



Village of Paw Paw Council Regular Meeting
Monday September 9, 2024, 7 PM
Paw Paw District Library, Community Room
609 W. Michigan Ave, Paw Paw, MI 49079

Regular Meeting Agenda

I. Call to Order

II. Pledge of Allegiance

III. Roll Call: President Roman Plaszczak; President Pro-Tem Douglas Craddock; Trustees Steve Richardson, Nadine Jarvis, Nik Martinez, David McQueen, and Donne Rohr.

IV. Approval of Agenda

V. Approval of Minutes:

1. Approval of the minutes from the regular meeting of August 26, 2024

VI. Authorization to Pay Claims September 9th (Rohr, McQueen), September 23rd (Craddock, Richardson)

VIII. Audience Participation (Limited to 3 minutes per speaker):

IX. Council Member Comments

X. Public Hearing and Ordinance Adoption – PILOT Proposal Assessment Public Hearing - Vineyard Villa Apartments at 675 Lake St, Paw Paw, MI 49079 - Adoption of an **Ordinance 24-03** to provide for the payment of a service charge in lieu of taxes for this low-income residential rental property.

X. Public Hearing and Ordinance Adoption - PILOT Proposal Assessment Public Hearing - Paw Paw Arms Apartments at 146 Hazen St, Paw Paw, MI 49079 - Adoption of an **ordinance 24-04** to provide for the payment of a service charge in lieu of taxes for this low-income residential rental property.

XI: Action Items

1. Mather Court Water Line – Proposal

XII. Non-Action/Workshop Items

1. **Proposed Schedule for 2024 – 2025 Budget** - including update of Capital Improvement Plan

XIII. Committee Meetings and Reports (committees may have items to bring to council) *Estimated 30 minutes for all with next meeting dates.*

- Area Parks & Rec. Board (Jarvis) September 9 - **4:30 PM**
- Downtown Development Authority Plaszczak September 16, **5:30 PM**
- Economic and Residential Opportunity (Plaszczak): October 24 - **4 PM**
- Farmers Market (Martinez): September 18 – **5 PM**
- Fire District Board (Craddock): September 10 – **6 PM**
- Historical Commission (Plaszczak): **TBD**
- Housing Commission (Rohr): September 17- **3 PM**
- Maple Lake Preservation and Improvement (Plaszczak) **TBD**
- Planning Commission (TBD): October 3 - **7 PM**
- Wellhead Protection Committee: **TBD**
- Wine & Harvest Board (Craddock): October 2 – **6 PM**

XIII. Council Member Comments

XIV. Manager & Departmental Reports

XV. Adjournment

Notice to Public Attendees

If you would like to speak to the Village Council, please respond during the Public Comment Period. Public comments are limited to **3 minutes** per speaker.

Approval of Minutes

**Minutes, Paw Paw Village Council
Regular Meeting, August 26, 2024**

The Regular Village Council meeting of Monday, August 26, 2024, convened at 7:00p.m. at the Paw Paw District Library, Community Room. President Plaszcak presiding.

Meeting Convened

Present: President Roman Plaszcak, Pro Tem Douglas Craddock, Trustees Steve Richardson, Nadine Jarvis, Nicolas Martinez, David McQueen and Donne Rohr. Also present: Village Manager Bryan Myrkle, Assistant Manager Ed Hellwege, Clerk Karla Tacy, Chief of Police Eric Rottman and Director of Public Services Tim Brandys.

Members Present

Motion by Martinez with support from Jarvis to approve the agenda as presented. All members present voting yes, motion carried.

Approval of Agenda

Motion by Richardson with support from Craddock to approve the regular meeting minutes of August 12, 2024. All members present voting yes, motion carried.

Approval of Minutes

Motion by Jarvis with support from Martinez to approve claims for Monday, August 26, 2024, in the amount of \$724,465.14. All members voting yes, motion carried.

Approval of Claims

Lyle Swinehart voiced his concerns about the loud music from the Warner Vineyards concerts.

**Audience
Participation**

Tammy Grabowski from the Paw Paw Lions Club expressed the Lions' wishes to help where needed around the community.

**Council Member
Comments:**

Trustee Jarvis reported that she could hear last Saturday's Warner concert while in her yard.

