	Tuesday 11 th *
August	Tuesday 1 st
September	Tuesday 12 th *
October	Tuesday 3 rd
November	Tuesday 14 th *
December	Tuesday 5 th
Unless otherwise noted, meetings are held at Council Chambers, 111 E Lawrence Ave, Charlotte MI 48813 *meeting date moved to accommodate conflict with holiday or election	

Downtown Development Authority Regular Meetings: Third Tuesday at 6:30 pm	
Month	Regular DDA Meeting
January	Tuesday 17 th - meeting in Community Room, Basement Level, 111 E Lawrence Ave
February	Tuesday 21 st - meeting in Community Room, Basement Level, 111 E Lawrence Ave
March	Tuesday 21 st
April	Tuesday 18 th
May	Tuesday 16 th
June	Tuesday 20 th
July	Tuesday 18 th
August	Tuesday 15 th
September	Tuesday 19 th
October	Tuesday 17 th
November	Tuesday 21 st
December	Tuesday 19 th
Unless otherwise noted, meetings are held at Council Chambers, 111 E Lawrence Ave, Charlotte MI 48813	

<u>Parks Advisory Board</u>	
Regular Meetings: First Tuesday of January, February, April, May, September, and October at 7:00 pm	
Month	Regular Parks Board Meeting
January	Tuesday 3 rd
February	Tuesday 7 th
April	Tuesday 4 th
May	Tuesday 2 nd
September	Tuesday 5 th
October	Tuesday 3 rd
Meetings are held at Community Room, Basement Level 111 E Lawrence Ave, Charlotte MI 48813	

<u>Airport Advisory Board</u>	
Regular Meetings: 3rd Monday of January, April, July, and October at 8:00 a.m.	
Month	Regular Meeting
January	January 23 rd *
April	April 17 th
July	July 17 th
October	October 16 th
Meetings are held at Fitch Beach Airport, 1325 Island Hwy, Charlotte	
*meeting moved due to holiday	

The foregoing resolution was presented by _____ and supported by _____ for approval with the following vote; Yea ; Nay ; Absent . Motion _____.

November 29, 2022

Bryan Myrkle
Community Development Director
City of Charlotte
111 E. Lawrence Ave.
Charlotte, MI 48813

RE: Job Creation at The Shyft Group's Charlotte Campus

Dear Mr. Myrkle:

The purpose of this letter is to clarify the Shyft Group's job creation related to the IFEC applications and specifically to Plant 4 (1549 Mikesell) and Plant 7 (1111 Mikesell). At the time the application was submitted to the city, the number of 640 jobs was listed on both applications; the 640 number represents the total number of new jobs for the Charlotte campus since 2020 and is consistent with a prior MEDC job performance-based grant.

Shyft Group is planning a \$15,730,000 investment into the Charlotte campus related to its new EV Blue Arc delivery vehicle program. An estimated 200 new jobs of the planned 640 are specifically dedicated to this program. There will be 165 hourly and 18 salaried individuals (totaling 183) hired for Plant 4. No new hires will be required at Plant 7 as this facility will only receive capital upgrades. An estimated additional 17 jobs will be spread out across the rest of the Shyft Group's Charlotte campus.

If you have any questions or comments, please let me know. Thank you for your support.

Sincerely,



Luke Bonner
Bonner Advisory Group



Memo

To: Honorable Mayor Armitage; City Council
From: Bryan Myrkle, Community Development Director
Date: December 1, 2022
Re: Staff report on Shyft request for Industrial Facilities Tax Exemptions

Background

As Councilmembers know, the Shyft Group announced a major expansion of its Charlotte facilities at your most recent meeting. It also requested tax relief in the form of a PA 198 Industrial Facilities Tax Exemption to support this expansion. If granted, the IFT Certification would reduce the taxable value of the real estate improvements it is planning by 50% for 12 years.

We covered this proposal fairly extensively at the last meeting, but there were several specific questions that I wanted to answer:

- None of Shyft's previous PA 198 tax abatements are still in effect, however there is still an active Brownfield incentive from which they receive reimbursement annually.
- The total value of all active, local tax abatements across all programs in all sectors (industrial, commercial, residential) amounts to approximately \$50,000 annually. This information is presented in more detail on page 49 and 50 of the audit report you just received.
- Luke Bonner, who prepared the IFT Exemption application for Shyft submitted a letter explaining the discrepancy in job creation information for your reference, and that is included in your meeting information.

As you know from our previous presentation, Shyft is proposing a total investment of more than \$15 million for this project, however, there is only about \$11 million shown on these tax abatement applications. The balance (approximately \$3 million) will be accounted for in a third application to be filed next year, and there are certain elements of the project expense that are not eligible for abatement.

While this is a single project, there are elements of it spread across the Shyft Campus on separate individual property parcels, which is why there are separate applications.

Shyft will provide additional information at your meeting regarding its proposed investments, the importance of the tax incentive to its plans, and the role that manufacturing plays in the local economy.

Also, I made an error in my previous presentation to you when I referred to an investment threshold of \$15 million to qualify for a 12-year IFT Exemption. That threshold specifically applied to personal

property investment, not real property. Real property investments are to be abated for 12 years, regardless of the level of investment. It has been quite a few years since we have had one of these requests, and I misremembered that distinction. I apologize for the error.

Recommendation

Approve the two applications for Industrial Facilities Tax Exemption Certification for the Shyft Group.

Financial Impacts

This would reduce the taxable value of the real estate improvements associated with this project by 50% for a period of 12 years.

Suggested Motion

Please refer to the prepared resolutions.

CONTRACT FOR TAX ABATEMENT

ACT 198 OF PUBLIC ACTS OF 1974

An AGREEMENT between CITY OF CHARLOTTE, a municipal corporation located at 111 E. Lawrence Avenue, Charlotte, Michigan 48813, ("City") and Shyft Group USA, located at 41280 Bridge St, Novi, MI 48375 ("Company"), is entered into as follows:

Recitals:

- A. The Company has applied to City for the issuance of an Industrial Facilities Exemption Certificate ("Certificate") pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended (the "Act"), which requires a contract between the City and the Company to be agreed and submitted with the Company's application for said Certificate.
- B. That in addition to statutory requirements, the City has determined that it is in the best interests of the taxpayers, property owners, and residents of the City that this Agreement be approved and executed prior to the issuance of the requested Certificate, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to issue the Certificate.
- C. The Company intends to install the project set forth in its Certificate application ("Project") at 1540 Mikesell (Plant 4) which it believes qualifies for the process of issuing the Certificate.
- D. The City, provided this Agreement is executed, will determine whether to issue the Certificate based upon the potential for the production of full-time jobs, the continuation or increase of economic activity, planning and zoning considerations, and the City's general plan and intentions regarding economic development.

NOW THEREFORE THE PARTIES AGREE:

1. COMPANY AGREEMENT

The Company irrevocably commits to the investment, job retention and/or job creation promises made in its application, a copy of which is attached hereto and incorporated herein (the "Application"). In particular the Company agrees:

That One Hundred Percent (100%) of the promised new jobs shall be in place with full-time employee by a date no later than two (2) years from the date of the granting of the Certificate by the Michigan State Tax Commission (the "Commission") (the "Achievement Date").

1.1 The Company, by the Achievement Date shall have completed the investment of \$3,820,000 in real property improvements and \$3,690,000 in machinery and equipment (industrial personal property) as shown in the Application. The parties acknowledge that industrial personal property is exempt from local taxation.

1.2 That the improvements and equipment to receive the tax abatement treatment shall be completed by the Achievement Date.

- 1.3 The Company shall pay its specific taxes required by the Act in a timely manner, and shall not delay payments so as to incur any penalties or interest.
- 1.4 The Company shall fully cooperate with the City and with the City's representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals, and the timely installation and utilization of the equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.
- 1.5 The Company shall maintain, from the Achievement Date through the entire period for which the tax abatement is granted (which date will be 12-years following the date of the Certificate, the "Term of the Abatement"), the level of jobs, production and utilization of the improvements and equipment at the site where the Certificate has been granted, except as provided in Section 4.
- 1.6 The Company shall comply with all environmental law and governmental orders on its premises in the City. It shall report any releases of hazardous substances to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City, to the extent required by applicable law.
- 1.7 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.
- 1.8 The Company shall comply with all zoning and building codes as well as other regulations or restrictions as approved by the Charlotte City Council.
- 1.9 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the Certificate, except as provided in Section 4.
- 1.10 The Company shall make any required site improvements identified by the City Council as set forth in the Investment Schedule attached to the Application, within the identified timeframe.

