301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

CITY OF LOWELL

CITY COUNCIL AGENDA

MONDAY, DECEMBER 3, 2018, 7:00 P.M.

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

2. CONSENT AGENDA
   - Approval of the Agenda.
   - Approve and place on file the Committee of the Whole and Regular minutes of the November 19, 2018 City Council meeting.
   - Approve and place on file the Special minutes of the November 28, 2018 City Council meeting.
   - 2019 Meeting Dates
   - Authorize payment of invoices in the amount of $263,292.30

3. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA

   IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS.

4. OLD BUSINESS

   a. City Council Appointments

   b. City Income Tax

   c. Next Steps – Recreational Marijuana Facilities

5. NEW BUSINESS

   a. Ordinance 18-08 – LL&P Board Recommendation to Amend Section 22.1 of Chapter 22

6. BOARD/COMMISSION REPORTS

7. MANAGER'S REPORT

8. APPOINTMENTS

9. COUNCIL COMMENTS

10. ADJOURNMENT

NOTE: Any person who wishes to speak on an item included on the printed meeting agenda may do so. Speakers will be recognized by the Chair, at which time they will be allowed five (5) minutes maximum to address the Council. A speaker representing a subdivision association or group will be allowed ten (10) minutes to address the Council.

301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085
www.ci.lowell.mi.us

MEMORANDUM

TO: Lowell City Council

FROM: Michael Burns, City Manager

RE: Council Agenda for Monday, December 3, 2018

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

2. CONSENT AGENDA

- Approval of the Agenda.
- Approve and place on file the Committee of the Whole and Regular minutes of the November 19, 2018 City Council meeting.
- Approve and place on file the Special minutes of the November 28, 2018 City Council meeting.
- 2019 Meeting Dates
- Authorize payment of invoices in the amount of $263,292.30

3. CITIZEN DISCUSSION FOR ITEMS NOT ON THE AGENDA

IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS.

4. OLD BUSINESS

a. City Council Appointments. Memo is provided by City Manager Mike Burns.

b. City Income Tax. Memo is provided by City Manager Mike Burns.

Recommended Motion: No recommended action at this time.

c. Next Steps – Recreational Marijuana Facilities.

5. NEW BUSINESS

a. Ordinance 18-08 – LL&P Board Recommendation to Amend Section 22.1 of Chapter 22. Memo is provided by LL&P General Manager Steve Donkersloot.

Recommended Motion: That the Lowell City Council approve Ordinance 18-08 as presented.

6. BOARD/COMMISSION REPORTS

7. MANAGER'S REPORT

8. APPOINTMENTS

9 COUNCIL COMMENTS

10. ADJOURNMENT

PROCEEDINGS
OF
THE COMMITTEE OF THE WHOLE
OF THE
CITY OF LOWELL
MONDAY, NOVEMBER 19, 2018, 5:30 P.M.

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.**

The Meeting was called to order at 5:30 p.m. by Mayor Pro Tem Greg Canfield and City Clerk Susan Ullery called roll.

Present: Councilmembers Marty Chambers, Jim Salzwedel, and Mayor Pro Tem Canfield.

Absent: Mayor DeVore.

Also Present: City Manager Mike Burns, City Clerk Susan Ullery, Police Chief Steve Bukala, and Assistant City Manager Rich LaBombard.

2. **EXCUSE ABSENCES.**

IT WAS MOVED BY CANFIELD and seconded by CHAMBERS to excuse the absence of Mayor DeVore.

YES: Councilmember Chambers, Councilmember Salzwedel and Mayor Pro Tem Canfield.
NO: 0. ABSENT: Mayor DeVore. MOTION CARRIED.

3. **TOUR OF THE OLD SIGN SHOP AND LIGHT AND POWER BUILDINGS DOWNTOWN.**

The City Council toured the buildings and discussed several possibilities. Mayor DeVore arrived for the remainder of the tour.

4. **ADJOURNMENT.**

The meeting was adjourned at 6:40 p.m.

DATE: APPROVED:

_____ _____

Mike DeVore, Mayor Susan Ullery, City Clerk

PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL
MONDAY, NOVEMBER 19, 2018, 7:00 P.M.

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.

The Meeting was called to order at 7:00 p.m. by Mayor DeVore.

Police Chief Steve Bukala requested a moment of silence in honor of former (1998-2000) City of Lowell Police Officer John Davis.

City Clerk Sue Ullery called roll.

Present:	Councilmembers Marty Chambers, Jim Salzwedel and Mayor DeVore, Councilmember Canfield.
Absent:	None.
Also Present:	City Manager Michael Burns, City Clerk Sue Ullery, DPW Director Rich LaBombard, Chief of Police Steve Bukala and City Attorney Dick Wendt.

2. APPROVAL OF THE CONSENT AGENDA.

- Approval of the Agenda.
- Approve and place on file the Regular minutes of the November 5, 2018 City Council meeting as written.
- Authorize payment of invoices in the amount of $95,552.30.

IT WAS MOVED BY SALZWEDEL and seconded by CHAMBERS to approve the consent agenda as written.
YES: Councilmember Canfield, Mayor DeVore, Councilmember Salzwedel, and Councilmember Chambers.
NO: None. ABSENT: None. MOTION CARRIED.

3. RESIGNATION OF COUNCILMAN PHILLIPS.

IT WAS MOVED BY CHAMBERS and seconded by SALZWEDEL to accept the resignation of Councilmember Jeff Phillips.
YES: Mayor DeVore, Councilmember Salzwedel, Councilmember Chambers and Councilmember Canfield.
NO: None. ABSENT: None. MOTION CARRIED.

4. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.

Perry Beachum who resides at 924 Riverside Drive stated a grant was received from the Look Fund for the cemetery project and the work will begin in the spring.

5. **OLD BUSINESS**.

a. South Broadway Project Coordination and Bond Budget.

City Manager Michael Burns explained that Prein and Newhof have recently brought forward several issues pertaining to the completion of the road and sidewalk work on S. Broadway between Ottawa Street, the railroad tracks, and the coordination of the King Milling site development on the old Michigan Wire property. They are proposing to postpone the paving and concrete work until spring of 2019 to allow work to progress on King Milling's development site to ensure no damage occurring during the course of development at the former Michigan Wire site and the final road and curb will align with the proposed drive approaches.

Burns continued because of the recent lockout by Michigan Infrastructures and Transportation Association involving the Operating Engineers Local 324, subcontractors are proposing steep price increases to complete work prior to the end of the regular construction season. The lockout resulted in a backlog of work and contractors having raised prices on asphalt by 60 percent and concrete by 15 percent due to high demand. Finally, as a part of the planned rerouting of King Milling truck traffic from the downtown, a traffic signal at Bowes and Hudson was added to the $3.2 million bond issued in 2017 for the S. Broadway utility and street project. However, upon attorney review it was determined that the bond was not structured to include the addition of traffic signal work to the overall scope of work. Therefore, the City's $60,000 share of the signal work will have to be paid from another fund to correct the issue. Since the signal is located on a major street, the Major Street Fund can be used to pay for the work. Funds are available in the Major Street Fund for this activity.

Brian Vilmont spoke about the project and explained their position. Councilmembers Chambers and Canfield asked several questions.

IT WAS MOVED BY CHAMBERS and seconded by DEVORE to establish an RFP to consider alternative engineers.
YES: Councilmember Salzwedel, Councilmember Chambers, Mayor DeVore.
NO: Councilmember Canfield ABSENT: None. MOTION CARRIED.

IT WAS MOVED BY CANFIELD and seconded by SALZWEDEL to postpone the S. Broadway paving and concrete work until spring of 2019 and also approve a transfer of $60,000 from the Major Street Fund to pay for the traffic signal installation at the intersection of Hudson and Bowes.
YES: Councilmember Chambers, Councilmember Canfield, Mayor DeVore and Councilmember Salzwedel.
NO: None. ABSENT: None. MOTION CARRIED.

b. Proposal 1.

Christine Baird who resides at 2605 Fallasburg Park Drive spoke in support of marijuana dispensaries in the City of Lowell.

David Overhault from Sidney Michigan (Montcalm County) spoke in support of marijuana dispensaries in the City of Lowell.

Joyce Folkersma who resides at 622 N Jefferson spoke not in favor of marijuana dispensaries in the City of Lowell.

Council discussed they would like more feedback from the residents/community and what they are

voting for, encouraged residents to contact them. Council discussed the Board of Canvassers will certify the election on November 26, 2018 and there must be a decision by December 6, 2018. Attorney Dick Wendt explained the proposal.

IT WAS MOVED BY DEVORE and seconded by CHAMBERS to hold a special meeting date for November 28, 2018 at 4:00 p.m.
YES: Councilmember Chambers, Councilmember Canfield, Mayor DeVore and Councilmember Salzwedel.
NO: None. ABSENT: None. MOTION CARRIED.

6. **NEW BUSINESS.**

a. Ordinance 18-06 Planned Unit Developments- Proposed Amendments.

City Manager Michael Burns stated at the November 12, 2018 Planning Commission meeting, the Commission recommended to the City Council approval of the proposed amendments to Chapter 15 – Planned Unit Developments. Due to the extensive nature of the amendments, a copy of both a clean and marked-up version of the Ordinance as well as a memo from Andy Moore with Williams & Works that summarizes the changes was provided.

IT WAS MOVED BY CHAMBERS and seconded by CANFIELD to adopt Ordinance 18-06, Planned Unit Developments.
YES: Councilmember Salzwedel, Councilmember Phillips, and Councilmember Chambers, Councilmember Canfield and Mayor DeVore.
NO: None. ABSENT: None. MOTION CARRIED.

b. Downtown Master Plan.

City Manager Michael Burns stated in 2015, work began to approve the Downtown Master Plan but with the changes in leadership that occurred in 2015, the Downtown Development Authority and City Council never formally approved the plan. Beginning in 2018, DDA and City Administration have been working with Williams & Works to finalize the plan, incorporating recommendations from Dan Burden's visit to downtown this spring and updating some items since the original writing in 2015.

Andy Moore with William & Works reviewed the updated Master Plan.

IT WAS MOVED BY CHAMBERS and seconded by SALZWEDEL to approve the Downtown Master Plan as presented.
YES: Mayor DeVore, Councilmember Salzwedel, Councilmember Chambers, and Councilmember Canfield.
NO: None. ABSENT: None. MOTION CARRIED.

c. Sidewalk Grant Bid.

Assistant City Manager Rich LaBombard stated in 2016, the City was awarded a LCTV grant in the amount $27,600 for a Sidewalk Replacement Program. In January 2018, City Council agreed to permit a change in approach to the grant and allow sidewalk improvements on City properties and to improve ADA accessibility issues. With the change in approach, the grant funds will actually be more beneficial to the community. In October, the City issued a request for proposal for the sidewalk installation and replacement project on City properties. We received one bid from Groundhawg Excavating & Landscaping, LLC - $30,548.05, which is in line with the industry standards. Their work would begin in April and would be about a two-week project to complete.

IT WAS MOVED BY CHAMBERS and seconded by CANFIELD to accept the bid in the amount of $30,548.05 from Groundhawg Excavating and Landscaping.
YES: Councilmember Salzwedel, Councilmember Chambers, Councilmember Canfield, and Mayor DeVore.
NO: None. ABSENT: None. MOTION CARRIED.

7. **BOARD/COMMISSION REPORTS.**

Councilmember Canfield has good news on the LARA trail; we received a conditional commitment from MDOT on October 31 of $3.1 million dollars for the connector to go from Foreman Street to South Jackson. Also, on November 8, 2018, we received scores from the M-DNR grant. Of a potential 390 possible points, we received two scores of 306 and 340 which is great news. Parks and Recreation Board meets November 20, 2018 and will be discussing the Unity building property proposals.

Councilmember Chambers stated the Planning Commission buttoned up the plan unit development and approved a new Airbnb downtown. Light & Power board took in bids for fencing the gas regulator station on Broadway. At the Light & Power building, the old generators are being removed and the old steel portions of the building are coming down, so things are moving forward.

Councilmember Salzwedel stated on December 5, 2018 the LCTV Board will be meeting to discuss the 2019 funds availability. Councilmember Salzwedel stated he would be joining the Arbor Board.

Mayor DeVore stated the LOOK Memorial Fund Committee awarded some of the funds for the fencing at the cemetery, $8500 to the police department for speed signs, one in each direction on Bowes Rd and one in each direction on Foreman. $9075 for Lowell Arts tech upgrades. Fire Authority is discussing full time staff and the new fire truck is being pushed back to January. DeVore stated he is filling Jeff Phillips position on the Downtown Historic District Commission moving forward.

8. **MANAGER'S REPORT.**

City Manager Mike Burns reported the following:

- Drafting a revised purchase policy and will be meeting with department directors to review as well as the City Attorney, should be ready to bring to Council in January.
- Updating the city employee personnel manual. Light & Power is helping with that as we can mirror most of their manual.
- Proposal 1 brings changes as an employer and working through the impacts of those changes.
- Met with Kent County Youth Fair board members and their executive director and we are close to having a tentative agreement.
- Discussion on a possible Water & Sewer Authority in the future is still in the works; have met with surrounding Townships, went to Ionia to visit their Water & Sewer Authority and learn how they created theirs and own it.

- Would like a joint meeting scheduled between Parks Board & Council before the next City Council meeting regarding the park property that is on the RFP.
- Lou Bender will be here on January 30, 2018 from 5-9 for a team building session.
- Everyone have a Happy Thanksgiving.

9. APPOINTMENTS.

Mayor DeVore noted the board appointments currently serving all wish to continue with the exception of Mike Larkin on the Downtown Development Authority who will be stepping down at the end of his term. Also, he has not heard back from Brian McLane –Downtown Historic District Commission and Dan DesJarden on the Construction Board of Appeals. Council conceded all appointments were approved.

