



City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

**City Commission Meeting
February 10, 2015
Agenda**

Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Public Hearing and Regular City Commission Meeting to be held Tuesday, February 10, 2015, at 7:30 p.m., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069. The following items are on the Agenda for your consideration:

PUBLIC HEARING AND REGULAR CITY COMMISSION MEETING – 7:30 P.M.

- 1. Meeting Called to Order.**
- 2. Pledge of Allegiance.**
- 3. Roll Call.**
- 4. PUBLIC DISCUSSION – items not on the Agenda.**
- 5. Consideration of the Governmental Reports.**
 - **Gainsboro Park Fence Update.**
- 6. Consideration of the City Commission Liaison Reports.**
 - **Commissioner Perry – Planning and DDA**
 - **Commissioner Scott – Historical Commission**
 - **Commissioner Krzysiak – Recreation Commission**
 - **Commissioner Foreman – Committee Liaison**
- 7. Consideration of the following Consent Agenda.**

All items listed on the Consent Agenda are considered to be routine by the City Commission, will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a City Commissioner or visitor so requests, in which event, the item will be removed from the consent agenda and considered as the last item of business.

 - a. Consideration of the minutes of the Public Hearing and Regular City Commission Meeting held Tuesday, January 13, 2015.
 - b. Consideration of the Monthly Disbursement Report.
 - c. Consideration of establishing a public hearing on Tuesday, March 10, 2015, at 7:30 p.m., to solicit public comments on an ordinance adopting and enacting a New Code for the City of Pleasant Ridge.
 - d. Resolution in honor of President's Day, Monday, February 16, 2015.
 - e. Proclamation recognizing February as Black History Month.

8. **Consideration of an ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.**
 - a. **Public Hearing** – Solicitation of public comments on an ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.
 - b. Ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.
9. **Consideration of the adoption of the City of Pleasant Ridge Master Plan.**
10. **Consideration of the SCAF Parks and Recreation Special Revenue Fund Allocation.**
11. **Consideration of the Resolution of Intent to establish a Property Assessed Clean Energy Program and calling a Public Hearing.**
12. **City Manager's Report.**
13. **Other Business.**
14. **Adjournment.**

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations.



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3. Roll Call.
4. PUBLIC DISCUSSION – items not on the Agenda.

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5. Consideration of the Governmental Reports.
 - Gainsboro Park Fence Update.

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6. **Consideration of the City Commission Liaison Reports.**

- **Commissioner Perry – Planning and DDA**

Notes _____

- **Commissioner Scott – Historical Commission**

Notes _____

- **Commissioner Krzysiak – Recreation Commission**

Notes _____

- **Commissioner Foreman – Committee Liaison**

Notes _____

7. **Consideration of the following Consent Agenda.**

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- Proclamation recognizing February as Black History Month.

There are five routine items on the Consent Agenda for your consideration this evening. The first is the minutes of the January City Commission Meeting. The second is the January Disbursement Report. The third is establishing a public hearing to adopt the newly republished code. The final items are recognition resolutions and proclamations.

Commissioner #1: **Your Honor, I move that Consent Agenda, be approved, as recommended.**

Commissioner #2: **Second.**

Motion by _____ **Second** _____

Notes _____

8. **Consideration of an ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.**
 - a. **Public Hearing** – Solicitation of public comments on an ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.
 - b. Ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.

I have attached a memorandum and other related information for the proposed ordinance and policy regarding residential permit parking within the City of Pleasant Ridge.

Commissioner #1: Your Honor, I move that Ordinance 410 to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code, be adopted.

Commissioner #2: Second.

Motion by _____ **Second** _____

Notes _____

9. **Consideration of the adoption of the City of Pleasant Ridge Master Plan.**

The Planning Commission held the required public hearing and adopted the Master Plan at its meeting on January 26, 2015. The City Commission exercised its right to also adopt the plan by adopting a resolution to that effect when you approved the draft plan for distribution for comment to adjacent communities. Once the City Commission adopts the plan, it will be formally approved and will take effect.

I will present a brief overview of the plan at the meeting on February 10. After consideration, the City Commission may adopt the plan, refer it to the Planning Commission for further review and editing with specific guidance, or reject the plan.

Commissioner #1: Mayor, I move that the City Commission concurs with the Planning Commission and adopts the City of Pleasant Ridge Master Plan as presented at a public hearing held January 26, 2015, pursuant to MCL 125.3843 of PA 33 of 2008.

Commissioner #2: Second.

Motion by _____ **Second** _____

Notes _____

10. Consideration of the SCAF Parks and Recreation Special Revenue Fund Allocation.

The amendment to the SCAF ordinance has taken effect, and the investment committee has met to review investment advisory services. At this time, City Staff is recommending that the City Commission allocate \$2,000,000 to the Parks Special Revenue Fund from the SCAF "remainder fund." Further, staff recommends that the City Commission appoint Vanguard Institutional Advisory Services as the City's investment advisor and co-fiduciary.

Commissioner #1: Your Honor, I move that the City Commission allocate of \$2,000,000 from the SCAF Account to the Parks Special Revenue Fund, and appoint Vanguard Investment Advisory Services as the City's investment advisor and co-fiduciary.

Commissioner #2: Second.

Motion by _____ Second _____

Notes _____

11. Consideration of the Resolution of Intent to establish a Property Assessed Clean Energy Program and calling a Public Hearing.

PACE is a form of financing that eliminates a few problems which have made financing energy efficiency and clean energy projects difficult, with the most notable one being that many such projects have payback periods longer than the typical 5-year term on a commercial property loan. By using the property assessment approach, these projects can be financed over longer terms under a PACE program.

Public Act No. 270 of 2010 ("Act 270") is the law that authorizes local units of government to adopt PACE programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. A key consideration is that establishing a PACE program does not obligate the City or any property owner. It simply provides an additional financing method for private property owners who may choose to take advantage of it or not.

The first step is adoption of the proposed resolution of intent, which will call for a public hearing for the proposed PACE program at the March City Commission meeting and which describes the general parameters of how the PACE program will operate if created.

Commissioner #1: Mayor, I move that the resolution regarding the intent to establish a Property Assessed Clean Energy Program (PACE) be approved and that a public hearing be scheduled for Tuesday, March 10, 2015, at 7:30 p.m., to solicit public comments on the intent to establish a PACE district and a PACE Program within the City of Pleasant Ridge.

Commissioner #2: Second.

Motion by _____ Second _____

Notes _____

12. City Manager's Report.

Notes_____

13. Other Business.

Notes_____

14. Adjournment.

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: February 5, 2015
Re: Gainsboro Park Fence Repair

Overview

Staff would like to provide the City Commission with an update on planned repairs to the Gainsboro Park fence.

Background

Staff will have a brief presentation about planned fence repairs at the February 10 meeting.

Requested Actions

No action is requested. This is an information item only.



*23925 Woodward Avenue
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**Regular City Commission Meeting
January 13, 2015**

Having been duly publicized, Mayor Metzger called the meeting to order at 7:31 p.m.

Present: Commissioners Foreman, Krzysiak, Perry, Scott, Mayor Metzger.
Also Present: City Manager Breuckman, City Attorney Need, City Clerk Drealan
Absent: None.

Special Recognition

Mayor Metzger read a proclamation regarding Ms. Tracy Mageria's volunteering efforts.

Governmental Reports

Mr. Blake Pruitt, Ferndale Public Schools (FPS) Superintendent, gave an update on his first six months and reviewed Ferndale Public School's strategic plan. FPS is looking into partnerships with colleges for the high school, and a presentation was presented to the School Board by Baker College in order for the high school students in AP classes to earn college credits that are transferrable, along with a special program that is considered the "13th year" wherein students can earn their associates degree, possibly in criminal justice or computer information. Mr. Pruitt added that there is enough building space of all the schools for 7,000 students, but only 3,000 students are attending. FPS is working with Plante Moran on a facility evaluation to see what can be done with either the buildings or the land. A community forum will be held on January 27, 2015 on the building assessments and the financial status of FPS. The goal of this process is to have gains and not losses.

Mayor Metzger inquired about the statewide ballot in May that could affect the School Aid Fund. Mr. Pruitt explained that there are usually tough requirements to meet in order to receive state aid monies.

Commissioner Foreman added that the community forum is important for residents to attend. Mr. Pruitt said that it will be recorded and on the FPS Website.

Mr. Mike Wider, 8 Hanover, inquired about the percentage of eligible students in the district that attend FPS versus private schools. Mr. Pruitt explained that it is very hard to disaggregate and census data can only be used. Information provided by Plante Moran estimates 25-30 percent of students will attend private schools or schools of choice. FPS is slightly higher than those percentages. By extending preschool offerings, along with the before and after school programs is a means to enhance enrollment.

Fire Chief Kevin Sullivan, Ferndale Fire Department, reported that there were a few fires over the holidays, one being residential started by a 4-year-old using a lighter and a piece of paper in order to see better. Mother and child made it out safely, but the home's smoke detectors were disabled due to the sensitivity to cigarette smoke. The Fire Department recommends dual function smoke detectors that contain both a photoelectric and ionization sensor for early warnings. There was also a commercial fire of a large warehouse whereas the employees attempted to extinguish the fire on their own with in-house fire extinguishers before calling the fire department, which just enhanced the smoke and caused the employees to become disoriented. It is important to always have an egress designated and fire plan in place.

Police Chief Kevin Nowak reported that it was a quiet holiday season, but there has been an increase in identity theft problems especially with credit cards being used out-of-state. Chief Nowak reminded the residents that the police department works 24/7, and if you have a matter, such as a parking situation that needs to be addressed, please call the department and do not attempt to handle alone via social media. Chief Nowak reported that there will be an internal promotion of an officer to sergeant and a new part-time officer will be hired.

Commissioner Perry inquired as to what phone number should be called for non-emergency police situations. Chief Nowak responded that the general business number of 248-541-2900 and follow prompts if not answered by a person, or just come directly to the police department.

City Commission Liaison Reports

Commissioner Foreman reported that January 20, 2015 will begin the application window for the Open Program at Kennedy/Roosevelt Elementary Schools. January 21, 2015 will be a kindergarten open house at Harding Administration Building 6:00-8:00p; free childcare will be provided. If you register by 1/16/15, you will receive a free gift (child's T-shirt and book). January 26, 2015, 7:00p, is the next School Board meeting at Harding Administration Building.

Commissioner Perry reported that the Planning Commission and DDA met on December 15, 2014. The Planning Commission reviewed the comments received on the Master Plan. The plan is not inconsistent with neighboring communities. A public hearing for the Master Plan is set for January 26, 2015, 7:00p, Pleasant Ridge City Hall. Master Plan is available on the City's Website for review. The DDA considered design and engineering plans for the alley reconstruction project between Amherst and Maywood, and then Maywood to Sylvan. If it is a cost savings and a possibility, the alleys from 10 Mile to Kensington, and then Kensington to Devonshire will be done altogether. The DDA had a discussion on the capital improvement plan that included greening in the DDA on the east side that could work for water runoff and beautification. The 2015 Concert in the Park plan was also discussed by the DDA. Alternative type events are being discussed in order not to duplicate events that are held by Parks & Recreation and to better serve the business district. Both the Planning Commission and DDA thanked exiting Commissioners Greg Sweeney and Ryan Stern for their years of service. Next meeting will be January 26, 2015, 7:00p, City Hall.

Commissioner Scott reported that the Historical Commission met on January 7, 2015, and thanked Commissioner Perry for attending in his absence. The next meeting will be February 4, 2015. The 25th Anniversary of I-696 will have its party on January 15, 2015, 7:00p, Community Center. Everyone is encouraged to attend.

Commissioner Krzysiak reminded that the Daddy/Daughter Sweetheart Dance will be held February 6, 2015, 6:00-7:30p, \$5.00 per person. Please RSVP Bridget at the Community Center in order for a headcount and proper planning for this event. Imagination Station Drop-in Play, February 7, 2015, 10:00a. 50-plus Bingo Night will be February 19, 2015, 6:00p. Please RSVP for this event as well. The Recreation Commission welcomes new ideas and comments, and invites residents to participate. Next meeting is January 28, 2015, 7:00p, Community Center.

Commissioner Foreman inquired if there are any restrictions during the winter months for playing on the new playscape at Gainsboro Park. Recreation Director Pietrzak reported that the playground is safe. The fence that is up is around an area that needs to have a walkway completed.

Consent Agenda

15-3143

Motion by Commissioner Foreman, second by Commissioner Scott, that the Consent Agenda, be approved, as listed.

Adopted: Yeas: Commissioner Foreman, Scott, Krzysiak, Perry, Mayor Metzger
 Nays: None.

Ordinance to Amend Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund

City Manager Breuckman explained that the revised ordinance will amend the Segregated Capital Asset Fund (SCAF) plan. The recommendations made by Mr. Gillis at the December meeting were investigated and added to the revision. A second legal opinion has been secured on the appropriateness of doing this under state law by Mr. Tim Carrier, City Attorney for Birmingham, in the affirmative. The highlighted changes include Section 2-131, definitions, specifying that SCAF will consist of two constituent parts, Parks Special Revenue Fund and the Remainder Fund. The Remainder Fund will remain as it exists and invested today, and the Parks Special Revenue Fund may be invested under the new terms. Further clarification is that money moved from the Remainder Fund to the Parks Special Revenue Fund requires a supermajority vote, and moving money back from Parks Special Revenue Fund to the Remainder Fund requires a simple majority vote.

Commissioner Krzysiak thanked the Mayor and City Manager Breuckman for the efforts made on this ordinance amendment, along with working with Mr. Gillis closely to provide a solution to a funding issue that will benefit the City for many years.

15-3144

Motion by Commissioner Foreman, second by Commissioner Scott, that the amendment to Section 2 of the Pleasant Ridge City Code, Administration, Division 9, I-696 Segregated Capital Asset Fund, be approved.

Adopted: Yeas: Commissioner Foreman, Scott, Krzysiak, Perry, Mayor Metzger
 Nays: None.

Pleasant Ridge Investment Policy

City Manager James Breuckman reported that the City has always had an investment policy, but it has not been updated since 2002. The investment policy was geared to the investments available to the City at that time, and with the amendment to the SCAF Ordinance, changes need to be made. Also, there are some generally accepted accounting principles that also needed to be amended. The updates are in Section 20 which deal with the SCAF Parks Special Revenue Fund and set forth more guidance consistent with the ordinance that identifies appropriate investments to be made with the Parks Special Revenue Fund. It lays out the proper statutory and City's ordinance authorizations. The key points are items (b), (c), and (d). Item (b) is allowable investment instruments that will include stocks, exchange traded funds, mutual funds and bonds, as defined in MCL Section 38.1132 (d-e). City of Pleasant Ridge is limiting itself further than what is allowed for pension funds under state law. Parks Special Revenue Fund may only be invested in securities that are actively traded on a major U.S. stock index. Item (d), use of investment returns, sets forth what the City Commission may do with the advice of the Investment Committee and that the City Commission shall determine annually what interest and dividends shall be retained in the fund to support parks operation, and maintenance; and the principal balance shall not be diverted or spent except in accordance of the provisions of the amendment to the ordinance just approved; and that it shall be adjusted for inflation by only removing interest and dividends until the market value of the fund's principal recovers. And the ordinance no longer references the "city treasurer" but the "city manager or his/her designee."

Commissioner Krzysiak inquired if the members of the Investment Committee can be appointed by the City Commission by a simple majority, and City Manager Breuckman affirmed that members can be added by the City Commission at any time.

Commissioner Foreman commented that Section 20(D)(1) adding to the principal balance over time in order to protect the principal balance from inflation is a key advantage and likes the idea that the money will be kept solvent over time and not slowly being chipped away by inflation. Commissioner Foreman thanked the City Manager for adding this important factor.

15-3145

Motion by Commissioner Perry, second by Commissioner Scott, that the City of Pleasant Ridge Investment Policy be adopted.

Adopted: Yeas: Commissioner Perry, Scott, Foreman, Krzysiak, Mayor Metzger
 Nays: None.

City of Pleasant Ridge Investment Committee Liaison

City Manager Breuckman explained that Section 5 of the Investment Policy creates the Investment Committee. It is proposed that city staff be retained as part of the committee, along with former Mayor Castelli. Breuckman is requesting the City Commission appoint a representative to the Investment Committee.

15-3146

Motion by Commissioner Krzysiak, second by Commissioner Perry, that the appointment of Ralph A. Castelli Jr. and Commissioner Bret Scott to the City of Pleasant Ridge Investment Committee be approved.

Adopted: Yeas: Commissioner Krzysiak, Perry, Foreman, Scott, Mayor Metzger
Nays: None.

Breuckman reported that the Investment Committee will have a meeting in the near future and make recommendations to the City Commission.

Supplemental Appropriation #A-2015-001

Ms. Sheryl Stubblefield, Plante Moran, presented some supplemental appropriations to the General Fund and Local Street Fund that will not affect the fund balance. City Manager Breuckman added that this is part of the mid-year review of the budget.

15-3147

Motion by Commissioner Perry, second by Commissioner Foreman, to approve the Supplemental Appropriation #A-2015-001.

Adopted: Yeas: Commissioner Perry, Foreman, Krzysiak, Scott, Mayor Metzger
Nays: None.