2. AGREEMENT BY THE CITY

Provided this contract has been executed and further provided all applications to create an Industrial Development District and issue the Certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to receive, process, and approve thereafter the Company's application for an Industrial Facilities Exemption Certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the issuance of the Certificate. The City shall require the submission of this contract signed by the Company together with its applications, before issuing the Certificate.

3. EVENTS OF DEFAULT

During the Term of the Abatement, the following actions or failures to comply shall be considered events of default by the Company:

- 3.1 Failure to meet any of the commitments set forth above.
- 3.2 The closing of the Company's facilities in the City. Closing shall mean, relocating the jobs and investment as described under the application to a community outside of the city or laying off all or substantially all of the jobs created by this improvement for greater than 30 consecutive days, or all or substantially all of the production that results from the improvement ceases at the Company's facility in Charlotte for greater than 30 consecutive days. Closing does not mean any matters related to force majeure.
- 3.3 Failure to afford to the City the documentation and reporting required.
- 3.4 The failure to create or retain jobs or expend the funds on equipment and improvements as represented in the Application within the times required hereby, unless Company asks for a reasonable extension and subsequent amendment to the application.
- 3.5 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local state or federal.
- 3.6 The performance or omission of any act which would lead to revocation under MCLA 207.565, being subsection 15 of the Act.
- 3.7 The violation of any provisions, promises, commitments, considerations, or covenants of this Agreement.

4. MITIGATION IN EVENT OF JOB LOSS

- 4.1 Commencing on year five (5) of the term of the Certificate, the Company shall provide an annual report as follows:
 - (a) A jobs report that includes the number of jobs created and retained, and current total employment at the facility in Charlotte.
 - (b) A vehicle or product production report related to the improvement for which the Certificate was obtained.
 - (c) A forecast for the coming two (2) years on both (a) and (b). This may include current customers and projections for future production.
 - (d) The information provided herein shall be considered proprietary and confidential, shall be limited to certain Public Officials who shall execute a Confidentiality Agreement as prepared by the Company, and the information shall be exempt from disclosures pursuant to the Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.
- 4.2 If the Company so complies, any clawback for a closing of the facility, as defined herein before, shall be limited to five (5) years from the date of Certificate. Thereafter, so long as the default remains in place, the Certificate shall be revoked as provided in Section 5.1.2.

5. REMEDIES ON DEFAULT

In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

5.1 Except as provided in Section 4, in the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for clawback of all taxes to be paid forthwith to the City, determined as follows:

5.1.1 The Company shall pay to the City, for pro rata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the Industrial Facilities Tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations or improvements or equipment, during the years for which the Certificate was in effect.

In essence, the Company shall be liable to refund, in full, all abated taxes.

5.1.2 Immediate Revocation. The Company hereby consents to the revocation of the Certificate before the Commission, without hearing, and the City shall submit a copy of this Agreement to the Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

5.2 In the event the improvements and equipment have not been installed by the Achievement Date, in addition to the revocation procedures before the Commission, then the abatement shall immediately be reduced by the City proportionately, and any installations which have not been finished by the Achievement Date shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll. Provided, however, this shall not apply if the City and the Company have collectively agreed that conditions upon which the targeted investment and job creation have been delayed or reduced are acceptable.

5.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its Application that it would invest for the installation or equipment, the abatement shall be reduced pro rata, and any remaining value of equipment shall be placed on the regular tax roll.

5.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained by the Achievement Date, the abatement shall be reduced proportionately.

5.5 Special Assessment. For any amount due to be paid to the City, under this Section 5, the Company consents that the City shall have an action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the

collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the Commission immediate revocation of the Certificate.

6. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the laws if the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

7. COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same Agreement.

8. BENEFIT

This Agreement shall be binding upon and insure to the benefit of the respective parties, their successors, and personal representatives.

9. EFFECTIVE DATE

This Agreement shall be effective on the date the Commission grants to the Company the Certificate.

City of Charlotte

By: _____
Michael Armitage, Mayor

And: _____
Mary LaRocque, Clerk

Company

By: Mike Vandieren _____

Its: Vice President _____

And: _____

Its: _____

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. If you have any questions regarding the completion of this form, call 517-335-7491.

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

APPLICANT INFORMATION

All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) Shyft Group USA		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3361	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1549 Mikesell, Charlotte 48813		▶ 1d. City/Township/Village (indicate which) Charlotte	▶ 1e. County Eaton
▶ 2. Type of Approval Requested ☒ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment		▶ 3a. School District where facility is located Charlotte	▶ 3b. School Code 23030
		4. Amount of years requested for exemption (1-12 Years) 12	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Shyft Group USA, will make a number of improvements to the Charlotte Campus. Plant 4, will all receive various upgrades and expansions to support the new Blue Arv EV Chassis Program. A full listing of improvements at each facility is attached.

6a. Cost of land and building improvements (excluding cost of land)	▶ <u>3,820,000</u>
* Attach list of improvements and associated costs.	Real Property Costs
* Also attach a copy of building permit if project has already begun.	
6b. Cost of machinery, equipment, furniture and fixtures	▶ <u>3,690,000</u>
* Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs	▶ <u>\$7,510,000</u>
* Round Costs to Nearest Dollar	Total of Real & Personal Costs

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

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	<u>11/01/2022</u>	<u>08/01/2023</u>	▶ ☒ Owned ☐ Leased
Personal Property Improvements ▶	<u>12/01/2022</u>	<u>07/01/2023</u>	▶ ☒ Owned ☐ Leased

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

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. 348	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 640
---	---

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

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

▶ 12a. Check the type of District the facility is located in:

☒ Industrial Development District ☐ Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit)

▶ 12c. Is this application for a speculative building (Sec. 3(8))?

☐ Yes ☒ No

APPLICANT CERTIFICATION - complete all boxes.

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

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

13a. Preparer Name Luke Bonner	13b. Telephone Number (734) 846-9746	13c. Fax Number	13d. E-mail Address Luke.Bonner@BonnerAG.
14a. Name of Contact Person Same As Above	14b. Telephone Number (734) 846-9746	14c. Fax Number	14d. E-mail Address Luke.Bonner@BonnerAG.
▶ 15a. Name of Company Officer (No Authorized Agents) Mike Vandieren - Mike.Vandieren@shyftgroup.com			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 10/25/2022
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 41280 Bridge St, Novi, MI 48375		15f. Telephone Number (248) 320-2059	15g. E-mail Address Mike.Vandieren@shyftgrou

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

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

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

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

For faster service, email the completed application and additional required documentation to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

IFEC Application Affidavit of Fees

APPLICANT NAME: Shyft Group USA
PROPERTY ADDRESS: 41280 Bridge St, Novi, MI 48375

CERTIFICATION

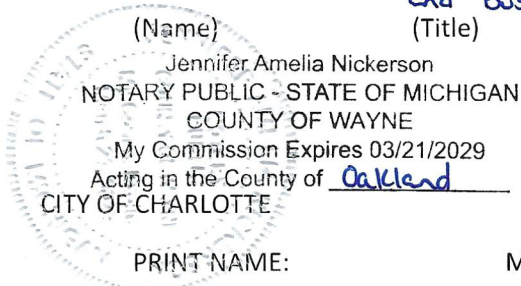
In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Charlotte and the applicant referenced above do hereby swear and affirm that this applicant has not made, or promised to make payment of any kind to the City of Charlotte as a condition to the approval of this Application for an Industrial Facilities Tax Exemption (IFT) Certificate. Whether payments be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198, as amended. We do hereby swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of this Application for an IFEC."