10. COUNCIL COMMENTS.

Councilmember Canfield thanked Jeff Phillips for his service and great job while on the Council and wished him the best of luck with his work promotion. Any applicants interested in filling the Council position, he encouraged to apply. Also encouraged residents to let Council know their opinion on whether the City should opt out or in with regard to Proposal 1.

Councilmember Chambers said downtown Christmas through Lowell was fun and the City was full of vibrant and happy people and would like to see it like that all the time. Also wanted to thank Jeff for his time he served on the board.

Councilmember Salzwedel stated in Illinois, the City of Galena has thousands of visitors come each weekend and we need to find out how they do it. Also, wanted to thank Jeff Phillips for his service and looking forward to seeing who the next person is.

Mayor DeVore also expressed his gratitude for Jeff Phillips and his time on the Council and hopes everyone has a wonderful Thanksgiving. December 1, 2018 is the Santa Parade.

11. ADJOURNMENT.

IT WAS MOVED BY SALZWEDEL and seconded by CANFIELD to adjourn at 8:30 pm.
YES: 4. NO: None. ABSENT: None. MOTION CARRIED.

DATE:

APPROVED:

Mike DeVore, Mayor

Susan Ullery, City Clerk

CITY OF LOWELL

KENT COUNTY, MICHIGAN

ORDINANCE NO. 18-06

AN ORDINANCE TO AMEND CHAPTER 15 – PLANNED UNIT DEVELOPMENT DISTRICT, OF APPENDIX A, "ZONING," OF THE CODE OF ORDINANCES OF THE CITY OF LOWELL

Councilmember CHAMBERS, supported by Councilmember CANFIELD, moved the adoption of the following ordinance:

THE CITY OF LOWELL ORDAINS:

Section 1. Amendment of Chapter 15. Chapter 15 of Appendix A, "Zoning," of the Code of Ordinance of the City of Lowell is amended in its entirety to read as follows:

CHAPTER 15 - PUD - PLANNED UNIT DEVELOPMENT DISTRICT

SECTION 15.01 - DESCRIPTION AND PURPOSE

Description. This chapter offers an alternative to conventional development and traditional zoning standards by permitting flexibility in the regulations for development through the authorization of Planned Unit Development (PUD) districts. The standards in this chapter are intended to promote and encourage development on parcels of land that are suitable in size, location, and character for the uses proposed, and are further intended to ensure compatibility with adjacent land uses, the City's Master Plan and, where applicable, the existing natural features of the area.

Purpose. The use, area, height, bulk, and placement regulations of this chapter are primarily applicable to the usual situation of one principal building on a lot. In certain developments, these requirements might result in situations less in the interest of public health, safety, and welfare than if a controlled degree of flexibility were allowed. The purpose of a PUD is to permit and control the development of planned areas for various compatible uses allowed by the zoning ordinance and for other uses not so provided. It is intended that uses in a PUD afford each type of land use reasonable protection from encroachment or interference by other incompatible land uses, and that reasonable protection be afforded to uses adjacent to a PUD.

SECTION 15.02 - OBJECTIVES AND QUALIFYING CONDITIONS

A. The degree to which the following objectives are satisfied shall be considered by the planning commission and city council in its review of a PUD in order to realize the inherent advantages of coordinated, flexible, comprehensive, long-range planning and development of such planned development:

1. To encourage the provision and protection of open spaces, cultural/historic resources, the development of recreational amenities, and, where included in the plan, other support facilities in a generally central location within reasonable distance of all dwelling units.
2. To encourage developers to use a more creative and imaginative approach in the development of property.
3. To allow for market-driven development or redevelopment in places that are most conducive to accommodating additional activity.
4. To facilitate economic development through the creation of a mix of uses and/or building types.
5. To create walkable developments with pedestrian-oriented buildings and open space that connects to nearby destinations or neighborhoods.
6. To provide for the adaptive re-use of significant or historic buildings;
7. To allow phased construction with the knowledge that subsequent phases will be approved as originally planned and approved by the city.
8. To promote flexibility in design and to permit planned diversification in the location of structures.
9. To promote the efficient use of land to facilitate a more economic arrangement of buildings, circulation systems, land use, and utilities.
10. To minimize adverse traffic impacts and to accommodate safe and efficient pedestrian access and circulation;
11. To provide for redevelopment of sites and/or buildings that are under-developed or have fallen into disrepair;
12. To combine and coordinate architectural styles, building forms, and building relationships within the PUD; and
13. To ensure a quality of construction commensurate with other developments within the city.

B. Qualifying Conditions.

1. Ownership. The tract of land for which a PUD application is received must be either in one (1) ownership or with written approval of the owners of all affected properties.
2. Conditions. To be considered as a PUD, the proposed development must fulfill at least one (1) of the following conditions:

a. The PUD contains two (2) or more separate and distinct uses, for example, residential dwellings and office or commercial uses;

b. The PUD site exhibits significant natural features encompassing at least twenty-five (25) percent of the land area of the PUD which will be preserved as a result of the PUD plan.

c. The PUD is designed to preserve, in perpetuity, at least sixty (60) percent of the total area of the site as open space.

d. The PUD constitutes a significant redevelopment of an underutilized or vacant property where conventional development may not be feasible.

3. Master Plan. The applicant shall demonstrate that the proposed PUD is consistent with the adopted master plan.

SECTION 15.03 - USES PERMITTED BY RIGHT AND RESIDENTIAL DENSITY

A. The following uses may be permitted in a PUD:

1. Uses permitted by right or by special land use in the underlying zoning district;
2. Any use that is determined to be consistent with the master plan;
3. A combination of residential, commercial, and public uses which are compatible with existing and adjacent land uses;

B. Only those uses approved for the PUD shall thereafter be permitted within the PUD.

C. For PUDs located in non-residential or mixed use districts, the maximum number of dwelling units permitted in a PUD shall be determined by the planning commission in consideration of the master plan, existing and future surrounding land uses, capacity of public utilities and services, and other applicable factors.

D. For PUDs located in residential zoning districts, the permitted density shall not be greater than that permitted by the zone district in which the proposed uses are permitted. If the PUD lies in more than one (1) zone district, then the number of dwelling units shall be calculated on a proportionate basis.

E. The total amount of land to be used for the calculation of the permitted density in a PUD in subsection D above shall be determined by using the net developable area, which shall be determined by taking the total site area and subtracting lands used or dedicated for existing public easements and existing public or private street rights-of-way.

F. Land not proposed for development and not used or dedicated existing public or private street rights-of-way or other infrastructure, but used for the calculation of overall density, shall be considered open space and subject to the requirements of section 15.06.

SECTION 15.04 – NON-RESIDENTIAL AND MIXED USE PUDS

A. All uses shall be integrated into the design of the project with similar architectural and site development elements, such as signs, landscaping, etc.

B. Mixed uses may be permitted only if they will not materially alter the character of the neighborhood and/or the PUD.

C. All merchandise for display, sale, or lease shall be entirely within an enclosed building(s).

D. Buildings designed for non-residential uses shall be constructed according to the following requirements:

1. If the entire PUD contains fewer than twenty (20) dwelling units, seventy-five (75) percent of these units must be constructed prior to construction of any non-residential use.

2. If the PUD contains more than twenty (20) dwelling units, fifty (50) percent of these units shall be constructed prior to the construction of any non-residential use.

SECTION 15.05 – DESIGN STANDARDS

A. Deviations from Minimum Requirements. In approving a PUD, the city may permit deviations from the lot area and width requirements, parking requirements, required buffers, building setback requirements, height limitations, and other requirements of the zoning ordinance provided that such deviations are consistent with all other requirements of this chapter and the following standards:

1. The applicant shall identify, in writing, all proposed deviations from the underlying zoning district. Deviations may be approved by the city council after the planning commission recommendation. These adjustments may be permitted if they will result in a higher quality of development or better integration of the proposed use(s) within the vicinity.

2. Deviations from the minimum requirements shall also satisfy at least one (1) of the following criteria:

a. The proposed deviations shall preserve the best natural features of the site;

b. The proposed deviations shall create, maintain, or improve habitat for wildlife;

c. The proposed deviations shall create, maintain, or improve open space for the residents;

d. The proposed deviations shall enhance the views into the site as well as the view from dwellings to be built on site;

e. The proposed deviations shall constitute an adaptive re-use or redevelopment of buildings and/or property, and/or;

f. The proposed deviations shall be necessary for the development or redevelopment of property that would not be feasible without the deviations.

B. Other Requirements.

1. All electric, cable, internet, and telephone transmission wires within the PUD shall be placed underground.

2. Signs are permitted in accordance with the zone district in which the proposed uses are permitted.

C. Conditions. The city council may impose conditions with the approval of a PUD which are necessary to insure compliance with the standards for approval stated in this section and any other applicable standards contained in this chapter. Such conditions shall be considered an integral part of the PUD approval and shall be enforceable by the zoning enforcement officer.

SECTION 15.06 - OPEN SPACE

If open space is provided in the PUD, it shall meet the following considerations and requirements:

A. Open space may be established to separate uses within the PUD.

B. Open space areas shall be large enough and of proper dimensions so as to constitute a useable area, with adequate access, through easements or other similar arrangements, such that all properties within the entire PUD may reasonably utilize the available open space.

C. Evidence shall be given that satisfactory arrangements will be made for the maintenance of open space to relieve the city of the future maintenance thereof.

D. Open space may be provided where significant natural features may be preserved and/or be used for passive or active recreation.

E. All land set aside as open space shall be deed restricted to ensure that the open space remains undeveloped in perpetuity. Land set aside for agriculture may, at the discretion of the property owner(s), be converted to open space, but shall not be used as land for the construction of additional dwellings, nor used for any other development.

F. All open space shall be in joint ownership of the property owners within the PUD. A property owner's association or similar entity approved by the city shall be formed to take responsibility for the maintenance of the open space.

G. The maintenance requirements of dedicated open space may include regular clearing and mowing or other active maintenance. Maintenance shall also include the removal of any accumulation of trash or waste material within the dedicated open space, clean up of storm damage, or removal of diseased plant materials, and similar improvements.

H. To the extent possible, dedicated open space areas shall be continuous and contiguous throughout the PUD. Open space areas shall be large enough and of proper dimensions so as to contribute significantly to the purpose and objectives of the PUD.

SECTION 15.07 – GENERAL APPLICATION PROCEDURES

A. The following steps, which are outlined in Section 15.08-15.11, shall apply to all applications for PUD approval, whether residential, non-residential, or mixed use:

1. Preliminary Planning Commission Review (Optional). A preliminary plan may be submitted to the planning commission for initial review. The applicant may attend a pre-application review of the proposed PUD Plan with the planning commission.

2. PUD Plan and PUD Rezoning.

   a. The planning commission shall review the PUD plan and PUD rezoning application, hold a public hearing (if desired), and make a written recommendation to the city council.

   b. The city council shall review the PUD plan and PUD rezoning application, and the written recommendation and findings from the planning commission, hold a public hearing, and make a final decision.

3. PUD Final Site Plan Review. The zoning enforcement officer and other applicable city personnel shall review the PUD final site plan in accordance with section 15.11 of this chapter.

B. An application for PUD shall be accompanied by a statement with regard to compliance with the standards required for approval in section 15.10, and other standards imposed by the zoning ordinance affecting the PUD under consideration.

C. Either concurrently with the PUD plan application, or upon approval by the city council (with or without conditions), the applicant may apply for preliminary plat approval, condominium approval, and private road approval, as applicable.

D. Approval of a PUD pursuant to this chapter shall constitute an amendment to the Lowell zoning ordinance and map.

SECTION 15.08 – PRELIMINARY PLANNING COMMISSION REVIEW (OPTIONAL)

A. Preliminary plans of the proposed PUD may, at the applicant's option, be submitted for review to the planning commission prior to submission of an application for a PUD. The purpose of the meeting is to allow discussion between an applicant and the planning commission, and to inform the applicant of the acceptability of proposed plans prior to incurring extensive engineering and other costs which will be necessary for PUD review.

B. As part of the pre-application review, the applicant shall submit a copy of a conceptual plan for the proposed PUD that shows the property location, boundaries, significant natural features, vehicular and pedestrian circulation, the proposed number and arrangement of lots or units with building envelopes, proposed open spaces, location of proposed buildings, and proposed land use(s) for the entire site.

C. The planning commission shall advise the applicant regarding whether the proposed conceptual plan complies with the purpose and intent of this chapter, and if it qualifies for PUD rezoning pursuant to the qualifying conditions of section 15.02 of this chapter.

D. Formal action shall not be taken at a preliminary planning commission review. Statements made at the pre-application conference or review by the planning commission shall not be considered binding commitments or an approval of the PUD plan.

SECTION 15.09 – PROCEDURES FOR PUD PLAN AND PUD REZONING

A. Required Information. Following the preliminary review (if conducted), the applicant shall submit a completed application form for PUD rezoning, the required application fee, and

ten (10) copies and a PDF of the PUD plan to the planning commission at least twenty-one (21) days prior the next planning commission meeting.