Jarvis

Motion by Rohr with support from Jarvis to approve Ordinance 24-01 to Amend the Text of Chapter 42, Zoning, of the Village of Paw Paw Code of Ordinances to Add Regulations for Mobile Food Vending. Roll call vote; Richardson, Rohr, Craddock, Plaszcak, McQueen, Jarvis and Martinez, voting yes, motion carried.

**Action Items:
Mobile Food Vending
Ordinance**

Motion by Martinez with support from Richardson to approve Ordinance 24-02 to Amend Chapter 24, Peddlers, Solicitors and Transient Merchants of the Village of Paw Paw Code of Ordinances. Roll call vote; Richardson, Rohr, Craddock, Plaszcak, McQueen, Jarvis and Martinez, voting yes, motion carried.

Motion by Craddock with support from Jarvis to approve the site plan submitted by Slate Stone LLC for a parking area at 804 S Kalamazoo St with the recommended conditions from the Planning Commission. All members voting yes, motion carried.

**Slate Stone Site Plan
Review**

Motion by Jarvis with support from McQueen to approve the Resolution adopting the storm water management standards of the Van Buren County Drain

**Drain Commission
Proposal**

**Minutes, Paw Paw Village Council
Regular Meeting, August 26, 2024**

Commissioner and designating the Drain Commissioner as the authority for these issues within the Village of Paw Paw. All members voting yes, motion carried.

Motion by Rohr with support from Craddock to approve the DWSRF partial pay request No. 11 for Lounsbury Excavating Inc in the amount of \$114,076.28. Roll call vote; Martinez, Jarvis, McQueen, Plaszczak, Craddock, Rohr and Richardson, voting yes, motion carried.

DWSRF Pay Request

Motion by Rohr with support from Jarvis to approve the Fiscal Year 2024-2025 Budget Amendments as proposed. Roll call vote; Martinez, Jarvis, McQueen, Plaszczak, Craddock, Rohr and Richardson, voting yes, motion carried.

FY 2024-2025 Budget Amendments

	Original Budget		Budget Amendments	
	Revenue	Expenses	Revenue	Expenses
General Fund (101)	\$ 2,227,633	\$ 2,311,254	\$ 2,360,133	\$ 2,345,080
Major Streets (202)	\$ 342,500	\$ 624,103	\$ 399,500	\$ 630,848
Local Streets (203)	\$ 637,500	\$ 674,169	\$ 656,688	\$ 661,296
Muni Streets (204)	\$ 449,450	\$ 638,153	\$ 475,450	\$ 638,201
Parks (208)	\$ 122,150	\$ 115,627	\$ 125,325	\$ 116,290
Natural Resources (230)	\$ 2,803,019	\$ 2,640,505	\$ 2,803,050	\$ 2,650,534
DDA (248)	\$ 327,200	\$ 377,306	\$ 341,200	\$ 381,416
Wine & Harvest (296)	\$ 158,825	\$ 138,272	\$ 160,650	\$ 138,272
Police Millage (301)	\$ 271,000	\$ 270,015	\$ 290,177	\$ 270,015
Electric (582)	\$ 5,607,700	\$ 6,262,558	\$ 5,757,904	\$ 6,395,138
Motor Pool (661)	\$ 343,125	\$ 330,719	\$ 352,825	\$ 330,764

Motion by Rohr with support from Jarvis to approve the contract modification and authorize payment to Davis Construction for work done on the Streetscape project in the amount of \$68,382.66. Roll call vote; Richardson, Rohr, Craddock, Plaszczak, McQueen, Jarvis and Martinez, voting yes, motion carried.

Streetscape Contract Modifications Payment

Motion by Rohr with support from Craddock to set a public hearing on September 9, 2024, at 7:00pm and the Paw Paw District Library to hear public comments related to the adoption of an ordinance to provide for the payment of a service charge in lieu of taxes for a low income residential rental property All members voting yes, motion carried.

Paw Paw Arms & Vineyard Villas Pilot Proposals

No Report.

Committee Meetings Parks and Rec

The DDA Board awarded \$5,000 façade grants to the owners of 301 W Michigan, 211, and 215 E Michigan Ave. The board also discussed Christmas decorations.

DDA

The Economic & Residential Opportunity Committee discussed a proposed housing development for the Davis St/Old Lane Rd area.

Economic & Residential Opportunity

No Report.

Farmers Market

**Minutes, Paw Paw Village Council
Regular Meeting, August 26, 2024**

The Fire Board's next meeting will be held September 3 at 7:00pm

Fire Board

No Report.