IFT APPLICANT

PRINT NAME: Mike Vandieren – Shyft Group USA
TITLE: Vice President of Corporate and Business Development
SIGNATURE: Michael Vandieren
DATE: 10/21/2022

The forgoing certification was acknowledged this 21st day of October 2022

By Michael Vandieren, VP of Corporate and Business Development on behalf of Shyft Group USA
(Name) (Title) (Company Name)



Jennifer Amelia Nickerson
Notary Public, Wayne County, MI

PRINT NAME: Mary LaRocque
TITLE: City Clerk
SIGNATURE: _____
DATE: _____

The forgoing certification was acknowledged this _____ day of _____

By _____, _____ on behalf of _____
(Name) (Title) (Company Name)

Notary Public, _____ County, MI

<u>1549 Mikesell</u>	<u>Investment</u>	<u>Activity</u>	<u>Start Date</u>	<u>End Date</u>
Plant 4				
Real	\$700,000	Facility upgrades	1/1/2023	7/1/2023
Real	\$400,000	Building Electrical Upgrades	3/1/2023	7/1/2023
Personal	\$830,000	Common Processes	12/1/2022	7/1/2023
Personal	\$1,440,000	EV Chassis Assembly	1/1/2023	6/1/2023
Real	\$2,645,000	Plant 4 Expansion	11/1/2022	8/1/2023
Real	\$75,000	Relocate Maintenance/Materials/QC Areas	4/1/2023	7/1/2023
Personal	\$1,420,000	EV Body Build/Assembly	1/1/2023	6/1/2023
	subtotal			
	\$7,510,000			

CITY OF CHARLOTTE RESOLUTION NO. 2022-33
A RESOLUTION APPROVING AN IFT APPLICATION FROM THE
SHYFT GROUP

Minutes of a regular meeting of the City Council of the City of Charlotte, held on Monday, December 5, 2022, at Charlotte City Hall, 111 E. Lawrence Avenue, Charlotte, Michigan at 7 p.m.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____
and supported by _____.

**Resolution Approving Application of The Shyft Group for Industrial Facilities
Exemption Certificate for a New Facility located at 1549 Mikesell St., Charlotte,
Michigan.**

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on Monday, November 28, 2022 this City Council resolution established Charlotte Industrial Development District No. 2022-1; and

WHEREAS, Shyft Group has filed an application for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed within the Charlotte Industrial Development District No. 2022-1; and

WHEREAS, before acting on said application, the City of Charlotte held a hearing on Monday, December 5, 2022, at Charlotte City Hall, 111 E. Lawrence Avenue, Charlotte, Michigan at 7 p.m., at which hearing the applicant, the Assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility and installation of new machinery and equipment had not begun earlier than six (6) months before October 21, 2022 the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Charlotte; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Charlotte after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Charlotte that:

1. The City Council of the City of Charlotte finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Charlotte, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Charlotte.

2. The application from Shyft Group for an Industrial Facilities Exemption Certificate, with respect to a New Facility on the following described parcel of real property situated within the Industrial Development District No. 2022-1 , to wit: S 1/2 OF S 1/2 OF W 1/2 OF E 1/2 OF NW 1/4. SEC.24, T2N,R5W, CITY OF CHARLOTTE 1988 be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force for a period of 12 years from the date of certification.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Charlotte, County of Eaton, Michigan at a regular meeting held on December 5, 2022.

Mary LaRocque

CONTRACT FOR TAX ABATEMENT

ACT 198 OF PUBLIC ACTS OF 1974

An AGREEMENT between CITY OF CHARLOTTE, a municipal corporation located at 111 E. Lawrence Avenue, Charlotte, Michigan 48813, ("City") and Shyft Group USA, located at 41280 Bridge St, Novi, MI 48375 ("Company"), is entered into as follows:

Recitals:

- A. The Company has applied to City for the issuance of an Industrial Facilities Exemption Certificate ("Certificate") pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended (the "Act"), which requires a contract between the City and the Company to be agreed and submitted with the Company's application for said Certificate.
- B. That in addition to statutory requirements, the City has determined that it is in the best interests of the taxpayers, property owners, and residents of the City that this Agreement be approved and executed prior to the issuance of the requested Certificate, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to issue the Certificate.
- C. The Company intends to install the project set forth in its Certificate application ("Project") at 1111 Mikesell St. (Plant 7) which it believes qualifies for the process of issuing the Certificate.
- D. The City, provided this Agreement is executed, will determine whether to issue the Certificate based upon the potential for the production of full-time jobs, the continuation or increase of economic activity, planning and zoning considerations, and the City's general plan and intentions regarding economic development.

NOW THEREFORE THE PARTIES AGREE:

1. COMPANY AGREEMENT

The Company irrevocably commits to the investment, job retention and/or job creation promises made in its application, a copy of which is attached hereto and incorporated herein (the "Application"). In particular the Company agrees:

That One Hundred Percent (100%) of the promised new jobs shall be in place with full-time employee by a date no later than two (2) years from the date of the granting of the Certificate by the Michigan State Tax Commission (the "Commission") (the "Achievement Date").

1.1 The Company, by the Achievement Date shall have completed the investment of \$2,000,000 in real property improvements and \$1,390,000 in machinery and equipment (industrial personal property) as shown in the Application. The parties acknowledge that industrial personal property is exempt from local taxation.

1.2 That the improvements and equipment to receive the tax abatement treatment shall be completed by the Achievement Date.

- 1.3 The Company shall pay its specific taxes required by the Act in a timely manner, and shall not delay payments so as to incur any penalties or interest.
- 1.4 The Company shall fully cooperate with the City and with the City's representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals, and the timely installation and utilization of the equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.
- 1.5 The Company shall maintain, from the Achievement Date through the entire period for which the tax abatement is granted (which date will be 12-years following the date of the Certificate, the "Term of the Abatement"), the level of jobs, production and utilization of the improvements and equipment at the site where the Certificate has been granted, except as provided in Section 4.
- 1.6 The Company shall comply with all environmental law and governmental orders on its premises in the City. It shall report any releases of hazardous substances to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City, to the extent required by applicable law.
- 1.7 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.
- 1.8 The Company shall comply with all zoning and building codes as well as other regulations or restrictions as approved by the Charlotte City Council.
- 1.9 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the Certificate, except as provided in Section 4.
- 1.10 The Company shall make any required site improvements identified by the City Council as set forth in the Investment Schedule attached to the Application, within the identified timeframe.

2. AGREEMENT BY THE CITY

Provided this contract has been executed and further provided all applications to create an Industrial Development District and issue the Certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to receive, process, and approve thereafter the Company's application for an Industrial Facilities Exemption Certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the issuance of the Certificate. The City shall require the submission of this contract signed by the Company together with its applications, before issuing the Certificate.

3. EVENTS OF DEFAULT

During the Term of the Abatement, the following actions or failures to comply shall be considered events of default by the Company:

- 3.1 Failure to meet any of the commitments set forth above.
- 3.2 The closing of the Company's facilities in the City. Closing shall mean, relocating the jobs and investment as described under the application to a community outside of the city or laying off all or substantially all of the jobs created by this improvement for greater than 30 consecutive days, or all or substantially all of the production that results from the improvement ceases at the Company's facility in Charlotte for greater than 30 consecutive days. Closing does not mean any matters related to force majeure.
- 3.3 Failure to afford to the City the documentation and reporting required.
- 3.4 The failure to create or retain jobs or expend the funds on equipment and improvements as represented in the Application within the times required hereby, unless Company asks for a reasonable extension and subsequent amendment to the application.
- 3.5 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal.
- 3.6 The performance or omission of any act which would lead to revocation under MCLA 207.565, being subsection 15 of the Act.
- 3.7 The violation of any provisions, promises, commitments, considerations, or covenants of this Agreement.

4. MITIGATION IN EVENT OF JOB LOSS

- 4.1 Commencing on year five (5) of the term of the Certificate, the Company shall provide an annual report as follows:
 - (a) A jobs report that includes the number of jobs created and retained, and current total employment at the facility in Charlotte.
 - (b) A vehicle or product production report related to the improvement for which the Certificate was obtained.
 - (c) A forecast for the coming two (2) years on both (a) and (b). This may include current customers and projections for future production.
 - (d) The information provided herein shall be considered proprietary and confidential, shall be limited to certain Public Officials who shall execute a Confidentiality Agreement as prepared by the Company, and the information shall be exempt from disclosures pursuant to the Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq.
- 4.2 If the Company so complies, any clawback for a closing of the facility, as defined herein before, shall be limited to five (5) years from the date of Certificate. Thereafter, so long as the default remains in place, the Certificate shall be revoked as provided in Section 5.1.2.

5. REMEDIES ON DEFAULT

In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

5.1 Except as provided in Section 4, in the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for clawback of all taxes to be paid forthwith to the City, determined as follows:

5.1.1 The Company shall pay to the City, for pro rata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the Industrial Facilities Tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations or improvements or equipment, during the years for which the Certificate was in effect.

In essence, the Company shall be liable to refund, in full, all abated taxes.

5.1.2 Immediate Revocation. The Company hereby consents to the revocation of the Certificate before the Commission, without hearing, and the City shall submit a copy of this Agreement to the Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

5.2 In the event the improvements and equipment have not been installed by the Achievement Date, in addition to the revocation procedures before the Commission, then the abatement shall immediately be reduced by the City proportionately, and any installations which have not been finished by the Achievement Date shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll. Provided, however, this shall not apply if the City and the Company have collectively agreed that conditions upon which the targeted investment and job creation have been delayed or reduced are acceptable.