The PUD plan shall be professionally prepared by a licensed engineer, architect, and/or landscape architect and shall be drawn to a scale of not less than one (1) inch = 100 feet. The PUD plan shall, at a minimum, contain the following information, unless specific items are determined to be not pertinent to the application by the zoning enforcement officer:

1. General Information.
    a. Name and firm address of the professional individual responsible for preparing site plan and his/her professional seal.
    b. Name and address of the property owner or petitioner.
    c. Scale, north arrow, and date.
    d. Acreage (gross and net).
    e. Zoning of adjacent properties.
    f. Legal property description.
    g. Existing Site Conditions:
        1) Boundary survey lines and setbacks.
        2) Location sketch showing site, adjacent streets and properties within 200 feet or as directed by the city.
        3) Location, width, and purpose of all existing easements and lease areas, including cross-access.
        4) Abutting street right(s)-of-way and width.
        5) Topography with contour intervals of no more than two (2) feet.
        6) Natural features such as wooded areas, surface water feature, floodplains or floodways, wetlands, slopes exceeding 15%, lakes, rivers, creeks, county drains, and other significant site features, including the area of such features.
        7) Existing buildings, structures, paved surfaces and areas, installed landscaping, and other significant physical infrastructure.
        8) Size and location of existing utilities and status, where applicable.
    h. Proposed Development:
        1) Layout of proposed buildings, structures, driveways, parking lots, streets, landscaped areas, and other physical infrastructure, as applicable, including the area of these improvements.
        2) Recreation areas, common use areas, dedicated open space, and areas to be conveyed for public use.
        3) Layout of sidewalks and/or pathways, both internal to the development and along the main road frontage.

4) Layout and typical dimensions of building envelopes, proposed parcels, and lots.

5) Parking, stacking, and loading calculations, if applicable.

6) Phasing plan, if applicable.

7) Conceptual plan for provision of public water and public sanitary sewer services.

8) Conceptual grading plan.

9) Conceptual stormwater plan.

10) Conceptual building types, including building elevations and footprints.

i. Additional Information:

1) A narrative, which shall describe the proposed PUD, the proposed timeframe of development, the zoning district(s) in which it will be located, the overall residential density of the project, and documentation indicating how the qualifying conditions in Section 15.02 and the standards of Section 15.10 are met.

2) A table detailing all requested deviations identified in the PUD Plan compared to the requirements of the zoning district in which the proposed PUD is located. This table shall clearly identify the requirement in comparison to the requested deviation.

3) The planning commission may require additional information from the applicant to better assist in the determination of PUD qualification such as, but not limited to, market studies, fiscal impact analysis, traffic impact studies, and environmental impact assessments.

B. Planning Commission Review and Optional Public Hearing.

1. The planning commission shall review the PUD Plan at a regular or special meeting and may hold a public hearing, though it is not required. Notice of the public hearing (if held) shall be provided in accordance with the Michigan Zoning Enabling Act, as amended.

2. The planning commission shall review the PUD plan in consideration of public comments, technical reviews from city staff and consultants, and other applicable standards and requirements. Within a reasonable timeframe, the planning commission shall recommend approval, approval with conditions, or denial of the PUD plan and PUD rezoning to the city council. The planning commission's recommendation shall be documented with findings to justify its recommendation.

3. In order to recommend approval of the PUD plan and PUD rezoning, the planning commission shall find that the standards of section 15.10 are satisfied.

C. City Council Review and Required Public Hearing.

1. Following receipt of a recommendation from the planning commission on the PUD plan and PUD rezoning, a public hearing of the city council shall be scheduled in accordance with the Michigan Zoning Enabling Act, as amended.
2. After the public hearing, the city council shall review the application in consideration of the planning commission's written recommendation, public hearing comments, technical reviews from city staff and consultants, and other applicable standards and requirements. Within a reasonable time, the city council shall approve, approve with conditions, or deny the PUD plan and PUD rezoning. The city council's decision shall be documented with written findings to justify its decision.
3. In accordance with the Michigan Zoning Enabling Act, as amended, the city council may place reasonable conditions on the approval of a PUD plan, including a performance guarantee pursuant to section 15.13(E). Conditions attached to the approval shall be incorporated into the ordinance adopting the PUD plan and PUD rezoning.
4. Approval of the PUD plan and PUD rezoning by the city council shall be incorporated into a rezoning amendment to the zoning ordinance and map. Such rezoning and PUD plan approval shall become effective after notification and publication as required by the Michigan Zoning Enabling Act, as amended.

SECTION 15.10 – PUD PLAN AND REZONING STANDARDS FOR APPROVAL

In order to approve a PUD plan and PUD rezoning, the planning commission and city council shall find that all of the following standards are met:

A. The proposed PUD complies with the purpose and qualifying conditions of sections 15.01 and 15.02.

B. The uses conducted within the proposed PUD, the PUD's impact on the community, and other aspects of the PUD are consistent with, and further implement the policies of, the adopted master plan.

C. The proposed PUD shall be designed, constructed, operated, and maintained in a manner harmonious with the character of adjacent property, the surrounding uses of land, the natural environment, and the capacity of public services and facilities affected by the development.

D. The proposed PUD shall not be hazardous to adjacent property or involve uses, activities, materials, or equipment that will be detrimental to the health, safety, or welfare of persons or property through the excessive production of traffic, noise, smoke, fumes, or glare.

E. The proposed PUD shall not place demands on public services and facilities more than current or anticipated future capacity.

F. The proposed PUD shall satisfy all applicable local, state, and federal laws, rules and, regulations.

SECTION 15.11 - PUD FINAL SITE PLAN - ADMINISTRATIVE REVIEW

1. Within one year after PUD plan and PUD rezoning approval by the city council, a minimum of four (4) copies and a PDF the PUD final site plan for the entire PUD (or at least one phase of the PUD) shall be submitted by the applicant in accordance with Chapter 18 of the zoning ordinance to the city clerk.
2. All PUD final site plans subsequently submitted shall conform to the approved PUD plan subject to minor revisions and all conditions attached to its approval, the ordinance adopting the PUD plan and PUD rezoning, and the requirements of this chapter.
3. If the PUD final site plan substantially conforms to the approved PUD plan subject to minor revisions and all conditions attached to its approval, the PUD adoption ordinance, and the requirements of this chapter, then the city shall approve the PUD final site plan.
4. Unless otherwise required by subsection 6 below, PUD final site plans shall be reviewed administratively by the zoning enforcement officer and any other applicable city personnel. In cases where it is unclear whether or not a site plan substantially conforms to the approved PUD plan and/or any conditions attached to its approval, the zoning enforcement officer shall refer the PUD final site plan to the planning commission for review.
5. For land uses within the PUD subject to additional special land use requirements, such uses shall comply with all such required conditions unless deviations were approved pursuant to this chapter.
6. For land uses within the PUD that require special land use approval, or for PUDs that contain private roads, subdivisions, and/or site condominiums, such uses shall be reviewed and approved in accordance with all other applicable sections of the zoning ordinance and other provisions of the city code. These reviews may occur concurrently with the application for PUD plan review and PUD rezoning.

SECTION 15.13 – CONCURRENT REVIEW (DELETED)

SECTION 15.13 - APPROVED PUDS

A. Phased Projects. Where a project is proposed for construction in phases, the project shall be designed so that each phase, when completed, shall be capable of standing on its own in terms of the presence of services, facilities, and open space, and shall contain the necessary components to ensure protection of natural resources and the health, safety and welfare of the users of the PUD and residents of the community. Each phase of a PUD shall require the submittal of a site plan pursuant to section 15.11.

B. Amendments to an Approved PUD. An amendment to an approved PUD shall be reviewed and approved by the planning commission and city council pursuant to section 15.09 B & C, except that the zoning enforcement officer may review and approve minor amendments to the PUD, or refer minor amendments to the planning commission for a determination with or without a public hearing. Minor amendments include, but are not limited to, the following:

   1. Reduction of the size of any building, building envelope, or sign.
   2. Movement of buildings or signs by no more than ten feet.

3. Changes requested by the city for safety reasons.
4. Changes which will preserve natural features of the land without changing the basic site layout.
5. Changes in the boundary lines of lots or condominium units which do not change the overall density of the development, do not reduce the width of the lot by more than 10 percent or which do not change the average lot or unit width throughout the development.
6. Additions or modifications of the landscape plan or landscape materials, or replacement of plantings approved in the landscaping plan
7. Alterations to the internal parking layout of a parking lot, provided that the total number of spaces or means of ingress and egress do not change.
8. Other non-substantive changes proposed to be made to the configuration, design, layout or topography of the site plan which are deemed by the city to be not material or significant in relation to the entire site and which the department determines would not have a significant adverse effect on the development on adjacent or nearby lands or the public health, safety and welfare.

C. Expiration.

1. A PUD (or at least the first phase of a PUD) shall be under meaningful construction of proposed improvements consistent with the approved PUD final site plan within one year after the date of approval of the PUD final site plan, which shall proceed diligently to completion. For the purposes of this subsection, "meaningful construction" means substantial completion of improvements such as utilities, roads, buildings, and similar improvements.
2. Upon expiration of the time period for submission of either the (a) PUD plan and rezoning, or (b) the PUD final site plan, such approvals shall automatically become null and void and all rights of development based on the plan shall terminate.
3. The city council may approve extensions of up to two years at a time, if requested in writing by the applicant prior to the expiration date of the original PUD plan approval or PUD final site plan approval. In requesting an extension, the applicant shall provide the reason(s) it is requesting the proposed extension.
4. Upon expiration of a PUD plan or PUD final site plan, the planning commission may conduct a public hearing and make a recommendation to rezone the property to its original designation or other district as deemed appropriate.

D. Appeals and Variances. The board of zoning appeals shall not have jurisdiction to consider variances from the requirements of this chapter, nor may decisions related to a PUD be appealed to board of zoning appeals.

E. Performance Guarantees. The city council may, to ensure strict compliance with any requirement contained in this chapter, require the applicant for PUD rezoning to furnish a performance guarantee such as a cash deposit, certified check, irrevocable letter of credit,

or surety bond acceptable to the city attorney, executed by a company authorized to do business in the state of Michigan in an amount determined by the city council to be reasonably necessary to ensure compliance with the requirements of this chapter. In fixing the amount of guarantee, the city council shall take into account the size and scope of the proposed project, the phasing of the project, the probable cost of rehabilitating the property upon default by the applicant, the estimated expenses to compel compliance by court decree, and such other factors and conditions as might be relevant in the light of all facts and circumstances surrounding the application.

Section 2. Publication. After its adoption, the City Clerk shall publish this ordinance or a summary thereof, as permitted by law, along with its date of adoption in the *Lowell Ledger*, a newspaper of general circulation in the City, at least ten (10) days before its effective date.

Section 3. Effective Date. This ordinance shall take effect ten (10) days after it, or a summary thereof, as permitted by law, along with the date of its adoption, is published in the *Lowell Ledger*, a newspaper of general circulation in the City.

YES: Councilmembers Canfield, Mayor DeVore, Councilmembers Salwedel and Chambers.

NO: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

ORDINANCE DECLARED ADOPTED.

Dated: November 19, 2018

Susan Ullery

Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned City Clerk of the City of Lowell, Michigan (the "City"), certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on November 19, 2018, pursuant to notice given in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended, and notice of its adoption, including a summary of its contents and its effective date, was published in the *Lowell Ledger*, on November 21, 2018. I further certify that the above ordinance was entered into the Ordinance Book of the City on December 1, 2018, and was effective December 1, 2018, ten (10) days after publication.

Dated: November 5, 2018

Susan Ullery

Susan Ullery

City Clerk

CITY OF LOWELL
KENT COUNTY, MICHIGAN
Resolution No. 34-18

At a regular meeting of the Lowell City Council held on November 19, 2018, at the Lowell City Hall, the following resolution was offered for adoption by Council member CHAMBERS and was seconded by Council member SALZWEDEL:

A RESOLUTION ADOPTING THE PROPOSED
2018 DOWNTOWN LOWELL PLACEMAKING PLAN

WHEREAS, in 2014, the City of Lowell Downtown Development Authority (DDA) began the process to prepare a long-term capital improvement plan aimed at improving and enhancing the downtown area; and

WHEREAS, the DDA received considerable community input during the planning process from a steering committee, stakeholders, and members of the public where the community identified needs, proposed solutions, and offered implementation strategies that were considered in the preparation of the Plan; and

WHEREAS, following considerable input from City staff, stakeholders, and residents, the City of Lowell DDA prepared the Downtown Lowell Placemaking Plan; and

WHEREAS, on October 11, 2018, the City of Lowell DDA reviewed the proposed Downtown Lowell Placemaking Plan and recommended approval of the plan to the Lowell City Council; and

WHEREAS, the City Council finds that the proposed Downtown Lowell Placemaking Plan is desirable, proper, reasonable, and furthers the land use, recreational, transportation, and development goals and strategies of downtown Lowell;

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. ***Adoption of 2018 Downtown Lowell Placemaking Plan.*** The Lowell City Council hereby approves and adopts the proposed amended Downtown Lowell Placemaking Plan, including all of the chapters, figures, descriptive matters, maps, artwork, renderings, sketches, and tables contained therein.

2. ***Findings of Fact.*** The City Council has made the foregoing determination based on a review of existing land uses and other factors affecting the downtown, a review of the existing Master Plan, and input received from the public, as well as the assistance of a professional planning group. The City Council also finds that the Downtown Lowell Placemaking Plan will appropriately implement the land use, recreational, transportation, and development goals and strategies of downtown Lowell.

Effective Date. The 2018 Downtown Lowell Placemaking Plan shall become effective on the adoption date of this resolution.

YEAS: Mayor DeVore, Councilmember Salzwedel, Chambers and Canfield.

NAYS: None

ABSENT/ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

CERTIFICATION

I hereby certify that the above is a true copy of a resolution adopted by the Lowell City Council at the time, date, and place specified above.

Respectfully submitted,

Dated: November 19, 2018

By Susan Ullery

Susan Ullery
Lowell City Clerk

PROCEEDINGS
OF
CITY COUNCIL SPECIAL MEETING
OF THE
CITY OF LOWELL
MONDAY, NOVEMBER 28, 2018, 4:00 P.M.

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.

The Special Meeting was called to order at 4:00 p.m. by Mayor DeVore and City Clerk Sue Ullery called roll.