Historical Committee

The Housing Commission has been working on landscaping and accepting bids for parking lot repaving.

Housing Commission

No Report.

**Maple Lake
Preservation**

No Report.

Planning Commission

No Report.

Wellhead Protection

Cars are available if Council members would like to ride in the Wine & Harvest Festival parade.

Wine & Harvest

President Plaszczak reminded Council that they should discuss Wayne Wilhelmi's prior request to reinstate the \$5 utility bill credit for entrants of the 2024 holiday lighting contest, to commemorate the 25th anniversary of the contest.

**Council Member
Comments:
Plaszczak**

Trustee Craddock encourages Council and staff to attend the upcoming Wine & Harvest Festival. Trustee Craddock inquired about the Village possibly purchasing County Park downtown to create more parking.

Craddock

Trustee Jarvis inquired what information was found during the recent title search of the residences on Mather Court.

Jarvis

Manager Myrkle reports that Barr Engineering advises that we stop the reconstruction of the Briggs Dam walking path at the gates. Staff is working on a current Capital Improvement Plan and will eventually like to discuss at a joint meeting with the Planning Commission.

Manager Comments

Chief Rottman reports that Bronson Hospital donated used office furniture to the Police Department.

**Staff Comments
Rottman**

Director Brandys reported that Hazen St should be paved by August 31st.

Brandys

Motion by Craddock with support by Martinez to adjourn the meeting. All members present voting yes, motion carried. Meeting adjourned at 9:24p.m.

Adjournment

Respectfully submitted:

Karla Tacy
Village Clerk

Roman Plaszczak
Village President

Action Items

Public Hearing

Village of Paw Paw MICHIGAN

Memorandum

To: Village Council
From: Bryan Myrkle, Village Manager
Re: PILOT Requests – Paw Paw Arms & Vineyard Villas Apartments
Date:

Background

As Village Council members will remember from their most recent meeting, the Village of Paw Paw has received requests from the owners of Paw Paw Arms and Vineyard Villas apartments to consider the adoption of PILOT ordinances (a form of tax abatement known as a Payment in Lieu of Taxes). If adopted, these PILOTs would serve as a local incentive that qualifies these property owners to apply to the State of Michigan for inclusion in the Low Income Housing Tax Credit program, a important program that provides developers with funding to alleviate the cost of construction or rehabilitation in exchange for designating all or a portion of the housing to low-income residents.

The Village of Paw Paw has used PILOTs at least three times in the past to incentivize housing development for lower income residents, but these properties were not involved in those arrangements. The property owners are proposing to make more than \$3 million in improvements to each of these apartment complexes if the PILOTs are approved.

Because the PILOT agreement takes the form of an ordinance, the Village Council set public hearings for its meeting this Monday evening, September 9 to accept comments from residents or taxpayers on this proposal. There is a hearing required for each separate property and ordinance. Following the hearing, the Village Council will need to make a decision on whether to support the project and the associated PILOT incentive.

I previously provided you with basic information about the proposals and the proposed ordinance language. However, we have had a chance to review and update the information about the estimated difference in tax revenue and corrected minor elements of the ordinance language. The property owners provided, and I reviewed PILOT agreements this firm has with other communities including Escanaba, Beaverton, Owosso and Belding. I contacted officials in Owosso and Belding and they reported that the owners did complete their projects as proposed in the agreements.

The tax tables showing the amount of taxes the Village would forego included with your packet were provided by the property owners. In reviewing these proposals, we discovered that the Vineyard Villas apartments had been incorrectly assessed. We estimated that they should have been paying approximately 27% more in taxes than they have been. Therefore, the \$17,176.82 in current taxes used as a comparative figure in the table would be more accurately considered at \$22,226.

It will be important for the Village Council to make a decision on these PILOTs within the next two meetings, in order for the property owners to meet the October 1 deadline for application to the LIHTC program.

Recommendation

Consider authorizing PILOT ordinances in support of rehabilitation projects at Vineyard Villa and Paw Paw Arms apartments.