5.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its Application that it would invest for the installation or equipment, the abatement shall be reduced pro rata, and any remaining value of equipment shall be placed on the regular tax roll.

5.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained by the Achievement Date, the abatement shall be reduced proportionately.

5.5 Special Assessment. For any amount due to be paid to the City, under this Section 5, the Company consents that the City shall have an action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the

collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

5.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statute, the City shall recommend to the Commission immediate revocation of the Certificate.

6. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the laws if the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

7. COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same Agreement.

8. BENEFIT

This Agreement shall be binding upon and insure to the benefit of the respective parties, their successors, and personal representatives.

9. EFFECTIVE DATE

This Agreement shall be effective on the date the Commission grants to the Company the Certificate.

City of Charlotte

By: _____
Michael Armitage, Mayor

And: _____
Mary LaRocque, Clerk

Company

By: Mike Vandieren _____

Its: Vice President _____

And: _____

Its: _____

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. If you have any questions regarding the completion of this form, call 517-335-7491.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date Received by Local Unit

STC Use Only	
▶ Application Number	▶ Date Received by STC

APPLICANT INFORMATION

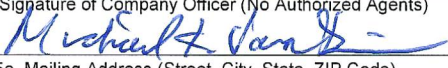
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) Shyft Group USA		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3361	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 11111 Mikesell Charlotte 48813		▶ 1d. City/Township/Village (indicate which) Charlotte	▶ 1e. County Eaton
▶ 2. Type of Approval Requested ☒ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment		▶ 3a. School District where facility is located Charlotte ▶ 3b. School Code 23030	
5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed. Shyft Group USA, will make a number of improvements to the Charlotte Campus and various upgrades and expansions to support the new Blue Arv EV Chassis Program. 11111 Mikesell or Plant 7 will receive paint and roof upgrades. A full listing of improvements at the facility is attached.		4. Amount of years requested for exemption (1-12 Years) 12	
6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.		▶ 2,000,000 Real Property Costs	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total		▶ 1,390,000 Personal Property Costs	
6c. Total Project Costs * Round Costs to Nearest Dollar		▶ 3,390,000 Total of Real & Personal Costs	
7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.			
Real Property Improvements ▶ <u>Begin Date (M/D/Y)</u> 11/15/2022 <u>End Date (M/D/Y)</u> 06/01/2022 ▶ ☒ Owned ☐ Leased			
Personal Property Improvements ▶ 01/01/2022 08/01/2023 ▶ ☒ Owned ☐ Leased			
▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☒ Yes ☐ No			
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. 348		▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 640	
11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation. a. TV of Real Property (excluding land) b. TV of Personal Property (excluding inventory) c. Total TV			
▶ 12a. Check the type of District the facility is located in: ☒ Industrial Development District ☐ Plant Rehabilitation District			
▶ 12b. Date district was established by local government unit (contact local unit)		▶ 12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No	

APPLICANT CERTIFICATION - complete all boxes.

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

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

13a. Preparer Name Luke Bonner	13b. Telephone Number (734) 846-9746	13c. Fax Number	13d. E-mail Address Luke.Bonner@BonnerAG.
14a. Name of Contact Person Same As Above	14b. Telephone Number (734) 846-9746	14c. Fax Number	14d. E-mail Address Luke.Bonner@BonnerAG.
▶ 15a. Name of Company Officer (No Authorized Agents) Mike Vandieren - Mike.Vandieren@shyftgroup.com			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 10/25/2022
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 41280 Bridge St, Novi, MI 48375		15f. Telephone Number (248) 320-2059	15g. E-mail Address Mike.Vandieren@shyftgrou

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

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

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

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

For faster service, email the completed application and additional required documentation to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

IFEC Application Affidavit of Fees

APPLICANT NAME: Shyft Group USA

PROPERTY ADDRESS: 41280 Bridge St, Novi, MI 48375

CERTIFICATION

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Charlotte and the applicant referenced above do hereby swear and affirm that this applicant has not made, or promised to make payment of any kind to the City of Charlotte as a condition to the approval of this Application for an Industrial Facilities Tax Exemption (IFT) Certificate. Whether payments be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198, as amended. We do hereby swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of this Application for an IFEC."

IFT APPLICANT

PRINT NAME: Mike Vandieren – Shyft Group USA

TITLE: Vice President of Corporate and Business Development

SIGNATURE: Michael T. Vanden

DATE: 10/21/2022

The forgoing certification was acknowledged this 21st day of October 2022

By Michael Vandieren, VP of Corporate and Business Development on behalf of Shyft Group USA
(Name) (Title) (Company Name)

Jennifer Amelia Nickerson
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF WAYNE
My Commission Expires 03/21/2029
CITY OF CHARLOTTE, Oakland

Jennifer Amelia Nickerson
Notary Public, Wayne County, MI

PRINT NAME: Mary LaRocque

TITLE: City Clerk

SIGNATURE: _____

DATE: _____

The forgoing certification was acknowledged this _____ day of _____

By _____, _____ on behalf of _____
(Name) (Title) (Company Name)

Notary Public, _____ County, MI

Shyft Group Charlotte Campus EV Investment (Blue Arc EV Delivery Vehicle & Isuzu)

<u>11111 Mikesell</u>	<u>Investment</u>	<u>Activity</u>	<u>Start Date</u>	<u>End Date</u>
Plant 7				
Real	\$500,000	Paint, Decal, Options, etc.	1/1/2023	6/1/2023
Personal	\$140,000	Subassembly build	1/1/2023	6/1/2023
Real	\$1,500,000	Roof upgrade	11/15/2022	12/31/2022
Personal	\$1,250,000	DVT (dyno) system	6/1/2023	8/1/2023
	subtotal			
	\$3,390,000			

CITY OF CHARLOTTE RESOLUTION NO. 2022-34
A RESOLUTION APPROVING AN IFT APPLICATION FROM THE
SHYFT GROUP

Minutes of a regular meeting of the City Council of the City of Charlotte, held on Monday, December 5, 2022, at Charlotte City Hall, 111 E. Lawrence Avenue, Charlotte, Michigan at 7 p.m.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____
and supported by _____.

**Resolution Approving Application of The Shyft Group for Industrial Facilities
Exemption Certificate for a New Facility located at 1111 Mikesell St., Charlotte,
Michigan.**

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on Monday, November 28, 2022 this City Council resolution established Charlotte Industrial Development District No. 2022-1; and

WHEREAS, Shyft Group has filed an application for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired and installed within the Charlotte Industrial Development District No. 2022-1; and

WHEREAS, before acting on said application, the City of Charlotte held a hearing on Monday, December 5, 2022, at Charlotte City Hall, 111 E. Lawrence Avenue, Charlotte, Michigan at 7 p.m., at which hearing the applicant, the Assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility and installation of new machinery and equipment had not begun earlier than six (6) months before October 21, 2022 the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Charlotte; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Charlotte after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Charlotte that:

1. The City Council of the City of Charlotte finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Charlotte, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Charlotte.

2. The application from Shyft Group for an Industrial Facilities Exemption Certificate, with respect to a New Facility on the following described parcel of real property situated within the Industrial Development District No. 2022-1 , to wit: N 1/2 OF S 1/2 OF W 1/2 OF E 1/2 OF NW 1/4, EXCEPT EASEMENT OVER W 33 FEET FOR STREET. SEC.24 T2N,R5W, CITY OF CHARLOTTE be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force for a period of 12 years from the date of certification.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Charlotte, County of Eaton, Michigan at a regular meeting held on December 5, 2022.

Clerk's Signature



December 1, 2022

Ms. Amy Gilson, P.E. Director of Public Works
City of Charlotte
111 E. Lawrence Avenue
Charlotte, MI 48813

RE: Safe Routes to School (SRTS)
Professional Engineering Services – Traffic Study Contract Amendment Request

Dear Ms. Gilson:

We are submitting this letter as a request to our contract for professional engineering services for the city's Safe Routes to School project (MDOT JN 212642). As you are aware, the City of Charlotte in conjunction with the Charlotte Public Schools submitted a Safe Routes to School grant to Michigan Department of Transportation (MDOT). Part of the grant agreement with MDOT allowed for the design and construction of a crosswalk and rectangular rapid flashing beacon (RRFB) traffic signal at Shepherd Street (M-50) and St. Mary's Boulevard. Our current contract included design services for the crosswalk and RRFB. MDOT requires a traffic study to warrant the installation of any new traffic signal within their right-of-way. Since the grant application was approved by MDOT, we understood that the signal warrant was approved prior to acceptance of our contract for engineering services.