Ordinance to Amend the Pleasant Ridge City Code, Zoning, to prohibit Accessory Dwelling Units

City Manager Breuckman explained that Items 12 and 13 on the Agenda both deal with accessory dwelling units. One ordinance prohibits accessory dwelling units and the other permits accessory dwelling units with restrictions. The present ordinance is silent on these issues. Last month the City Commission adopted a reduction in accessory building height from 18 ft. to 15 ft., which is consistent with neighboring communities. The 15 ft. height still allows for a loft space above the garage but makes it less livable. In the proposed ordinance (Item 12 of the Agenda) to prohibit, Section 26-12.2 will add “only one dwelling unit shall be permitted per lot of record” in SFR districts; and Section 26-13.1 will add item 9 that prohibits a combination of services to accessory building that would allow conversion to habitable space. In the proposed ordinance (Item 13 of the Agenda) to permit accessory dwelling units as a special land use in SFR districts, a public hearing would be required before the Planning Commission; notification to all properties within 300 feet; and allows for a discretionary Planning Commission decision. Minimum lot area of 5,000 sq.ft. is required. Accessory dwelling units are not to exceed the lesser of 750 sq.ft. or 25-percent of the gross floor area of principle dwelling unit. The accessory dwelling unit can be an accessory structure only; have a 3 ft. side/rear setback requirement; and not be visible from the front entrance. The maximum height for a structure with an accessory dwelling unit is 17 ft. At least three off-street parking spaces are required. Owner occupancy of one of the dwelling units is required. A separate water meter is required. A maximum of two bedrooms are permitted. A landlord license and rental inspections are required. Minimum lease term of 180 days is required. A restrictive covenant must be recorded. A number of enforcement provisions will provide compliance with the ordinance. There is a concern about having specific renter restrictions and it is not being recommended at this

time. Potential adjustments could make the minimum lot area greater than 5,000 sq.ft.; setbacks at 3 or 5 ft.; maximum bedroom requirement reduced from two to one; and allowing a tenant to be given “until end of lease” term or add “6 months, which is sooner.” Most of the parcels in Pleasant Ridge are larger than 5,000 sq.ft. The Planning Commission recommended denial of the ordinance that prohibits accessory dwelling units and approval of the ordinance to permit accessory dwelling units with restrictions. City Clerk Drealan added that 13 responses have been received, 12 being reviewed before the meeting: (8) are in favor of not allowing accessory dwelling units and (4) are not in favor of the accessory dwelling units to be solely rentals. Commissioner Perry added that the comments she has received from residents in her discussions were not in favor as well.

Commissioner Foreman inquired how many accessory dwelling units are currently in the city. Breuckman responded that it is unknown due to the fact that there were no specific requirements in the past to gain approvals, but two recent constructions have been approved. Commissioner Foreman wanted to clarify that only one detached accessory unit is allowed per property, and Breuckman affirmed that if you have a detached garage you cannot have a detached accessory building also on the property. Commissioner Foreman inquired how is parking spaces defined when they are not in a garage or driveway, or is it how many spaces can fit in a driveway. Breuckman responded that the key term is “off-street” parking spaces, and a driveway is not considered as part of the parking spaces. Commissioner Foreman was unable to attend any of the Planning Commission meetings or review the minutes, but inquired as to what the reasoning was for approving the ordinance to allow accessory dwelling units with restrictions. Breuckman responded that the initial intent of the accessory dwelling units was to be for relatives, but the Planning Commission seemed comfortable with having these units for rentals as well. Commissioner Perry affirmed that the Planning Commission had accepted the fact that the accessory dwelling units could become rentals.

Commissioner Scott inquired what is the average square footage of first-floor homes as to the 25-percent. Breuckman explained that the 25-percent is not limited to the first floor but 25-percent of the principle structure. A garage area is still a maximum 750 sq.ft.

Commission Krzysiak inquired if the ordinance for accessory dwelling units is prohibited can a resident still seek a variance under special circumstances. Breuckman responded that a special land use variance could be granted by the Zoning Board of Appeals.

Commissioner Scott inquired if someone owns a home, but rents it out, would the proposed ordinance to prohibit accessory dwelling units affect this situation. Breuckman responded that the proposed ordinance is strictly for accessory dwelling units. Rentals are not prohibited in Pleasant Ridge.

Mayor Metzger opened the public hearing at 8:54 p.m.

Chief Kevin Sullivan, 120 Elm Park, inquired if there will be a separate address for these accessory buildings and will the accessory buildings be required to follow the building codes relating to a home or a garage. Breuckman responded that all building codes are required as far as that of a home and that a separate address will be required as well.

Mr. Mike Wider, 8 Hanover, commended the Mayor, city staff, and Commissioners for the service they provide to the City. Mr. Wider suggested that the 17 ft. allowable limit is mid-slope on the roof and should be clarified as to what the size would actually be. Mr. Wider inquired as to the

larger properties on Ridge Road if the 750 sq.ft. would be limited even though it is less than 25-percent of the house, and if existing structures would be prohibited to be torn down to allow for new. Breuckman responded that the 750 sq.ft. is limited, and that existing structures will be allowed to be torn down. Mr. Wider inquired if the 30-percent of the lot is the square foot of the house. Breuckman responded that the setbacks put in place are an effort to prevent “big foot” housing. The lot area coverage requirement is 35-percent. Mr. Wider thinks a clarification should be made that this amendment is not to allow residents to add on to their existing home, but to actually construct another building on the property that does not exceed 35-percent of the lot coverage for the total structures. Mr. Wider questioned if the accessory dwelling unit has to be attached to the existing home. The Commissioners responded that it does not have to be attached. Breuckman added that the 3 ft. setback requirements apply for the rear and side yards.

Ms. Luran Howard, 22 Oakland Park, inquired if a copy of the ordinance was posted for the public hearing that was held by the Planning Commission on the City’s Website. City Clerk Dreelan responded that it was part of the Planning Commission’s packet and would have been posted. Ms. Howard’s concern is that the average resident may not have realized the impact that this change to the ordinance may have and that better notification on the City’s Website should be considered.

Mr. Ralph Castelli, 27 Elm Park, recommends that the City Commission should ban these amendments until further study is done and more residents are informed. Mr. Castelli inquired as to the off-street parking requirement and how spaces are calculated with garages that may not have room to park cars, and added that driveway space should be considered as an exception.

Mr. Mike Wider inquired if the accessory dwelling units that will become rentals would be taxed. Breuckman is not sure how they will be assessed, but may be on a percentage basis for homestead versus non-homestead.

Mr. Ralph Castelli inquired of Mr. Need how the accessory dwelling unit ordinance will affect lot splits. Mr. Need responded that any lot that is split must conform to the applicable requirements for a home, garage, or accessory dwelling unit. Breuckman added that the restricted covenant language in the ordinance would not prevent a potential lot split.

Mr. Bob Obringer, 22 Oakland Park, is in favor of banning accessory dwelling units and does not see how they will enhance the City of Pleasant Ridge. Even though there is a safety valve going through the Zoning Board of Appeals, he is not in favor.

With no further comments or discussion, Mayor Metzger closed the public hearing at 9:14 p.m.

Commissioner Perry commended City Manager Breuckman for the research and the work that has been put into these ordinance changes. Commissioner Perry indicated that every angle has been looked into as whether these units will be just for family members or used as rentals, and that she has had many discussions with residents on these matters. Overall, Commissioner Perry believes that the residents that she has spoken with are not in favor of accessory dwelling units.

Commissioner Krzysiak appreciated the residents that are in attendance and spoke this evening. Krzysiak believes that increasing the lot coverage from 30 to 35-percent addresses the issues of residents needing to expand their home to allow for an expanding family.

Mayor Metzger also thanked the residents for attending and voicing their opinions. Mayor Metzger feels that much research and an adequate discussion of the proposed ordinance changes have been reviewed by the Planning and City Commissions, and that he feels this is a major change to the city's dynamics and adding rentals will be a part of the future.

Commissioner Foreman indicated that even though the existing ordinance is silent on accessory dwelling units, prohibiting them by the adoption of this ordinance will actually tighten it. Foreman also added that the 5,000 sq.ft. requirement is almost the entire city and that maybe 10,000 sq.ft. should have been considered. Mayor Metzger added that if you restrict it to 10,000 sq.ft., you essentially are penalizing those who have 10,000 or more sq.ft. and it is not fair to all residents.

Mr. Castelli added that you would buy a 10,000 sq.ft. lot to not have a neighboring lot next to you with an accessory dwelling.

15-3148

Motion by Commissioner Perry, second by Commissioner Foreman, that the Ordinance to amend Chapter 26 of the Pleasant Ridge City Code, Zoning, Article 12: Schedule of Regulations, Section 26-12.2 General Requirements; and Article 13: General Provisions, Section 26-13.1 Accessory Uses to prohibit Accessory Dwelling Units be adopted.

Adopted: Yeas: Commissioner Perry, Foreman, Krzysiak, Scott, Mayor Metzger
 Nays: None.

Ordinance to Amend Chapter 26 of the Pleasant Ridge City Code, Zoning, to list Accessory Dwelling Units as a Special Land Use in the Single Family Residential Districts, and to establish specific standards applicable to Accessory Dwelling Units.

Commissioner Scott commented that prohibiting the accessory dwelling units does not eliminate the concerns that residents may have over rentals and large garages, and it may still need to be followed up on at some level.

Mayor Metzger opened the public hearing at 9:26 p.m.

With no further comments or discussion, Mayor Metzger closed the public hearing at 9:27 p.m.

15-3149

Motion by Commissioner Perry, second by Commissioner Foreman, that an Ordinance to Amend Chapter 26 of the Pleasant Ridge City Code, Zoning: Article 3: Zoning Districts and Map, Section 26-3.5 District Requirements; Article 4: Single Family Residential Districts; and Article 13: General Provisions, Section 26-13.1 Accessory Uses, to list Accessory Dwelling Units as a Special Land Use in the Single Family Residential Districts, and to establish specific standards applicable to Accessory Dwelling Units, be rejected.

Adopted: Yeas: Commissioner Perry, Foreman, Krzysiak, Scott, Mayor Metzger
 Nays: None.

Annual Meeting Schedules

City Clerk Drealan explained that the City Commission meetings are held on the second Tuesday of each month; Historical Commission is held on the first Wednesday of each month; Planning Commission/DDA is held on the fourth Monday of the month; and the Recreation Commission is held on the last Wednesday of the month. The fourth Tuesday is set aside for any workshops or Zoning Board of Appeals.

15-3150

Motion by Commissioner Scott, second by Commissioner Perry, that the Annual Meeting Schedule for the following Commissions: A) City Commission; B) Historical Commission; C) Planning Commission/Downtown Development Authority; D) Recreation Commission, be approved as recommended.

Adopted: Yeas: Commissioner Scott, Perry, Foreman, Krzysiak, Mayor Metzger
Nays: None.

Appointment to the Pleasant Ridge Planning Commission/DDA - McAuliffe

Mayor Metzger explained that there are two appointments to be made, one resident and one business owner.

Commissioner Krzysiak thanked the residents that attended the workshop and applied for the open position. Mayor Metzger added that he appreciates the interest from the residents that applied and attended the workshop, and that he hopes this will continue in the future.

Commissioner Foreman added that everyone who applied seemed to be very interested in getting involved in the city and passionate in making the City of Pleasant Ridge a better place. Foreman also added that those who did apply and were not chosen to serve to please remain interested because the applications are kept on file.

15-3151

Motion by Commissioner Perry, second by Commissioner Foreman, that the resident appointment of Kristi McAuliffe to the Pleasant Ridge Planning Commission/Downtown Development Authority, to a full term, term to expire December 31, 2017, be approved.

Adopted: Yeas: Commissioner Perry, Foreman, Krzysiak, Scott, Mayor Metzger
Nays: None.

Appointment of a Business Owner to the Pleasant Ridge Planning Commission/DDA-Christensen

15-3152

Motion by Commissioner Perry, second by Commissioner Scott, that the business owner appointment of Loren Christensen to the Pleasant Ridge Planning Commission/Downtown Development Authority, to a full term, term to expire December 31, 2017, be approved.

Adopted: Yeas: Commissioner Perry, Scott, Foreman, Krzysiak, Mayor Metzger
Nays: None.

Mayor Metzger mentioned that this is the first time a business owner has been added to the Planning Commission/Downtown Development Authority which allows the businesses to be more proactive with changes in the city, and it is very encouraging to have businesses involved and taking an interest in the City's development.

Establishing a Public Hearing on February 10, 2015, at 7:30 p.m.

City Manager Breuckman indicated that this is the next step in the permit parking program. The proposed program is an "opt-in" program where residential streets would have to request the City to consider a permit area by two-thirds vote of property owners. The proposed ordinance is on the City's Website. The town hall meeting had the east side residents pretty much unanimous in support of this proposal.

Commissioner Foreman inquired as to how the \$25.00 fine for a parking violation compares with neighboring communities. Breuckman is unaware but will check into it. City Attorney Need added that the fine is currently in the code for all other parking violations.

15-3153

Motion by Commissioner Foreman, second by Commissioner Perry, that a Public Hearing on February 10, 2015, at 7:30 p.m., be established to solicit public comments on the following items: A) Ordinance to amend Chapter 70, Traffic and Vehicles, by amending Section 70-55, Residential Parking Permits, and adding Section 70-56, Penalties, of the Pleasant Ridge City Code.

Adopted: Yeas: Commissioner Foreman, Perry, Krzysiak, Scott, Mayor Metzger
 Nays: None.

Police Patrol Vehicle Purchase and Financing

City Manager Breuckman explained that the costs to repair the fleet of current police vehicles is quickly exceeding the cost to buy new police vehicles. A 2014 Dodge Charger is in the process of being purchased and the City will self-finance the vehicle by a loan from SCAF with a 1-year, 5-percent term of interest until the new budget year and millage take effect. A supermajority vote is required.

Commissioner Foreman inquired if the proposed 1-year loan request is similar to the purchase of the Explorer a few years ago. City Clerk Drealan and Breuckman responded that the Explorer purchase was a 5-year loan.

15-3154

Motion by Commissioner Foreman, second by Commissioner Scott, that a new police patrol vehicle be purchased through the State of Michigan Cooperative Purchase Program in an amount not to exceed \$31,104.00, and that the Segregated Capital Assets Fund (SCAF) finance the purchase of the vehicle over one (1) year at a rate of five percent (5%), as recommended.

Adopted: Yeas: Commissioner Foreman, Scott, Krzysiak, Perry, Mayor Metzger
 Nays: None.

City Manager's Report

City Manager Breuckman reported that on February 17, 2015, at the Community Center, the project team on the Woodward Avenue transit project will be reporting on their finds and making recommendations. More information on the times will be reported on the City's Website.

Assistant City Manager Pietrzak reported that all the work on the Gainsboro Park over the last six months is almost completed. Cards for the use of the facilities may be available by mid-February and will be distributed to the head of the household.

Mayor Metzger echoed the comments of Breuckman on how important the meeting of February 17, 2015 is by having national experts making their report on Woodward Avenue wherein over 150 issues will be discussed. It is important to have residents involved as the City of Pleasant Ridge moves forward on improving the community.

Other Business

Commissioner Foreman reported that any important information as far as phone numbers, websites, etcetera, that are mentioned during the meetings will be available at the end of the video that is recorded of that meeting. For example, January being National Blood Donor Month, you will find a link for the www.redcross.org to be able to find out a location you can donate blood. Commissioner Foreman added that the FPS contact person for the application for the Open Program is Dina Rocheleau (dina.rocheleau@ferndaleschools.org).

Commissioner Krzysiak mentioned that Book Club will be meeting January 21, 2015, 7:30p, Community Center, and discussing a book entitled "Divided Highways" by Tom Lewis. The February book will be "The Warmth of Other Suns" by Isabel Wilkerson, and the Book Club will meet February 18, 2015, 7:30p, which could possibly be held at the Gainsboro Park Shelter. If anyone needs a copy of the books, please email jkrzysiak@cityofpleasantridge.org.

Commissioner Scott recommended that residents check out the City's Website for information that is being updated on a regular basis: www.cityofpleasantridge.org.

Commissioner Foreman mentioned that Christmas trees will be picked up and the information is on the City's Website. Trees will be picked up through the end of January.

City Clerk Drealan advised residents and business owners that assessment notices will be mailed by mid-February. Instructions to appeal the assessment are on the notice. The Board of Review will meet for three days (March 16, 17, 18).

With no further business or discussion, Mayor Metzger adjourned the meeting at 9:53 p.m.