Present: Councilmembers Marty Chambers, Jim Salzwedel and Mayor DeVore, Councilmember Canfield.

Absent: None.

Also Present: City Manager Michael Burns, City Clerk Sue Ullery, Chief of Police Steve Bukala and City Attorney Dick Wendt.

2. APPROVAL OF THE AGENDA.

IT WAS MOVED BY CHAMBERS and seconded by SALZWEDEL to approve the agenda as written.
YES: Councilmember Canfield, Mayor DeVore, Councilmember Salzwedel, and Councilmember Chambers.
NO: None. ABSENT: None. MOTION CARRIED.

3. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.

There was none.

4. ACTION ON THE CONSIDERATION OF COMMERCIAL RECREATIONAL MARIJUANA FACILITIES IN THE CITY OF LOWELL.

City Manager Michael Burns explained on November 6, 2018, voters in the State of Michigan approved Proposal 1. There's a provision in the statute in the approved ballot language of Proposal 1 that was approved by the Board of Canvassers on November 26, 2018 for the consideration to allow commercial recreational marijuana facilities within the City of Lowell. The other portion of the proposal that allows a person to have the right to possess, transport and use marijuana within their own home with parameters is not part of today's discussion. Burns continued as of right now, the City of Lowell is opted in, you would have to formally opt out. If we are to stay opted in, there are areas in the city where you can and cannot have an facility. There cannot be a facility located within 1000 feet of a school nor can it be in a residential neighborhood.

Police Chief Steve Bukala then explained the areas in the City of Lowell where the marijuana facilities could potentially be located.

City Attorney Dick Wendt then explained Proposal 1 in detail.

Mayor Devore then opened the floor to public comments.

Christa Wetzal who resides at 829 Monroe spoke not in favor of opting in.

Jim Hodges 422 N Jefferson spoke in favor of opting in.

David Overhaul who lives outside the community spoke in favor of opting in.

Roy Schmidt who is from Grand Rapids but has kids that reside in Lowell spoke in favor of opting in.

Derek Divine who resides at 1218 Valley Vista spoke in favor of opting in.

Debbie Miller Nieto who resides at 172 South Center spoke in favor of opting in.

Gary Stevenson who used to be a City of Lowell resident spoke in favor of opting in.

Cliff Yankovich who lives at 329 N Monroe asked what the vote margin was for Proposal 1 passing in the City of Lowell.

Brenda Skir who resides at 538 Flat River Drive spoke not in favor of opting in.

Matthew Silverman who resides at 125 South Division spoke in favor of opting in.

Mayor DeVore read a letter from Lisa Plank who resides at 411 North Washington who was not in favor of opting in.

City Clerk Sue Ullery read letters from the following:

Dan Williams who resides at 1815 Veronica St wrote in favor of opting in.

Cassandra Williams who resides at 1815 Veronica St wrote in favor of opting in.

Ryan Schaner who resides in Lowell Township wrote in favor of opting in.

Brett Pnazek wrote in support of opting in and did not state his residence.

Alfred Thomet who resides at 412 N. Division phoned not in favor of opting in.

Donna Smit who resides at 194 Valley Vista phoned not in favor of opting in.

James & Elizabeth Pfaller who resides at 810 Bowes St wrote not in favor of opting in.

Al Eckman who resides at 725 Bowes Rd Apt K6 wrote not in favor of opting in.

James Doyle who is Senior Vice President of King Milling Company wrote not in favor of opting in.

Jim Reagan who owns a business and resides here in Lowell spoke not in favor of opting in.

Councilmember Canfield thanked everyone for coming out tonight and questioned the City Attorney on the sales tax that would come from the dispensaries. He stated he has listened and heard some interesting perspectives, feels that it is pretty close to 60% support it and 40% are against it and the numbers are fairly consistent. He cares about the community and feel he needs to listen to the voters and that this is a tough decision to make.

Councilmember Chambers stated he has been keeping track of the people who spoke tonight and it has come up to almost dead even for and against. Does not think it should be downtown. Just doesn't know yet.

Councilmember Salzwedel stated the black market will never go away but hopes that maybe it would slow it down. He himself has always been a component of legalizing marijuana and now sitting on the City Council has given him a different perspective of what the needs of the city are. The residents did speak and he is ready to vote.

Mayor DeVore stated the black market will never go away and opting in doesn't mean it is going to be on every corner. Does not believe it will be a financial windfall. He just does not want it in downtown and he is just not sure.

City Manager Michael Burns reminded them the City of Lowell is opted in right now.

Mayor DeVore asked if anyone would like to make a motion for Emergency Ordinance and there was not.

IT WAS MOVED BY CHAMBERS and noone seconded to adopt Ordinance 18-07. MOTION DIED.

5. **ADJOURNMENT.**

IT WAS MOVED BY SALZWEDEL and seconded by CANFIELD to adjourn at 5:15 pm.
YES: 4. NO: None. ABSENT: None. MOTION CARRIED.

Date: APPROVED:

Mike DeVore, Mayor

Susan Ullery, City Clerk

301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

2019 CITY COUNCIL MEETING DATES
7:00 P.M.
CITY COUNCIL CHAMBERS – SECOND FLOOR

January	7 22 (Tues.) MLK Day	July	1 15
February	4 19 (Tues.) President's Day	August	5 19
March	4 18	September	3 (Tues.) Labor Day 16
April	1 15	October	7 21
May	6 20	November	4 18
June	3 17	December	2 16

INVOICE GL DISTRIBUTION REPORT FOR CITY OF LOWELL
EXP CHECK RUN DATES 11/27/2018 - 11/29/2018
BOTH JOURNALIZED AND UNJOURNALIZED
BOTH OPEN AND PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 000					
101-000-451.000	BUSINESS LIC & APPLICATIO	BYERS ENGINEERING COMPANY	REFUND FOR RIGHT OF WAY P	100.00	72133
		Total For Dept 000		100.00	
Dept 172 MANAGER					
101-172-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	52.06	72156
		Total For Dept 172 MANAGE		52.06	
Dept 209 ASSESSOR					
101-209-740.000	OPERATING SUPPLIES	SUPPLYGEEKS	OFFICE SUPPLIES	12.32	72159
101-209-860.000	TRAVEL EXPENSES	RASHID, JEFFREY	ASSESSING OFFICE EXPENSES	62.68	72150
		Total For Dept 209 ASSESS		75.00	
Dept 215 CLERK					
101-215-730.000	POSTAGE	PURCHASE POWER	POSTAGE MACHINE	59.04	72149
101-215-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	52.06	72156
		Total For Dept 215 CLERK		111.10	
Dept 253 TREASURER					
101-253-740.000	OPERATING SUPPLIES	POSTMASTER	WINTER 2018 TAX BILLS	558.30	72145
101-253-801.000	PROFESSIONAL SERVICES	VREDEVELD HAEFNER LLC	CITY AUDIT & FINANCIAL ST	11,000.00	72161
		Total For Dept 253 TREASU		11,558.30	
Dept 265 CITY HALL					
101-265-740.000	OPERATING SUPPLIES	ACTION CHEMICAL	VACBAGS FOR CITY HALL	40.00	72127
101-265-740.000	OPERATING SUPPLIES	HOOPER PRINTING	ENVELOPES	372.73	72140
101-265-740.000	OPERATING SUPPLIES	SUPPLYGEEKS	OFFICE SUPPLIES	17.83	72159
101-265-802.000	CONTRACTUAL	FIRE PROS INC.	FIRE ALARM INSPECTION - C	246.50	72137
101-265-802.000	CONTRACTUAL	RED CREEK	TRASH SERVICE	64.45	72151
101-265-802.000	CONTRACTUAL	RUESINK, KATHIE	CLEANING SERVICES	540.00	72153
101-265-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	380.35	72143
		Total For Dept 265 CITY H		1,661.86	
Dept 276 CEMETERY					
101-276-802.000	CONTRACTUAL	KERKSTRA ENVIRONMENTAL SE	PORTABLE RESTROOMS - CEME	80.00	72141
101-276-802.000	CONTRACTUAL	RED CREEK	TRASH SERVICE	30.00	72151
		Total For Dept 276 CEMETE		110.00	
Dept 301 POLICE DEPARTMENT					
101-301-744.000	UNIFORMS	NYE UNIFORM COMPANY	POLICE UNIFORMS	31.50	72144
101-301-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	264.96	72156
101-301-850.000	COMMUNICATIONS	VERIZON WIRELESS	ACCOUNT STATEMENT	158.11	72160
101-301-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	93.93	72143
101-301-931.000	R & M POLICE CARS	BETTEN BAKER	POLICE VEHICLE R & M	26.90	72131
		Total For Dept 301 POLICE		575.40	
Dept 441 DEPARTMENT OF PUBLIC WORKS					
101-441-727.000	OFFICE SUPPLIES	SUPPLYGEEKS	OFFICE SUPPLIES	55.53	72159
101-441-740.000	OPERATING SUPPLIES	SUPPLYGEEKS	OFFICE SUPPLIES	15.16	72159
101-441-802.000	CONTRACTUAL	RED CREEK	TRASH SERVICE	64.05	72151
101-441-802.000	CONTRACTUAL	SPECTRUM HEALTH OCCUPATIO	DOT PHYSICALS	128.00	72155
101-441-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	77.06	72156
101-441-850.000	COMMUNICATIONS	COMCAST CABLE	ACCOUNT STATEMENT	33.06	72134
101-441-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	28.26	72143
101-441-926.000	STREET LIGHTING	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	1,344.13	72143
		Total For Dept 441 DEPART		1,745.25	
Dept 751 PARKS					
101-751-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	25.00	72156
		Total For Dept 751 PARKS		25.00	
Dept 790 LIBRARY					
101-790-802.000	CONTRACTUAL	FIRE PROS INC.	LIBRARY FIRE ALARM INSPEC	235.00	72137
101-790-802.000	CONTRACTUAL	PROGRESSIVE HEATING COOLI	LIBRARY R & M	166.37	72148

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 790 LIBRARY					
101-790-802.000	CONTRACTUAL	RED CREEK	TRASH SERVICE	47.50	72151
101-790-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	126.36	72143
		Total For Dept 790 LIBRAR		575.23	
		Total For Fund 101 GENERA		16,589.20	
Fund 202 MAJOR STREET FUND					
Dept 463 MAINTENANCE					
202-463-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	25.35	72156
		Total For Dept 463 MAINTE		25.35	
Dept 478 WINTER MAINTENANCE					
202-478-740.000	OPERATING SUPPLIES	COMPASS MINERALS	STREET SUPPLIES	1,707.51	72135
		Total For Dept 478 WINTER		1,707.51	
		Total For Fund 202 MAJOR		1,732.86	
Fund 203 LOCAL STREET FUND					
Dept 463 MAINTENANCE					
203-463-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	25.36	72156
		Total For Dept 463 MAINTE		25.36	
Dept 478 WINTER MAINTENANCE					
203-478-740.000	OPERATING SUPPLIES	COMPASS MINERALS	STREET SUPPLIES	1,707.51	72135
		Total For Dept 478 WINTER		1,707.51	
		Total For Fund 203 LOCAL		1,732.87	
Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY					
Dept 463 MAINTENANCE					
248-463-930.000	REPAIR & MAINTENANCE	AC DESIGN, LLC	REPAINTED N & S SIGNS	1,530.00	72126
248-463-955.000	MISCELLANEOUS EXPENSE	KING MILLING COMPANY	TAXES ON PARKING LOTS	1,788.90	72142
		Total For Dept 463 MAINTE		3,318.90	
Dept 740 COMMUNITY PROMOTIONS					
248-740-880.000	COMMUNITY PROMOTION	HOMETOWN DECORATION AND D	HOLIDAY DECORATIONS - DDA	4,884.00	72139
		Total For Dept 740 COMMUN		4,884.00	
		Total For Fund 248 DOWNTO		8,202.90	
Fund 249 BUILDING INSPECTION FUND					
Dept 371 BUILDING INSPECTION DEPARTMENT					
249-371-802.000	CONTRACTUAL	PROFESSIONAL CODE INSPECT	OCTOBER INSPECTIONS	36,700.20	72147
		Total For Dept 371 BUILDI		36,700.20	
		Total For Fund 249 BUILDI		36,700.20	
Fund 590 WASTEWATER FUND					
Dept 000					
590-000-043.000	DUE FROM EARTH TECH	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	156.93	72143
590-000-276.000	Sewer Inside 5/8"	BROWN, GRAYDON	UB refund for account: 1-	5.26	72132
		Total For Dept 000		162.19	
Dept 550 TREATMENT					
590-550-801.000	PROFESSIONAL SERVICES	PREIN & NEWHOF, INC.	PROFESSIONAL SERVICES - S	39,874.80	72146
590-550-802.000	CONTRACTUAL	SUEZ WATER ENVIRONMENTAL	WWTP CONTRACT NOVEMBER 20	37,882.00	72158
590-550-970.000	CAPITAL OUTLAY	SUEZ WATER ENVIRONMENTAL	WWTP OXIDATION DITCH REPA	112,863.36	72158
		Total For Dept 550 TREATM		190,620.16	
Dept 551 COLLECTION					
590-551-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	38.53	72156
590-551-970.000	CAPITAL OUTLAY	PREIN & NEWHOF, INC.	PROFESSIONAL SERVICES	657.84	72146
		Total For Dept 551 COLLEC		696.37	
Dept 552 CUSTOMER ACCOUNTS					
590-552-703.000	SALARIES-METER READS	BARTLETT, SANDY	METER READING & MILEAGE	365.95	72130
590-552-730.000	POSTAGE	POSTMASTER	POSTAGE FOR WATER/SEWER B	214.13	72145
590-552-860.000	TRAVEL EXPENSES	BARTLETT, SANDY	METER READING & MILEAGE	29.43	72130