At the Grade Inspection (GI) meeting, MDOT requested a traffic study and signal warrant be submitted for said crossing. In the best interest of the city to not delay the project schedule, ROWE proceeded with completion of the traffic study and signal warrant submittal to MDOT.

We are requesting an amendment to our current design services contract amount to cover the traffic study and signal warrant. This will result in an increase to our current contract in the amount of **\$3,500**. With your approval, our current Design/Bidding Phase budget of **\$186,500** will be revised to **\$190,000**.

We appreciate the opportunity to provide continued engineering services to the City of Charlotte for your infrastructure improvement projects. Our standard terms and conditions from our contract dated January 11, 2021, remain unchanged. If you have any question or concerns, please contact me at (810) 341-7500.

Sincerely,
ROWE Professional Services Company

Sean N. Beckman, P.E.
Project Manager

R:\Projects\21W0004\Docs\Proposal and Contract\21W0004 Charlotte SRTS-Change Order Request #1.docx

Kentwood, MI: 4345 44th Street SE, Suite A, 49512 | Phone: (616) 272-7125

Civil Engineering | Surveying | Landscape Architecture | Aerial Imagery/Mapping | Planning

Flint, MI (HQ) | Lapeer, MI | Farmington Hills, MI | Kentwood, MI | Mt. Pleasant, MI | Grayling, MI | Myrtle Beach, SC | www.rowepsc.com



Memo

To: Honorable Mayor Armitage; City Council
From: Manager LaPere, MPAP
Date: December 2, 2022
Re: SRTS – Traffic Study Contract Amendment Request

Background

As Council is aware, the City and Charlotte Public Schools have been working on a project to enhance safety and walkability to the schools through a grant from the Safe Routes to Schools program. The City was awarded grant funding of \$1.8mill to complete this project and we have contracted with Rowe PSC to conduct the engineering work.

As detailed in the attached correspondence, we did not include a traffic study and signal warrant in the original project estimate; however, MDOT has requested that work be completed for this project. Accordingly, Rowe PSC is seeking to amend the contract to cover the additional costs associated with completing that work.

Suggested Motion

City Council approves the contract amendment of \$3,500 for the total design/bidding engineering costs to be \$190,000
eel

attachment



Memo

Date: December 2, 2022
To: Honorable Mayor Armitage; City Council
From: Erin LaPere, City Manager
Re: Purchase of Hurst Extrication Tool

Background

On the agenda for Council's approval is a request for purchase of an extrication tool for the Fire Department. This is a request for sole-source vendor purchase, utilizing the Michigan Community Enhancement Grant funding that was received, we have approximately \$400k available from that grant after the purchase of the two, mini-pumper style fire trucks. Council may recall the city recently purchased a replacement extrication tool utilizing grant funding by the same manufacturer to replace significantly aged equipment. This tool is part of the recommended outfitting to ensure both vehicles have the same life-saving equipment on-hand should the Department respond when someone is trapped in a vehicle.

This tool is a combination, meaning that it has the ability to spread or pinch things together, as well as a cutting ability. In lieu of expending the funds necessary to purchase a complete set of rescue tools, this tool is ideal for our situation. The quoted price of \$13,000.00 is for a NEW, older model tool, but has the same frame and battery that our current tools use. Apollo Fire Company is the local dealer for Hurst products and we were giving a discounted price for this unit, as well as have delivery of the unit within 2 weeks.

The stabilization plate, \$1,141.00, is an added piece of equipment to assist with the lifting of a vehicle or object. A couple weeks ago, the department used our current tool to lift a car off of a person and struggled. We almost had the tool tip over, which would have dropped the car back on the person before we were able to remove them. This plate helps in these situations and a picture is attached of the plate being used. We have also included the quote and other material about this extrication tool for Council's review.

Suggested Motion

City Council approves the purchase of the Hurst Extrication Tool with stability plate from Apollo Fire Company in the amount of \$14,141.00 with cost to be reimbursed from funds received through the Michigan Enhancement Grant.

eel

attachments



DATE:	November 29, 2022
TERMS:	Net 30
F.O.B.:	Delivered
VALID FOR:	2 weeks
LEAD TIME:	Tool: 2 weeks Plate: 6 weeks

BILL TO:	Charlotte Fire Department
ADDRESS:	111 E. Lawrence, Charlotte, MI 48813
ATTN:	Chris Sloan

SHIP TO:	Same
ADDRESS:	
ATTN:	

QTY	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL
1	273249000-9	Hurst Edraulic SC758EWXT Combination Tool Package (includes SC758EWXT Combination Tool, two 9Ah Batteries, Battery Charger)	\$13,000.00	\$13,000.00
		List price is \$16,398.		
1	101C085	Hurst Spreader Stability Plate Kit. List price is \$1,268	\$1,141.00	\$1,141.00
		*Delivery included.		
		**Inservice training provided upon delivery at no extra charge.		
		***Savings off list price is \$3,525.		
			SUBTOTAL	\$14,141.00
Thank you for the opportunity to quote on your Fire Department needs.			SHIPPING	Included
			TAX	
			OTHER	
			TOTAL	\$14,141.00

Carl Hein, Sales Representative
Cell: (734) 765-0135
carlhein104@gmail.com



COMBI TOOLS

SAVE LIVES QUICKLY, AND WHEREVER YOU'RE NEEDED

First responders need to be ready for everything. This tool can help them accomplish that. It spreads, it cuts, it doesn't need hoses or power units, and it even works submerged in water.

Features and Benefits:

- Watertight, allows you to operate the tool submerged in fresh water
- Brushless DC electrical motor runs more efficiently with higher performance for a longer battery life
- Two LED lights illuminate the front of the tool
- Large waterproof 9Ah battery with IP68 protection class
- Ergonomically designed star-grip permits tool actuation from almost any gripping position
- 4-stage heat treated shock resistance blades
- Removable Shark tooth tips with self-retaining pin (SC 358/758 EWXT only)
- Removable tips to allow for deeper cuts when needed (SC 358/758 EWXT only)
- One piece body construction
- Accessories such as pulling chains and stability plate attach through tip pin hole for quick deployment
- Great for forcible entry and RIT as well as standard extrication needs

COMBI TOOLS



SC 258 EWXT

273228000-1 (Tool Only)
273228000-5 (includes tool, (2) 5Ah batteries and (1) charger)
273228000-9 (includes tool, (2) 9Ah batteries and (1) charger)



SC 358 EWXT

273223000-1 (Tool Only)
273223000-5 (includes tool, (2) 5Ah batteries and (1) charger)
273223000-9 (includes tool, (2) 9Ah batteries and (1) charger)



SC 758 EWXT

273249000-1 (Tool Only)
273249000-5 (includes tool, (2) 5Ah batteries and (1) charger)
273249000-9 (includes tool, (2) 9Ah batteries and (1) charger)

TECHNICAL SPECIFICATIONS

- Length (w/o battery): 31.2 in / 792 mm
- Width: 8.27 in / 210 mm
- Height (w/o battery): 9.96 in / 253 mm
- Weight (w/o battery): 31.7 lbs / 14.4 kg
- Spreading Distance: 12.6 in / 321 mm
- Maximum Spreading Force: 157,000 Lbf / 700 kN
- Maximum Pulling Force: 7,640 Lbf / 34 kN
- Cutter Opening: 9.2 in / 233 mm
- NFPA Cutter Rating: A6/B6/C6/D7/E7/F4
- NFPA HSF: 6,500 Lbf / 29 kN
- NFPA LSF: 5,400 Lbf / 24 kN
- NFPA HPF: 8,320 Lbf / 37 kN
- NFPA LPF: 6,300 Lbf / 28 kN
- NFPA 1936 2020 Compliant: Yes
- Tool IP Rating: IP58
- Battery IP Rating: IP68