Mayor Kurt Metzger

Amy M. Drealan, City Clerk
/mat

January 2015

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	5,637.81
TAX LIABILITIES	\$	470,812.17
ACCOUNTS PAYABLE	\$	365,380.00
TOTAL	\$	841,829.98

PAYROLL

January 7, 2015	\$	30,180.89
January 21, 2015	\$	28,906.97
TOTAL	\$	59,087.86



CHECK REGISTER FOR CITY OF PLEASANT RIDGE
PAYROLL LIABILITIES
January 2015

PG 1

Check Date	Check	Vendor Name	Description	Amount
1/7/2015	1371	MIFOP	UNION DUES-JAN 2015	\$ 235.00
1/7/2015	1372	MISDU	FOC DEDUCTIONS	\$ 224.60
1/7/2015	1373	M&T BANK-ICMA	RETIRMENT CONTRIBUTIONS	\$ 714.11
1/7/2015	1374	ICMA RETIREMENT TRUST - 457	RETIRMENT CONTRIBUTIONS	\$ 1,869.02
1/7/2015	1375	M&T BANK-ICMA	HEALTH RETIREMENT SAVINGS CONT	\$ 333.38
1/21/2015	1376	MISDU	FOC DEDUCTIONS	\$ 224.60
1/21/2015	1377	M&T BANK-ICMA	RETIRMENT CONTRIBUTIONS	\$ 624.11
1/21/2015	1378	ICMA RETIREMENT TRUST - 457	RETIRMENT CONTRIBUTIONS	\$ 1,104.57
1/21/2015	1379	M&T BANK-ICMA	HEALTH RETIREMENT SAVINGS CONT	\$ 308.42
TOTAL PAYROLL LIABILITIES				<u>\$ 5,637.81</u>

CHECK REGISTER FOR CITY OF PLEASANT RIDGE
TAX LIABILITIES
January 2015

PG 2

Check Date	Check	Vendor Name	Description	Amount
01/13/2015	2252	CHARLES & ANN QUINN	2014 SUMMER TAX OVERPAYMENT	\$ 503.80
01/13/2015	2253	CITY OF PLEASANT RIDGE-DDA	2044 TAX COLLECTIONS	\$ 6,160.68
01/13/2015	2254	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS	\$ 24.60
01/13/2015	2255	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS	\$ 132,096.80
01/13/2015	2256	FERNDALE PUBLIC SCHOOL	2014 TAX COLLECTIONS	\$ 62,264.82
01/13/2015	2257	OAKLAND COUNTY TREASURER	2014 TAX COLLECTIONS	\$ 119,028.47
01/21/2015	2258	ANDREW KUGHN	OVERPAYMENT 2014 WINTER TAXES	\$ 178.96
01/21/2015	2259	CITY OF PLEASANT RIDGE-DDA	2014 TAX COLLECTIONS TO 1-20-15	\$ 874.28
01/21/2015	2260	CITY OF PLEASANT RIDGE-GENERAL	2014 TAX COLLECTIONS TO 1-19-2015	\$ 9,605.46
01/21/2015	2261	CORELOGIC	2014 TAX OVERPAYMENT	\$ 2,243.24
01/21/2015	2262	CORELOGIC REFUND DEPT	2014 WINTER TAX OVERPAYMENT	\$ 58.24
01/21/2015	2263	DARBBY CREGER	2014 WINTER TAX OVERPAYMENT	\$ 74.84
01/21/2015	2264	DAVID COOKE	2014 WINTER TAX OVERPAYMENT	\$ 187.49
01/21/2015	2265	DONALD AND MELINDA PIPPEL	2014 SUMMER TAX OVERPAYMENT	\$ 209.63
01/21/2015	2266	FERNDALE PUBLIC SCHOOL	2014 TAX COLLECTIONS TO 1-19-15	\$ 3,485.10
01/21/2015	2267	OAKLAND COUNTY TREASURER	2014 TAX COLLECTION TO 1-19-15	\$ 133,097.79
01/21/2015	2268	PETER GULIAN	2014 WINTER TAX OVERPAYMENT	\$ 148.54
01/21/2015	2269	WELLS FARGO ELECTRONIC TAX SRV	2014 WINTER TAX OVERPAYMENT	\$ 569.43
TOTAL TAX LIABILITIES				<u>\$ 470,812.17</u>

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
January 7, 2015

PG 3

Check Date	Check	Vendor Name	Description	Amount
01/07/2015	19331	ABRAHAM & GAFFNEY, P.C.	AUDIT FIELD WORK	\$ 1,000.00
01/07/2015	19332	AEI ELECTRICAL SERVICES	GAINSBORO PARK RENOVATIONS	\$ 550.00
01/07/2015	19333	ALBANA KOKA	HISTORICAL MUSEUM CLEANING	\$ 25.00
01/07/2015	19334	AMERA PLAN	HEALTH CARE BENEFITS	\$ 259.35
01/07/2015	19335	ANDERSON, ECKSTEIN & WESTRICK	2014 ENGINEERING SERVICES	\$ 736.50
01/07/2015	19336	ANGELIQ BULARAN	RENTAL DEPOSIT RETURN	\$ 100.00
01/07/2015	19337	ARROW UNIFORM RENTAL	MAT RENTAL & JANITORIAL SUPPLIES	\$ 670.21
01/07/2015	19338	BBC TITLE AGENCY	OVERPAYMENT h20 BILL 21 KENSINGTON	\$ 97.93
01/07/2015	19339	BELLE TIRE	POLICE CAR MAINTENANCE	\$ 525.04
01/07/2015	19340	BLUE CROSS BLUE SHIELD OF MICHIGAN	HEALTH CARE BENEFITS	\$ 23,298.36
01/07/2015	19341	BOARD OF WATER COMMISSIONERS	IWC CHARGES FOR NOVEMBER 2014	\$ 1,374.08
01/07/2015	19342	BOSTON MUTUAL LIFE INS. CO.-G	HEALTH CARE BENEFITS	\$ 155.00
01/07/2015	19343	CITY OF BERKLEY	DECEMBER DISPATCH SERVICES	\$ 3,349.61
01/07/2015	19344	DETROIT EDISON COMPANY	COMMUNITY LIGHTING	\$ 4,040.80
01/07/2015	19345	FIRE EXTINGUISHER SALES & SERV	ANNUAL FIRE EXTINGUISHER INSPECTION	\$ 476.47
01/07/2015	19346	GREAT AMERICA	TELEPHONE SYSTEM LEASE	\$ 433.00
01/07/2015	19347	HOME DEPOT CREDIT SERVICES	BUILDING MAINTENANCE SUPPLIES	\$ 8.76
01/07/2015	19348	INTERMEDIA	TELEPHONE SERVICES	\$ 96.67
01/07/2015	19349	J & J AUTO TRUCK CENTER	POLICE CAR MAINTENANCE & REPAIRS	\$ 4,185.66
01/07/2015	19350	JAMES BREUCKMAN	TUITION REIMBURSEMENT	\$ 1,500.00
01/07/2015	19351	JANI-KING OF MICHIGAN, INC	JANITORIAL CLEANING SERVICES	\$ 2,161.00
01/07/2015	19352	KANSAS STATE BANK	FITNESS EQUIPMENT LEASE	\$ 13,457.00
01/07/2015	19353	KEVIN LAUDERDALE	WINTER 1ST SESSION KARATE	\$ 436.00
01/07/2015	19354	MARTHA NAVARRETTE	BUILDING RENTAL DEPOSIT RETURN	\$ 100.00
01/07/2015	19355	O'REILY AUTO PARTS	POLICE VEHICLE SUPPLIES	\$ 4.98
01/07/2015	19356	REPLENISH YOGA	REPLENISH YOGA STUDIO PAYMENT	\$ 960.00
01/07/2015	19357	SOCRRA	REFUSE COLLECTION CONTRACT	\$ 14,730.64
01/07/2015	19358	SOUTHEASTERN OAKLAND COUNTY	WATER PURCHASES DECEMBER 2014	\$ 10,657.02
01/07/2015	19359	STATE OF MICHIGAN	MIDEAL 2015	\$ 180.00
01/07/2015	19360	SUPERIOR PLAY LLC	GAINSBORO PARK RENOVATIONS	\$ 65,600.95
01/07/2015	19361	TECH RESOURCES, INC.	WEB HOSTING & REMOTE BACKUPS	\$ 126.57
01/07/2015	19362	TOSHIBA FINANCIAL SERVICES	COPIER LEASE PAYMENT	\$ 1,166.86
01/07/2015	19363	USZTAN CONSTRUCTION	PLEASANT RIDGE STREET SIGNS	\$ 10,000.00
01/07/2015	19364	VERIZON	WIRELESS SERVICES	\$ 50.08
Total for 1-7-15				\$ 162,513.54

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
January 15, 2015

PG 4

Check Date	Check	Vendor Name	Description	Amount
01/15/2015	19365	21ST CENTURY MEDIA-MICHIGAN	PRINTING OF LEGAL ADS	\$ 798.22
01/15/2015	19366	ACCUSHRED, LLC	CITY SHREDDING SERVICES	\$ 55.00
01/15/2015	19367	ADKISON, NEED & ALLEN P.L.L.C.	CITY ATTORNEY SERVICES	\$ 2,465.00
01/15/2015	19368	ARROW UNIFORM RENTAL	MAT RENTALS & JANITORIAL SUPPLIES	\$ 237.33
01/15/2015	19369	BEIER HOWLETT PC	CITY ATTORNEY SERVICES	\$ 6,003.31
01/15/2015	19370	BILL SNETHKAMP DODGE	PURCHASE OF NEW POLICE VEHICLE	\$ 22,643.00
01/15/2015	19371	BRILAR	DPW CONTRACTED SERVICES	\$ 26,845.66
01/15/2015	19372	CITY OF BERKLEY	DECEMBER PRISONER BOARD	\$ 135.00
01/15/2015	19373	COMMUNITY MEDIA NETWORK	MEETING VIDEO RECORDING	\$ 200.00
01/15/2015	19374	COMPASS MINERALS	CITY BULK SALT DELIVERY	\$ 8,194.20
01/15/2015	19375	CONSUMERS ENERGY	CITY UTILITY SERVICES	\$ 1,886.55
01/15/2015	19376	EUGENE LUMBERG	CITY ATTORNEY SERVICES	\$ 406.25
01/15/2015	19377	JASON NAGY	UNIFORM REIMBURSEMENT	\$ 149.32
01/15/2015	19378	KENNETH BORYCZ	MECHANICAL INSPECTOR SERVICES	\$ 135.00
01/15/2015	19379	MAT COURT RECORDING	MINUTE TRANSCRIPTION	\$ 175.00
01/15/2015	19380	MIDWEST FENCE	4 RIDGE REPAIRS	\$ 885.00
01/15/2015	19381	OC ANIMAL CONTROL	DOG LICENSES SOLD FROM OCTOBER TO	\$ 423.00
01/15/2015	19382	OC ROAD COMMISSION	TRAFFIC SIGNAL MAINTENANCE	\$ 22.68
01/15/2015	19383	OAKLAND COUNTY TREASURER	CLEMIS MEMBERSHIP USAGE FEE	\$ 47,183.01
01/15/2015	19384	PLANTE & MORAN PLLC	CITY ACCOUNTING SERVICES	\$ 5,209.00
01/15/2015	19385	RAY KEE	BUILDING INSPECTOR SERVICES	\$ 1,200.00
01/15/2015	19386	SCHEER'S ACE HARDWARE	BUILDING MAINTENANCE SUPPLIES	\$ 50.33
01/15/2015	19387	WEX BANK	FUEL PURCHASES FOR POLICE CARS	\$ 1,459.28
Total for 1-15-15				<u>\$ 126,761.14</u>

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
January 22, 2015

PG 5

Check Date	Check	Vendor Name	Description	Amount
01/22/2015	19388	ARROW UNIFORM RENTAL	MAT RENTAL & JANITORIAL SUPPLIES	\$ 237.33
01/22/2015	19389	BCBS OF MICHIGAN	HEALTH CARE BENEFITS	\$ 27,146.38
01/22/2015	19390	BOARD OF WATER COMMISSIONERS	IWC CHARGES DEC 2014	\$ 1,374.08
01/22/2015	19391	ICMA RETIREMENT CORPORATION	ANNUAL PLAN FEE	\$ 250.00
01/22/2015	19392	J & J AUTO TRUCK CENTER	POLICE CAR REPAIRS & MAINTENANCE	\$ 595.00
01/22/2015	19393	LEGAL SHIELD	PRE PAID LEGAL SERVICES	\$ 25.90
01/22/2015	19394	SOCRRA	REFUSE COLLECTION CONTRACT	\$ 7,480.64
Total for 1-22-15				<hr/> <hr/> \$ 37,109.33

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
January 29, 2015

PG 6

Check Date	Check	Vendor Name	Description	Amount
01/29/2015	19395	ADT SECURITY SERVICES	RECREATION ALARM SYSTEM	\$ 776.61
01/29/2015	19396	ALBANA KOKA	HISTORICAL MUSEUM CLEANING	\$ 25.00
01/29/2015	19397	ARROW UNIFORM RENTAL	MAT RENTAL & JANITORIAL SUPPLIES	\$ 237.33
01/29/2015	19398	BOSTON MUTUAL LIFE INS. CO.	HEALTH CARE BENEFITS	\$ 186.00
01/29/2015	19399	CITY OF FERNDALE	FIRE SERVICES PAYMENT	\$ 21,166.67
01/29/2015	19400	CITY OF ROYAL OAK	WATER AND SEWER MAINTENANCE	\$ 953.12
01/29/2015	19401	DETROIT EDISON COMPANY	COMMUNITY LIGHTING	\$ 4,121.62
01/29/2015	19402	MICHIGAN MUNICIPAL LEAGUE	Q-4 2014 CONTRIBUTION	\$ 6.31
01/29/2015	19403	MIDWEST FENCE	100 SECURAKY CARDS FOR DOG RUN	\$ 510.00
01/29/2015	19404	OAKLAND COUNTY CLERKS ASSOC.	2015 MEMBERSHIP DUES	\$ 25.00
01/29/2015	19405	OAKLAND SCHOOLS	PRINTING OF 2014 WINTER TAX BILLS	\$ 525.64
01/29/2015	19406	PSYCHOLOGICAL SYSTEMS, INC.	PD PSYCHOLOGICAL EVAL	\$ 700.00
01/29/2015	19407	TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$ 972.65
01/29/2015	19408	USZTAN CONSTRUCTION	MAINTENANCE & REPAIRS BUILDING	\$ 300.00
01/29/2015	19409	VERIZON	WIRELESS SERVICES	\$ 50.08
01/29/2015	19410	ZOGICS	ZOGICS WELLNESS CENTER WIPES	\$ 207.32
Total for 1-29-15				\$ 30,763.35

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
Electronic Payments & P-Card Transactions

PG 7

Check Date	Check	Vendor Name	Description	Amount
01/14/2015	10	MICHIGAN MUNICIPAL LEAGUE	MLGMA WINTER CONFERENCE	\$ 275.00
01/14/2015	11	QUILL CORPORATION	OFFICE SUPPLIES	\$ 661.21
01/14/2015	12	WOW! BUSINESS	WOW CABLE AND INTERNET SRVS	\$ 534.07
01/14/2015	7	COMCAST	COMCAST INTERNET SERVICES	\$ 74.87
01/14/2015	8	DTE ENERGY	CITY UTILITY SERVICES	\$ 1,889.79
01/14/2015	9	ERADICO SERVICES INC	EXTERMINATOR SERVICES	\$ 96.00
01/15/2015	13	QUILL CORPORATION	OFFICE SUPPLIES	\$ 284.66
01/15/2015	14	THE STRAITS LIGHTING COMPANY	4 RIDGE PARKING LOT LIGHTING	\$ 2,035.99
01/15/2015	15	VISTAPRINT	CITY UPDATED BUSINESS CARDS	\$ 181.63
01/22/2015	16	5TH 3RD - Multiple Invoices	JIMMY JOHNS - MEETING SUPPLIES	\$ 175.06
			AMAZON.COM - OFFICE SUPPLIES	\$ 147.82
			FLASHY BLINKY-TREE LIGHTING SUPP	\$ 125.10
			SURVEY MONKEY - MEMBERSHIP	\$ 300.00
			DUNKIN DONUTS - MTG SUPPLIES	\$ 17.79
			MICROSOFT - OFFICE 365	\$ 105.99
			TARGET - REC PRGM SUPPLIES	\$ 30.70
			GORDON FOODS - EVENT SUPPLIES	\$ 78.95
			LOWES - REC PRGM SUPPLIES	\$ 106.20
			GLOWORKS - REC PRGM SUPPLIES	\$ 114.48
			LOWES - BUILDNG REPAIRS	\$ 14.29
			TARGET - REC PRGM SUPPLIES	\$ 74.59
			GORDON FOODS - EVENT SUPPLIES	\$ 92.92
			BED BATH & BEYOND - OPER SUPP	\$ 70.01
			MEIJER - REC PRGM SUPPLIES	\$ 250.73
			HOLIDAY - MEETING SUPPLIES	\$ 43.51
01/26/2015	17	5TH 3RD-Multiple Invoices	MLGMA MEMBERSHIP FEES	\$ 110.00
			PUBLIC SAFETY SRVS-PD SUPPLIES	\$ 341.28

Total For Electronic Payments:

\$ 8,232.64



City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk
To: Jim Breuckman, City Manager
Date: February 10, 2015
Re: Consent Item 7c - Code of Ordinance Recodification

OVERVIEW

The Pleasant Ridge City Code has not been updated and bound since 1994. Several years ago, the City undertook the project of a new City Code. This means that all the ordinances the City Commission has adopted since 1994 are placed into a new code publication and any obsolete or outdated sections are replaced or updated. Since it has been so long since the code has been updated, it was recommended that the code be republished. The cost to republish the code was spread over several budget years. At the time, the bid was awarded to Municipal Code Corporation (MCC).

Looking towards the future, the City may contract with MCC for Supplementation services for the code. When the City Commission adopts an ordinance, which modifies the code, the update would be sent to MCC, they would reprint 25 copies of the altered pages, and these new, updated pages would be distributed for inclusion in all the codebooks.

MCC also offers a "Code on the Internet" program. MCC can provide the electronic version of the code, on their website, www.municode.com, which will allow users to log-onto the site and not only view the code, but also search the code by specific sections or keywords. When the City website is complete, the link to our code in the MCC website can be included. As the code is modified and updated, MCC will make the appropriate changes. Supplemental updates could be upon receipt, monthly, quarterly, semi-annually or annually as requested by the City. The cost for placing the code on the Internet and maintaining it with supplements is a fixed yearly fee. This amount has been budgeted to allow for this service.

REQUESTED ACTION

The City Commission should schedule a public hearing for Tuesday, March 10, 2015 to consider the ordinance to adopt the newly revised code. This is considered a routine item when the City updates its Code Book. Ordinances approved by the City Commission through December 9, 2014 have been included in the revised code. I will be electronically providing updates to MCC for inclusion in the supplements and online versions of the code.

Please feel free to contact me should you wish to discuss this matter further.

ORDINANCE NO. _____

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE FOR THE CITY OF PLEASANT RIDGE ; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

THE CITY OF PLEASANT RIDGE ORDAINS:

Section 1. The Code entitled "Pleasant Ridge City Code," published by Municipal Code Corporation, consisting of chapters 1 through 82, each inclusive, is adopted.

Section 2. All ordinances of a general and permanent nature enacted on or before December 9, 2014, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 4. Whenever in this Code or any ordinance of the City an act is prohibited or is made or declared to be a misdemeanor or a municipal civil infraction, or whenever in this Code or any ordinance of the City the doing of any act is required or the failure to do any act is declared to be a misdemeanor or a municipal civil infraction, the violation of any such provision shall be subject to the following penalties. Except as otherwise provided by law, this Code, or ordinance, a person found responsible for a municipal civil infraction shall be subject to a sanction of a civil fine in the following amount, plus any costs, damages, expenses and other sanctions, as authorized by chapter 87 of the Revised Judicature Act of 1961 (MCL 600.8701 et seq.):

- (1) Unless otherwise specifically provided for a particular civil infraction, the civil fine for a violation shall be not less than \$50.00, plus costs and other sanctions, for each infraction.
- (2) Increased civil fines may be imposed for repeat offenses. In this subsection “repeat offense” means a second or any subsequent municipal civil infraction violation of the same requirement or provision committed by the same person within any 24-month period and for which the person has admitted responsibility or is determined responsible. Unless specifically provided for a particular civil infraction violation, the increased fine for a repeat offense shall be as follows:
 - a. For the first repeat offense within one year of the prior offenses, a fine of not less than \$250.00, plus costs.
 - b. For a second repeat offense or any subsequent repeat offense within one year of the prior offense, a fine of not less than \$500.00, plus costs.

