

The Crosswell City Council met in Regular Session February 19, 2008, at the William Aitkin Memorial Library, 111 N. Howard Ave., Crosswell, MI. Mayor Macklem called the meeting to order at 7:30 P.M.

Present: G. Macklem, M. Willis, M. O’Vell, M. McMillan

Absent: J. Geiger

Administration: City Administrator Dave Tait, City Clerk Suzanne Dobson

Guests: Jeffersonian Reporter Margaret Whitmer

I. PLEDGE OF ALLEGIANCE:

II. **Approval of Minutes** from the Regular Council Meeting of February 4, 2008
O’Vell moved to approve the minutes of February 4, 2008, as presented, second by McMillan. Motion Carried.

III. **Public Comments:**

IV. APPROVAL OF AGENDA:

Willis moved to approve the agenda as presented, second by McMillan. Motion Carried.

V. CORRESPONDENCE:

a. Michigan Municipal League - Capital Conference: Anyone wishing to attend contact the Clerk or City Administrator. Receive and file.

VI ADMINISTRATOR'S REPORT:

- Cemetery meeting - DPW will begin cleaning the cemetery April 7th.
- Ice Rink
- Conflict of Interest has been sent to the Attorneys regarding the Ambulance Authority.
- Fire Truck damage

VII COUNCIL MEMBER REPORT:

A. Macklem: 1. Update on John Geiger; 2. Streets

B. Willis: No Report

C. O’Vell: No Report

D. McMillan: No Report

E. Geiger: Absent

VIII UNFINISHED BUSINESS:

None

IX **NEW BUSINESS:**

a. Resolution - Payment In Lieu of Tax - Croswell Country Manor:

O’Vell moved to adopt Resolution #02-19-08, that the Housing Development identified as Croswell Country Manor and the property on which it is now located shall be exempt from all property taxes from and after the date of the acquisition and closing on financing for rehabilitation. The City of Croswell, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of the Resolution and the qualification of the Housing Development for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Resolution, and, in consideration of the Sponsor’s offer, subject to receipt of a Mortgage Loan from the Authority, to rehabilitate, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. The annual service charge shall be equal to four percent (4%) of the Contract Rents actually collected as long as the Project is receiving §8 Contract Rents; and thereafter the annual service charge will be equal to four percent (4%) of the Annual Shelter Rents actually collected, second by McMillan.

Roll Call Vote: O’Vell, yes; McMillan, yes; Willis, yes; Macklem, yes. 4 yeas, 0 nays, 1 absent. Motion Carried.

RESOLUTION #02-19-08

Moved by O’Vell, second by McMillan, a motion that a Resolution be passed as follows:

WHEREAS, the City of Croswell Council adopted an ordinance to provide for a service charge in lieu of taxes for dwelling units for low income/elderly persons pursuant to the provisions of the State Housing Development Authority Act of 1966, being Ordinance Number 291, June 15, 1998.

WHEREAS, pursuant to said Ordinance the City of Croswell Council has voted to approve a service charge in lieu of taxes for the **Croswell Country Manor** project, pursuant to this Resolution.

WHEREAS, said Ordinance acknowledges that housing for elderly persons of low income is a public necessity, and the City of Croswell will be benefited and improved by this housing, and the encouragement of the same by providing certain real estate tax exemption for housing is a valid public purpose.

WHEREAS, it is determined that Croswell Country Manor is a housing development for low income elderly, that is financed or assisted by the Authority-and that is Federally-aided, as defined in Section 11 of the Act.

WHEREAS, the City of Croswell acknowledges that the **Human Development Commission** through a related legal entity, the **Croswell Limited Dividend Housing Association, LLC** (collectively known as the “Sponsor”) has offered, subject to receipt

of a Mortgage Loan from the Michigan State Housing Development Authority (“MSHDA”), to rehabilitate, own and operate a housing development identified as **Croswell Country Manor** on certain property located at 240 Mills St., Croswell, Michigan 48222 in the City of Croswell to serve Elderly Persons of low income, and that the sponsor has offered to pay the City/Township on account of this housing development an annual service charge for public services in lieu of all *ad valorem* property taxes.

WHEREAS, the definition of “Annual Shelter Rent” and “Contract Rents” for this Resolution are defined in Ordinance 291.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Development identified as **Croswell Country Manor** and the property on which it is now located shall be exempt from all property taxes from and after the date of the acquisition and closing on financing for rehabilitation. The **City of Croswell**, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of the Resolution and the qualification of the Housing Development for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Resolution, and, in consideration of the Sponsor’s offer, subject to receipt of a Mortgage Loan from the Authority, to rehabilitate, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. The annual service charge shall be equal to **four percent (4%)** of the Contract Rents actually collected as long as the Project is receiving \$8 Contract Rents; and thereafter the annual service charge will be equal to **four percent (4%)** of the Annual Shelter Rents actually collected.

IT IS FURTHER RESOLVED that Croswell Country Manor is of the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes.

IT IS FURTHER RESOLVED that the annual service charge in lieu of taxes as determined under this Resolution shall be payable in the same manner as general property taxes are payable to the City of Croswell and shall be distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The annual payment for each operating year shall be paid on or before September 15th of the following year.

IT IS FURTHER RESOLVED Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, a contract between the **City of Croswell** and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Resolution.

IT IS FURTHER RESOLVED this Resolution shall remain in effect and shall not terminate so long as the Mortgage Loan, as defined in Ordinance #291, remains outstanding and unpaid or the Authority has any interest in the property.

DATE OF ADOPTION & EFFECTIVE DATE: February 19, 2008

CERTIFICATION

I, SUZANNE DOBSON, City Clerk of Croswell, do hereby certify that Resolution #02-19-08 was adopted and became effective by the City of Croswell at a Regular meeting of the City of Croswell Council held at the Wm. Aitkin Memorial Library on the 19th of February, 2008.

Vote on this Resolution, 4 members being present was as follows:

AYES: O'Vell, McMillan, Willis, Macklem

NAYS: _____

ABSENT: Geiger_____

Suzanne Dobson, CMC
Croswell City Clerk

Gary Macklem, Mayor

b. Park & Recreation Committee Appointment: Received letter from Parks & Recreation Committee recommending the appointment of Mary Ann Vallee to the vacancy. McMillan moved to appoint Mary Ann Vallee to the Parks & Recreation Committee for a term expiring February 2009, second by Willis. Motion Carried.

X PUBLIC COMMENTS: None

XI APPROVAL OF ACCOUNTS PAYABLE: McMillan moved to approve the Accounts Payable as presented in the amount of \$211,610.77 and the bills be paid, second by O'Vell. Motion Carried.

XII ADJOURNMENT:

With no further business Mayor Macklem adjourned the meeting.
Meeting adjourned at 7:42 p.m.

Suzanne Dobson, CMC
Croswell City Clerk

Gary Macklem, Mayor