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 590 WASTEWATER FUND					
Dept 552 CUSTOMER ACCOUNTS					
		Total For Dept 552 CUSTOM		609.51	
		Total For Fund 590 WASTEW		192,088.23	
Fund 591 WATER FUND					
Dept 000					
591-000-276.000	Water	ANDERSON, JACOB	UB refund for account: 3-	175.80	72128
591-000-276.000	Water Inside 5/8"	BROWN, GRAYDON	UB refund for account: 1-	5.33	72132
		Total For Dept 000		181.13	
Dept 570 TREATMENT					
591-570-740.000	OPERATING SUPPLIES	HACH COMPANY	WTP SUPPLIES	152.60	72138
591-570-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	25.00	72156
591-570-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	ACCESS POINT & ST LIGHT R	153.57	72143
		Total For Dept 570 TREATM		331.17	
Dept 571 DISTRIBUTION					
591-571-850.000	COMMUNICATIONS	SPRINT	ACCOUNT STATEMENT	38.53	72156
591-571-920.000	PUBLIC UTILITIES	CONSUMERS ENERGY	ACCOUNT STATEMENT	103.20	72136
591-571-970.000	CAPITAL OUTLAY	PREIN & NEWHOF, INC.	PROFESSIONAL SERVICES	712.66	72146
		Total For Dept 571 DISTRI		854.39	
Dept 572 CUSTOMER ACCOUNTS					
591-572-703.000	SALARIES-METER READS	BARTLETT, SANDY	METER READING & MILEAGE	365.95	72130
591-572-730.000	POSTAGE	POSTMASTER	POSTAGE FOR WATER/SEWER B	214.14	72145
591-572-860.000	TRAVEL EXPENSES	BARTLETT, SANDY	METER READING & MILEAGE	29.43	72130
		Total For Dept 572 CUSTOM		609.52	
		Total For Fund 591 WATER		1,976.21	
Fund 636 DATA PROCESSING FUND					
Dept 000					
636-000-802.000	CONTRACTUAL	APPLIED IMAGING	CITY HALL COPY MACHINE CO	319.63	72129
		Total For Dept 000		319.63	
		Total For Fund 636 DATA P		319.63	
Fund 661 EQUIPMENT FUND					
Dept 895 FLEET MAINT. & REPLACEMENT					
661-895-930.000	REPAIR & MAINTENANCE	RONDA AUTO CENTERS	EQUIP FUND R & M	124.44	72152
661-895-930.000	REPAIR & MAINTENANCE	SHULTS EQUIPMENT INC.	EQUIP FUND R & M	942.00	72154
661-895-930.000	REPAIR & MAINTENANCE	SHULTS EQUIPMENT INC.	EQUIP FUND R & M	2,883.76	72154
		Total For Dept 895 FLEET		3,950.20	
		Total For Fund 661 EQUIPM		3,950.20	

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
			Fund Totals:		
			Fund 101 GENERAL FUND	16,589.20	
			Fund 202 MAJOR STREET FUN	1,732.86	
			Fund 203 LOCAL STREET FUN	1,732.87	
			Fund 248 DOWNTOWN DEVELOP	8,202.90	
			Fund 249 BUILDING INSPECT	36,700.20	
			Fund 590 WASTEWATER FUND	192,088.23	
			Fund 591 WATER FUND	1,976.21	
			Fund 636 DATA PROCESSING	319.63	
			Fund 661 EQUIPMENT FUND	3,950.20	
				263,292.30	

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF LOWELL
EXP CHECK RUN DATES 11/27/2018 - 11/29/2018
BOTH JOURNALIZED AND UNJOURNALIZED
PAID - CHECK TYPE: PAPER CHECK

Vendor Code	Vendor Name / Invoice	Description	Amount
10066	AC DESIGN, LLC		
	6926	REPAINTED N & S SIGNS	1,530.00
TOTAL FOR: AC DESIGN, LLC			1,530.00
01878	ACTION CHEMICAL		
	373868	VACBAGS FOR CITY HALL	40.00
TOTAL FOR: ACTION CHEMICAL			40.00
REFUND UB	ANDERSON, JACOB		
	11/29/2018	UB refund for account: 3-04039-12	175.80
TOTAL FOR: ANDERSON, JACOB			175.80
10731	APPLIED IMAGING		
	1235785	CITY HALL COPY MACHINE CONTRACT	319.63
TOTAL FOR: APPLIED IMAGING			319.63
00045	BARTLETT, SANDY		
	NOV 2018	METER READING & MILEAGE	790.76
TOTAL FOR: BARTLETT, SANDY			790.76
10686	BETTEN BAKER		
	123865	POLICE VEHICLE R & M	26.90
TOTAL FOR: BETTEN BAKER			26.90
REFUND UB	BROWN, GRAYDON		
	11/29/2018	UB refund for account: 1-01480-1	10.59
TOTAL FOR: BROWN, GRAYDON			10.59
MISC	BYERS ENGINEERING COMPANY		
	A01CHIP/A01DCV6	REFUND FOR RIGHT OF WAY PERMITS	100.00
TOTAL FOR: BYERS ENGINEERING COMPANY			100.00
10493	COMCAST CABLE		
	12/6 - 1/5/19	ACCOUNT STATEMENT	33.06
TOTAL FOR: COMCAST CABLE			33.06
10499	COMPASS MINERALS		
	346154	STREET SUPPLIES	3,415.02
TOTAL FOR: COMPASS MINERALS			3,415.02
10509	CONSUMERS ENERGY		
	10/18 - 11/16/18	ACCOUNT STATEMENT	103.20
TOTAL FOR: CONSUMERS ENERGY			103.20
10211	FIRE PROS INC.		
	INV-1748671	FIRE ALARM INSPECTION - CITY HALL	246.50
	INV-1748686	LIBRARY FIRE ALARM INSPECTION	235.00
TOTAL FOR: FIRE PROS INC.			481.50
00234	HACH COMPANY		
	11203838	WTP SUPPLIES	152.60
TOTAL FOR: HACH COMPANY			152.60

Vendor Code	Vendor Name / Invoice	Description	Amount
10406	HOMETOWN DECORATION AND DISPLAY LLC		
	1567	HOLIDAY DECORATIONS - DDA	4,884.00
TOTAL FOR: HOMETOWN DECORATION AND DISPLAY LLC			4,884.00
00248	HOOPER PRINTING		
	56180	ENVELOPES	372.73
TOTAL FOR: HOOPER PRINTING			372.73
10401	KERKSTRA ENVIRONMENTAL SERVICES INC		
	131799	PORTABLE RESTROOMS - CEMETERY	80.00
TOTAL FOR: KERKSTRA ENVIRONMENTAL SERVICES INC			80.00
00310	KING MILLING COMPANY		
	105577	TAXES ON PARKING LOTS	1,788.90
TOTAL FOR: KING MILLING COMPANY			1,788.90
00341	LOWELL LIGHT & POWER		
	3212	ACCESS POINT & ST LIGHT R & M	2,283.53
TOTAL FOR: LOWELL LIGHT & POWER			2,283.53
00468	NYE UNIFORM COMPANY		
	676536	POLICE UNIFORMS	31.50
TOTAL FOR: NYE UNIFORM COMPANY			31.50
00506	POSTMASTER		
	11/29/18	POSTAGE FOR WATER/SEWER BILLING	428.27
	11/29/2018	WINTER 2018 TAX BILLS	558.30
TOTAL FOR: POSTMASTER			986.57
00512	PREIN & NEWHOF, INC.		
	47211	PROFESSIONAL SERVICES - SAW GRANT	39,874.80
	47213	PROFESSIONAL SERVICES	1,370.50
TOTAL FOR: PREIN & NEWHOF, INC.			41,245.30
10762	PROFESSIONAL CODE INSPECTIONS OF MI		
	5852	OCTOBER INSPECTIONS	36,700.20
TOTAL FOR: PROFESSIONAL CODE INSPECTIONS OF MI			36,700.20
02331	PROGRESSIVE HEATING COOLING, CORP.		
	2015319	LIBRARY R & M	166.37
TOTAL FOR: PROGRESSIVE HEATING COOLING, CORP.			166.37
01159	PURCHASE POWER		
	11/11/2018	POSTAGE MACHINE	59.04
TOTAL FOR: PURCHASE POWER			59.04
10130	RASHID, JEFFREY		
	NOV 2018	ASSESSING OFFICE EXPENSES	62.68
TOTAL FOR: RASHID, JEFFREY			62.68

Vendor Code	Vendor Name / Invoice	Description	Amount
10133	RED CREEK		
	8BT00453	TRASH SERVICE	206.00
TOTAL FOR: RED CREEK			206.00
02539	RONDA AUTO CENTERS		
	20291	EQUIP FUND R & M	124.44
TOTAL FOR: RONDA AUTO CENTERS			124.44
10378	RUESINK, KATHIE		
	541096/541098	CLEANING SERVICES	540.00
TOTAL FOR: RUESINK, KATHIE			540.00
00573	SHULTS EQUIPMENT INC.		
	0104437-IN	EQUIP FUND R & M	2,883.76
	0104438-IN	EQUIP FUND R & M	942.00
TOTAL FOR: SHULTS EQUIPMENT INC.			3,825.76
02085	SPECTRUM HEALTH OCCUPATIONAL		
	598982	DOT PHYSICALS	128.00
TOTAL FOR: SPECTRUM HEALTH OCCUPATIONAL			128.00
10276	SPRINT		
	NOV 2018	ACCOUNT STATEMENT	623.91
TOTAL FOR: SPRINT			623.91
10583	SUEZ WATER ENVIRONMENTAL SVC INC		
	201835324	WWTP OXIDATION DITCH REPAIR	112,863.36
	201835446	WWTP CONTRACT NOVEMBER 2018	37,882.00
TOTAL FOR: SUEZ WATER ENVIRONMENTAL SVC INC			150,745.36
10514	SUPPLYGEEKS		
	559262-0	OFFICE SUPPLIES	85.68
	559310-0	OFFICE SUPPLIES	15.16
TOTAL FOR: SUPPLYGEEKS			100.84
02277	VERIZON WIRELESS		
	9818223316	ACCOUNT STATEMENT	158.11
TOTAL FOR: VERIZON WIRELESS			158.11
10389	VREDEVELD HAEFNER LLC		
	4247	CITY AUDIT & FINANCIAL STMTS	11,000.00
TOTAL FOR: VREDEVELD HAEFNER LLC			11,000.00
TOTAL - ALL VENDORS			263,292.30

LOWELL CITY ADMINISTRATION

INTER OFFICE MEMORANDUM

DATE: **November 29, 2018**

TO: **Mayor DeVore and the Lowell City Council**

FROM: **Michael T. Burns, City Manager** MTB

RE: **Appointment of Lowell City Council Member**

Today, the City closed the application process for the open City Council position vacated by Jeff Phillips. The City has 30 days from November 19, 2018 to fill the positon. I have attached the applications of all residents applying for the position.

All candidates have been verified as City residents for more than one year and are not in default to the City.

The City Charter only states the City Council must appoint the position in 30 days after the date a seat was officially vacated. The City Charter gives the council the flexibility they see fit to fill the position. The vacancy would be until the next City election, which is in November of 2019.

CITY OF LOWELL

Application for Board or Commission Appointment

Name: Cliff Yankovich

Address: 329 N. Monroe

Telephone Numbers: Home W-897-9480 Cell 616-822-3552

Email: Cliffy777@comcast.net

Board or Commission Position Desired: City Council substitute for Jeff.

Please give a brief resume of your qualifications for the desired position (you may attach additional information):

Love this town. Business owner since 2002 - moved to town sept 2018. DDA. Lowell Marketing Committee. Past President (twice) Lowell Area Chamber.

Also well known for dancing during parades.

Would love to be a part of the City Council.

Signature

Please return application to:

City of Lowell
Attn: City Clerk
301 East Main Street
Lowell, MI 49331

Or by email to:
sullery@ci.lowell.mi.us

301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

CITY OF LOWELL

Application for Board or Commission Appointment

Name: Pamelia Krause

Address: 357 DONNA DR

Telephone Numbers: Home 616 897 6058 Cell 616 366 8751

Email: PKrause1@SBCGlobal.NET

Board or Commission Position Desired: City Council Member

Please give a brief resume of your qualifications for the desired position (you may attach additional information):

Lived in Lowell over 50 yrs. Been Community INVOLVED through Senior Neighbor Center - Chil. Cook off - etc. Have knowledge of Lowell Pretty well

Signature Pamelia Krause

Please return application to:

City of Lowell
Attn: City Clerk
301 East Main Street
Lowell, MI 49331

Or by email to:
sullery@ci.lowell.mi.us

RECEIVED
NOV 9 2018
CITY OF LOWELL
LOWELL, MICHIGAN

LOWELL CITY ADMINISTRATION
INTER OFFICE MEMORANDUM

DATE: **November 29, 2018**

TO: **Mayor DeVore and the Lowell City Council**

FROM: **Michael T. Burns, City Manager** MTB

RE: **City Income Tax Presentation**

Earlier in the year, the City Council approved a study with Great Lakes Economic Consulting pertaining to a consideration of a City Income Tax. For the past three months, they have been research data to determine an estimated amount if the City were to consider a City Income Tax.

I have attached the findings of the study for your review. Mitch Bean and Bob Kleine will be here to formally present this information.

No recommended action at this time.