Except as otherwise provided by law this Code, or ordinance, a person convicted a violation of this Code that is declared to be a misdemeanor shall be punished by a fine not to exceed \$500.00, imprisonment for a period of not more than 90 days, or both.; however, unless otherwise provided by

law, a person convicted of a violation of any of the provisions of this Code that substantially correspond to a violation of state law that is a misdemeanor for which the maximum period of imprisonment is 93 days shall be punished by a fine of not more than \$500.00, imprisonment for a term of not more than 93 days or both. A person convicted of a violation of this Code shall be responsible for costs. Except as otherwise provided by law or ordinance, as to violations of this Code that are continuous with respect to time, each day that the violation continues is a separate offense and as to other violations, each violation constitutes a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the city may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 5. Additions or amendments to the Code when passed in such form as to indicate the intention of the city to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

Section 6. Ordinances adopted after December 9, 2014, that amend or refer to ordinances that have been codified in the Code, shall be construed as if they amend or refer to like provisions of the Code.

Section 7. This ordinance shall be effective 15 days after enactment and upon publication.

Introduced: Tuesday, February 10, 2015

Public Hearing:

Adopted:

Published:

Effective:

Amy M. Drealan, CMC

City Clerk



Resolution in Observance of PRESIDENT'S DAY Monday, February 16, 2015

Whereas, *in observance of the birthday of our nation's first President, George Washington, who was born on February 22, 1732 and President Abraham Lincoln, born February 12, 1809; and*

Whereas, *the third Monday in February is now celebrated as a federal holiday known as "President's Day", honoring all the Presidents of our great nation; and*

Whereas, *on this patriotic occasion, let us all commit ourselves to the great need of fostering a spirit of dedication to the ideals that have served as the foundation of our great country; and*

NOW, THEREFORE, *on behalf of our City Commission, I do hereby urge all citizens to join in observance of President's Day, Monday, February 16, 2015, to participate in public programs of patriotic and educational organizations as a positive indication of our abiding faith in the ideals and strength of our nation, in our democratic processes and in our great leaders who have served our country well.*

WITNESS *my hand and Corporate Seal
of the City of Pleasant Ridge on this 10th
day of February, 2015.*

*Kurt Metzger
Mayor*

Mayoral Proclamation Black History Month

WHEREAS, Black History Month is traditionally observed in February of each year; and

WHEREAS, Black History Month seeks to emphasize that Black History is also American History and acknowledges the achievements of Blacks in the military, the arts, civil rights, education, entertainment, science, industry, religion, and others; and

WHEREAS, African Americans reflect a proud legacy of courage and dedication that has helped to guide our Nation's success and prosperity.

NOW, THEREFORE, I, Kurt Metzger, on behalf of the entire City Commission, do hereby proclaim the month of February as "Black History Month" for the City of Pleasant Ridge and urge all citizens to gain awareness and appreciation for Black history.

Kurt Metzger, Mayor

SIGNED AND SEALED THIS 10TH DAY OF FEBRUARY, 2015



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: February 5, 2015
Re: Permit Parking Ordinance Amendment

Overview

Attached to this memo you will find a proposed amendment to the City Code to allow for the creation of residential permit parking zones within the City.

Background

The creation of an opt-in permit parking program for certain portions of streets on the east side of Woodward has been discussed in a Town Hall meeting last November, and in the general comments portion of the December City Commission meeting. The City Attorney has advised that an amendment to the City's Code of Ordinances would be the necessary first step towards facilitating residential permit parking on an opt-in basis.

The City Attorney has prepared the attached ordinance amendment for public hearing. Also attached is a permit parking which establishes the specific procedures and requirements that will govern the establishment, operation, and enforcement of permit parking zones within the City.

Requested Action

Consideration of adoption of the proposed ordinance to allow for residential permit parking.

City of Pleasant Ridge
Ordinance # 410

AN ORDINANCE TO AMEND CHAPTER 70 (TRAFFIC AND VEHICLES), BY AMENDING SECTION 70-55 (RESIDENTIAL PARKING PERMIT PROGRAM) AND SECTION 70-56 (PENALTIES), OF THE PLEASANT RIDGE CITY CODE.

THE CITY OF PLEASANT RIDGE ORDAINS:

Section 1. **Amendment** – Chapter 70 of the Pleasant Ridge City Code is hereby amended to add the following section:

Sec. 70-55 Residential Parking Permit Program

- (1) *Intent and Purpose.* The purpose of this section is to regulate the flow of traffic and parking in residential districts in order to reduce hazardous traffic conditions resulting from the use of streets within such districts; to allow residents of residential homes to obtain and preserve adequate parking for their homes; to protect residential districts from excessive noise, trash and refuse caused by the operation and parking of vehicles therein; to preserve the character of residential districts as residential districts; to preserve residential district property values; and to promote safety for children and pedestrians within residential districts.
- (2) *Program Established.* A residential parking permit program (“RPP”) is hereby established for the purpose of providing local residents with adequate opportunities for on-street parking spaces in areas of the City where the demand for such parking is significant, and availability limited, as demonstrated by a study of said conditions conducted at the direction of the City Manager. The City Manager is authorized to administer and implement the RPP program pursuant to regulations promulgated by the City Commission under this section.
- (3) *RPP Zones.* The City Commission may establish by a traffic control order one or more on-street RPP zones that will require a valid permit to park, issued by the City Manager or his/her designee.
- (4) *Regulations.* The City Commission is authorized to promulgate regulations for the administration of the RPP.
- (5) *Violations.* No person shall: (a) park their vehicle in an RPP zone without properly displaying a valid permit; (b) falsify information associated with their application for a RPP permit; (c) fail to report a change of residence or vehicle ownership upon which facts an RPP permit is issued; or (d) alter or transfer the RPP permit to another person or vehicle.

Sec. 70-56 Penalties

- (a) Except as otherwise specifically provided by another section of this chapter, a person who is in violation of this chapter, a person who is in violation of any stopping, standing and parking regulation provided under this chapter shall be required to pay a fine of \$25.00 in addition to any other costs assessed by a court of competent jurisdiction.
- (b) If the fines and any other costs are not paid within the time for payment specified in the citation or other complaint issued in connection with any such violation, the person responsible for such violation shall be ordered to pay, in addition to the amounts described in subsection (1), a delinquent payment penalty of \$10.00 and any other costs assessed by a court of competent jurisdiction.
- (c) A violation of this chapter or rules substantially corresponding to the Michigan Vehicle Code (MCL 257.1 et seq.) that is designated a civil infraction is not a crime and shall not be punishable by imprisonment or a penal fine. A civil infraction shall not be considered a lesser-included offense of any criminal offense. A person who is responsible for a civil infraction shall be ordered to pay a fine of not more than \$100.00 and costs prescribed by section 907 of the Michigan Vehicle Code (MCL 257-907).
- (d) The penalties provided by the Uniform Traffic Code are adopted by reference.

Section 2. Effective Date - This Ordinance shall be effective fifteen days after enactment and upon publication.

Amy Drealan
City Clerk

Introduced: Tuesday, January 13, 2015
Public Hearing: Tuesday, February 10, 2015
Adopted:
Published:
Effective:



City of Pleasant Ridge

James Breuckman, City Manager

*** DRAFT***

Administrative Policy #2015-02

Residential Permit Parking

Overview

Per Section 70-44 of the Pleasant Ridge City Code, the City is authorized to establish permit parking zones in residential areas of the City. This administrative policy establishes the rules by which a permit parking zone may be created, operated, and eliminated.

Area of Eligibility

The area of eligibility for permit parking is defined as the street frontage for any residentially zoned and used parcel on the east side of Woodward that is completely or partially located within 700 feet of the Woodward Avenue or Main Street right-of-way. The street frontage of all non-single family residential properties shall be excluded from the area of eligibility for permit parking, and shall be retained as unrestricted parking.

Process to Establish Permit Parking on a Street

Resident Petition. The City Commission may create a permit parking zone for any street within the area of eligibility on an opt-in basis. In order for a street to opt-in to the permit parking program, a minimum of two-thirds (66.6%) of the residential addresses within the area of eligibility must vote affirmatively to create the permit parking zone on that street. Each address shall have one vote regardless of the number of signatures per address.

Resident Meeting. Once a petition is received by the City and verified to be accurate, the City shall schedule a meeting for the residents living within the requested permit parking zone. The purpose of this meeting shall be to review the rules that will apply in the permit parking zone, and to determine the hours during which permit parking shall apply.

City Commission Approval. The City Clerk shall place the request on the next available City Commission agenda for consideration by the City Commission.

Permit Parking Rules

Permits per Household. Each household shall receive two parking permits. One additional permit may be issued for each vehicle in excess of two that is registered at the address. The resident must provide a valid registration for each vehicle registered at the address if requesting permits in excess of two.

Permit Renewal. Parking permits shall be valid for a permit of two years from the date of issuance. All parking permits shall expire on December 31. Residents must renew their permits in person at City Hall, or by mail.

Parking Permit Fee. There shall be a fee of \$5 per parking permit due at the time of registration. This fee covers the cost of materials for the parking permits along with the cost to install signs along the street advising of the permit parking requirement.

Enforcement Schedule. At the resident meeting, residents shall select an enforcement schedule for the permit parking zone. This allows the residents to identify the hours during which non-residential parking is a problem and to choose an enforcement schedule that matches the problem times.

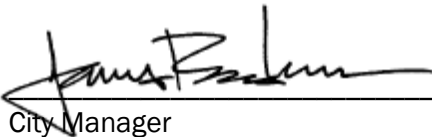
Potential schedules for the times when residential permit parking only will be enforced include:

Option	Days Enforced	Enforcement Hours
A	Monday – Friday	8am – 5pm
B	Monday – Saturday	8am – 5pm
C	Monday – Sunday	8am – 5pm
D	Monday – Friday	8am – 11pm
E	Monday – Sunday	8am – 11pm
F	Saturday – Sunday	8am – 5pm

The above schedule may be adjusted if necessary by the City Commission

Guest Parking Passes. Residents may request short-term guest parking passes from City Hall.

Effective Date: March 1, 2015



City Manager



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: February 5, 2015
Re: Master Plan Adoption

Overview

The new Pleasant Ridge Master Plan is eligible for adoption.

Background

The final draft of the Master Plan is available for review at http://theridger.org/wp-content/uploads/2015/01/PR_MasterPlan_2015.pdf . Please review the plan on the website, as it was too large to include in an online packet. The changes to the plan are not substantive, but are more typographical in nature and nothing major has changed since the distribution draft of the plan was reviewed by the Planning Commission.

The Planning Commission held the required public hearing and adopted the Master Plan at its meeting on January 26, 2015. The City Commission exercised its right to also adopt the plan by adopting a resolution to that effect when you approved the draft plan for distribution for comment to adjacent communities. Once the City Commission adopts the plan, it will be formally approved and will take effect.

I will present a brief overview of the plan at the meeting on February 10. After consideration, the City Commission may adopt the plan, refer it to the Planning Commission for further review and editing with specific guidance, or reject the plan.

Requested Action

Consideration of a resolution of adoption for the new Pleasant Ridge Master Plan.

City of Pleasant Ridge
Oakland County, Michigan
Master Plan Resolution of Adoption
January 26, 2015

WHEREAS, the City of Pleasant Ridge Planning Commission, under the provisions of PA 33 of 2008 of the State of Michigan may adopt a Master Plan; and

WHEREAS, PA 33 of 2008 requires the Planning Commission to review and, if necessary, revise or amend the Plan once at least every five years and the current Pleasant Ridge Master Plan was adopted in 1998; and

WHEREAS, the City of Pleasant Ridge Planning Commission recognized the need to revise and adopt a Master Plan, including establishment and support of visions, goals, actions, implementation, and the Future Land Use Plan as described in this document; and

WHEREAS, in connection with the preparation of the Master Plan, the Planning Commission carefully and comprehensively surveyed and studied present conditions, projections of future growth of the City of Pleasant Ridge, and the relation of the City of Pleasant Ridge to neighboring areas and jurisdictions; and

WHEREAS, the Master Plan has been prepared for the purpose of guiding and accomplishing coordinated, adjusted and harmonious development of the City of Pleasant Ridge and its environs; and

WHEREAS, the plan was distributed for review by surrounding communities and other public agencies as required by the Michigan Planning Enabling Act.

WHEREAS, the Pleasant Ridge Planning Commission has provided multiple opportunities for public participation in the planning process and a public hearing conforming to the requirements of the Michigan Planning Enabling Act; and

NOW, THEREFORE, BE IT RESOLVED by the City Pleasant Ridge, Michigan, that the City Commission concurs with the Planning Commission and adopts the Master Plan as presented at a public hearing held January 26, 2015, pursuant to MCL 125.3843 of PA 33 of 2008.

This Resolution being put to vote on roll call, the City Commission voted as follows:

AYES:

NAYS:

ABSENT:



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: February 6, 2015
Re: SCAF Parks and Recreation Special Revenue Fund Allocation

Overview

The amendment to the SCAF ordinance has taken effect, and the investment committee has met to review the allocation of funds to the SCAF Parks and Recreation Special Revenue Fund investment advisory services.

Background

City Staff have been working on identifying a cost-effective method of investing funds in the newly-created Parks Special Revenue Fund. To that end, we solicited proposals for investment advisory services from a number of firms. All firms that were contacted are large institutions to avoid any potential agency issues in the future. All of the firms that responded offer similar services and recommended similar portfolio allocations, meaning that the primary quantitative difference that separated the firms was their fee structure.

Staff secured proposals from Vanguard, 5/3 Bank, and Fidelity. Northern Trust, Merrill Lynch, and JPMorgan Chase declined to provide proposals.

After reviewing the proposals with the investment committee it is clear that Vanguard and Fidelity were the two best options. I was equally impressed with both Vanguard and Fidelity's responsiveness and proposals, and both firms offer essentially similar management and advisory services, and both share fiduciary responsibility with the City. The primary difference is that Fidelity's fees are double that of Vanguard's: Vanguard's proposed all-in fee is 0.62%, while Fidelity's fee is about 1.2%. All-in fees include the management fees paid to the advisor along with the fees included in the funds that comprise the portfolio.

It is therefore my recommendation that the City Commission confirm Vanguard as our investment advisor. Vanguard requires a \$2,000,000 minimum account balance to open a non-profit institutional account, which is in line with our preliminary discussion of an amount to allocate to the Parks and Recreation Special Revenue Fund. Vanguard's proposal is included in your agenda packets, and includes their initial recommended portfolio allocation.

Requested Action

City Commission allocation of \$2,000,000 to the Parks Special Revenue Fund, and confirmation of Vanguard Investment Advisory Services as the City's investment advisor and co-fiduciary.



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
To: City Commission
Date: February 5, 2015
Re: Property Assessed Clean Energy (PACE)

Overview

Attached to this memo you will find a resolution of intent to establish a property assessed clean energy program and to call for a public hearing.

Background

What Is PACE?

PACE is a form of financing that eliminates a few problems which have made financing energy efficiency and clean energy projects difficult, with the most notable one being that many such projects have payback periods longer than the typical 5-year term on a commercial property loan. By using the property assessment approach, these projects can be financed over longer terms (10-20 years) under a PACE program, making them cash-flow positive from day one. The PACE assessment also runs with the land, meaning that if the building is sold the new owner simply picks up the payments on the PACE loan.

Public Act No. 270 of 2010 ("Act 270") is the law that authorizes local units of government to adopt PACE programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

A key consideration is that establishing a PACE program does not obligate the City or any property owner. It simply provides an additional financing method for private property owners who may choose to take advantage of it or not. Under a PACE program, projects must be cash flow positive from day one in order to be financed.

How Does a PACE Program Operate?

There are two basic options for a local government interested in starting a PACE program. The first is to self-finance it. This would entail the local government putting up its own money, or floating a bond to provide loan capital for the PACE program. The local government then takes applications, loans out the money, and collects repayment over time through the property tax assessment.

The second option is to partner with a private sector entity to administer the program. One such entity is

Lean & Green Michigan (“LAGM”), which has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

LAGM has a pool of private sector investors who are looking to fund PACE projects. When a property owner is interested in exploring doing a PACE project, the City puts them in touch with LAGM who walks the property owner through the process and helps to line up private sector financing. The City’s only role is to collect the assessments through the property tax assessment and to then pay the private-sector entity who loaned the money. The City incurs only minimal administrative functions, and provides no money of its own to the PACE program. LAGM is paid through a small percentage that is included in the loan terms.

If the City Commission wishes to move forward with establishing a PACE program, it is my recommendation that we designate LAGM as administrator of our program.

LAGM currently has established and administers PACE districts across the State, including Eaton, Genesee, Grand Traverse, Huron, Ingham, Macomb, Saginaw, Washtenaw, and Wayne Counties, and the Cities of Rochester Hills, Royal Oak, and Southfield.

For more information on LAGM, and on PACE in general, please refer to LAGM’s website at:

<http://www.leanandgreenmi.com/index.htm>

Next Steps

Act 270 sets forth a specific process by which a City can adopt a PACE district. Those include:

1. City Commission adopts of a resolution of intent and scheduling a public hearing (tonight’s requested action)
2. The City places the PACE program document on the City’s website (will occur by the end of the week, if the resolution of intent is passed).
3. City Commission holds a public hearing at an upcoming meeting.
4. City Commission adopts a resolution establishing the PACE program.

Requested Action

Consideration of adoption of the proposed resolution of intent, which will call for a public hearing for the proposed PACE program at the March City Commission meeting and which describes the general parameters of how the PACE program will operate if created.

**CITY OF PLEASANT RIDGE
STATE OF MICHIGAN**

**RESOLUTION OF INTENT TO ESTABLISH A PROPERTY ASSESSED CLEAN
ENERGY PROGRAM AND CALLING PUBLIC HEARING**

Minutes of a regular meeting of the City Commission of the City of Pleasant Ridge, Michigan (the “City”), held on the tenth day of February, 2015, at 7:30 p.m., prevailing Eastern Time.