TECHNICAL SPECIFICATIONS

- Length (w/o battery): 34.5 in / 876 mm
- Width: 9.25 in / 235 mm
- Height (w/o battery): 9.96 in / 253 mm
- Weight (w/o battery): 40.6 lbs / 18.4 kg
- Spreading Distance: 14.5 in / 368 mm
- Maximum Spreading Force: 337,230 Lbf / 1500 kN
- Maximum Pulling Force: 13,714 Lbf / 61 kN
- Cutter Opening: 12.2 in / 309 mm
- NFPA Cutter Rating: A7/B8/C7/D8/E7/F4
- NFPA HSF: 6,667 Lbf / 43 kN
- NFPA LSF: 7,419 Lbf / 33 kN
- NFPA HPF: 13,940 Lbf / 62 kN
- NFPA LPF: 9,667 Lbf / 43 kN
- NFPA 1936 2020 Compliant: Yes
- Tool IP Rating: IP58
- Battery IP Rating: IP68

TECHNICAL SPECIFICATIONS

- Length (w/o battery): 38.6 in / 950 mm
- Width: 10.5 in / 266 mm
- Height (w/o battery): 9.96 in / 253 mm
- Weight (w/o battery): 52.9 lbs / 24 kg
- Spreading Distance: 18.7 in / 475 mm
- Maximum Spreading Force: 337,213 Lbf / 1500 kN
- Maximum Pulling Force: 21,132 Lbf / 94 kN
- Cutter Opening: 15.7 in / 400 mm
- NFPA Cutter Rating: A8/B9/C9/D9/E9/F5
- NFPA HSF: 11,016 Lbf / 49 kN
- NFPA LSF: 8,543 Lbf / 38 kN
- NFPA HPF: 15,512 Lbf / 69 kN
- NFPA LPF: 11,690 Lbf / 52 kN
- NFPA 1936 2020 Compliant: Yes
- Tool IP Rating: IP58
- Battery IP Rating: IP68





Memo

To: Honorable Mayor Armitage; City Council
From: Manager LaPere, MPAP
Date: December 2, 2022
Re: Michigan Mutual Aid Box Alarm System Association Agreement

Background

The Fire Department has recommended we adopt the attached Agreement to participate in the Michigan Mutual Aid Box Alarm System (MABAS). This agreement would mean the Charlotte Fire Department is part of the Eaton County MABAS Division, further it extends to any participating agency in Michigan and throughout the nation. All other departments in Eaton County, except Vermontville, are in process or already part of the Eaton County MABAS division.

This Agreement would serve to formalize the mutual aid that we already perform for and with our neighboring Fire Departments and would provide for aid to CFD should a significant catastrophe strike such that necessitates additional assistance. The Agreement itself is a standard Agreement used for all MABAS participation across the State. The requirements for insurance are below the city's current policy levels.

A copy of the Agreement is attached for Council's review.

Recommendation

I recommend City Council adopt the Michigan Mutual Aid Box Alarm System Association Agreement and authorize the City Manager to execute the Agreement on behalf of the City.

Financial Impacts

There is no direct cost to participate in this program. There may be costs to associated with providing mutual aid, however the CFD already does so and this would not change any current practice; furthermore, the City will benefit when mutual aid is received through this program.

Suggested Motion

City Council moves to adopt the Michigan Mutual Aid Box Alarm System Association Agreement and authorizes the City Manager to execute the Agreement on behalf of the City.

eel

attachment

**AMENDED MICHIGAN MUTUAL AID BOX ALARM SYSTEM ASSOCIATION
AGREEMENT****Effective Date:** _____**BETWEEN****PARTICIPATING POLITICAL SUBDIVISIONS AS SIGNATORIES
TO THIS INTERLOCAL AGREEMENT**

This Agreement is entered into between the participating units of local government "Parties" that execute this Agreement and adopt its terms and conditions as provided by law. This Agreement supersedes any and all prior Agreements and amendments to the Michigan Mutual Aid Box Alarm System Association Agreement.

WHEREAS, the Constitution of the State of Michigan, 1963, Article VII, Section 28, authorizes units of local government to contract as provided by law; and,

WHEREAS, the Urban Cooperation Act, of 1967, 1967 PA 7, MCL 124.501, et seq., provides that any political subdivision of Michigan or of another state may enter into interlocal agreements for joint exercise of power, privilege, or authority that agencies share in common and might each exercise separately; and,

WHEREAS, the Parties have determined that it is in their best interests to enter into this Agreement to secure to each the benefits of mutual aid in fire protection, suppression, rescue and emergency medical assistance, hazardous materials control, technical rescue and/or other emergency support for an Emergency, Disaster, or other Serious Threat to Public Health and Safety; and,

WHEREAS, the Parties have determined that it is in their best interests to form an association to provide for communications procedures, training, and other functions to further the provision of said protection of life and property during an Emergency, Disaster, or other Serious Threat to Public Health and Safety; and

WHEREAS, the Constitution and people of the State of Michigan have long recognized the value of cooperation by and among the state and its political subdivisions;

NOW, THEREFORE, the Parties agree as follows:

SECTION ONE

Purpose

It is recognized and acknowledged that in certain situations, such as natural disasters and man-made catastrophes, no political subdivision possesses all the necessary resources to cope with every possible Emergency, Disaster or Serious Threat to Public Safety, and an effective, efficient response can be best achieved by leveraging collective resources from other political subdivisions. Further, it is acknowledged that coordination of mutual aid through the Michigan Mutual Aid Box Alarm System Association (MI-MABAS) is most effective for best practices and efficient provision of mutual aid.

SECTION TWO

Definitions

The Parties agree that the following words and expressions, as used in this Agreement, whenever initially capitalized, whether used in the singular or plural, possessive or non-possessive, either within or without quotation marks, shall be defined and interpreted as follows:

- A. "Agreement" means the MI-MABAS Agreement.
- B. "Michigan Mutual Aid Box Alarm System" ("MABAS") means a definite and prearranged plan whereby response and assistance is provided to a Requesting Party by an Assisting Party in accordance with the system established and maintained by MI-MABAS Members;
- C. "Party" means a political subdivision which has entered into this Agreement as a signatory;
- D. "Requesting Party" means any Party requesting assistance under this agreement;
- E. "Assisting Party" means any Party furnishing equipment, personnel, and/or services to a Requesting Party under this agreement;
- F. "Emergency" means an occurrence or condition in a Party's jurisdiction which results in a situation of such magnitude and/or consequence that it cannot be adequately handled by the Requesting Party and such that a Requesting Party determines the necessity of requesting aid;
- G. "Disaster" means an occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from a natural or

human-made cause, including fire, flood, snowstorm, ice storm, tornado, windstorm, wave action, oil spill, water contamination, utility failure, hazardous peacetime radiological incident, major transportation accident, hazardous materials incident, epidemic, air contamination, or similar occurrences resulting from terrorist activities, riots, or civil disorders;

- H. “Serious Threats to Public Health and Safety” means other threats or incidents such as those described as Disasters, of sufficient magnitude that the necessary public safety response threatens to overwhelm local resources and requires mutual aid or other assistance;
- I. “Division” means the geographically associated Parties which have been grouped for operational efficiency and representation of those Parties;
- J. “Training” means the regular scheduled practice of emergency procedures during non-emergency drills to implement the necessary joint operations of MI-MABAS;
- K. “Executive Board” means the governing body of MI-MABAS composed of Division representatives.
- L. “Effective Date” means the date on which the Agreement is first filed with the Department of State, the Office of the Great Seal, and each county where Parties are located.
- M. “Special Operations Teams” means MI-MABAS recognized teams of personnel with the requisite training and skill for Hazardous Materials Response, Technical Rescue Response (including Strike Teams and Michigan Task Force 1) and Incident Management Teams.

SECTION THREE

Establishment of the Association, the Divisions and Executive Board of MI-MABAS

A. Establishment of the Association

1. The Parties intend and agree that MI-MABAS is established as separate legal entity and public body corporate pursuant to the Michigan Urban Cooperation Act of 1967, 1967 PA, MCL 124.505(c) and this Agreement.
2. Name of MI-MABAS. The formal name of the Association is "Michigan Mutual Aid Box Alarm System Association".
3. Federal Tax Status. The Parties intend that MI-MABAS and all Divisions shall be exempt from federal income tax under Section 115(1) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any future tax code
4. State and Local Tax Status. The parties intend that the MI-MABAS and all Divisions shall be exempt from all State and local taxation including, but not limited to, sales, use, income, single business, and property taxes under the applicable provisions of the laws of the State.
5. Title to MI-MABAS Property. All property is owned by MI-MABAS as a separate legal entity. MI-MABAS may hold any of its property in its own name or in the name of one (1) or more of the Parties or Divisions, as determined by the Parties.
6. Principal Office. The principal office of the Association ("Principal Office") shall be at such locations determined by the MI-MABAS Executive Board.