THE FEASIBILITY OF INSTITUTING A CITY INCOME TAX FOR THE CITY OF LOWELL MICHIGAN

Great Lakes Economic Consulting: November 2018

The Feasibility of Enacting a City Income Tax

Introduction: The City of Lowell MI engaged Great Lakes Economic Consulting LLC (GLEC) to conduct a study of the feasibility of the City enacting a city income tax. The study includes:

- An estimate of potential revenue collected from a 1 percent city income tax paid by Lowell residents and 0.5 percent tax on non-residents working in the City. Estimates are based on data on supplied by Michigan Department of Treasury and U.S. Census Bureau.
- An estimate of revenue collected from a corporate income tax based on Federal taxable income allocated to the city on the basis of payroll, property, and sales (equally weighted).
- An estimate of the costs of administering the tax in house based on estimates of salary, benefits, and miscellaneous. A discussion of alternatives such as use of commercially available software and collaborating with a private firm to process and collect tax receipts. Also included is a discussion of the potential for contracting with MI Department of Treasury to collect and administer the tax.
- A 10-year projection of potential income tax revenues.
- Estimates of the cost to the City of a reduction in the property tax millage rate.

Summary of the findings:

- The projected total collections from the Lowell income tax at a 1 percent rate for residents and a $600 personal exemption for tax year 2020 are about $630,000 from the resident income tax, $712,000 from the nonresident income tax and $141,000 from the corporate income tax.
- Revenue lost from a 4-mill reduction in property taxes would be about $480,000.
- The cost of additional City staff to administer the tax would be about $151,224 the first year. However; as explained in the report other options are available.

Estimated Impacts

Income Tax Collections	$1,483,000
Cost of Administration	-$151,224
Loss from 4-mill property tax cut	-$480,000
Net revenue Gain	$851,776

Reasons to Consider a City Income Tax: The combination of a prolonged economic recession and constitutional and statutory restrictions on the ability of municipalities to raise revenue has created fiscal stress for many local governments and is causing city government officials to seek alternative revenue sources. Revenues from the two current primary sources, property taxes and unrestricted state revenue sharing, have fallen sharply in recent years.

Due to statutory and constitutional restrictions on the ability of municipalities to raise own-source revenue, the local option income tax, is virtually the only revenue option that is immediately available to cities.

Also, due to the constitutional cap on taxable value and the Headlee millage roll back provision, the property tax grows much slower than an income tax. The projected growth for the Lowell income tax is 4% compared with projected growth in TV of 1.5% (from 2012 to 2017 Lowell TV grew at an annual rate of 1.44%).

As shown in **Exhibit 1**, the growth in income tax collections from 2020 to 2030 will be $712,000 compared with $275,000 for the property tax (assuming no millage increases).

Exhibit 1

Projected Growth in Income Tax and Property tax, 2020-2030

	Income Tax	Property Tax
2020	$1,483,000	$1,715,000
2021	$1,542,320	$1,740,725
2022	$1,604,013	$1,766,836
2023	$1,668,173	$1,793,338
2024	$1,734,900	$1,820,238
2025	$1,804,296	$1,847,542
2026	$1,876,468	$1,875,255
2027	$1,951,527	$1,903,384
2028	$2,029,588	$1,931,935
2029	$2,110,771	$1,960,914
2030	$2,195,202	$1,990,328
10-Year Revenue Growth	$712,202	$275,328

Local-Option City Income Taxation in Michigan

Since 1964, Michigan law has authorized cities to impose local-option income taxes as an alternative, or supplement, to property taxes (M.C.L. 141.501 et seq.; 1964 PA 284; Section 7, Article IX, state Constitution). At present, only 22 cities levy an income tax.

A city income tax is a direct tax on income of residents; a direct tax on earnings related to work or business activities conducted in the city by nonresidents; and a direct tax on federal taxable income of corporations.

The tax base includes:

- Compensation, net profits, investments and other income of city residents;
- Income earned in the city by nonresidents;
- Corporate income earned in the city (allocation based on property, sales, payroll). Personal exemption allowed by United States internal revenue code, except that by ordinance a city may adopt an exemption of not less than $600.

A resident is allowed credit for income taxes paid to another city as a nonresident. In addition, a resident may deduct certain income earned, capital gains, and lottery winnings received while a resident of a renaissance zone and a business may deduct income attributable to business activity in a renaissance zone.

In most cases the rate is 1 percent on residents and corporations; 0.5 percent on income of nonresidents earned in imposing city. The nonresident rate cannot exceed one-half of the resident-rate. In a city with a population that exceeds 600,000 (Detroit), the city council may impose rates of up to 2.4 percent on residents, 2.0 percent on corporations, 1.2 percent on nonresidents.

Detroit Income Tax Rate Revisions Public Act 394 of 2012 amended the City Income Tax Act to freeze a scheduled rollback of income tax rates for resident and nonresident taxpayers in the City of Detroit and established a new maximum rate of 2.4 percent for residents and 1.2 percent for nonresidents effective in the 2013 tax year.

Cities that levied an income tax before March 30, 1989, and with populations between 140,000 and 600,000 (Grand Rapids); or populations between 65,000 and 100,000 in a county with a population below 300,000 (Saginaw) may increase the tax rate to not more than 1.5 percent on residents and corporations and 0.75 percent on nonresidents if approved by voters.
Twenty-four cities currently levy the income tax. The last city to adopt an income tax before last year was Ionia which did so in 1994. Last November Benton Harbor approved an income tax and in August 2018 East Lansing voters approved an income tax. Other cities which have considered adopting an income tax but have not done so to date include: Mt. Pleasant, Ypsilanti, Sturgis, Wyoming, Kalamazoo, Adrian, and Ann Arbor

The minimum exemption per dependent is $300, and there is no maximum exemption amount. Cities vary considerably, $600 to $3,000, on exemption amounts for dependents. Cities may also establish additional exemptions such as a senior exemption or an exemption for persons who are blind or disabled. If the City of Lowell voters were to adopt an income tax, exemptions, exemption levels, and certain administrative issues would need to be considered.

Administrative Issues to be considered include:

- One-Time Project Costs: These costs include project design setup, and initial administration of the project.
- 425 Agreements: To the extent that the City has 425 agreements with neighboring jurisdictions, businesses and residents in these areas would be required to pay an income tax. However, if properties were to revert to the Township, the income of businesses and residents of these jurisdictions would no longer be taxable.
- Administrative Costs: In many cases new city staff has been added to administer the tax. Costs of monitoring, auditing and accounting for an income tax have been as high as 7.68 percent of revenue received have been reported, but due to recent efficiencies, recent surveys have indicated that current costs are about 4 percent of revenue received, and less expensive options may be available.
- Alternative and potentially less expensive options to hiring new city staff include state filing, commercially available software, or some combination of the three.
- The state has invested in a system to process municipal tax returns and is currently using Detroit as a pilot and MI Department of Treasury is currently considering gradually expanding the program to include other interested municipalities.
- Currently twenty MI municipalities use the same commercially available software to track receipts and compliance, and some of them also contract with the firm that supplies the software to administer the tax.
- E-filling has the potential to reduce administrative costs but does require interaction with software vendors. Currently about one-third of city returns are filed electronically.
- City cash flow may improve as an income tax means less reliance on property tax collections that tend to be clustered around the are bills are due. Income tax collections are primarily received through employer withholding and are typically received on a monthly basis.
- A city that institutes an income tax needs to appoint an income tax board of review that would operate in a similar manner as the property tax board of review.

Cities currently levying a city income tax, year the tax was adopted, tax rates, and 2016 net collections are reported in the **Exhibit 2** below.

Exhibit 2: City Income Tax Collections: 2017

City	Year Adopted	Resident Rate (%)	Corporate Rate	Nonresident Rate	2017 Net Collections	Exemption Amount
Albion	1972	1.0%	1.0%	0.5%	$1,061,498	$600
Battle Creek	1967	1.0%	1.0%	0.5%	$15,548,430	$750
Benton Harbor	2017	1.0%	1.0%	0.5%	NA	???
Big Rapids	1970	1.0%	1.0%	0.5%	$2,251,501	$600
Detroit	1962	2.4%	2.0%	1.2%	$284,467,414	$600
East Lansing	2018	1.0%	1.0%	0.5%	NA	???
Flint	1965	1.0%	1.0%	0.5%	$15,034,614	$600
Grand Rapids	1967	1.5%	1.5%	0.75%	$94,038,914	$600
Grayling	1972	1.0%	1.0%	0.5%	$548,968	$3,000
Hamtramck	1962	1.0%	1.0%	0.5%	$2,303,707	$600
Highland Park	1966	2.0%	2.0%	1.0%	$3,717,108	$600
Hudson	1971	1.0%	1.0%	0.5%	NA	$600
Ionia	1994	1.0%	1.0%	0.5%	$2,326,719	$700
Jackson	1970	1.0%	1.0%	0.5%	$8,869,437	$600
Lansing	1968	1.0%	1.0%	0.5%	$36,414,953	$600
Lapeer	1967	1.0%	1.0%	0.5%	$3,290,135	$600
Muskegon	1993	1.0%	1.0%	0.5%	$8,744,208	$600
Muskegon Heights	1990	1.0%	1.0%	0.5%	NA	$600
Pontiac	1968	1.0%	1.0%	0.5%	$12,662,760	$600
Port Huron	1969	1.0%	1.0%	0.5%	$6,495,000	$600
Portland	1969	1.0%	1.0%	0.5%	$644,415	$1,000
Saginaw	1965	1.5%	1.5%	0.75%	$13,154,806	$750
Springfield	1989	1.0%	1.0%	5.0%	$916,497	$750
Walker	1988	1.0%	1.0%	5.0%	$11,973,940	$600
TOTAL					$524,464,844	

Source: Citizens Research Council of Michigan Tax Outline: 2017

Methodology and Estimates

Estimating the Resident Income Tax

Estimating the resident income tax requires an estimate of the number of tax paying households and the average AGI in the city of Lowell. This data is available from the Michigan Department of Treasury report titled, *Income, Income Tax and Property Tax Credits by School*

District 2016. The city and the school district do not share the same boundaries; however, the Department of Treasury was able to provide a reliable estimate using zip code data.

There are an estimated 1,700 households in Lowell that filed state income tax returns, and the average AGI is $44,176 (2016 tax year) data. To generate a 2020 estimate we assumed a 4 percent annual increase in AGI (from 2012 to 2016, AGI in the Lowell school district increased at an annual rate of 5.1 percent). We assumed a 1 percent increase in the number of tax returns (from 2010 to 2016, the population of Lowell increased at an annual rate of 1.1%).

The final steps are to adjust the AGI estimate downward as the state taxes pensions and the city income tax does not (based on Department of Treasury data, pension's amount to 6.1 percent of AGI), calculate the cost of the personal exemption, $600 for non-seniors and $1,200 for seniors and the disabled; based on census data we assumed a household size of 2.5 for non-seniors and 1.5 for seniors, and that the double exemption would be claimed by 10 percent of the filers, and finally calculate the cost of the 0.5% credit for Lowell residents working in Grand Rapids, a city that currently has an income tax . Assuming an 80% collection rate, the resident income tax would raise about $630,000 million in 2020. The calculations are shown in **Exhibit 3**.

Exhibit 3: Resident Income Tax

	2016	2020
Number of Returns	1,700	1,769
Average AGI	$44,176	$51,680
Total AGI	$75,100,000	$91,421,920
Pension Adjustment (6.1%)	-$4,506,000	-$5,576,737
Standard Personal Exemption ($600)	-$2,295,000	-$2,388,150
Senior Citizen/Disabled Exemption ($1,200)	-$306,000	-$318,420
Net AGI	$67,993,000	$83,138,613
Tax Due (1%)	$679,930	$831,386
Actual Tax Collected (80%)	$543,944	$665,109
Less 0.5% for Lowell residents working in GR	-$29,600	-$34,600
Net Collections	$514,344	$630,509

Nonresident Income Tax

Estimating the nonresident income tax requires an estimate of the number of persons who work in Lowell but live outside the city. The data is available from the U.S. Census Bureau's ***OntheMap*** program. In 2015, there were 2,230 persons employed in the city of Lowell and 2,047 lived outside the city.

The next step is to estimate adjusted taxable Income (AGI), the tax base of the city income tax. This data is available from the Michigan Department of Treasury report titled, *Income, Income Tax and Property Tax Credits by School District 2016.* For nonresident AGI we used the number for the Lowell school district, which was $67,919 in 2016. The estimate for total AGI in tax year 2016 is $139 million (2,047 x $$67,919).

Two adjustments to this number are needed. First, the cost of the personal exemption ($600/$1200) must be deducted. Based on census data, 3.5% of workers in Kent County are age 65 and over. Therefore, we assumed only 3.5% of the returns would claim the double exemption. Second, the numbers are estimated for 2020 using the same assumptions used for the resident income tax (a 4% increase in AGI and a 1% increase in the number of returns).

The final step is to apply the tax rate of 0.5 percent. Assuming a collection rate of 85 percent, the non-resident income tax would raise $712,000 in 2020. The calculations are shown in **Exhibit 4** below.

Exhibit 4: Nonresident Income Tax

	2016	2020
Number of Returns	2,047	2,150
Average AGI	$67,919	$79,405
Total AGI	$139,030,193	$170,828,250
Standard Personal Exemption ($600)	-$2,763,450	-$3,112,125
Senior Citizen/Disabled Exemption ($1,200)	-$128,961	-$135,450
Taxable AGI	$136,137,782	$167,580,675
Tax Due (0.5%)	$680,689	$837,903
Actual Tax Collected (85%)	$578,586	$712,218

Tax Collection Rate

Estimating the income tax due is relatively straight forward. Estimating the amount of tax actually collected is more difficult. There are two methodologies that can be used. The first is to survey cities that currently have an income tax. The second is to apply the same methodology used to calculate the Lowell tax due to other cities and compare this estimate with the cities actual collections. This assumes that the methodology accurately calculates the tax due. (See discussion below.)