PRESENT: Commission Members _____

ABSENT: Commission Members _____

WHEREAS, the City of Pleasant Ridge City Commission intends to authorize the establishment of a property assessed clean energy program (“PACE Program”) and create a PACE district pursuant to Act No. 270, Public Acts of Michigan, 2010 (“Act 270”), for the purpose of promoting the use of renewable energy systems and energy efficiency improvements by owners of certain real property; and

WHEREAS, the City Commission intends to find that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the City; and

WHEREAS, the types of energy projects, either energy efficiency improvements or renewable energy systems, that may be financed under the PACE Program include, but are not limited to: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Commission; a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use one or more renewable energy resources to generate electricity. Renewable energy resources include, but are not limited to: biomass (includes a biomass stove but does not include an incinerator or digester); solar and solar thermal energy; wind energy; geothermal energy and methane gas captured from a landfill; and

WHEREAS, the City Commission intends to create a PACE district having the same boundaries as the City's jurisdictional boundaries; and

WHEREAS, the City Commission intends to join Lean & Green Michigan™, and intends to utilize Levin Energy Partners, LLC as PACE administrator (the "PACE Administrator") to administer its PACE Program; and

WHEREAS, the report referenced in Section 9(1) of Act 270 (the "PACE Report") shall be available on the City's website at <http://www.cityofpleasantridge.org/>, and shall be available for viewing at the office of the City Clerk located at: 23925 Woodward Avenue, Pleasant Ridge, MI 48069.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Commission, being fully apprised of the PACE Program, finds that financing energy projects is a valid public purpose because it reduces energy costs, reduces greenhouse gas emissions, stimulates economic development, improves property values and increases employment in the City.

2. The City Commission, by adoption of this Resolution, formally states its intention to establish a PACE district having the same boundaries as the City's jurisdictional boundaries and a PACE Program as described in and for the reasons set forth in this Resolution.

3. The City Commission formally states its intention to provide a property owner based method of financing and funds for energy projects, including from the sale of bonds or notes which shall not be a general obligation of the City, amounts advanced by the City from any other source permitted by law, or from owner-arranged financing from a commercial lender, which funds and financing shall be secured and repaid by assessments on the property benefited, with the agreement of the record owners, such that no City moneys, general City taxes or City credit of any kind whatsoever shall be pledged, committed or used in connection with any project as required by and subject to Act 270.

4. The City Commission, by adoption of this Resolution, formally states its intention to join Lean & Green Michigan™, and to utilize Levin Energy Partners, LLC as PACE Administrator.

5. The City Commission hereby sets a public hearing for March 10, 2015, at 7:30p.m., in the City Commission Chambers, Pleasant Ridge City Hall, 23925 Woodward Avenue, Pleasant Ridge, MI 48069, to receive comments on the proposed PACE Program, including the PACE Report.

6. The City Clerk is authorized and directed to publish a notice of intent to establish a PACE district and a PACE Program, and a notice of the public hearing set by this Resolution in a newspaper of general circulation in the City as a display advertisement prominent in size. The City Clerk shall maintain on file for public review a copy of the PACE Report and shall cause

the PACE Report to be available on the City's website in accordance with the requirements of Act 270.

7. All resolutions and parts of resolutions inconsistent with this Resolution are repealed to the extent of such inconsistency.

YEAS: Commission Members _____

NAYS: Commission Members _____

RESOLUTION DECLARED ADOPTED.

Amy Drealan
City Clerk

I HEREBY CERTIFY that the attached is a true and complete copy of a resolution adopted by the City Commission of the City of Pleasant Ridge, Michigan, at a regular meeting held on February 10, 2015, at 7:30 p.m., prevailing Eastern Time, and that public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by Act 267.

Amy Drealan
City Clerk



CITY OF PLEASANT RIDGE, MICHIGAN PACE PROGRAM

DATE



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Lean & Green Michigan™ PACE Program

Executive Summary

Public Act No. 270 of 2010 (“Act 270”) authorizes local units of government to adopt Property Assessed Clean Energy (“PACE”) programs to promote the installation of energy efficiency improvements and renewable energy systems by owners of commercial or industrial property within a district designated by the local unit of government. Act 270 allows private commercial lenders to finance energy projects; authorizes local units of government to issue bonds, notes and other indebtedness; and authorizes the assessment of properties for the cost of the energy projects. Act 270 provides for repayment to the local unit of government or the private lender through a voluntary property assessment. The property assessment remains with the property and has the same priority as other property tax and assessment liens in the event of foreclosure.

Lean & Green Michigan™ (“LAGM”) has developed a collaborative approach to PACE programs for local units of government by standardizing the administrative and legal process under which PACE programs are created and managed. Many local units of government throughout the state joined have or are in the process of joining LAGM utilizing a “shared services” approach to eliminate upfront and ongoing program costs and duplication. Further, this approach creates one efficient statewide market, allowing property owners, lenders and clean energy contractors to utilize a standardized process as they employ PACE financing in multiple jurisdictions throughout the state.

This documentation package includes the report required by Section 9 of Act 270 and provides model forms of documents for the PACE program. As many of the details of a PACE transaction are determined on a project-specific basis, adjustments to the model documents may be required to fit a particular transaction. Additionally, there are several blanks left in the documents that should be filled in when the corresponding information is known.



CITY OF PLEASANT RIDGE, MICHIGAN

PACE PROGRAM REPORT

This Lean & Green Michigan™ PACE Program Report contains the information required by Section 9 of Act 270. Additional information is available from the City of Pleasant Ridge. The PACE Program and Report were approved by the City of Pleasant Ridge City Commission on _____, subsequent to a public hearing held on _____.

INTRODUCTION

In order to encourage economic development, improve property valuation, increase employment, reduce energy costs, reduce greenhouse gas emissions and contribute to the public health and welfare in City of Pleasant Ridge, the City Commission established the City of Pleasant Ridge Property Assessed Clean Energy Program pursuant to Public Act No. 270 of 2010 (“Act 270”) by joining Lean & Green Michigan™ (“LAGM,” the “PACE Program” or “Program”). The PACE Program has identified specific sources of commercial funding to finance the implementation of energy efficiency improvements, renewable energy systems and energy projects within the City of Pleasant Ridge PACE district (which is coterminous with City of Pleasant Ridge jurisdictional boundaries).

The City of Pleasant Ridge City Commission passed a Resolution of Intent to create a PACE district by joining the Lean & Green Michigan statewide PACE program on [REDACTED]. The City Commission published its first version of this PACE Report thereafter, and held a public hearing on [REDACTED]. The City Commission passed a Final Resolution adopting this PACE program on [REDACTED].

The purpose of this PACE Report (hereinafter the “Report”) is to fulfill the requirements of Act 270. Section 9 of Act 270 requires a Report that includes: a form of contract between City of Pleasant Ridge and the record owner; identification of an official authorized to enter into program contracts on behalf of City of Pleasant Ridge; a maximum aggregate amount for financing under the program; an application process and eligibility requirements; a method for determining interest rates, repayment periods and the maximum amount of assessment; explanation of how assessments will be made and collected; a plan for raising capital; information regarding reserve funds and fees of the program; a requirement that the term of the assessment not exceed the useful life of the energy project; a requirement of an appropriate ratio of the amount of assessment to the assessed value of the property; requirement of consent from the mortgage holder; provisions for marketing and participant education; provisions for adequate debt service reserve fund; quality assurance and antifraud measures; and a requirement for baseline energy audits, ongoing savings measurements and performance guarantees for projects over \$250,000 in assessments.

1. Form of PACE Contract

A form of model PACE Special Assessment Agreement is attached as **Appendix A**. Individual property owners may negotiate project-specific terms to be included in an actual agreement based upon the specific energy efficiency and renewable energy improvements to be financed through the individual agreement, subject to the limitations set forth herein.

2. Authorized Official/PACE Administrator

The City Manager of the City of Pleasant Ridge, or his/her designee (the “Authorized Official”) is authorized to enter into PACE Program contracts on behalf of City of Pleasant Ridge in consultation with Levin Energy Partners, LLC (“LEP”). The Authorized Official is further authorized to sign any agreement, documents or certificates necessary to facilitate the participation of property owners and to facilitate the purposes hereunder.

As part of Lean & Green Michigan™, LEP will act as PACE administrator and will manage City of Pleasant Ridge's PACE Program. LEP is authorized to negotiate with credit providers and PACE project participants to facilitate the use of the PACE Program and to assist PACE project applicants in obtaining owner-arranged financing.

3. Financing Parameters

In establishing its PACE district, City of Pleasant Ridge intends for PACE projects to be funded through owner-arranged private financing. The maximum aggregate annual amount of financing provided by City of Pleasant Ridge in 2015 shall be zero dollars. The maximum aggregate dollar amount for financing provided by the City may be adjusted and/or amended on an annual basis or more frequently by the City Commission and will remain at zero dollars unless and until it is changed.

Owner-arranged and other financing from commercial lenders, as allowed under Act 270, Section 9(1)(g)(iii), are separate sources of financing from the financing provided by City of Pleasant Ridge. Owner-arranged and other financing from commercial lenders are not included under the maximum aggregate annual dollar amount for financing provided by City of Pleasant Ridge under the Program. There is no limit on the maximum aggregate annual amount of financing provided by private commercial lenders under the program. The dollar amount for financing of a particular project will be established by the property owner seeking to make the property improvement and the commercial lender seeking to finance the energy improvements, as approved by LEP and the Authorized Official.

4. Application Process/Eligibility Requirements

Application Process:

The application process for financing projects under the Program shall be that of LAGM. The current application form is attached as **Appendix B**. This form may be changed or amended as necessary by LEP.

Eligibility Requirements:

The eligibility requirements for financing projects under the Program shall be those of LAGM. Eligibility requirements may be changed or amended as necessary by LEP. The current list of eligibility requirements is attached as **Appendix C**.

5. Financing Terms of Assessments

For funds supplied by City of Pleasant Ridge, the interest rate on a PACE special assessment shall be sufficient to pay principal and interest on the financing as determined by the Authorized Official. Additional financing terms shall be negotiated between the property owner and entity providing the financing.

For funds supplied by commercial lenders, the interest rate for PACE special assessment installments shall be negotiated by the parties based on current market conditions.

The maximum allowable repayment period of a PACE special assessment must be included in the PACE Special Assessment Agreement and will be determined on a project-specific basis and shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years.

The maximum dollar amount of a PACE special assessment shall be negotiated on a project-specific basis between the property owner and the entity providing the financing based upon the specific energy efficiency improvement(s) and/or renewable energy system(s) included in the individual PACE Special Assessment Agreement.

6. Assessment Collection Process

Within the parameters set forth herein, the Authorized Official will determine to:

- i. Finance energy projects by the issuance of bonds to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements; or
- ii. Authorize one or more commercial lenders to provide financing to defray all or part of the cost of the energy improvements by special assessment upon the Special Assessment Parcel, which the Authorized Official will find is especially benefited in proportion to the costs of the energy improvements.

The Special Assessment Roll, attached as **Appendix E**, will be spread by the Authorized Official on behalf of City of Pleasant Ridge and without objection by the property owner to allocate one hundred percent (100%) of the PACE special assessment levy created hereby to the Special Assessment Parcel.

The PACE special assessment, as allocated by the Authorized Official on behalf of City of Pleasant Ridge without objection by the property owner, will be finally established against the property and the energy projects to be constructed on the Special Assessment Parcel. The PACE special assessment will be effective immediately upon the execution and delivery of the PACE Special Assessment Agreement by the property owner. The PACE special assessment may be paid in semi-annual installments pursuant to Section 13(2) of Act 270. The Authorized Official, on behalf of City of Pleasant Ridge, will confirm the Special Assessment Roll.

If the project is financed with bonds, the Special Assessment Roll shall bear interest at a rate sufficient to pay principal and interest on the bonds. If funds are supplied by commercial lenders, the interest rate for the PACE special assessment will be negotiated by the parties based on current market conditions.

7. Financing Program

LAGM has developed and will continue to develop an active roster of financial institutions, institutional investors and other sources of private capital available to finance PACE projects in Michigan. By participating in LAGM, City of Pleasant Ridge helps its constituent property owners gain access to private capital made available through the statewide program. City of Pleasant Ridge authorizes the use of owner-arranged financing from commercial lenders to finance qualified energy projects under the Program.

City of Pleasant Ridge may also raise capital to finance qualified energy projects from the sale of bonds or notes, or may finance qualified energy projects under the Program from funds available to it from any other source.

8. Reserve Fund

In the event City of Pleasant Ridge decides to issue bonds to provide financing for a PACE Program, City of Pleasant Ridge can determine at that time to fund a bond reserve account from any legally available funds, including funds from the proceeds of bonds.

By participating in LAGM, City of Pleasant Ridge assists its constituent property owners in taking advantage of any and all appropriate loan loss reserve and gap financing programs of the Michigan Economic Development Corporation (“MEDC”). Such financing mechanism can similarly be used to finance a reserve fund.

9. Fee Schedule

Application, administration and program fees for record owners shall be those of LAGM. Administration and program fees will be determined on a project-specific basis and will depend on the size, nature and complexity of the energy project(s) and financing mechanism(s) involved.

10. Useful Life

The maximum length of time allowable for repayment of a PACE assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years and will be determined on a project-specific basis by LEP. Projects involving multiple energy efficiency improvements and/or renewable energy systems may aggregate the useful life of each improvement to determine an overall useful life figure for financing purposes. In aggregating the improvements, the property owner must appropriately weigh each improvement’s dollar cost.

11. Property Eligibility Parameters

As set forth in the PACE Special Assessment Agreement, energy projects shall generally not exceed 25% of two times the State Equalized Value; and the lien to value ratio of the clean energy project to the property generally shall not exceed 80% of two times the State Equalized Value (not including the energy assessment amount). LEP and the Authorized Official may permit projects that exceed these values for reasonable cause on a case-by-case basis.

12. Mortgage Consent Requirement

If a property is subject to a mortgage the record owner must obtain written consent from the mortgagee to participate in the Program. Proof of lender consent must be submitted before a Special Assessment Agreement may be executed. A form of model lender consent to participate in a PACE Program is attached as **Appendix G**.

13. Marketing Program

LAGM has developed an ongoing marketing and participant education program. By joining LAGM, City of Pleasant Ridge gains access to this program and agrees to partner with LAGM in educating businesses in City of Pleasant Ridge about opportunities to save energy, save money and improve their property value. The City authorizes the use of City of Pleasant Ridge's logo by LAGM to be incorporated into the LAGM website and other communication vehicles. More information regarding the Program can be obtained at LAGM's website: www.leanandgreenmi.com; or at City of Pleasant Ridge's website at <http://www.cityofpleasantridge.org/>.

14. Quality Assurance and Antifraud Measures

LAGM includes the following quality assurance and antifraud measures:

- i. Business integrity review on clean energy contractors conducted by Michigan Saves;
- ii. Background check process on clean energy contractors conducted by Michigan Saves; and
- iii. Other general due diligence as may be necessary or required.

15. Audit Requirement

As set forth in the PACE Program Application, a baseline energy audit must be completed before an energy project is undertaken. Each contract will require and provide adequate funding for monitoring and verification of energy savings throughout the life of the special assessment.

16. Projects Over \$250,000

As set forth in the PACE Special Assessment Agreement, energy projects financed with more than \$250,000 require ongoing measurements to establish energy savings and a guarantee from the contractor that the energy project will achieve a savings to investment ratio greater than one.

17. Amendments to the Program

A public hearing shall not be required to amend this Program. LEP may amend the City of Pleasant Ridge PACE program as necessary from time to time.

____SPACE ABOVE FOR RECORDING PURPOSES____

PACE SPECIAL ASSESSMENT AGREEMENT

by and among

CITY OF PLEASANT RIDGE, MICHIGAN

and

INSERT NAME OF BORROWER

and

INSERT NAME OF LENDER

Dated: _____

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PACE SPECIAL ASSESSMENT AGREEMENT

THIS PACE SPECIAL ASSESSMENT AGREEMENT (this “Agreement”) is made this ____ day of _____, 2015, by and among the City of Pleasant Ridge, a Michigan municipal corporation (the “City of Pleasant Ridge”), whose address is 23925 Woodward Ave., Pleasant Ridge, MI 48069, _____ (the “Property Owner”), whose address is _____, and _____ (the “Lender”), whose address is _____.

RECITALS:

A. Pursuant to Act 270 and a resolution adopted by the City Commission of the City of Pleasant Ridge on ^{INSERT DATE}, the City of Pleasant Ridge has established the PACE Program as described in the PACE Program Report and has created the Special Assessment District under the PACE Program for the purpose, *inter alia*, of assisting a record owner of property within the Special Assessment District in obtaining Owner-Arranged Financing from a commercial lender to defray the costs of one or more Energy Projects on the property.

B. Under Act 270, the City of Pleasant Ridge is authorized, pursuant to an agreement with the record owner of property within the Special Assessment District, to impose a special assessment on the property to be benefitted by the Energy Projects in order to secure and provide for the repayment of the Owner-Arranged Financing.

C. The Property Owner desires to undertake certain Energy Projects on commercial property of the Property Owner located within the Special Assessment District, as described herein, and has obtained a commitment from the Lender to make the Loan to the Property Owner to defray a portion of the cost thereof.

D. In order to induce the Lender to make the Loan to the Property Owner, the Property Owner has requested that the City of Pleasant Ridge enter into this Agreement for the purpose of imposing a special assessment on the property to be benefitted by the Energy Projects, in accordance with Act 270, which special assessment will secure and provide for repayment of the Loan from the Lender.

E. Pursuant to Act 270 and the PACE Program, the City of Pleasant Ridge is authorized to enter into this Agreement.

In consideration of the foregoing and the mutual covenants contained in this Agreement, the City of Pleasant Ridge, the Property Owner and the Lender hereby enter into this Agreement and covenant and agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Agreement, including the Recitals hereto, shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) “**Act 270**” means Act 270 of the Michigan Public Acts of 2010, commonly referred to as the Property Assessed Clean Energy Act.

(b) “**Agreement**” means this PACE Special Assessment Agreement as same may be amended and/or restated.

(c) “**Applicable Interest Rate**” means _____ percent (___%) per annum.

(d) “**Authorized Official**” means the INSERT TITLE OF AUTHORIZED OFFICIAL, or her designee, who is authorized to exercise the authority of an Authorized Official under the terms of the PACE Program Report.