PILOT Calculation For Vineyard Villas

Rehabilitation: \$3,214,000

Current Taxes: \$17,176.82

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Requested PILOT												
With Approved Post Rehab Rents	\$281,760	\$287,395	\$293,143	\$299,006	\$304,986	\$311,086	\$317,308	\$323,654	\$330,127	\$336,729	\$343,464	\$350,333
Vacancy Loss	(14,088)	(14,370)	(14,657)	(14,950)	(15,249)	(15,554)	(15,865)	(16,183)	(16,506)	(16,836)	(17,173)	(17,517)
Deduction for Utilities	(33,520)	(34,526)	(35,561)	(36,628)	(37,727)	(38,859)	(40,025)	(41,225)	(42,462)	(43,736)	(45,048)	(46,400)
Adjusted Income	234,152	238,500	242,925	247,427	252,010	256,673	261,418	266,246	271,158	276,157	281,243	286,417
PILOT %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Estimated PILOT Payment	\$ 11,708	\$ 11,925	\$ 12,146	\$ 12,371	\$ 12,600	\$ 12,834	\$ 13,071	\$ 13,312	\$ 13,558	\$ 13,808	\$ 14,062	\$ 14,321

PILOT Calculation for Paw Paw Arms

Rehabilitation: \$3,169,000

Current Taxes: \$27,498.66

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Requested PILOT												
With Approved Post Rehab Rents	\$268,992	\$274,372	\$279,859	\$285,456	\$291,166	\$296,989	\$302,929	\$308,987	\$315,167	\$321,470	\$327,900	\$334,458
Vacancy Loss	(13,450)	(13,719)	(13,993)	(14,273)	(14,558)	(14,849)	(15,146)	(15,449)	(15,758)	(16,074)	(16,395)	(16,723)
Deduction for Utilities	(46,175)	(47,560)	(48,987)	(50,457)	(51,970)	(53,529)	(55,135)	(56,789)	(58,493)	(60,248)	(62,055)	(63,917)
Adjusted Income	209,367	213,093	216,879	220,727	224,637	228,610	232,647	236,748	240,916	245,149	249,449	253,818
PILOT %	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Estimated PILOT Payment	\$ 10,468	\$ 10,655	\$ 10,844	\$ 11,036	\$ 11,232	\$ 11,430	\$ 11,632	\$ 11,837	\$ 12,046	\$ 12,257	\$ 12,472	\$ 12,691

PILOT Proposal Vineyard Village Apartments

VILLAGE OF PAW PAW

ORDINANCE NO. 24-03

TAX EXEMPTION ORDINANCE

ADOPTED: [insert date of adoption]

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

THE VILLAGE OF PAW PAW ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "*Village of Paw Paw Tax Exemption Ordinance-Vineyard Villas Apartments.*"

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The Village of Paw Paw is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the Village will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The Village acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project identified as Vineyard Villas Apartments on certain property located at 675 Hazen Street in the Village of Paw Paw to serve low income persons and families, and that the Sponsor has offered to pay the Village on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

SECTION 3. Definitions.

- A. Authority means the Michigan State Housing Development Authority.
- B. Annual Shelter Rent means the total collections during an agreed annual period from or paid on behalf of all occupants of a housing project representing rent or occupancy charges, exclusive of Utilities.
- C. LIHTC Program means the Low Income Housing Tax Credit program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.
- D. Low Income Persons and Families means persons and families eligible to move into a housing project.
- E. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.
- F. Sponsor means Community Advancement Advisors, LLC, and any entity that receives or assumes a Mortgage Loan.
- H. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan and/or an award of Low Income Housing Tax Credits. It is further determined that Vineyard Villas Apartments is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Vineyard Villas Apartments and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The Village acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate and operate the housing project, the Village agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 5 % of the Annual Shelter Rents actually collected by the housing project during each operating year.

SECTION 6. Contractual Effect of Ordinance.

Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the Village 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 Ordinance.

SECTION 7. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

SECTION 8. Payment of Service Charge.

The annual service charge in lieu of taxes as determined under this Ordinance shall be payable in the same manner as general property taxes are payable to the Village 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 to the Village Treasurer on or before May 31 of the following year. Collection procedures shall be in accordance with the provisions of the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, *et seq*).

SECTION 9. Duration.

This Ordinance shall remain in effect and shall not terminate so long as a Mortgage Loan remains outstanding and unpaid and/or the housing project remains subject to income and rent restrictions under the LIHTC Program.

SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Section 12. Effective Date.

This Ordinance shall be effective 20 days after publication.

VILLAGE CLERK
[delete inapplicable reference]

**PILOT Proposal Paw Paw Arms
Apartments**

VILLAGE OF PAW PAW

ORDINANCE NO. 24-04

TAX EXEMPTION ORDINANCE

ADOPTED: [insert date of adoption]

An Ordinance to provide for a service charge in lieu of taxes for a housing project for low income persons and families to be financed with a federally-aided Mortgage Loan pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, *et seq*) (the "Act").

THE VILLAGE OF PAW PAW ORDAINS:

SECTION 1. This Ordinance shall be known and cited as the "*Village of Paw Paw Tax Exemption Ordinance-Paw Paw Arms Apartments.*"

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its low income persons and families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the Act. The Village of Paw Paw is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses, not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for low income persons and families is a public necessity, and as the Village will be benefited and improved by such housing, the encouragement of the same by providing real estate tax exemption for such housing is a valid public purpose. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of all *ad valorem* taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of the housing projects that is constructed or rehabilitated with financing extended in reliance on such tax exemption.

The Village acknowledges that the Sponsor (as defined below) has offered, subject to receipt of an allocation under the LIHTC Program by the Michigan State Housing Development Authority, to acquire and rehabilitate, own and operate a housing project identified as Paw Paw Arms Apartments on certain property located at 146/150 Lake Street in the Village of Paw Paw to serve low income persons and families, and that the Sponsor has offered to pay the Village on account of this housing project an annual service charge for public services in lieu of all *ad valorem* property taxes.

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- D. Low Income Persons and Families means persons and families eligible to move into a housing project.
- E. Mortgage Loan means a loan that is Federally-Aided (as defined in Section 11 of the Act) or a loan or grant made or to be made by the Authority to the Sponsor for the construction, rehabilitation, acquisition and/or permanent financing of a housing project, and secured by a mortgage on the housing project.
- F. Sponsor means Community Advancement Advisors, LLC, and any entity that receives or assumes a Mortgage Loan.
- H. Utilities means charges for gas, electric, water, sanitary sewer and other utilities furnished to the occupants that are paid by the housing project.

SECTION 4. Class of Housing Projects.

It is determined that the class of housing projects to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be housing projects for Low Income Persons and Families that are financed with a Mortgage Loan and/or an award of Low Income Housing Tax Credits. It is further determined that Paw Paw Arms Apartments is of this class.

SECTION 5. Establishment of Annual Service Charge.

The housing project identified as Paw Paw Arms Apartments and the property on which it is located shall be exempt from all *ad valorem* property taxes from and after the commencement of construction or rehabilitation. The Village acknowledges that the Sponsor and the Authority have established the economic feasibility of the housing project in reliance upon the enactment and continuing effect of this Ordinance, and the qualification of the housing project for exemption from all *ad valorem* property taxes and a payment in lieu of taxes as established in this Ordinance. Therefore, in consideration of the Sponsor's offer to rehabilitate and operate the housing project, the Village agrees to accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes. Subject to receipt of a Mortgage Loan, the annual service charge shall be equal to 5 % of the Annual Shelter Rents actually collected by the housing project during each operating year.

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Notwithstanding the provisions of section 15(a)(5) of the Act to the contrary, a contract between the Village 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 Ordinance.

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Notwithstanding Section 5, the service charge to be paid each year in lieu of taxes for the part of the housing project that is tax exempt but which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing project if the housing project were not tax exempt.

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SECTION 9. Duration.

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SECTION 10. Severability.

The various sections and provisions of this Ordinance shall be deemed to be severable, and should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of this Ordinance as a whole or any section or provision of this Ordinance, other than the section or provision so declared to be unconstitutional or invalid.

SECTION 11. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent of such inconsistency or conflict.

Section 12. **Effective Date.**

This Ordinance shall become effective 20 days after publication.

VILLAGE CLERK
[delete inapplicable reference]

Mather Court Water Line Proposal

Village of Paw Paw MICHIGAN

Memorandum

To: Village Council
From: Bryan Myrkle, Village Manager
Re: Hazen Street water main project – Mather Court section
Date: September 6, 2024

Background

As Village Council members will remember, last month I provided a communication to you regarding the Hazen Street water main project, and concerns I have with a replacement of sewer line under Mather Court proposed for inclusion in the project.

There are several elements of the proposal that raised my concerns, and you can review them in that previous communication for more detail, but in short, they include:

- The sewer line proposed for replacement is privately-owned and Village policy indicates the responsibility for privately-owned sewer lines lies with the property owner. This has been a contentious issue within the community, and accepting responsibility for this sewer would run contrary to previous Village decision-making.
- Despite previous conversations between former Village officials and the property owners that may be to the contrary, this proposed element was not included in the overall project, and none of the preparatory work completed. That is, no easements were obtained, no engineering plans completed, no bids obtained, and no materials ordered. Therefore, this proposal would be an addition of more than \$200,000 to the project.
- There are three property owners who would potentially benefit from the inclusion of this sewer line replacement in the water main project, and two of them have immediate ties to the Village of Paw Paw, This represents a clear and direct conflict of interest, further complicating the issue.
- An alternative exists that could allow the completion of the water main project without involving Mather Court at all, which is estimated at \$60,000.

Other Considerations

The alternative water main route that avoids Mather Court runs through Bronson Lakeview Hospital property. Because the hospital is a primary beneficiary of this project (looping the mains will improve the quality and reliability of the water supply to the hospital), we asked representatives of the hospital to consider granting the Village rights to cross its property. This remains under consideration by the hospital at this time, but their initial response was favorable.

At the August 12 Village Council meeting, it was stated that new water main had already been installed on one of the private properties involved in this discussion, and that the owner would not have agreed to this if they had known the sewer replacement was in doubt. However, we had the boundaries of the property re-staked by a surveyor and the new water main location marked for comparison. We determined that no water main was installed on private property.

We conducted a title search to determine whether ownership of the sewer line had, at some point in the past, been transferred to the Village. The title company did not find any evidence of that. We were also assisted by the Register of Deeds, who also did not find any such documentation.

Village Attorney Brad Fowler has indicated that, while the Village is not obligated to undertake the proposed sewer line replacement, it remains a matter of local policy which could be changed. If the Village Council desires to replace the sewer line under Mather Court, it could accept ownership of the line and make the replacement. In other words, it is a choice. I believe the arguments in favor of this work are as follows: 1.) a former Village official may have made a verbal commitment to the property owners to do the work, 2.) a contractor working on behalf of the Village apparently damaged Mather Court previously, and the repair may not be sufficient, and 3.) the work would be a benefit to three tax-paying residential property owners.

At this point in the season, no matter which decision the Village Council makes, the balance of this project will likely be performed next spring.

Recommendation

Determine a preferred course of action for completion of the Hazen Street water main project.

Non-Action Items

Budget Schedule Proposal / CIP

2024-2025 Village of Paw Paw Budget Development Schedule

*Budget to be approved at the Feb 24, 2025, Village Council Meeting!

Proposed Schedule based upon Budget Preparation and Approval Timetables

1. Schedule to include updating of the Village Capital Improvement Plan, an integral part of the budget.
2. **September 1 – September 8** – Bryan and Ed develop a tentative 2024-2025 Budget Schedule
3. Present the tentative budget schedule at the Village Financial Committee before the September 23rd Council meeting
4. Ed and Bryan to work with Department Heads to have them provide information for the Capital Improvement Plan (CIP). Ed is working on applying the CIP spreadsheet developed by Sarah so we can enter updated cost projections and prospective Capital projects anticipated for the next 5 years.
5. **The week of September 23rd**, convene a Capital Improvement Kick Off meeting including Bryan, Ed, Tim, Eric, Karla, Kathy Larson and Financial Committee members Doug, Donne and Dave.
6. Best Practices Chart for Capital Improvement Plans **attached to this Memo.**
7. By **October 10, 2024**, Department Heads to supply cost projections and prospective Capital projects anticipated for the next 5 years to be submitted to Bryan and Ed.
"Supporting documents for ensuing fiscal year to Bryan and Ed which includes:
 - a. Actual expenses for previous fiscal year
 - b. Budgeted and estimated expenditures for the ensuing fiscal year
 - c. Capital outlay requests including costs and methods of financing including
 - i. Staffing schedules for salary and benefit expenditures (Review Union contracts where necessary)
 - ii. Assumptions and bases for estimates of contractual services, materials and supplies, and capital outlay items.
8. **Bryan and Ed meet the week of Oct 14th**, with Department heads of DPS and Police to review data supplied and to evaluate any changes or additions suggested.
9. **Prior to Village Council meeting of October 21st**, have a workshop meeting / discussion with the Village Council to review the data compiled to date and to get their vision and input (on the desired project list presented regarding improving the Village operations through budgeted projects and day to day operational enhancements.
10. **On the week of October 21st**, convene a meeting with Department Heads and Village Clerk on budget progress to date and determine the path forward in deciding which projects and or financial investments are most advantageous to improving Village operations.
11. **Financial Committee meeting on Oct 28th** – Update the Financial committee on budget progress and solicit additional input.
12. **November** – Continue bi-weekly budget meetings review YTD financial 2024-2025 info and adjustments where necessary in the proposed 2025-2026 proposed budget.
13. **December 9th** prior to the Village Council meeting have a Financial Committee meeting to present budget progress.

14. **January 13th, 2025**, Finance Committee to review preliminary budget information, depreciation and balance sheets. Suggest we invite Josh from Siegfried and Crandall to hear discussions on these aspects of the budget and the overall budget as presented.
15. **January 27th, 2025** - Finance Committee to review draft 2025-2026 budget, all funds. Then also have a discussion at the regular Village Council meeting.
16. **February 10th** – Finance Committee reviews second draft of 2025-2026 budget. Then also have a discussion at the regular Village Council meeting. Hold Public Hearing on amending the 2023-2024 budget: adopting all rates and levies, and adopting the 2024 - 2025 budget, all funds. Public comment will be taken at the meeting or written comment may be provided to the Village offices prior to the meeting.
17. **February 24th** - Public Hearing on amending the 2008-2009 budget; adopting all rates and levies, and adopting the 2009-2010 budget, all funds.

PROCESS FLOWCHART



Manager & Departmental Reports

Village of Paw Paw MICHIGAN

Memorandum

To: Village Council
From: Bryan Myrkle, Village Manager
Re: Village Manager's Report
Date: September 6, 2024

Updates and Reports

Warner Vineyards – Community Development Coordinator Leonard Lux and I met with Pat Warner and representatives of an acoustical consulting firm out of Grand Haven, Audio Impact, earlier this week. It appears that they will be able to provide concrete, professional advice to Mr. Warner on steps he can take to mitigate the negative effects of the noise his outdoor concerts are having on adjacent neighborhoods. It is my hope that their suggestions for site improvements and equipment changes will be incorporated into an event plan from Mr. Warner that would be required if the Village adopts a new Outdoor Entertainment Ordinance. The representatives of Audio Impact appeared to me to be credible and experienced. They also offered to meet with affected residents to gauge the noise in their neighborhoods where we are getting the most complaints.

Outdoor Entertainment Ordinance – The Village of Paw Paw Planning Commission has been working on an outdoor entertainment ordinance for the past two months. During its September meeting, Commissioners expressed a desire to meet together with the Village Council to discuss the issue of larger-scale outdoor events and the proposed new regulations. Because the Commission recognizes that this has become a contentious issue in the community, it feels that a collaborative approach that informs the Village Council and incorporates its preferences into any new regulation will make adoption of a new ordinance easier to accomplish. If the Council agrees with this approach, we will work to schedule a meeting that accommodates as many of your schedules as possible.

Maple Island Bridge replacement – Abonmarche has completed the engineering work for the anticipated replacement of the Maple Island Bridge planned for this winter, and has submitted the plans to the State of Michigan for permitting.

Briggs Dam replacement – The Village had an excellent meeting with Barr Engineering and Lounsbury Excavating, who performed repair work on the Briggs Dam several years ago. Their knowledge of soil conditions and underground structures in the vicinity of the dam was extremely helpful in making final decisions about the dam project. With most of the engineering decisions now made, the next step in this process will be to have an onsite meeting with EGLE, the State of Michigan permitting agency to help ensure they have a basic understanding of our project proposal before we submit permit applications.

Personnel Changes – As Village Council members know, Community Development Coordinator Leonard Lux announced his retirement a few weeks ago. However, long-time Village employee Lori Middaugh also recently let us know that she will be stepping away from her job responsibilities here at the Village toward the end of this month. Together with the department heads, I will be looking at the roles and responsibilities we need to fill and/or reassign and making some decisions about how and when we will replace these valuable employees.

In the meantime, if you happen to see Lori, please let her know how much we appreciate her many years of service to this community.

As always, if you have any questions or concerns about anything in this report, please feel free to contact me. I hope to see you this weekend at the annual Wine and Harvest Festival. I am looking forward to it!