Grand Rapids estimates that 85 percent of the tax due is initially collected, but after using its enforcement options, final collections amount to 93 percent of the tax due. According to the administer of the income tax the compliance rate is higher for the non-resident tax than for the resident tax.

Shown in **Exhibit 5** below are estimates of collections at various tax compliance rates.

Exhibit 5: Estimates at Various Collection Rates, 2020 (000)

Compliance Rates	100%	95%	90%	85%	80%	75%
Resident Income Tax	$798	$758	$718	$678	$630	$599
Non-resident Income Tax	$838	$796	$754	$712	$670	$629
Corporate Income Tax	$141	$134	$127	$120	$113	$106
Total	$1,777	$1,688	$1,599	$1,510	$1,422	$1,333

Personal Exemptions

The uniform city income tax act (1964) provided for a personal exemption allowed by the United States internal revenue code ($600 in 1964), except that by ordinance a city may adopt an exemption of not less than $600. Of the 22 cities with an income tax, 16 provide a $600 exemption. The largest exemption is $3,000 in Grayling. If the $600 exemption were adjusted for inflation (U.S. CPI) it would be about $4,700 today. The state personal income tax exemption is $4,000.

Exhibit 6 below provides an estimate of the revenue raised at personal exemptions of $600, and from $1,000 to $3,000 in $500 increments (2018 estimate). A $100 increase in the exemption reduces revenue by about $6,000.

Exhibit 6: Collections at Various Exemption Levels

Exemption Level	$600	$1,000	$1,500	$2,000	$2,500	$3,000
Resident	$630,509	$616,074	$598,030	$579,986	$564,015	$548,144
Nonresident	$712,218	$702,537	$691,515	$680,013	$668,991	$657,969
Total	$1,342,727	$1,318,611	$1,289,545	$1,259,999	$1,233,006	$1,206,113

Validating Estimates: As a check on our estimate we looked at the five cities that were closest in population to Lowell that also have a city income tax. The 2017 collection data for those 5 cities are:

- Albion $1.06 million
- Grayling $549,000
- Lapeer $3.29 million
- Portland $644,000
- Hudson $485,000

The per capita resident income tax collections for the five cities were $134.50. Applying this number to the population of Lowell produces an estimate of $509,000. This is very close to our 2016 estimate of $514,000 for Lowell.

As a check on our nonresident income tax estimate we applied the same methodology used for Lowell to Lapeer. As shown in **Exhibit 7**, the estimate for 2017 was $1,903,000 and actual collections were $1,823,367, an error of only 4.4%.

Exhibit 7

Estimate of Lapeer Nonresident Income Tax

	2015/2016	2017 Est.
Number of Returns	7,773	7,928
Average AGI	$55,763	$57,993
Total AGI	$433,445,79	$459,768,504
Standard Personal Exemption ($600)	-$10,493,550	-$11,475,780
Senior Citizen/Disabled Exemption ($1,200)	-$489,699	-$499,464
Taxable AGI	$422,462,55	$447,793,260
Tax Due (0.5%)	$2,112,313	$2,238,966
Actual Tax Collected (85%)	$1,795,466	$1,903,121

A similar analysis was performed for the city of Albion for 2016. The estimate assuming the 85% collection rate was $277,000; actual collections were $301,000. If the collection rate were 92%, the estimate would have been $301,000. It is not clear if the difference in the estimate and actual collections is due to the methodology being slightly off or the collection rate assumption being wrong.

Corporate Income Tax

Estimating revenue from the corporate income tax is difficult as there is no corporate profit data for cities or for counties. Any estimate could have a substantial error, but the impact on the estimate of total income tax collections will be minor as the corporate income tax is very small relative to the individual income tax. For example, Grand Rapids, with an economy about 40 times the size of Lowell, collected only $9 million from the tax in 2017, 9.5 percent of total income tax collections.

To estimate the corporate income tax we calculated corporate tax collections as a share of total business receipts and apply that percentage to total business receipts in Lowell. Business receipts data is available for Grand Rapids and Lowell from the 2012 Economic Census from the U.S. Census Bureau.

In 2012, business receipts for Grand Rapids were $28.4 billion and corporate income tax collections (FY 2013) were $8.1 million, or .000285 percent. Applying this percentage to

Lowell's sales receipts of $403 million produces an estimate of $115,000. From 2002 to 2012, business receipts in Lowell increased at an annual rate of 2.8% (U.S. Economic Census). However, this period included the severe 2008-2009 recession. Assuming a conservative growth rate of 3% from 2012 produces an estimate of about $141,000 for tax year 2020.

A business located in Lowell that does business outside Lowell determines its taxable income by calculating its payroll, sales, and property in Lowell to its total sales, payroll, and property. We have no way of estimating this allocation factor, but it would likely reduce the estimate.

Another approach is to estimate the profits of corporations located in Lowell. The major corporate employers In Lowell are all manufacturers. Business receipts data for the manufacturing sector are available for 2012 from the U.S Census Bureau; receipts were $349 million. The estimate for 2020 would be $453 million, assuming an annual increase of 3% as explained above. The next step is to apply the before tax profit margin to business receipts. This data is available for the U.S. from Bizstats.com. The estimate for the manufacturing sector (2017) is 7.2%. Applying this rate to business receipts produces a profit estimate of $36.4 million. A 1% tax would yield $364,000. This methodology is subject to a wide range of error and is certainly too high as it does not adjust for the 3-factor allocation or the collection rate. Also, the profit margin of Lowell manufacturers could vary considerably from the U.S. average. This estimate is only included to put our actual estimate in context.

Ten-Year Revenue Forecast

Shown in **Exhibit 8** are revenue projections for tax year 2020 to 2030.

Michigan personal income increased at an annual rate of 3.8% from 2010 to 2017. Slightly faster growth is expected for the next few years. Communities in Kent county could grow at a slightly faster rate than statewide but to be conservative and allow for a downturn in the economy we assume a 3.75% percent growth rate for both resident and nonresident income tax collections.

The Grand Rapids corporate income tax increased at an annual rate of 2.4 percent from 2013 to 2017 and the city is estimating a 3.5 percent increase for 2018. The corporate income tax is very volatile and can vary widely from year to year. We are assuming an increase of 3 percent over the next 10 years as we believe there will be a recession at some point in the next 2 or 3 years.

Exhibit 8

Projected Growth in Income Tax, 2020-2030

	Income Tax
2020	$1,483,000
2021	$1,542,320
2022	$1,604,013
2023	$1,668,173
2024	$1,734,900
2025	$1,804,296
2026	$1,876,468
2027	$1,951,527
2028	$2,029,588
2029	$2,110,771
2030	$2,195,202
10-Year Revenue Growth	$712,202

Summary: The projected total collections from the Lowell income tax for tax year 2020 are about $1.48 million; $630,509 million from the resident income tax, $712,000 million from the nonresident income tax, and $141,000 from the corporate income tax. These are conservative estimates as we assume a 20 percent non-compliance rate for the resident income tax, and 15 percent for the nonresident income tax. We did not estimate a non-compliance rate for the corporate income tax.

Impacts of a 4-mill Property Tax Cut

This section calculates the impact of a 1 percent resident income tax combined with a 4-mill property tax cut, by family size and income. The average taxable income (AGI) in Lowell (2020 estimate) is $51,680, average taxable value is $62,400 (assumes 2% increase in TV from 2017 to 2020), and average household size is 2.5. The average tax increase for homeowners would be $252 ($502 income tax less $250 property tax cut). This assumes that the average home value would be two times income (taxable value is 50 percent of market value). Renters would not receive a direct benefit from a property tax cut but the owners of the property would benefit and would have to decide whether to pass the savings to their renters.

The impact of a 1 percent resident income tax increase by family size and taxable income level is reported in **Exhibit 9** below. We recommend that the city put a tax calculator on their web site so taxpayers can calculate the tax impact. For an example of an income tax calculator see www.cityofeastlansing.com/incometax.

Exhibit 9
Tax Impact by Income and Family Size

Income/ Family Size	$25,000	$50,000	$75,000	$100,000	$150,000	$200,000
1	$144	$294	$444	$594	$894	$1,194
2	$138	$288	$438	$588	$888	$1,188
3	$132	$282	$432	$582	$882	$1,182
4	$126	$276	$426	$576	$876	$1,176
5	$120	$270	$420	$570	$870	$1,170
6	$114	$264	$414	$564	$864	$1,164

The revenue loss from a 4-mill property tax reduction by property class is shown in **Exhibit 10** below.

Revenue Impact of 4 mill Reduction by Class of Property, 2018

Exhibit 10

	TV (000)	Revenue Loss: 4 mills
Residential	$67,652,478	$270,608
Commercial	$29,746,338	$118,984
Industrial	$10,065,354	$40,260
Personal Property	$12,508,100	$50,020
Total	$119,972,270	$479,888

Cost of Administering a City Income Tax

If the City were to enact an income tax there would be administrative costs to consider as well. The City has at least three options for administrating the income tax.

One option would be for the City could hire more staff and set up an in-house section. Estimates of increased staffing needs; and estimates of additional salary, benefit, and miscellaneous cost associated with additional staff are reported below.

Wage costs

Position	Qty	Annual Wage	Total
Income Tax Administrator	1	$60,000	$60,000
	Total fringes as percent of wages		
Health	25.12%		
FICA	7.65%		
Life	0.143%		
Liability	1.15%		
Work Comp	2.61%		
Pension	32.07%		
	68.74%		$41,224
Miscellaneous Costs (Software, paper, etc.)			$50,000
Total estimated administrative cost			**$151,224**

As a check on this estimate, we reviewed the budgets for Lapeer MI and Portland MI. The current administrative cost estimates for Lapeer is $237,467 and for Portland is $133,446. Hence our estimate of $151,224 seems reasonable. Cost per return for Lapeer was about $23, cost per return for Lowell would be about $39 and cost per return for Portland was not available. It is important to note that start-up costs for Lowell would probably increase first-year costs. Efficiencies over time and the number of returns processed will affect the average cost as well.

A second option may be to contract with Michigan Department of Treasury to administer and collect the tax which they currently do for the City of Detroit. Processing individual returns for tax year 2015 began in early 2016. Corporate, partnership, and fiduciary returns started with tax year 2016 began in early 2017. Treasury designs their forms, maintains the portal for e-file, issues refunds and accepts both estimated and annual payments. Beginning with January 2017 withholding, withholding payments are due to Treasury as well.

In addition, Treasury handles audit, discovery, and collections duties. The City Income Tax Act governs that process since the Revenue Act does not apply to the City tax. They also provide the City with tax information based on the returns processed and administer the trust fund for revenues. Withholding payments are made directly to the state and Treasury keeps enough to cover the costs and pay refunds. The rest is for the city's disposition.

The fee paid by the City to Treasury for 2016 was $5.8 million. Apparently the fee for 2017 was not materially different. The agreement has a process for determining the fees going forward. The agreement is generally in place through September 30, 2024. It will automatically

renew through September 30, 2029, unless there is notice provided by March 31, 2023. This was designed to be a long-term arrangement.

Currently this option is only available to Detroit, but there is a possibility that Treasury would be open to doing this for other interested cities in the future. It should be noted that apparently the cost to the City exceeds $20 per return which is cost prohibitive. However, this may be due in part to unique challenges the City is faced with.

A third option would be to contract with a private vendor to furnish the software and/or administer the tax.

Currently; Innovative Software Services, Inc., (P.O. Box 70, Eaton Rapids, MI 48827 (517)-663-5710 sales@issi-central.com), is providing software and/or some level of service to most of the cities in Michigan who have a City Income Tax. Services offered include Automatic Compliance Processing; Payment Processing; processing of Refunds; Withholdings/W3 Reconciliation; numerous standard reports; as well as other features.

This seems to have the potential to be a cost effective option as, in a discussion with ISSI, they assured us they could give the City a competitive bid on any level of service or collaboration that the City would desire.

Potential Impact(s) of a City Income Tax

A key question when considering whether to enact an income tax is the potential impact on the cities property tax base and the population of the city. Will an income tax make the city unattractive for current businesses or new businesses? This is a difficult question to answer and it depends in part on how the proceeds of the income tax are spent. In the case of Lowell the additional revenues are to be spent on road improvements, which are likely to have a positive economic impact on the city and offset any negative consequences of the income tax.

As to the question of the impact of the income tax on property values, an examination of data from the 22 cities currently levying an income tax suggests there is a negative impact as most of these cities have low TV per capita, and have lost population. However, is this a cause or an effect? Most of these cities also have high millage rates. City officials reacting to a low tax base and inadequate revenues may raise millage rates or enact an income tax so that financial obligation may be met. Inadequate public services can have just as negative an economic impact as high tax rates. Many of these cities such as Detroit, Flint, and Pontiac have suffered from the decline of manufacturing in Michigan (and nationwide) and from the normal movement of the population from the city to the suburbs.

The other question is whether the tax rates are high enough to influence an individual or businesses' decision to locate in or leave a city. A business with a profit of $100,000 would pay a tax of only $1,000, which is unlikely to have any impact on a firm's decision. Also, this will be partially or fully offset by a 4 mill property tax reduction. The average net tax increase for an

individual homeowner will be only $252, which again is unlikely to have an impact on the decision to move or not to locate in the city. Poor roads may have a more negative effect.

See **Appendix 1** for information on the importance of public investment to economic growth.