(e) “**City**” or “**City of Pleasant Ridge**” means the City of Pleasant Ridge, County of Oakland, State of Michigan, a Michigan municipal corporation.

(f) “**County**” means the County of Oakland, State of Michigan.

(g) “**Default Rate**” means the lesser of (i) eighteen percent (18%) per annum and (ii) the maximum allowable rate of interest under the laws of the State of Michigan.

(h) “**Energy Efficiency Improvement**” means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following: insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems; storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption; automated energy control systems; heating, ventilating, or air-conditioning and distribution system modifications or replacements; caulking, weather-stripping, and air sealing; replacement or modification of lighting fixtures to reduce the energy use of the lighting system; energy recovery systems; day lighting systems; installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity; measures to reduce the usage of water or increase the efficiency of water usage; and any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the City Commission of the City of Pleasant Ridge.

(i) “**Energy Project**” means the installation or modification of an Energy Efficiency Improvement or the acquisition, installation, or improvement of a Renewable Energy System.

(j) “**Event of Default**” has the meaning set forth in Section 7.01 hereof.

(k) “**Force Majeure**” means unforeseeable events beyond a party’s reasonable control and without such party’s failure or negligence including, but not limited to, acts of God, acts of public or national enemy, acts of the federal government, fire, flood, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, and delays of contractors due to such causes, but only if the party seeking to claim Force Majeure takes reasonable actions necessary to avoid delays caused thereby.

(l) “**General Property Tax Act**” means the General Property Tax Act, Act 206, Public Acts of Michigan, 1893, as amended.

(m) “**Improvements**” means the [Energy Efficiency Improvements and the Renewable Energy System Improvements] being undertaken by the Property Owner on the Special Assessment Parcel as described in **Appendix B** attached hereto.

(n) “**Lean & Green Michigan™**” means a consortium of local units of government and private entities involved in facilitating property assessed clean energy program-financed transactions.

(o) “**Lender**” means INSERT NAME OF LENDER, a INSERT DESCRIPTION OF LENDER, I.E. COMPANY TYPE

(p) “**LEP**” shall mean Levin Energy Partners, LLC, a Michigan limited liability company.

(q) “**Loan**” means the loan obtained by the Property Owner from the Lender pursuant to Owner-Arranged Financing to defray a portion of the cost of the Improvements under the terms of the Loan Documents.

(r) “**Loan Documents**” means the Loan Agreement, dated as of December _____, 2014, between the Property Owner and the Lender and any and all exhibits or attachments thereto, including any documents amending, restating, replacing, extending or otherwise modifying the Loan Agreement and all documents provided to the Lender from time to time by the Property Owner to evidence or secure the Loan as required pursuant to the terms of the Loan Agreement.

(s) “**Owner-Arranged Financing**” means the process by which a property owner secures financing for improvements to its property that does not involve bonds or any other form of funding provided by the City of Pleasant Ridge.

(t) “**PACE Program**” shall mean the property assessed clean energy program implemented by the City of Pleasant Ridge pursuant to Act 270 and the PACE Program Report to stimulate energy efficiency and renewable energy projects in conformity with Act 270.

(u) “**PACE Program Report**” means the Lean & Green Michigan™ Pace Program Report approved by the City Commission of the City of Pleasant Ridge on INSERT DATE.

(v) “**Payment Schedule**” has the meaning set forth in Section 4.01 hereof.

(w) “**Property Owner**” means INSERT NAME OF PROPERTY OWNER

(x) “**Renewable Energy System Improvement**” means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer’s side of the meter that use one (1) or more Renewable Energy Resources to generate electricity. Renewable Energy System Improvement includes a biomass stove but does not include an incinerator or digester.

(y) “**Renewable Energy Resource**” has the meaning set forth in Act 270.

(z) “**Special Assessment**” means the money obligation created pursuant to this Agreement with respect to the Special Assessment Parcel used to defray the cost of the Improvements and which shall, together with all interest, charges and penalties which may accrue thereon, be a lien upon the Special Assessment Parcel of the same priority and status as other property tax liens and other assessment liens as provided in Act 270 until such amounts have been paid in full.

(aa) “**Special Assessment District**” means the Special Assessment District established as part of the PACE Program pursuant to Act 270.

(bb) “**Special Assessment Parcel**” means the property located in the Special Assessment District to which one hundred percent (100%) of the Special Assessment has been spread by the City of Pleasant Ridge and which is more particularly described on the attached **Appendix A**.

(cc) “**Special Assessment Roll**” has the meaning set forth in Section 4.01 hereof.

ARTICLE II DESCRIPTION OF IMPROVEMENTS

Section 2.01 Description of Improvements. The Improvements to be acquired, constructed, installed and financed by the Property Owner under the PACE Program are described in **Appendix B** attached hereto. If after project approval, the Property Owner seeks to undertake additional Improvements, **Appendix B** may be amended or supplemented from time to time. Such additional Improvements must meet all the eligibility criteria of the PACE Program and the PACE Program Report and may be added to the original application as a modification, or submitted as a new project, at the discretion of LEP and the Authorized Official.

ARTICLE III COVENANTS OF THE PROPERTY OWNER

Section 3.01 Acquisition, Construction and Installation of Improvements.

(a) The Property Owner covenants and agrees to acquire, construct and install the Improvements as described in **Appendix B** on the Special Assessment Parcel described on **Appendix A** in full conformity with all applicable laws and regulations and in compliance with the PACE Program eligibility requirements set forth in **Appendix D**. If the proceeds of the Loan are not sufficient to pay the costs of the Improvements as aforesaid, the Property Owner agrees to complete the Improvements and to pay that portion of the costs of the Improvements in excess of the amount of the Loan. The Property Owner acknowledges and agrees that the City of Pleasant Ridge makes no representation, either express or implied, that the proceeds of the Loan will be sufficient to pay the total costs of the Improvements, and the Property Owner agrees that that if, after exhaustion of the proceeds of the Loan, the Property Owner shall be required to pay any portion of the costs of the Improvements from its own funds, the Property Owner shall not be entitled to any reimbursement therefor from the City of Pleasant Ridge or from the Lender, nor shall the Property Owner be entitled to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

(b) The Property Owner acknowledges and agrees that the City of Pleasant Ridge (i) has no liability, obligation or responsibility whatsoever with respect to the Improvements, (ii) makes no representation or warranty whatsoever with respect to the Improvements, and (iii) is not a party to, nor has it approved or consented to, any contract or other agreements between (A) the Property Owner and any contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee) or (B) the Property Owner and the Lender. The Property Owner covenants and agrees to indemnify and hold harmless the City of Pleasant Ridge and its officers, agents, attorneys and employees from and against any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with: (i) the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements; (ii) any contract or other agreement between the Property Owner and any contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy performance or energy savings guarantee); or (iii) any contract or agreement between the Property Owner and the Lender. The provisions of this Section 3.01(b) shall survive the termination of this Agreement and the discharge of the lien of the Special Assessment as herein provided.

(c) The Property Owner further acknowledges and agrees that no breach or default or failure to perform on the part of any contractor, subcontractor or other person under any contract or other agreement between the Property Owner and any such contractor, subcontractor or other person relating to the acquisition, construction, installation, operation, performance or ongoing monitoring or verification of any of the Improvements (including, without limitation, any energy

performance or energy savings guarantee), nor any claim or dispute relating thereto, shall entitle the Property Owner to any abatement or diminution of the amount of the Special Assessment created by this Agreement or of any interest, charges or penalties which may accrue thereon.

ARTICLE IV PACE SPECIAL ASSESSMENT

Section 4.01 PACE Special Assessment Created.

(a) At the request of the Property Owner, the City of Pleasant Ridge hereby determines to assist the Property Owner in obtaining the Loan to defray a portion of the cost of the Improvements on the Special Assessment Parcel by the levy of the Special Assessment upon the Special Assessment Parcel, which the Authorized Official on behalf of the City of Pleasant Ridge finds is especially benefitted in proportion to the cost of the Improvements. The Special Assessment created hereby has been spread by the Authorized Official on behalf of the City of Pleasant Ridge on the Special Assessment Roll attached hereto as **Appendix E** (the "Special Assessment Roll"), with the consent of the Property Owner, to allocate one hundred percent (100%) of the Special Assessment to the Special Assessment Parcel.

(b) The Special Assessment, as allocated by the Authorized Official with the consent of the Property Owner, is hereby finally established and levied against the Special Assessment Parcel as described on the attached **Appendix A** in the principal amount of _____ Dollars (\$_____) as stated on the Special Assessment Roll. The Special Assessment is effective immediately upon the execution and delivery of this Agreement by the Property Owner. The Special Assessment shall be paid by the Property Owner in forty (40) semi-annual installments on the dates and in the amounts set forth in the payment schedule attached hereto as **Appendix C** (the "Payment Schedule"). The Special Assessment Roll and the Payment Schedule are hereby approved and confirmed by the Authorized Official on behalf of the City of Pleasant Ridge. The unpaid amount of the Special Assessment Roll shall bear interest from the date of execution and delivery of this Agreement at the Applicable Interest Rate, as calculated by the Lender in accordance with the terms of the Loan Documents, payable semi-annually on each date on which any installment of the Special Assessment is due in accordance with the Payment Schedule. Notwithstanding the foregoing, (i) if any installment of the Special Assessment or any interest due and payable on the Special Assessment Roll is not paid by the Property Owner when and as the same shall become due and payable in accordance with the provisions of this Section 4.01 or (ii) any "event of default" under the Loan Documents has occurred and is continuing, the unpaid amount of the Special Assessment Roll shall bear interest at the Default Rate as calculated by the Lender in accordance with the terms of the Loan Documents, for so long as such amounts remain unpaid or for so long as such "event of default" under the Loan Documents exists and is continuing. The City of Pleasant Ridge, the Property Owner and the Lender agree that the Lender shall be solely responsible for the determination from time to time of the Applicable Interest Rate and the Default Rate and the amount of interest due and payable by the Property Owner on the Special Assessment Roll on each day on which interest thereon is due and payable as provided in this Agreement, and the Lender's determination thereof shall be binding on the Property Owner absent manifest error. The Property Owner and the Lender agree that the City of Pleasant Ridge shall under no

circumstance have any obligation to determine the Applicable Interest Rate or the Default Rate or to calculate the amount of any interest payment due on the Special Assessment Roll as provided in this Agreement, and the City of Pleasant Ridge may conclusively rely upon the Lender's determinations thereof for the purpose of exercising and discharging all of the City of Pleasant Ridge's rights and obligations under this Agreement. The Lender agrees to provide, or cause to be provided, notice to the Property Owner and the City of Pleasant Ridge of the determinations of the Applicable Interest Rate and the Default Rate, as applicable, pursuant to this Section 4.01(b) at such times, and from time to time, as the Property Owner or the City of Pleasant Ridge may request.

Section 4.02 Assignment of Special Assessment Payments to Lender. At the request of the Property Owner and the Lender, and pursuant to Section 9(g)(iii) of Act 270, the City of Pleasant Ridge hereby irrevocably assigns to the Lender its right to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement. In pursuance of the foregoing, the City of Pleasant Ridge, the Property Owner and the Lender agree that, except as provided in Section 4.05 of this Agreement, (i) all installments of the Special Assessment, whether payable in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable upon the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, shall be paid by the Property Owner directly to the Lender when due at such address in the United States as may be designated by the Lender in writing to the Property Owner and the City of Pleasant Ridge, (ii) the City of Pleasant Ridge shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Pleasant Ridge or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll, and (iii) absent receipt by the City of Pleasant Ridge of written notice from the Lender of a payment default in accordance with Section 4.05 hereof, the City of Pleasant Ridge shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Lender to the Property Owner when due as required by the terms of this Agreement.

Section 4.03 Property Owner's Consent to Special Assessment; Waiver.

(a) The Property Owner hereby irrevocably consents to and confirms the creation of the Special Assessment Roll and the levy of the Special Assessment established pursuant to this Agreement and EXPRESSLY WAIVES ANY AND ALL CLAIMS CHALLENGING, AND DEFENSES TO, THE LEGALITY, VALIDITY, ENFORCEABILITY OR COLLECTABILITY OF THE SPECIAL ASSESSMENT, including, without limitation, all claims, causes of action and defenses arising from, relating to or otherwise based upon any theory of procedural defect concerning the approval of the Improvements, the establishment of the Special Assessment District, confirmation of the Special Assessment Roll and the Payment Schedule, the City of Pleasant Ridge's right to place the Special Assessment lien on the Special Assessment Parcel, the

collectability and due dates of the Special Assessment installments and interest due and payable on the Special Assessment Roll, or any other theory, claim, cause of action or defense arising at law or in equity. The Property Owner further waives notice of hearing and the right to file objections if and to the extent such rights exist under the City Charter or any special assessment ordinance of the City of Pleasant Ridge.

(b) Following the signing of this Agreement, no suit or action of any kind shall be instituted or maintained for the purpose of contesting or enjoining the collection of the Special Assessment, and the Property Owner, for itself and its successors in interest, lessees, purchasers, and assigns with respect to all or any part of the Special Assessment Parcel, hereby irrevocably waives its rights to contest the Special Assessment with any adjudicative body having jurisdiction over the subject matter, including, but not limited to, the Michigan Tax Tribunal.

(c) In addition to the conditions, covenants, warranties and representations contained in the Loan Documents, the Property Owner shall not sell, transfer, alienate or convey any of its interest in the Special Assessment Parcel without first having given written notice of the Special Assessment to any successors in interest, lessees, purchasers or assigns and having made a copy of this Agreement part of any purchase contract, sale contract, lease agreement, deed or any other conveyancing instrument by which the Property Owner purports to assign all or any part of its interest in the Special Assessment Parcel to any successors in interest, lessees, purchasers, licensees, transferees and any other assigns. This Agreement shall be recorded against the real property constituting the Special Assessment Parcel by the City of Pleasant Ridge with the Register of Deeds of the County of Oakland, State of Michigan.

(d) The Property Owner agrees that it, its successors and assigns shall, during the term of this Agreement and the Special Assessment, pay all ad valorem real property taxes and assessments levied against the Special Assessment Parcel when due and the Property Owner specifically waives, irrevocably for itself, its successors and assigns as to any and all portions of the Special Assessment Parcel, the right to pay ad valorem real property taxes and assessments on any other installment method which may be available to property owners in the City of Pleasant Ridge.

(e) The City of Pleasant Ridge agrees that following (i) payment by the Property Owner in full of the Special Assessment, together with all accrued interest on the Special Assessment Roll, and all other interest, charges and penalties which may accrue thereon, and (ii) receipt by the City of Pleasant Ridge of written acknowledgment from the Lender that the Special Assessment, together with all accrued interest on the Special Assessment Roll, has been paid to the Lender in full, it will promptly execute and deliver documentation discharging the lien of the Special Assessment on the Special Assessment Parcel. Until the Special Assessment liability has been fully satisfied and the lien discharged, each purchaser of all or any part of the Special Assessment Parcel, as a condition of closing on such purchase, shall execute and deliver to the City of Pleasant Ridge a written notice: (i) acknowledging the principal amount unpaid and outstanding on the Special Assessment; (ii) agreeing to the assumption of the liability to pay the Special Assessment, and any interest thereon, on a timely basis, when due, until the remaining balance and interest on said Special Assessment has been paid in full; and (iii) agreeing to pay to the Lender at or prior to the close of the purchase all past due installments of the Special Assessment and all past due payments of interest on the Special Assessment Roll.

The representations set forth in such written notice shall be enforceable at law and in equity, including without limitation, by way of specific performance.

Section 4.04 Lien. The Special Assessment is an obligation with respect to the Special Assessment Parcel, and shall, until paid, be and continue to be a lien upon the Special Assessment Parcel for the amount of the Special Assessment and all interest, charges and penalties which may accrue thereon. Such lien shall be of the same character and effect as liens created pursuant to the City Charter of the City of Pleasant Ridge for City taxes and shall be treated as such with respect to procedures for collection as set forth in the General Property Tax Act and the City Charter of the City of Pleasant Ridge, including accrued interest, charges and penalties. The Special Assessment confirmed hereby is a debt to the City of Pleasant Ridge from the Property Owner and its successors in interest, lessees, purchasers and assigns. The right of the City of Pleasant Ridge to receive all installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01, has been irrevocably assigned by the City of Pleasant Ridge to the Lender in accordance with the provisions of Section 4.02 of this Agreement. No judgment or decree shall destroy or impair any lien of the City of Pleasant Ridge upon the premises assessed for such amount of the Special Assessment as may have been equitably or lawfully charged and assessed thereon. Failure of the Property Owner or any subsequent property owner to receive any notice required to be sent under the provisions of the City Charter or this Agreement shall not invalidate the Special Assessment or the Special Assessment Roll and shall not be a jurisdictional requirement.

Section 4.05 Payment Default.