B. Establishment of the Executive Board.

An Executive Board shall be established to consider, adopt, and amend needed rules, procedures, by-laws and any other matters deemed necessary by the Parties. The Executive Board shall consist of a member elected from each Division of MI-MABAS who shall serve as the voting representative of said Division of MI-MABAS matters, and may appoint a designee from his or her Division to serve temporarily in his or her stead. Such designee shall have all rights and privileges attendant to a representative of the Division. A President and Vice President shall be elected from the representatives of the Parties and shall serve without compensation. The President and other officers shall coordinate the activities of the MI-MABAS Association.

SECTION FOUR**Duties of the Executive Board**

The Executive Board shall meet regularly to conduct business and to consider and publish the rules, procedures, and bylaws of the MI-MABAS Association, which shall govern the Executive Board meetings and such other relevant matters as the Executive Board shall deem necessary.

SECTION FIVE**Rules and Procedures**

Rules, procedures, and by laws of the MI-MABAS Association shall be established by the Member Units via the Executive Board as deemed necessary for the

purpose of administrative functions, the exchange of information, and the common welfare of the MI-MABAS.

SECTION SIX

Authority and Action to Effect Mutual Aid

- A. The Parties hereby authorize and direct their respective Fire Chief or his or her designee to take necessary and proper action to render and/or request mutual aid from the other Parties in accordance with the policies and procedure established and maintained by the MI-MABAS Association.
- B. Upon a Fire Department's receipt of a request from another Party for Fire Services, the Fire Chief, the ranking officer on duty, or other officer as designated by the Fire Chief shall have the right to commit the requested Firefighters, other personnel, and Fire Apparatus to the assistance of the requesting Party. The aid rendered shall be to the extent of available personnel and equipment not required for adequate protection of the territorial limits of the Responding Party. The judgment of the Fire Chief, or his or her designee, of the Responding Party shall be final as to the personnel and equipment available to render aid.
- C. An authorized representative of the Party which has withheld or refused to provide requested assistance under this Agreement shall immediately notify the Requesting Party, and shall submit an explanation for the refusal.

SECTION SEVEN

Jurisdiction Over Personnel and Equipment

Personnel dispatched to aid a party pursuant to this Agreement shall at all times remain employees of the Assisting Party, and are entitled to receive benefits and/or compensation to which they are otherwise entitled to under the Michigan Workers' Disability Compensation Act of 1969, any pension law, or any act of Congress.

Personnel dispatched intrastate to assist a party pursuant to this Agreement continue to enjoy all powers, duties, rights, privileges, and immunities as provided by Michigan Law. When Parties are dispatched pursuant to the Emergency Management Assistance Compact (EMAC), the Parties shall adhere to all provisions of the EMAC. Personnel rendering aid shall report for direction and assignment at the scene of the emergency to the Incident Commander of the Requesting Party.

SECTION EIGHT

Compensation for Aid

Equipment, personnel, and/or services provided pursuant to this Agreement, absent a state or federal declaration of emergency or disaster, excluding resources for Special Operations Teams, shall be at no charge to the Requesting Party for the first eight hours. Any expenses recoverable from third parties shall be equitably distributed among Responding Parties. Requests for a response from any MI-MABAS Special Operations Team may require full and complete reimbursement to the responding Team for all expenses, including but not limited to, expenses for equipment, personnel, management and administration and all other services provided at an incident. The

Executive Board shall adopt fee schedules that establish rates for Special Operations Team responses. Nothing herein shall operate to bar any recovery of funds from any state or federal agency under any existing statutes. The Parties reserve the right to waive any charges to a Requesting Party.

SECTION NINE

Insurance

Each Party shall procure and maintain, at its sole and exclusive expense, insurance coverage, including comprehensive liability, personal injury, property damage, worker's compensation, and, if applicable, emergency medical service professional liability, with minimum limits of \$1,000,000 auto and \$1,000,000 combined single limit general liability and professional liability. The obligations of the Section may be satisfied by a Party's membership in a self-insurance pool, a self-insurance plan, or arrangement with an insurance provider approved by the state of jurisdiction. The Executive Board may require that copies or other evidence of compliance with the provisions of this Section be provided by the Parties to the Executive Board.

SECTION TEN

Liability

Each Party will be solely responsible for the acts of its own employees, agents, and subcontractors, the costs associated with those acts, and the defense of those acts. The Parties shall not be responsible for any liability or costs associated with those acts and the defense of those acts for Parties outside of their political jurisdictions. It is agreed that none of the Parties shall be liable for failure to respond for any reason to

Any request for Fire Services or for leaving the scene of an Incident with proper notice after responding to a request for service.

SECTION ELEVEN

No Waiver of Governmental Immunity

All of the privileges and immunities from liability, and exemptions from laws, ordinances and rules, and all pensions, relief, disability, worker's compensation and other benefits which apply to the activity of Parties, officers, agency, or employees of any public agents or employees of any public agency when performing their respective functions within the territorial limits for their respective agencies, shall apply to the same degree and extent to the performance of such functions and duties of such Parties, officers, agents, or employees extraterritorially under the provision of this Agreement. No provision of the Agreement is intended, nor shall any provision of this Agreement be construed, as a waiver by any Party of any governmental immunity as provided by the Act or otherwise under law.

SECTION TWELVE

Term

- A. The existence of MI-MABAS commences on the Effective Date and continues until terminated in accordance with this Section.
- B. Any Party may withdraw, at any time, from this Agreement for any reason, or for no reason at all, upon thirty (30) days written notice to the Association. The withdrawal of any Party shall not terminate or have any effect upon the provisions of this Agreement so long as the MI-MABAS remains composed of at least two

- (2) Parties. Parties withdrawing from MI-MABAS and subsequently requesting a mutual aid resource from a MI-MABAS member may be subject to reasonable fees for that resource according to the fee schedule established, and periodically reviewed and updated, by the Executive Board.
- C. This Agreement shall continue until terminated by the first to occur of the following:
- (i) The Association consists of less than two (2) Parties; or,
 - (ii) A unanimous vote of termination by the total membership of the Executive Board.

SECTION THIRTEEN

Miscellaneous

- A. Entire Agreement. This Agreement sets forth the entire agreement between the Parties. The language of this Agreement shall be construed as a whole according to its fair meaning and not construed strictly for or against any party. The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement.
- B. Severability of Provisions. If a Court of competent jurisdiction finds any provision of this Agreement invalid or unenforceable, then that provision shall be deemed severed from this Agreement. The remainder of this Agreement shall remain in full force.
- C. Governing Law/Consent to Jurisdiction and Venue. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed under the laws of the State of Michigan.

- D. Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and are not to be interpreted as part of this Agreement.
- E. Terminology. All terms and words used in this Agreement, regardless of the numbers or gender in which they are used, are deemed to include any other number and any other gender as the context may require.
- F. Recitals. The Recitals shall be considered an integral part of this Agreement.
- G. Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement and approval of the governing bodies of all Parties. Amendments to this Agreement shall be filed with the Department of State, the Office of the Great Seal, each county of the State where a Party is located, and any other governmental agency, office, and official required by law. The undersigned unit of local government or public agency hereby adopts, subscribes, and approves this Agreement to which this signature page will be attached, and agrees to be a party and be bound by the terms.
- H. Compliance with Law. The Association shall comply with all federal and State laws, rules, regulations, and orders applicable to this Agreement.
- I. No Third Party Beneficiaries. Except as expressly provided herein, this Agreement does not create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right of indemnification (i.e., contractual, legal, equitable, or by implication) right of subrogation as to any Party's rights in this Agreement, or any other right of any kind in favor of any individual or legal entity.
- J. Counterpart Signatures. This Agreement may be signed in counterpart. The counterparts taken together shall constitute one (1) agreement.

- K. Permits and Licenses. Each Party shall be responsible for obtaining and maintaining, throughout the term of this Agreement, all licenses, permits, certificates, and governmental authorizations for its employees and/or agents necessary to perform all its obligations under this Agreement. Upon request, a Party shall furnish copies of any permit, license, certificate or governmental authorization to the requesting party.
- L. No Implied Waiver. Absent a written waiver, no fact, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.
- M. Notices. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first class U.S. mail postage prepaid to the person appointed to the governing board by the governing body of the participating agency.

Political Entity

Chief Executive Official

Date

MEMORANDUM

TO: Charlotte City Council

FROM: Thomas M. Hitch, City Attorney

RE: CITY ATTORNEY REPORT

DATE: November 30, 2022

The following is my report to the City Council on issues in which our office has been engaged since the last Council meeting:

1. Shyft Group - Industrial Facilities Exemption Certificate. I have been working with the City staff as it relates to preparing an agreement between the Shyft Group and the City. In order to be eligible for an Industrial Facilities Exemption Certificate, the City and Shyft Group must enter into a contract. This is required by MCL 207.572. The statute provides for no required minimum conditions or specific clauses that must be included in the contract. This statute was an amendment to an initial Industrial Facilities Tax Act that gave the municipality a remedy, should the holder of the certificate fail to continue operation of the facility for the total term of the tax exemption.

The City has used for many years this template for the contract which is fine-tuned for each project. In this case, representatives of the Shyft Group and the City staff have come to an agreement on these terms, subject to approval by City Council, which in my opinion, fairly protects the City should Shyft Group fail to continue production within the City during the 12-year tax reduction time period.

The key provisions relative to the protection of the City relate to the events of default and the mitigation of the "clawback" contained in the contract. If the Shyft Group closes within five years, all of the abated taxes will be returned to the City. If it complies with the reporting conditions throughout the contract, and it closes after five years, but before the expiration of the 12-year time period, the clawback would be limited to those five years. If Shyft Group fails to meet the City's reporting requirements, and the facility closes, the clawback of the unpaid taxes would be for the full time period in which the tax reduction was in effect.

As I have indicated, this is the template that has been used by the City for a very long time and I am very comfortable with its terms as they have been modified to apply to the Shyft Group.

It is my opinion that this is a binding contract, upon due execution, and meets the requirements of MCL 207.572 of the Industrial Facilities Tax Act.

2. Rental License Enforcement. As indicated previously, a number of tickets have been issued and the next batch will go out in the next week or so. The City Manager and I will keep the Council apprised.

3. Bruch v Charlotte, Small Claims Tax Appeal. As the Council is aware, Mr. Bruch has filed a tax appeal in the Small Claims Division of the Michigan Tax Tribunal, challenging his assessment for the funding of the Fire Department. The tax tribunal has set a hearing on January 17, 2023, to hear the matter.

I have conferred with the City Manager and the City Assessor and I will be preparing a Motion to Dismiss the appeal. There are no facts in dispute and the question is whether the City has validly instituted the Special Assessment, for which I believe there is no dispute. I will be filing this within the next week or so.

4. Conversations with the City Manager. From time to time, I continue to have conversations with the City Manager regarding a variety of City matters.

TMH:cf



Manager's Report December 5th Council Meeting

December Communications

Interested persons will find valuable information about recent City Council actions, city-wide events, and city services, including the form for emailed utility bills in the December Charlotte Chronicles! Check it out online here: <http://www.charlottemi.org/.../2022/12/December-2022.pdf>. The December City Beat is also available here: <http://www.charlottemi.org/.../City-Beat-2022-December.pdf>

Prior versions of both are available online here: <https://www.charlottemi.org/about/city-beat/> and here: <https://www.charlottemi.org/charlotte-chronicles/>

Code Enforcement Activity – November 2022 and YTD

There were 10 new code violations found in November, and the Code Enforcement officer is also working on approximately 60 total open code violations that are in various stages of enforcement and working towards compliance. Since January 1, we have issued notices of code violations to 221 property owners, which means we've reached compliance in ~73% of the time through making contact to inform/notices alone.

City Projects Update

The City Hall Roofing project is reaching completion. They were conducting final inspection/punch list review this week.

The City has completed the boiler project and heating is vastly improved in City Hall. We received final inspection approval from the State Inspector to close out the project.

The City has switched to a new credit card and online payment processing vendor effective Nov 30th. Payers will now be able to see their payments applied in real-time to tax and utility bills. We will also be able to process online payments for certain invoices, zoning permits, citations, and parking permits. In addition to the service benefits for residents and end users, the new system will improve staff efficiencies and reduce potential errors as the processing integrates with our billing system so we are no longer required to manually enter payments made online.

Email Utility Billing Feature Now Available

Interested persons can now sign up for emailed billing of their quarterly utility bill. Please complete the form on the backside of your utility bill and return it to City Hall, in-person or drop-box, or you can sign up online at www.charlottemi.org/email-utility-bill-form/ Any person

with questions or who needs to update their utility billing account, please contact UB Clerk Mikayla by phone at 517-543-8841 or email mdensmore@charlottemi.org. General information about utility billing can be found on the city's website here:

<http://www.charlottemi.org/serviceadministration/finance/utility-information/> and you can check your utility billing information anytime online here: www.bsaonline.com

RAVE Alerts

The City participates in RAVE Alerts which provides alert notifications to participants via voice, email, text, and posts to social media. We have expanded the service options to include targeted text and email messaging for quarterly utility billing. We will send out a notice to registered users when we send out the bills for their cycle area. This alert will notify them the bill has been mailed and provide other billing related information. If you're already registered for alerts, make sure your address information is up-to-date. There are several ways to register: Text CHARLOTTE to 67283; Download the Smart911 app; or Register for a free and secure safety profile online at Smart911.com.

Volunteer Opportunities

The City has open opportunities for citizens to participate in their local government. We are seeking volunteers to serve on the Camp Frances Board and the Board of Review. Want to know more? Visit our website for more information on the Board of Review here:

<https://www.charlottemi.org/councilboards/board-of-review/> and Camp Frances here:

<https://www.charlottemi.org/councilboards/camp-frances-board-of-directors/>

Interested persons can fill out an application to serve here:

<https://www.charlottemi.org/councilboards/boards-commissions/board-and-commission-application/>

Assistance Programs

For persons who may be facing financial difficulties with utilities, mortgage/rent, or other hardships, there are a number of assistance programs available. More information can be found on the city's website: <https://www.charlottemi.org/assistance-programs-available/>

EATON COUNTY 911

Events by Nature Code by Agency

Agency: CFD, Event date/Time range: 11/01/2022 00:00:00 - 11/30/2022 23:59:59

Agency Code	Nature Code	Rpt Only	Self Init	CFS	Total	% Total	Avg Disp Time	Avg Resp Time	Avg Scene Time	Total Call Time	Avg Call Time
CFD	BRUSH FIRE	0	0	1	1	1%	0:00:51	0:04:18	4:40:00	4:45:09	4:45:09
	CARDIAC OR RESP ARREST	0	0	5	5	7%	0:00:22	0:05:23	0:24:52	2:03:44	0:24:45
	CO ALARM WITH MEDICAL SYMPTOMS	0	1	0	1	1%	0:00:00	0:00:00	0:16:29	0:16:29	0:16:29
	COMMERCIAL FIRE ALARM	0	0	4	4	5%	0:01:50	0:02:56	0:15:32	0:32:17	0:08:04
	COMMERCIAL STRUCTURE FIRE	0	0	3	3	4%	0:02:03	0:09:18	2:16:15	7:20:44	2:26:55
	COMPLAINT FIRE INVESTIGATION	0	2	3	5	7%	0:00:56	0:06:13	0:09:10	1:15:28	0:15:06
	MEDICAL ASSIST	0	1	10	11	15%	0:00:16	0:04:28	0:13:58	3:08:59	0:17:11
	MISCELLANEOUS FIRE RUN	0	2	4	6	8%	0:03:17	0:05:41	0:20:11	2:42:37	0:27:06
	ODOR INVESTIGATION	0	0	6	6	8%	0:01:50	0:06:20	0:45:43	5:23:25	0:53:54
	PERSONAL INJURY CRASH	0	0	11	11	15%	0:00:18	0:05:47	0:17:35	4:14:37	0:23:09
	RESIDENTIAL FIRE ALARM	0	0	2	2	3%	0:01:49	0:02:53	0:01:09	0:11:42	0:05:51
	SHOOTING VICTIM	0	0	1	1	1%	0:00:21	0:06:05	0:16:57	0:23:23	0:23:23
	SPECIAL RESCUE	0	0	1	1	1%	0:00:04	0:07:26	0:20:39	0:28:09	0:28:09
	STRUCTURE FIRE LARGE	0	0	9	9	12%	0:01:17	0:06:22	1:17:07	12:37:55	1:24:13
	WIRES DOWN	0	0	9	9	12%	0:01:30	0:08:34	0:24:32	5:11:33	0:34:37
Subtotals for No Summary Code		0	6	69	75	100%	0:01:12	0:05:50	0:48:01	50:36:11	0:52:56
Subtotals for CFD		0	6	69	75	100%	0:01:12	0:05:50	0:48:01	50:36:11	0:52:56