APPENDIX 1: Potential Impact of Investment in Place

The Economics of Place are as important to economic prosperity as tax breaks or smaller government – perhaps even more so. Research has shown that:

- Physical design and walkability is positively correlated with property values, income, educational attainment, employment, and new business starts.
- Many businesses are also increasingly making their expansion, relocation, and new business development decisions based on which communities are most walkable.
- Mixed use, walkable downtown developments generate ten times as much tax revenue per acre, save almost 40 percent on up front infrastructure costs, and result in about 10 percent lower costs for service delivery than sprawl.
- Multimodal transportation systems that accommodate walkers, bikers, bus and rail passengers, and drivers facilitate economic prosperity and growth.
- Residential property values increase based on proximity to bus or transit stops, by as much as 150 percent.
- Transit and bicycle infrastructure are also correlated with increased jobs and wages.

SOURCE(S): Mariela Alfonzo, May 8, 2015. "Making the Economic Case for More Walkability." Urban Land. Urban Land Institute. Available at: http://urbanland.uli.org/sustainability/houston-economic-case-walkability/ (accessed 5/30/2015). Dong Wook Sohn, et al. April 4, 2012. "The economic value of walkable neighborhoods." Urban Design International. 17. 115-128. Available at: http://www.palgrave-Journals.com/udi/journal/v17/n2/full/udi20121a.html (accessed 6/6/2015)

Research Shows that Investment in Environmental Assets Matter:

- Policies and investments that support environmental sustainability positively affect community image and attractiveness, and can increase property values, incomes, and employment levels.
- Parks and trails help attract and retain well-educated professionals and, in turn, influence businesses' decisions on where to locate or expand.
- Seventy (70) percent of communities' green infrastructure assets, such as wetlands, water, or trails, have a positive impact on population, income and employment levels.

SOURCE: Soji Adelaja, et al. February 3, 2012. Drivers of Economic Performance in Michigan. Land Policy Institute. Available

at:Http://landpolicy.msu.edu/uploads/files/Resources/Publications/Presentations/Reports/LPI/LPI Report_Series/Drivers_of_Econ_Performance/driversofeconperforminmi_fullreport_020312.pdf (accessed 9/2/2015)

- Arts and cultural amenities improve a community's competitive edge, contribute to a sense of place, and attract visitors, talent, and businesses.
- In Michigan, Grand Rapids' ArtPrize is an example of the connection between arts and economic prosperity. The three-week art competition draws almost half a million visitors each year and generates over $20 million in economic impact

SOURCE: Scott Watkins, Lauren Branneman, and Tyler Theile. 2014. Art Prize 2013: Impact and Attendee Profile. Available at: http://www.andersoneconomicgroup.com/portals/0/artprize_2013econimpact_aeg010914.pdf (accessed 10/26/2015)

INVESTMENT IN PLACE INCREASES ENTREPRENEURIAL ACTIVITY

- Entrepreneurial activity, measured through venture capital investment, is positively related to incomes as well as to the percentage of adults who are college graduates.
- It is also positively related to density, biking to work, and employment in the arts, thus reinforcing the relationship between the eight assets.
- Growth-oriented entrepreneurial startups, particularly high-tech companies, are generally responsible for most small business new job creation.

SOURCE: Richard Florida. "The Connection Between Venture Capital and Diverse, Dense Communities."

INVESTMENTS IN TECHNOLOGY INFRASTRUCTURE MATTER

Communities that more regularly communicate information to their residents and who invest in technology infrastructure (e.g., public Wifi or mobile applications), are improving community attractiveness and related job and business growth.

- Investments in technology, such as high-speed internet infrastructure, accelerate business development by supporting innovation and entrepreneurialism, expanding existing businesses, and creating e-commerce opportunities

SOURCE: Speedmatters.org. N.d. "Benefits of Affordable High Speed Internet for Americans." Available at: http://www.speedmatters.org/benefits/ (accessed 10/24/2015).

Addendum 2: Credit for Income Tax Paid to Another City. Statute and an example.

CITY INCOME TAX ACT (EXCERPT)
Act 284 of 1964

141.665 Credit for city income tax paid another city.

Sec. 65: An individual who is a resident of the city and received net profits from a business, profession or rental of real or tangible personal property, gains from the sale or exchange of real or tangible personal property, or salaries, wages, commissions or other compensation for work done or services performed or rendered, in each case outside the city, and is subject to and has paid an income tax on this income to another municipality, shall be allowed a credit against the city income tax for the amount paid to the other municipality. The credit shall not exceed the amount of taxes which would be assessed under this ordinance on the same amount of income of a nonresident.

History: 1964, Act 284, Imd. Eff. June 12, 1964

An example: Let's say Lowell has a tax of 1.0% on residents and 0.5% on nonresidents and a Lowell resident is working in Grand Rapids, where the tax rate is 0.75% on nonresidents. Let's assume the taxable income is $50,000 to make the math simple. Grand Rapids will tax the income at 0.75% so the tax will be $375. In Lowell the resident will also face a tax of $500 ($50,000 x 1%) but be eligible for a credit for the tax paid to Grand Rapids. The credit is the lesser of the tax paid to Grand Rapids ($375) or the amount Lowell would have taxed the same income earned by a nonresident ($50,000 x 0.5% = $250). Since $250 is less than $375, the credit on the Lowell return is $250. Effectively this taxpayer winds up paying a blended rate between the home city and the work city.

Memorandum

To: Lowell City Council

From: Steve Donkersloot

Date: November 28, 2018

Re: LL&P Board Recommendation to Amend Section 22.1 of Chapter 22 of the City Code of Ordinances

---

Included in your packet is a proposed amended Section 22.1, "Billing and enforcement," of Chapter 22, "Electric Utility Rates and Charges," of the Code of Ordinances of the City of Lowell.

There are three proposed changes : (1) Reducing the amount of the required electric deposit from 3 months to 2 months of the estimated monthly bill; (2) Permitting a property owner who leases property to a tenant who is responsible for paying the electric utility charges to agree that unpaid electric utility charges are a lien on the property eliminating the need of a deposit by the tenant; and (3) Applying a customer's deposit toward their final bill upon termination of electric service.

The first proposed amendment is due to LL&P's new (as of the last two years) operating procedures. With our AMI Meters and revised collection cycle, the vast majority of the time a customer cannot go more than two months without paying their bill. Thus, there is no reason for us to have more than 2 a month deposit.

In regards to the second change, this is a small step to help make Lowell a more attractive place to residents and businesses while still protecting LL&P and the current ratepayer's financial interests.

The third change is simply updating the Ordinance to match LL&P's current and past operating procedure relating to refunding a customer's deposit.

It is LL&P's recommendation to adopt the amended Section 22.1 of Chapter 22 of the City Code of Ordinances as presented.

CITY OF LOWELL
KENT COUNTY, MICHIGAN

ORDINANCE NO. 18-08

AN ORDINANCE TO AMEND SECTION 22.1, "BILLING AND ENFORCEMENT," OF CHAPTER 22, "ELECTRIC UTILITY RATES AND CHARGES," OF THE CODE OF ORDINANCES OF THE CITY OF LOWELL

Councilmember _____, supported by Councilmember _____, moved the adoption of the following ordinance:

THE CITY OF LOWELL ORDAINS:

Section 1. Amendment to Section 22.1 of Chapter 22. Section 22.1, "Billing and enforcement," of Chapter 22, "Electric Utility Rates and Charges," of the Code of Ordinances of the City of Lowell is amended to read as follows:

Sec. 22-1. – Billing and enforcement.

(a) *Lien.* Electric service rates and charges, including any late payment penalties, interest and charges, shall constitute a lien on all premises served which lien shall become effective immediately upon the provision of electric service to the premises. Whenever such rates and charges are delinquent and remain unpaid, the rates and charges shall be entered on the next ad valorem real property tax roll for the property served and collected in the same manner as ad valorem real property taxes. The city treasurer shall on or before March 1 of each year, turn such delinquent and unpaid charges over to the county treasurer in the same fashion as delinquent and unpaid ad valorem real property taxes. Provided, however, unless otherwise agreed by a property owner in writing, such charges shall not be a lien on the property served if the owner of the property has leased the property, the owner is not, according to the lease provisions, both the owner and the lessee, and proof of such lease is provided to the city as required by applicable law. Where the owner is not responsible for such charges and has not otherwise agreed in writing, the lessee shall, before the commencement of electric service to the premises, cause to be deposited with the city treasurer an amount

equal to an estimated two (2) months' electric service rates and charges and shall cause such deposit to continue at that level throughout the lease term. The city shall apply the funds in that deposit (i) against any and all delinquent charges of the lessee and (ii) toward such lessee's final bill upon termination of electric service with any balance returned to lessee.

(b) *Discontinuance.* Subject to applicable state law, the city shall have the right to shut off and discontinue the supply of electricity to any premises for the nonpayment of electric service rates and charges when due.

(c) *Other remedies.* The remedies provided in this section shall be cumulative together with all other remedies under state or common law and this Code.

Section 2. Publication. After its adoption, the City Clerk shall publish this ordinance or a summary thereof, as permitted by law, along with its date of adoption in the *Lowell Ledger*, a newspaper of general circulation in the City, at least ten (10) days before its effective date.

Section 3. Effective Date. This ordinance shall take effect ten (10) days after it, or a summary thereof, as permitted by law, along with the date of its adoption, is published in the *Lowell Ledger*, a newspaper of general circulation in the City.

YEAS: Councilmembers _____

_____

NAYS: Councilmembers _____

ABSTAIN: Councilmembers _____

ABSENT: Councilmembers _____

ORDINANCE DECLARED ADOPTED.

Dated: December 3, 2018

_____
Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned City Clerk of the City of Lowell, Michigan (the "City"), certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on December 3, 2018, pursuant to notice given in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended, and notice of its adoption, including a summary of its contents and its effective date, was published in the *Lowell Ledger*, on _____, 2018. I further certify that the above ordinance was entered into the Ordinance Book of the City on _____, 2018, and was effective _____, 2018, ten (10) days after publication.

Dated: December ___, 2018

_____
Susan Ullery
City Clerk

CITY OF LOWELL
KENT COUNTY, MICHIGAN

ORDINANCE NO. 18-__

AN ORDINANCE TO AMEND SECTION 22.1, "BILLING AND ENFORCEMENT," OF CHAPTER 22, "ELECTRIC UTILITY RATES AND CHARGES," OF THE CODE OF ORDINANCES OF THE CITY OF LOWELL

Councilmember _____, supported by Councilmember _____, moved the adoption of the following ordinance:

THE CITY OF LOWELL ORDAINS:

Section 1. Amendment to Section 22.1 of Chapter 22. Section 22.1, "Billing and enforcement," of Chapter 22, "Electric Utility Rates and Charges," of the Code of Ordinances of the City of Lowell is amended to read as follows:

Sec. 22-1. – Billing and enforcement.

(a) *Lien.* Electric service rates and charges, including any late payment penalties, interest and charges, shall constitute a lien on all premises served which lien shall become effective immediately upon the provision of electric service to the premises. Whenever such rates and charges are delinquent and remain unpaid, the rates and charges shall be entered on the next ad valorem real property tax roll for the property served and collected in the same manner as ad valorem real property taxes. The city treasurer shall on or before March 1 of each year, turn such delinquent and unpaid charges over to the county treasurer in the same fashion as delinquent and unpaid ad valorem real property taxes. Provided, however, unless otherwise agreed by a property owner in writing, such charges shall not be a lien on the property served if the owner of the property has leased the property, the owner is not, according to the lease provisions, both the owner and the lessee, and proof of such lease is provided to the city as required by applicable law. Where the owner is not responsible for such charges and has not otherwise agreed in writing, the lessee shall, before the commencement of electric service to the premises, cause to be deposited with the city treasurer an amount

equal to an estimated ~~three~~two (~~3~~2) months' electric service rates and charges and shall cause such deposit to continue at that level throughout the lease term. The city shall apply the funds in that deposit (i) against any and all delinquent charges of the lessee and (ii) toward such lessee's final bill upon termination of electric service with any balance returned to lessee.

(b) *Discontinuance.* Subject to applicable state law, the city shall have the right to shut off and discontinue the supply of electricity to any premises for the nonpayment of electric service rates and charges when due.

(c) *Other remedies.* The remedies provided in this section shall be cumulative together with all other remedies under state or common law and this Code.

Section 2. Publication. After its adoption, the City Clerk shall publish this ordinance or a summary thereof, as permitted by law, along with its date of adoption in the *Lowell Ledger*, a newspaper of general circulation in the City, at least ten (10) days before its effective date.

Section 3. Effective Date. This ordinance shall take effect ten (10) days after it, or a summary thereof, as permitted by law, along with the date of its adoption, is published in the *Lowell Ledger*, a newspaper of general circulation in the City.

YEAS: Councilmembers _____

_____

NAYS: Councilmembers _____

ABSTAIN: Councilmembers _____

ABSENT: Councilmembers _____

ORDINANCE DECLARED ADOPTED.

Dated: December 3, 2018

_____
Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned City Clerk of the City of Lowell, Michigan (the "City"), certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on December 3, 2018, pursuant to notice given in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended, and notice of its adoption, including a summary of its contents and its effective date, was published in the *Lowell Ledger*, on _____, 2018. I further certify that the above ordinance was entered into the Ordinance Book of the City on _____, 2018, and was effective _____, 2018, ten (10) days after publication.

Dated: December ___, 2018

_____
Susan Ullery
City Clerk

APPOINTMENTS

	Expires
Board of Review	
Vacancy (Martin McPhee – Currently Serving)	01/01/2019
Vacancy (Nancy Wood – Currently Serving)	01/01/2019
Vacancy (Leah Vredenburg – Currently Serving)	01/01/2019
Vacancy (Jim Hodges – Currently Serving)	01/01/2019
Construction Board of Appeals	
Vacancy (Dan DesJarden – Currently Serving)	01/01/2019
Downtown Development Authority	
Vacancy (Mike Larkin – Resigning)	01/01/2019
Downtown Historic District Commission	
Vacancy (Brian McLane – Currently Serving)	01/01/2019