(a) If any installment of the Special Assessment or interest due on the Special Assessment Roll shall not have been paid by the Property Owner to the Lender, as assignee of the City of Pleasant Ridge, at the time and in the amount required by Section 4.01 hereof (a "Payment Default"), the Lender shall, not later than [thirty (30)] days following the date such sums were due and payable (the "Payment Default Date"), deliver written notice to the Treasurer of the City of Pleasant Ridge by registered or certified mail, with a copy to the notice parties of the City of Pleasant Ridge set forth in Section 8.03 hereof, stating all of the following: (i) that a Payment Default has occurred under this Agreement; (ii) the Payment Default Date; (iii) the amount of the installment of the Special Assessment that was due and payable on such Payment Default Date and which remains unpaid and the amount of interest on the Special Assessment Roll that was due and payable on such Payment Default Date and which remains unpaid (collectively, the "Payment Default Amount"); and (iv) an attestation by an authorized representative of the Lender that (x) no portion of the Payment Default Amount specified in the foregoing notice has been included in any previous notice delivered to the City of Pleasant Ridge pursuant to this Section 4.05(a) and (y) the statements contained in the foregoing notice are true, correct and complete as of the date of such notice. Upon receipt of such notice from the Lender, the City of Pleasant Ridge shall take such actions as may be required to cause the Payment Default Amount to be certified for collection and to be included on the summer or winter tax bill next succeeding the Payment Default Date, and such Payment Default Amount shall be collected at the same time and in the same manner as is prescribed for the collection by the City of Pleasant Ridge of property taxes under the General Property Tax Act and the City Charter of the

City of Pleasant Ridge. Notwithstanding the foregoing provisions of this Section 4.05(a), if the notice of the Lender described in this Section 4.05(a) is not received by the Treasurer of the City of Pleasant Ridge at least forty-five (45) days prior to the date of the summer or winter tax bill next succeeding the Payment Default Date, then the City of Pleasant Ridge shall not be obligated to place the Payment Default Amount for collection on the summer or winter tax bill next succeeding the Payment Default Date, but shall instead place the Payment Default Amount for collection on the first summer or winter tax bill issued thereafter for which the Treasurer of the City of Pleasant Ridge has received at least forty-five (45) days prior notice of the Payment Default as provided in this Section 4.05(a). The City of Pleasant Ridge shall be entitled to conclusively rely upon any notice of the Lender delivered pursuant to this Section 4.05(a) as to the existence of a Payment Default and as to the Payment Default Amount, and shall not be liable to the Property Owner or to any other person for any action taken by the City of Pleasant Ridge pursuant to the terms of this Agreement or otherwise in reliance upon the information contained in such notice. Absent receipt by the City of Pleasant Ridge of written notice from the Lender of a Payment Default in accordance with this Section 4.05(a), the City of Pleasant Ridge shall be entitled to conclusively presume that all installments of the Special Assessment and all payments of interest due and payable on the Special Assessment Roll have been made by the Property Owner to the Lender when due as required by the terms of this Agreement, and the City of Pleasant Ridge shall have no obligation or duty to include any installments of the Special Assessment on any tax bill issued by the City of Pleasant Ridge or to bill, collect or remit to the Lender any installments of the Special Assessment or any interest due and payable upon the Special Assessment Roll.

(b) The City of Pleasant Ridge hereby agrees that, pursuant to the irrevocable assignment set forth in Section 4.04, it will cause to be paid over to the Lender all amounts received by the City Treasurer as collections of any Payment Default Amount that has been placed on any summer or winter tax bill in accordance with Section 4.05(a) hereof, and that has not been returned to the County Treasurer of the County as delinquent, within forty-five (45) days of the date such sums are received by the City Treasurer. The parties hereto expressly acknowledge and agree that in no event shall the City of Pleasant Ridge advance to the Lender the amount of any unpaid Payment Default Amount, and the City of Pleasant Ridge shall be obligated to pay over to the Lender only such sums as are actually received by the City Treasurer as collections of any Payment Default Amount that has been placed on a summer or winter tax bill as provided in this Section 4.05, without interest thereon (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b) that has been collected by the City Treasurer as part of the Payment Default Amount).

(c) If any Payment Default Amount included in a summer or winter tax bill in any year shall remain unpaid as of the last day of February of the following year (the "Delinquent Payment Amount"), the City of Pleasant Ridge shall return the Delinquent Payment Amount to the County Treasurer of the County for collection pursuant to the General Property Tax Act in the same manner and with like effect as returns by the City of Pleasant Ridge of delinquent City taxes. If the Treasurer of the County shall thereafter pay to the Treasurer of the City of Pleasant Ridge all or any portion of the Delinquent Payment Amount from the delinquent tax revolving fund established by the County pursuant to the General Property Tax Act, the Treasurer of the City of Pleasant Ridge shall hold the funds received from the County with respect to the

Delinquent Payment Amount in escrow in a separate account established on the books of the City of Pleasant Ridge for such purpose (the "Escrow Account"). All funds credited to the Escrow Account shall be applied by the Treasurer of the City of Pleasant Ridge for the following purposes and in the following order of priority:

(i) Until such time as the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, all funds credited to the Escrow Account shall be maintained in the Escrow Account and shall be paid out only for the purposes described in this Section 4.05(c)(i). In the event that all or any portion of any Delinquent Payment Amount that has been paid to the City of Pleasant Ridge from the County delinquent tax revolving fund as described in Section 4.05(c) is subsequently recovered from or charged back to the City of Pleasant Ridge by the Treasurer of the County pursuant to Section 87b of the General Property Tax Act, the Treasurer of the City of Pleasant Ridge shall be authorized to withdraw from the Escrow Account funds in an amount sufficient, as determined by the Treasurer of the City of Pleasant Ridge, to reimburse the City of Pleasant Ridge for all or any portion of any Delinquent Payment Amount that has been recovered from or charged back to the City of Pleasant Ridge and for all interest and other amounts payable thereon. Funds withdrawn from the Escrow Account in accordance with the provisions of this Section 4.05(c)(i) shall be deposited in the General Fund of the City of Pleasant Ridge or as otherwise determined by the Treasurer of the City of Pleasant Ridge, and the Lender shall have no right or interest in any of such funds.

(ii) If (A) the Treasurer of the County shall receive payment in full of the total amount of all unpaid delinquent taxes on the Special Assessment Parcel (including all Delinquent Payment Amounts), together with the total amount of all interest, penalties and fees payable thereon pursuant to the General Property Tax Act, whether as a result of payment of such amounts by the Property Owner, redemption of the Special Assessment Parcel after forfeiture to the Treasurer of the County, sale of the Special Assessment Parcel at auction by the Treasurer of the County following the entry of a judgment foreclosing the Special Assessment Parcel, or otherwise, and (B) if the City of Pleasant Ridge shall have been reimbursed in full for all Delinquent Payment Amounts that have been recovered from or charged back to the City of Pleasant Ridge, together with all interest and other amounts payable thereon, as provided in Section 4.05(c)(i), then the balance remaining in the Escrow Account, if any, net of any amounts on deposit in the Escrow Account representing investment earnings on funds in the Escrow Account, shall be paid over to the Lender. [All amounts received by the Lender pursuant to the provisions of this Section 4.05(c)(ii) shall be credited against unpaid installments of the Special Assessment and interest due on the Special Assessment Roll in the manner specified in the Loan Documents.]

(iii) All investment earnings on funds credited to the Escrow Account shall be deposited in the General Fund of the City of Pleasant Ridge or as otherwise determined by the Treasurer of the City of Pleasant Ridge, and the Lender shall have no right or interest in any of such investment earnings.

It is understood and agreed by the Lender that the County is not obligated to maintain or continue a delinquent tax revolving fund for the payment of delinquent taxes or assessments, and that the City of Pleasant Ridge can make no representation that such a delinquent tax revolving fund will be maintained or continued or that the Treasurer of the County will purchase any Delinquent Payment Amount returned by the City of Pleasant Ridge in accordance with the provisions of the City Charter and the General Property Tax Act.

(d) In the event that any interest (other than interest on the Special Assessment Roll payable by the Property Owner pursuant to Section 4.01(b)), penalties, fees or other charges shall be imposed upon the Special Assessment Parcel or against the Special Assessment Roll or the amount of any unpaid Special Assessment pursuant to the City Charter of the City of Pleasant Ridge or the General Property Tax Act, either by the City of Pleasant Ridge or by the County, for the administration, billing, collection or enforcement of the Special Assessment created hereby, such amounts shall remain a debt of the Property Owner to the City of Pleasant Ridge or the Treasurer of the County, as their interests may appear, and shall not be deemed to have been assigned to the Lender pursuant to the terms of this Agreement or otherwise.

Section 4.06 Prepayment of Special Assessment. Subject to the provisions of the Loan Documents, including, without limitation, applicable prepayment penalties, the Property Owner may, upon sixty (60) days' written notice to the Lender and the City of Pleasant Ridge, prepay any installment of the Special Assessment specified in the Payment Schedule by causing to be paid to the Lender the amount of the installment to be prepaid, together with accrued interest thereon to the date of prepayment. If such prepayment of any installment is not received by the Lender on the date specified for prepayment, the Lender shall promptly deliver written notice to the City of Pleasant Ridge that such prepayment was not received by the Lender.

Section 4.07 Invalidity; Cure. In the event of any invalidity of the Special Assessment, the Authorized Official, at the request of the Lender, and if the City of Pleasant Ridge shall have received indemnity satisfactory to the Authorized Official for its costs and expenses (including reasonable attorneys' fees), shall, to the extent permitted by law, cause a new Special Assessment to be made for all or any part of the Improvements in accordance with Act 270 and the PACE Program, and the Property Owner, on behalf of itself and its successors in interest, lessees, purchasers, and assigns, hereby waives any objections to and agrees to the imposition of such new Special Assessment; *provided, however*, that the amount of the new Special Assessment shall not exceed the unpaid principal amount of the Loan at the time the new Special Assessment shall be established.

ARTICLE V CONDITIONS PRECEDENT

Section 5.01 Conditions Precedent to the City of Pleasant Ridge's Obligations.

The obligations of the City of Pleasant Ridge under this Agreement shall be subject to the satisfaction of the following conditions precedent prior to or contemporaneously with the execution and delivery of this Agreement by the City of Pleasant Ridge:

(a) The City of Pleasant Ridge, the Property Owner and the Lender shall have authorized, executed and delivered this Agreement and all approvals required hereby shall have been secured.

(b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Property Owner or the City of Pleasant Ridge is a party, or shall be threatened in writing against the Property Owner or the City of Pleasant Ridge, contesting the validity or binding effect of this Agreement, the Special Assessment or the Owner-Arranged Financing contemplated hereby, or which, if adversely decided, could have a material adverse effect upon the ability of the Property Owner to pay or the City of Pleasant Ridge to levy the Special Assessment or to assign to the Lender the right to receive payments of the Special Assessment, or which could have a material adverse effect on the ability of the Property Owner of the City of Pleasant Ridge to comply with any of the obligations and terms of this Agreement.

(c) There shall be no ongoing breach of any of the covenants and agreements of the Property Owner required to have been observed or performed by the Property Owner under the terms of this Agreement and no Event of Default by the Property Owner, and no event which, with the passage of time or the giving of notice or both could become an Event of Default by the Property Owner under this Agreement, shall have occurred.

(d) All documents, schedules, materials, maps, plans, descriptions and related matters which are contemplated to be made Appendices to this Agreement shall have been fully completed by the Property Owner to the City of Pleasant Ridge's reasonable satisfaction and such Appendices shall be true, accurate and complete.

(e) The Property Owner shall meet all eligibility requirements as set forth in **Appendix D**.

(f) The Property Owner and the Lender shall have authorized, executed and delivered the Loan Documents, and the Lender shall have funded the Loan in accordance with the terms of the Loan Documents.

(g) The City of Pleasant Ridge shall have received an opinion of counsel to the Property Owner, acceptable in form and substance to the City of Pleasant Ridge, as to the matters set forth in the representations of the Property Owner contained in subsections (a) through (d) of Section 6.02 hereof.

(h) The Property Owner shall not have filed for bankruptcy or sought the protections of any state or federal insolvency law providing protections to debtors.

(i) All fees of the City of Pleasant Ridge's counsel, and the fees of any other professional engaged by the City of Pleasant Ridge with respect to the execution and delivery of this Agreement, shall have been paid by the Property Owner.

(j) The Property Owner shall have obtained the consent of each holder of a mortgage interest in the Special Assessment Parcel prior to or contemporaneously with the execution and delivery of this Agreement in substantially the form set forth in the PACE Program Report.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

Section 6.01 Representations and Warranties of the City of Pleasant Ridge.

The City of Pleasant Ridge represents and warrants to the Property Owner and the Lender that:

(a) The execution and delivery of this Agreement has been duly authorized by the City of Pleasant Ridge, and this Agreement constitutes a valid and binding agreement of the City of Pleasant Ridge, enforceable against the City of Pleasant Ridge in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated herein is in violation of any provision of any existing law, ordinance, rule, resolution or regulation to which the City of Pleasant Ridge is subject, or any agreement to which the City of Pleasant Ridge is a party or by which the City of Pleasant Ridge is bound, or any order or decree of any court or governmental entity by which the City of Pleasant Ridge is subject.

Section 6.02 Representations and Warranties of the Property Owner.

The Property Owner represents and warrants to the City of Pleasant Ridge and the Lender that:

(a) The Property Owner is duly organized and validly existing as a Michigan limited liability company in good standing under the laws of the State of Michigan, with power under the laws of the State of Michigan to carry on its business as now being conducted, and is duly qualified to do business in the State of Michigan; and the Property Owner has the power and authority to own the Special Assessment Parcel and to carry out its obligation to complete the Improvements.

(b) The execution and delivery of this Agreement will not result in a violation or default by the Property Owner of any provision of its Articles of Organization or Operating Agreement, or under any indenture, contract, mortgage, lien, agreement, lease, loan agreement, note, order, judgment, decree or other instrument of any kind or character to which it is a party and by which it is bound, or to which it or any of its assets are subject.

(c) The Property Owner is the sole and exclusive legal and equitable title owner of fee simple title to the Special Assessment Parcel and the Improvements located, or to be located, thereon and has full legal power and authority to consent to the finalization and levying of the Special Assessment as provided herein.

(d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action, and this Agreement has been duly executed and delivered by the Property owner and constitutes a valid

and binding agreement enforceable against the Property Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

(e) The Property Owner, the Special Assessment Parcel and the Improvements satisfy all of the PACE Program eligibility requirements set forth in **Appendix D**.

Section 6.03 Representations and Warranties of the Lender.

The Lender represents and warrants to the City of Pleasant Ridge that:

(a) The Lender is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and is capable of evaluating the merits and risks of its participation in the Owner-Arranged Financing contemplated by this Agreement.

(b) The Lender has made its own independent investigation of the Property Owner, the terms of this Agreement, the nature of the Special Assessment created hereby and the procedures for the collection and enforcement of the Special Assessment under this Agreement and the laws of the State of Michigan, and is not relying on the City of Pleasant Ridge, its officers, agents, attorneys or employees for any of such information or with respect to the sufficiency and scope of such investigation. The Lender has not received, and is not relying on, any representations of the City of Pleasant Ridge with respect to the Property Owner.

ARTICLE VII DEFAULT

Section 7.01 Property Owner Event of Default. If the Property Owner shall default in the performance of any covenant or agreement contained in this Agreement and such default shall continue for a period of ten (10) days after written notice thereof has been given to the Property Owner by the City of Pleasant Ridge, an "Event of Default" shall be deemed to have occurred under this Agreement.

Section 7.02 Remedies for Property Owner Event of Default. Upon the occurrence of an Event of Default as provided in Section 7.01 hereof, the City of Pleasant Ridge, after giving written notice as required, without further notice of any kind, and in addition to all other rights and remedies provided at law or in equity, shall be entitled to seek and obtain a decree of specific performance of this Agreement from a court of competent jurisdiction or to recover from the Property Owner any damages incurred by the City of Pleasant Ridge and any costs incurred by the City of Pleasant Ridge in enforcing or attempting to enforce this Agreement or the Special Assessment, including attorneys' fees and expenses. Notwithstanding the foregoing, the parties hereto acknowledge and agree that the City of Pleasant Ridge shall not be obligated to institute any of the actions or proceedings or to exercise any of the remedies authorized by this Section 7.02 upon the occurrence of an Event of Default hereunder, and that its obligations with respect to the billing, collection and enforcement of the Special Assessment or any installment thereon shall be limited to those obligations set forth in Article IV of this Agreement. The Lender

acknowledges that neither the Special Assessment nor any installment thereon can be accelerated, and that the amount payable to the Lender under the terms of this Agreement is limited to the amount of the installments of the Special Assessment required to be paid by the Property Owner pursuant to this Agreement, whether in accordance with the Payment Schedule or upon prepayment of the Special Assessment in whole or in part in accordance with Section 4.06 of this Agreement, together with all payments of interest due and payable on the Special Assessment Roll at the Applicable Interest Rate or the Default Rate, as the case may be, as provided in Section 4.01(b) of this Agreement.

Section 7.03 City of Pleasant Ridge Default. If the City of Pleasant Ridge shall default in the performance of any covenant or agreement on its part contained in this Agreement and shall fail to proceed in good faith to cure such default within sixty (60) days after written notice thereof has been received by the City of Pleasant Ridge from the Property Owner or the Lender, a “City Default” shall be deemed to have occurred under this Agreement.

Section 7.04 Remedy for City Default. Upon the occurrence of a City Default as provided in Section 7.03 hereof, and if the Lender shall have otherwise fully performed all of its obligations hereunder, the Lender, after giving written notice as required, without further notice or demand, shall be entitled to seek and obtain a decree of specific performance from a court of competent jurisdiction; but neither the Property Owner nor the Lender shall have the right to seek to recover money damages against the City of Pleasant Ridge, including any costs or fees (including attorneys’ fees) incurred by the Property Owner or the Lender in enforcing or attempting to enforce this Agreement. Neither the occurrence of a City Default nor the institution of any proceeding or the exercise of any remedy upon the occurrence of a City Default shall negate or diminish the obligations of the Property Owner hereunder to pay the installments of the Special Assessment and interest accrued on the Special Assessment Roll and all other costs hereunder when the same shall become due and payable.

Section 7.05 Waiver. Failure of any party hereunder to act upon discovery of a default or to act upon the existence of an Event of Default shall not constitute a waiver of the right to pursue the remedies provided herein.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Term. Except as otherwise provided in this Agreement, the terms of this Agreement shall commence on the date first written above and shall terminate at such time as the Special Assessment liability shall have been fully satisfied as provided in Section 4.03(e) hereof.

Section 8.02 Assignment.

(a) Except as otherwise provided herein and as provided in Section 8.02(b) hereof, no party to this Agreement may transfer, assign or delegate to any other person or entity all or any part of its rights or obligations arising under this Agreement without the prior written consent of the other parties hereto excepting as otherwise expressly provided herein.

(b) The Lender and its successors and assigns may assign its rights in this Agreement and in the Special Assessment, in whole but not in part; *provided, however*, that any such assignment shall be made only in accordance with applicable law; *and provided further, however*, that no such assignment shall be effective unless the City of Pleasant Ridge shall have first received (i) notice of the assignment disclosing the name and the address of the assignee, which shall be an address in the United States and (ii) a Certificate of Assignment executed by the assignee in the form attached to this Agreement as **Appendix F**. Any costs or fees (including reasonable attorneys' fees) incurred by the City of Pleasant Ridge in connection with any assignment made pursuant to this Section 8.02 shall be paid to the City of Pleasant Ridge by the Lender or its assignee as a condition to the effectiveness of the assignment. From and after the date of satisfaction of the conditions for the assignment of this Agreement as provided in this Section 8.02(b), the assignee of the Lender shall be a party hereto and shall have the rights and obligations of the Lender specified hereunder, and such assignee shall be deemed to be the "Lender" for all purposes of this Agreement.

Section 8.03 Notices. All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to the City: City of Pleasant Ridge
23925 Woodward Ave.
Pleasant Ridge, MI 48069
Attn: INSERT TITLE OF AUTHORIZED OFFICIAL

With a copy to: City of Pleasant Ridge
23925 Woodward Ave.
Pleasant Ridge, MI 48069
Attn: City Attorney

If to the Property Owner: INSERT NAME OF PROPERTY OWNER
INSERT ADDRESS OF PROPERTY OWNER
Attn:

With a copy to: The Lender

If to the Lender: INSERT NAME OF LENDER
INSERT ADDRESS OF LENDER
Attn:

With copies to: INSERT NAME OF LENDER'S COUNSEL
INSERT ADDRESS OF LENDER'S COUNSEL
Attn:

or to such other address as such party may specify by written notice to the other parties hereto.

Section 8.04 Amendment and Waiver No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by each party hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 8.05 Entire Agreement. This Agreement constitutes the entire agreement between the City of Pleasant Ridge, on the one hand, and the Lender and the Property Owner, on the other hand. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, between the City of Pleasant Ridge, on the one hand, and the Lender or the Property Owner, on the other hand.

Section 8.06 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 8.07 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 8.08 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 8.09 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement. Each party to this Agreement shall exercise reasonable diligence in reviewing, approving, executing and delivering all documents necessary to accomplish the purposes and intent of this Agreement. Each party to this Agreement also shall use its best efforts to assist the other parties to this Agreement in the discharge of its obligations hereunder and to assure that all conditions precedent to the financing arrangements are satisfied.

Section 8.10 Binding Effect; No Third-Party Beneficiary. This Agreement shall be binding upon the parties hereto and upon their respective successors and assigns. In no event shall the provisions of this Agreement be deemed to inure to the benefit of or be enforceable by any third party.

Section 8.11 Force Majeure. No party hereto shall be liable for the failure to perform its obligations hereunder if said failure to perform is due to Force Majeure. Said failure to perform shall be excused only for the period during which the event giving rise to said failure to perform exists; *provided, however*, that the party seeking to take advantage of this Section shall notify the other party in writing, setting forth the event giving rise to said failure to perform, within ten (10) business days after the occurrence of said event.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Pleasant Ridge, INSERT NAME OF LENDER, and INSERT NAME OF BORROWER/PROPERTY OWNER have caused this PACE Special Assessment Agreement to be duly executed and delivered as of the date first written above.

Witnessed:

INSERT NAME OF PROPERTY OWNER

By: _____

Its:

Signature of:

Witnessed:

City of Pleasant Ridge, Michigan
Municipal corporation

Signature of:

By: _____

Its: Mayor

Signature of:

By: _____

Its: City Clerk

Signature of:

By: _____

Its: INSERT TITLE OF AUTHORIZED OFFICIAL

Witnessed:

INSERT NAME OF LENDER

By: _____

Its:

Signature of:

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by
_____ the Authorized Signatory of INSERT NAME OF PROPERTY OWNER.

Notary Public
_____ County, Michigan
My commission expires _____

State of Michigan)
) ss
County of Oakland)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by
Kurt Metzger, the Mayor of the City of Pleasant Ridge, Amy Drealan, the City Clerk of the City
of Pleasant Ridge, and James Breuckman, the City Manager of the City of Pleasant Ridge, on
behalf of the City of Pleasant Ridge.

Notary Public
_____ County, Michigan
My commission expires _____

State of _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by
_____ the Authorized Signatory of INSERT NAME OF LENDER, on behalf of INSERT
NAME OF LENDER.

Notary Public
_____ County, _____
My commission expires _____

APPENDIX A

**SPECIAL ASSESSMENT PARCEL WHICH IS
ENCUMBERED BY THE SPECIAL ASSESSMENT ROLL**

Parcel

Tax Parcel I.D. No.: _____.

APPENDIX B

DESCRIPTION OF IMPROVEMENTS

APPENDIX C

PAYMENT SCHEDULE*

Date of
Principal
Installment

Amount of
Principal
Installment

*This schedule includes principal of the Special Assessment only. Interest will be calculated as set forth in the Loan Documents and the City of Pleasant Ridge is entitled to conclusively rely on the amount due on each payment date as determined by the Lender in accordance with this Agreement.

APPENDIX D

PROGRAM ELIGIBILITY REQUIREMENTS

Property is privately owned commercial or industrial real property within City of Pleasant Ridge's jurisdictional boundaries, which may be owned by any individual or private entity, whether for-profit or non-profit. MCL 460.933(g). Multi-family residential property is included in the definition of commercial property.

There are no delinquent taxes, special assessments, or water or sewer charges on the property. The Authorized Official at his or her discretion, may disqualify properties that although not currently delinquent, have been delinquent within six months of the application's submission. MCL 460.941(2)(a).

There are no delinquent assessments on the property under a PACE program. MCL 460.941(2)(b).

The term of assessment shall not exceed the lesser of the useful life of the energy project paid for by the assessment or 25 years. Projects that consist of multiple energy efficiency improvements or renewable energy systems with varying lengths of useful life may blend the lengths to determine an overall assessment term that does not exceed the useful life of the improvements in aggregate. MCL 460.939(i).

An appropriate ratio must be determined for the amount of assessment in relation to the assessed value of the property. The ratio will be determined on a project-by-project basis by LEP and shall not exceed 25% of two times the State Equalized Value without written approval. MCL 460.939(j).

Written consent from the mortgage holder must be obtained if the property is subject to a mortgage. MCL 460.939(k).

A baseline energy audit must be conducted for the property that is approved by LEP and the Authorized Official. Such approval may be granted retroactively if the audit meets the standards of LEP. MCL 460.939(o).

For projects financed for more than \$250,000, a performance guarantee must be provided by the contractor(s) to guarantee a savings to investment ratio greater than one (1). MCL 460.939(p). The performance guarantee must meet the standards set by LEP.

For projects financed for more than \$250,000, an agreement for ongoing verification and measurement of energy savings that meet standards set by LEP. MCL 460.939(p).

APPENDIX E

SPECIAL ASSESSMENT ROLL

APPENDIX F

CERTIFICATE OF ASSIGNMENT

[FORM TO BE ATTACHED]

Act No. 270
Public Acts of 2010
Approved by the Governor
December 14, 2010
Filed with the Secretary of State
December 14, 2010
EFFECTIVE DATE: December 14, 2010

**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2010**

Introduced by Reps. Warren, Smith, Scripps, Robert Jones, Roberts, Liss, Bauer and Meadows

ENROLLED HOUSE BILL No. 5640

AN ACT to authorize local units of government to adopt property assessed clean energy programs and to create districts to promote the use of renewable energy systems and energy efficiency improvements by owners of certain real property; to provide for the financing of such programs through voluntary property assessments, commercial lending, and other means; to authorize a local unit of government to issue bonds, notes, and other evidences of indebtedness and to pay the cost of renewable energy systems and energy efficiency improvements from the proceeds thereof; to provide for the repayment of bonds, notes, and other evidences of indebtedness; to authorize certain fees; to prescribe the powers and duties of certain governmental officers and entities; and to provide for remedies.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the “property assessed clean energy act”.

Sec. 3. As used in this act:

(a) “District” means a district created under a property assessed clean energy program by a local unit of government that lies within the local unit of government’s jurisdictional boundaries. A local unit of government may create more than 1 district under the program, and districts may be separate, overlapping, or coterminous.

(b) “Energy efficiency improvement” means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following:

(i) Insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems.

(ii) Storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.

(iii) Automated energy control systems.

(iv) Heating, ventilating, or air-conditioning and distribution system modifications or replacements.

(v) Caulking, weather-stripping, and air sealing.

(vi) Replacement or modification of lighting fixtures to reduce the energy use of the lighting system.

(vii) Energy recovery systems.

(viii) Day lighting systems.

(ix) Installation or upgrade of electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity.

(x) Measures to reduce the usage of water or increases the efficiency of water usage.

(xi) Any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the governing body.

(c) "Energy project" means the installation or modification of an energy efficiency improvement or the acquisition, installation, or improvement of a renewable energy system.

(d) "Governing body" means the county board of commissioners of a county, the township board of a township, or the council or other similar elected legislative body of a city or village.

(e) "Local unit of government" means a county, township, city, or village.

(f) "Person" means an individual, firm, partnership, association, corporation, unincorporated joint venture, or trust, organized, permitted, or existing under the laws of this state or any other state, including a federal corporation, or a combination thereof. However, person does not include a local unit of government.

(g) "Property" means privately owned commercial or industrial real property located within the local unit of government.

(h) "Property assessed clean energy program" or "program" means a program as described in section 5(2).

(i) "Record owner" means the person or persons possessed of the most recent fee title or land contract vendee's interest in property as shown by the records of the county register of deeds.

(j) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:

(i) Biomass.

(ii) Solar and solar thermal energy.

(iii) Wind energy.

(iv) Geothermal energy.

(v) Methane gas captured from a landfill.

(k) "Renewable energy system" means a fixture, product, device, or interacting group of fixtures, products, or devices on the customer's side of the meter that use 1 or more renewable energy resources to generate electricity. Renewable energy system includes a biomass stove but does not include an incinerator or digester.

Sec. 5. (1) Pursuant to the procedures provided in section 7, a local unit of government may establish a property assessed clean energy program and may, from time to time, create a district or districts under the program.

(2) Under a program, the local unit of government may enter into a contract with the record owner of property within a district to finance or refinance 1 or more energy projects on the property. The contract may provide for the repayment of the cost of an energy project through assessments upon the property benefited. The financing or refinancing may include the cost of materials and labor necessary for installation, permit fees, inspection fees, application and administrative fees, bank fees, and all other fees that may be incurred by the record owner pursuant to the installation on a specific or pro rata basis, as determined by the local unit of government.

Sec. 7. (1) To establish a property assessed clean energy program, the governing body of a local unit of government shall take the following actions in the following order:

(a) Adopt a resolution of intent that includes all of the following:

(i) A finding that the financing of energy projects is a valid public purpose.

(ii) A statement of intent to provide funds for energy projects, which may be repaid by assessments on the property benefited, with the agreement of the record owners.

(iii) A description of the proposed arrangements for financing the program.

(iv) The types of energy projects that may be financed.

(v) Reference to a report on the proposed program as described in section 9(1) and a location where the report is available pursuant to section 9(2).

(vi) The time and place for a public hearing on the proposed program.

(b) Hold a public hearing at which the public may comment on the proposed program, including the report required by section 9.

(c) Adopt a resolution establishing the program and setting forth its terms and conditions, including all of the following:

(i) Matters required by section 9 to be included in the report. For this purpose, the resolution may incorporate the report or an amended version thereof by reference.

(ii) A description of which aspects of the program may be amended without a new public hearing and which aspects may be amended only after a new public hearing is held.

(2) A property assessed clean energy program may be amended by resolution of the governing body. Adoption of the resolution shall be preceded by a public hearing if required pursuant to subsection (1)(c).

Sec. 9. (1) The report on the proposed program required under section 7 shall include all of the following:

(a) A form of contract between the local unit of government and record owner governing the terms and conditions of financing and assessment under the program.

(b) Identification of an official authorized to enter into a program contract on behalf of the local unit of government.

(c) A maximum aggregate annual dollar amount for all financing to be provided by the local unit of government under the program.

(d) An application process and eligibility requirements for financing energy projects under the program.

(e) A method for determining interest rates on assessment installments, repayment periods, and the maximum amount of an assessment.

(f) Explanation of how assessments will be made and collected consistent with section 13(2).

(g) A plan for raising capital to finance improvements under the program. The plan may include any of the following:

(i) The sale of bonds or notes, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(ii) Amounts to be advanced by the local unit of government through funds available to it from any other source.

(iii) Owner-arranged financing from a commercial lender. Under owner-arranged financing, the local unit of government may impose an assessment pursuant to section 11 and forward payments to the commercial lender or the record owner may pay the commercial lender directly.

(h) Information regarding all of the following, to the extent known, or procedures to determine the following in the future:

(i) Any reserve fund or funds to be used as security for bonds or notes described in subdivision (g).

(ii) Any application, administration, or other program fees to be charged to record owners participating in the program that will be used to finance costs incurred by the local unit of government as a result of the program.

(i) A requirement that the term of an assessment not exceed the useful life of the energy project paid for by the assessment.

(j) A requirement for an appropriate ratio of the amount of the assessment to the assessed value of the property.

(k) A requirement that the record owner of property subject to a mortgage obtain written consent from the mortgage holder before participating in the program.

(l) Provisions for marketing and participant education.

(m) Provisions for adequate debt service reserve fund.

(n) Quality assurance and antifraud measures.

(o) A requirement that a baseline energy audit be conducted before an energy project is undertaken, to establish future energy savings. After the energy project is completed, the local unit of government shall obtain verification that the renewable energy system or energy efficiency improvement was properly installed and is operating as intended.

(p) For an energy project financed with more than \$250,000.00 in assessments, both of the following:

(i) A requirement for ongoing measurements that establish the savings realized by the record owner from the energy project.

(ii) A requirement that, in the contract for installation of the energy project, the contractor guarantee to the record owner that the energy project will achieve a savings-to-investment ratio greater than 1 and agree to pay the record owner, on an annual basis, any shortfall in savings below this level.

(2) The local unit of government shall make the report available for review on the local unit of government's website or at the office of the clerk or the official authorized to enter contracts on behalf of the local unit of government under the property assessed clean energy program.

Sec. 11. (1) A local unit of government may impose an assessment under a property assessed clean energy program only pursuant to a written contract with the record owner of the property to be assessed.

(2) Before entering into a contract with a record owner under a program, the local unit of government shall verify all of the following:

(a) That there are no delinquent taxes, special assessments, or water or sewer charges on the property.

(b) That there are no delinquent assessments on the property under a property assessed clean energy program.

Sec. 13. (1) An assessment imposed under a property assessed clean energy program, including any interest on the assessment and any penalty, constitute a lien against the property on which the assessment is imposed until the assessment, including any interest or penalty, is paid in full. The lien runs with the property and has the same priority and status as other property tax and assessment liens. The local unit of government has all rights in the case of delinquency in the payment of an assessment as it does with respect to delinquent property taxes. When the assessment, including any interest and penalty, is paid, the lien shall be removed from the property.

(2) Installments of assessments due under a program shall be included in each summer and winter tax bill issued under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, and shall be collected at the same time and in the same manner as taxes collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155. Alternatively, installments may be billed and collected as provided in a special assessment ordinance of general applicability adopted by the local unit of government pursuant to state law or local charter.

Sec. 15. (1) A local unit of government may issue bonds or notes to finance energy projects under a property assessed clean energy program.

(2) Bonds or notes issued under subsection (1) shall not be general obligations of the local unit of government, but shall be secured by 1 or more of the following as provided by the governing body in the resolution or ordinance approving the bonds or notes:

(a) Payments of assessments on benefited property within the district or districts specified.

(b) Reserves established by the local unit of government from grants, bond or note proceeds, or other lawfully available funds.

(c) Municipal bond insurance, lines or letters of credit, public or private guaranties, standby bond purchase agreements, collateral assignments, mortgages, and any other available means of providing credit support or liquidity, including, but not limited to, arrangements described in section 315 of the revised municipal finance act, 2001 PA 34, MCL 141.2315.

(d) Tax increment revenues that may be lawfully available for such purposes.

(e) Any other amounts lawfully available for such purposes.

(3) A pledge of assessments, funds, or contractual rights made by a governing body in connection with the issuance of bonds or notes by a local unit of government under this act constitutes a statutory lien on the assessments, funds, or contractual rights so pledged in favor of the person or persons to whom the pledge is given, without further action by the governing body. The statutory lien is valid and binding against all other persons, with or without notice.

(4) Bonds or notes of 1 series issued under this act may be secured on a parity with bonds or notes of another series issued by the local unit of government pursuant to the terms of a master indenture or master resolution entered into or adopted by the governing body of the local unit of government.

(5) Bonds or notes issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(6) Bonds or notes issued under this act, and interest payable on such bonds and notes, are exempt from all taxation by this state and its political subdivisions.

(7) Bonds or notes issued under this act further essential public and governmental purposes, including, but not limited to, reduced energy costs, reduced greenhouse gas emissions, economic stimulation and development, improved property valuation, and increased employment.

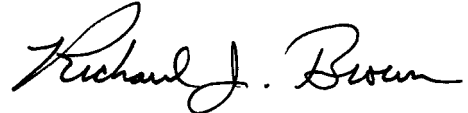
Sec. 17. A commercial or industrial electric customer that installs or modifies an electric energy efficiency improvement under a property assessed clean energy program is exempt from the energy optimization charges the customer would otherwise incur under section 89 or 91 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1089 and 460.1091, if the customer conducts a self-directed energy optimization plan under and subject to the applicable requirements of section 93 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1093. These requirements include, but are not limited to, the requirement that the plan provide for aggregate energy savings that each year meet or exceed the energy optimization standards based on the electricity purchases in the previous year for the site or sites covered by the self-directed plan.

Sec. 19. (1) A local unit of government may join with any other local unit of government, or with any person, or with any number or combination thereof, by contract or otherwise as may be permitted by law, for the implementation of a property assessed clean energy program, in whole or in part.

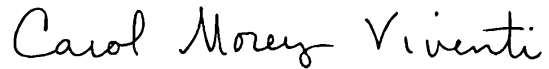
(2) If a property assessed clean energy program is implemented jointly by 2 or more local units of government pursuant to subsection (1), a single public hearing held jointly by the cooperating local units of government is sufficient to satisfy the requirements of section 7(1)(b).

Enacting section 1. This act does not take effect unless Senate Bill No. 1502 of the 95th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor