

**OWOSSO CITY COUNCIL**

**JANUARY 22, 2013**

**7:30 P.M.**

**PRESIDING OFFICER:** MAYOR BENJAMIN R. FREDERICK

**OPENING PRAYER:** GINA MOSKAL  
COMMISSIONED LAY MINISTER,  
ST PAUL CATHOLIC CHURCH

**PLEDGE OF ALLEGIANCE:** SERGEANT RUSTY LAMAY

**PRESENT:** Mayor Benjamin R. Frederick, Mayor Pro-Tem Cindy S. Popovitch, Councilpersons Loreen F. Bailey, Thomas B. Cook, and Burton D. Fox.

**ABSENT:** Councilpersons Michael J. Erfourth and Christopher T. Eveleth.

A moment of silence was held in memory of Tom Hannen, the husband of former Mayor Pro Tem Susan Osika, on the occasion of his passing.

**APPROVE AGENDA**

Motion by Mayor Pro-Tem Popovitch to approve the agenda with the following change:

Consent item 2. Check Register – December 2012 moved to Item of Business 5.

Motion supported by Councilperson Cook and concurred in by unanimous vote.

**APPROVAL OF THE MINUTES OF REGULAR MEETING OF JANUARY 7, 2013**

Motion by Councilperson Fox to approve the Minutes of the Regular Meeting of January 7, 2013 as presented.

Motion supported by Councilperson Bailey and concurred in by unanimous vote.

**PROCLAMATIONS / SPECIAL PRESENTATIONS**

None.

**PUBLIC HEARINGS**

None.

**CITIZEN COMMENTS AND QUESTIONS**

Rob Lepley, 1786 South Morrice Road, indicated he is a landlord and has concerns with tenants growing medical marijuana as it heavily stresses the electrical system of a home and could cause a fire. He asked Council to consider establishing a permit to regulate medical marijuana growers.

Tom Wiegel, 4911 South Chippewa Path, rental unit owner, expressed his concern over what he felt was unequal treatment of some property owners. He said he felt code enforcement was unequal, that commercial properties were given preference, and asked why that happens. Mayor Frederick noted that the Council had received a report on the status of various structures of concern in the City and properties that are a living space for residents were of immediate concern because people live in those structures.

Norman Pugh, 3030 Copas Road, rental property owner, expressed his desire to see commercial buildings included in the rental inspection process. He said he too felt code enforcement was unequal and had been so for years. He asked the City Manager to resign for this reason. He said it was unfair for rental units to be held to a higher standard than other properties. Lastly he noted his objection to higher water bills and the rezoning of the Lincoln School property.

Councilperson Bailey inquired about rules regulating house to house solicitation. It was noted that religious organizations could not be regulated but peddlers and charitable organizations needed to apply for a peddlers' permit and are required to carry this permit on their person when soliciting. It was also noted residents could post a No Solicitation sign in a prominent location to prohibit any door to door activity on the premises.

Mayor Pro-Tem Popovitch expressed her support for the City Manager and the Assistant City Manager. She went on to say she appreciates the rental inspection program, and empty buildings should not be held to the same scrutiny as that of a residential structure. She said she has spoken with staff about numerous properties in town and while she felt reasonable progress was being made it didn't hurt to be reminded of on-going issues from time to time. Lastly, she inquired whether a public notice could be made regarding a recent string of mail solicitations for

water and sewer line repair insurance. She said she was concerned such firms may scam residents with unneeded insurance.

Councilperson Cook echoed Mayor Pro-Tem Popovitch's comments regarding the City Manager and code enforcement. He said he was encouraged to hear landlords express support for stronger code enforcement on other properties. He went on to say that the current efforts may not seem even-handed but staff was attacking a large number of accumulated problems all at once. Lastly, he asked if there was a difference in how some properties were handled. City Manager Crawford noted that some properties are involved in very complex situations which can severely slow the code enforcement process down. He noted that despite the challenges some of those difficult properties had seen some progress in the last year.

Councilperson Fox noted that he had mentioned numerous problem properties to staff over the years and believes the Building Official is aware of them. He went on to inquire about the status of the former House of Mok.

Building Official Charles Rau noted the former House of Mok property was in receipt of a citation last summer regarding the condition of the siding. The owners of the property indicated a sale was in progress and repair of the façade would alter the sale price and possibly derail the sale. At that time the City agreed to allow the building to stand as is to facilitate the sale. Since that time the siding has been removed to abate any danger of falling siding. The sale of the property continues but has been held up by environmental studies. Building Official Rau noted he would cite the property again if no progress is made by February 1<sup>st</sup>.

There was a discussion regarding the limitations imposed on the City by the State's Medical Marijuana law. The law requires the privacy of card holders and growers be maintained and thus prevents a permit system from being implemented or legally enforced by the City. City Attorney Brown noted that he felt a property owner could prohibit the growing of medical marijuana on his/her property based on the fact that it is against Federal law. Mayor Frederick suggested Mr. Lepley get in touch with the County Prosecutors Office to help him sort out his situation.

#### **CITY MANAGER REPORT**

None at this time.

#### **CONSENT AGENDA**

Motion by Councilperson Fox to approve the Consent Agenda as follows:

Warrant No. 456. Authorize Warrant No. 456 as follows:

<b>Vendor</b>	<b>Description</b>	<b>Fund</b>	<b>Amount</b>
Logicalis, Inc.	Network Engineering Support – December 2012	General	\$7,080.00
Owosso Charter Township	Owosso Charter Township water sales payment for Q4 2012	Water	\$8,978.61
Brown & Stewart PC	Professional Services Dec 11, 2012 – Jan 14, 2013	General	\$ 10,770.39
Caledonia Charter Township	Caledonia Utility Fund payment for Q4 2012	Water	\$18,816.41

Check Register – December 2012. (This item was moved to Item of Business 5.)

Motion supported by Councilperson Bailey.

Roll Call Vote.

AYES: Councilpersons Fox, Cook, Mayor Pro-Tem Popovitch, Councilperson Bailey, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

#### **ITEMS OF BUSINESS**

##### **DEMOLITION AUTHORIZATION – 1064 TRACY STREET**

City Manager Crawford introduced the item saying that while the structure looks to be in good shape from the street level there are a number of issues that lead to the demolition order in question. He went on to note that despite those issues several parties had expressed interest in the home. The City had attempted to assist a number of the interested parties in finding the lender and it was his understanding that the mortgage lender was unwilling to accept any offers for less than the balance owed because they were bound to a mortgage guarantee for the full

balance. The balance being an unreasonable amount compared to the value of the structure all of the interested parties had walked away.

Motion by Councilperson Fox to authorize the demolition of the structure at 1064 Tracy Street, approve bid award to Fisher Gravel for the demolition in the amount of \$2,000.00 as follows:

**RESOLUTION NO. 04-2013**

**AUTHORIZING EXECUTION OF A CONTRACT FOR SERVICES BETWEEN  
THE CITY OF OWOSSO, MICHIGAN AND FISHER GRAVEL  
FOR DEMOLITION OF THE STRUCTURE AT 1064 TRACY STREET**

WHEREAS, the city of Owosso, Shiawassee County, Michigan, has determined that a home located at 1064 Tracy Street has deteriorated to a condition that it is unusable and has a blighting effect upon the neighborhood and community at large and has been determined to be a public nuisance; and

WHEREAS, proposals for the demolition of the structure were sought and received; and

WHEREAS, Fisher Gravel submitted a bid in the amount of \$2,000.00.

NOW THEREFORE BE IT RESOLVED by the city council of the city of Owosso, Shiawassee County, Michigan that:

FIRST: The city of Owosso has heretofore determined that it is advisable, necessary and in the public interest to employ Fisher Gravel to demolish the structure at 1064 Tracy Street.

SECOND: The mayor and city clerk of the city of Owosso are instructed and authorized to sign the document substantially in the form attached, Contract for Services between the city of Owosso, Michigan and Fisher Gravel, at a total cost of \$2,000.00.

THIRD: Payment to Fisher Gravel is authorized, up to the bid amount, upon satisfactory completion of the work contracted.

FOURTH: The city manager is authorized to execute any required permits to proceed with the demolition.

Motion supported by Councilperson Cook.

Roll Call Vote.

AYES: Councilpersons Cook, Fox, Bailey, Mayor Pro-Tem Popovitch, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

**SPECIAL ASSESSMENT DISTRICT NO. 2013-01 – HAZARDS AND NUISANCES**

City Attorney William C. Brown offered a correction to the information relayed in the memo regarding this item saying that the special assessment being proposed would not survive tax sale should the property proceed through that process, but would simply protect the City's interests until that time. He noted that should the City desire they could purchase the property at tax sale to ensure reimbursement for the work performed.

Motion by Councilperson Cook to authorize Resolution No. 1 setting a public hearing for February 4, 2013 to receive citizen comment regarding Special Assessment District No. 2013-01, Hazards and Nuisances, as it relates to unpaid costs incurred in the altering, repairing, tearing down, abating and removing of hazards and nuisances at 1064 Tracy Street as follows:

**RESOLUTION NO. 05-2013**

**SPECIAL ASSESSMENT DISTRICT NO. 2013-01  
HAZARDS AND NUISANCES**

WHEREAS, the Assessor has prepared a special assessment roll for the purpose of specially assessing that portion of the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances more particularly hereinafter described to the properties specially benefited by said public improvement, and the same has been presented to the Council by the City Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said special assessment roll is hereby accepted and shall be filed in the office of the City Clerk for public examination.
2. The Council shall meet at the Owosso City Hall, Owosso, Michigan at 7:30 o'clock p.m., on February 4, 2013 for the purpose of hearing all persons interested in said special assessment roll and reviewing the same.
3. The City Clerk is directed to publish the notice of said hearings once in *The Argus Press*, the official newspaper of the City of Owosso, not less than ten (10) days prior to said hearing and shall further cause notice of said hearing to be sent by first class mail to each owner of the property subject to assessment, as indicated by the records in the City Assessor's office as shown on the general tax rolls of the City, at least ten (10) days before the time of said hearing, said notice to be mailed to the addresses shown on said general tax rolls of the City.

The notice of said hearing to be published and mailed shall be in substantially the following form:

**NOTICE OF HEARING TO REVIEW  
SPECIAL ASSESSMENT ROLL – HAZARDS AND NUISANCES  
CITY OF OWOSSO  
COUNTY OF SHIAWASSEE, MICHIGAN**

TO THE OWNERS OF THE OF THE FOLLOWING DESCRIBED PROPERTY:

<b>PARCEL NUMBER</b>	<b>ADDRESS</b>	<b>BALANCE</b>
050-602-014-008-00	1064 Tracy Street	\$4,821.94

TAKE NOTICE that a Special Assessment Roll-Hazards and Nuisances has been prepared for the purpose of defraying the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances of the above described property.

TAKE NOTICE THAT ANY HAZARDS/NUISANCES INVOICES OR CHARGES REMAINING UNPAID AS OF THEIR DUE DATE WILL BE INCLUDED ON THIS ROLL.

The said Special Assessment Roll-Hazards and Nuisances is on file for public examination with the City Clerk and any objections to said Special Assessment Roll-Hazards and Nuisances must be filed in writing with the City Clerk prior to the close of the hearing to review said Special Assessment Roll-Hazards and Nuisances.

TAKE FURTHER NOTICE that appearance and protest at this hearing is required in order to appeal the amount of the special assessment to the State Tax Tribunal if an appeal should be desired. A property owner or party in interest, his or her agent, may appear in person at the hearing to protest the special assessment or may file his or her appearance by letter and his or her personal appearance shall not be required. The property owner or any person having an interest in the property subject to the proposed special assessments may file a written appeal of the special assessment with the State Tax Tribunal within thirty days after confirmation of the special assessment roll if that special assessment was protested at this hearing.

TAKE FURTHER NOTICE that the City Council will meet at the Owosso City Hall, Owosso, Michigan at 7:30 p.m. on February 4, 2013 for the purpose of reviewing said Special Assessment Roll - Hazards and Nuisances and for the purpose of considering all objections to said roll submitted in writing. If you have questions regarding this notice, please contact the City Treasurer's Office at 725-0599.

Motion supported by Councilperson Fox.

Roll Call Vote.

AYES: Mayor Pro-Tem Popovitch, Councilpersons Fox, Cook, Bailey, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

**LINCOLN HOUSE PILOT AGREEMENT**

Mayor Frederick noted the amended text that had been distributed that evening.

City Manager Crawford said that the City already had an ordinance on the books for the Kona Villa project. The proposed ordinance would incorporate terms for both Kona Villa and the Lincoln House project. He went on to say that the proposed agreement for the Lincoln House project would garner approximately 25% of the typical tax on a property of that value.

The first reading of the proposed ordinance was conducted.

Motion by Councilperson Cook to set a public hearing for Monday, February 4, 2013 to gather citizen comment on the proposed amendment to Chapter 32, Taxation, Sections 32-36 through 32-42 to establish a Payment in Lieu of Taxes agreement with the owners of the Lincoln House project at 120 Michigan Avenue as follows:

**RESOLUTION NO. 06-2013**

**TO CONDUCT THE FIRST READING AND SET A PUBLIC HEARING FOR AN ORDINANCE AMENDING CHAPTER 32 TAXATION OF THE CODE OF ORDINANCES TO PROVIDE FOR A PAYMENT IN LIEU OF TAXES FOR THE LINCOLN HOUSE PROJECT**

WHEREAS, the Woda Group, also known as the Lincoln House LDHA Limited Partnership, has proposed a 28 unit low income housing development that is to be targeted towards seniors; and

WHEREAS, the project is located at 120 Michigan Avenue, parcel number 050-700-001-008-00, at the corner of Michigan Avenue and Clinton Streets, partially within the former Lincoln School; and

WHEREAS, the City of Owosso 2012 Master Plan explicitly indicates that this property and structure would be ideally reused as senior housing; and

WHEREAS, the City of Owosso City Council has approved the rezoning of this parcel to PUD and subsequently approved the final site plan for the development; and

WHEREAS, the rents for the housing will be controlled for the purpose of creating affordable low income housing for seniors, thereby reducing property revenues; and

WHEREAS, the reuse of this vacant structure and the housing of senior citizens near the downtown has a recognized public purpose.

NOW THEREFORE, BE IT RESOLVED, THE CITY OF OWOSSO ORDAINS that Chapter 32, Taxation, of the City of Owosso city code be amended as follows:

SECTION 1. REPEAL. That Sections 32-36 through 32-42 of the *Code of Ordinances*, which read as follows, shall be repealed:

**~~Sec. 32-36. -- Preamble.~~**

~~It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the state housing development authority act of 1966, Act No. 346 of the Public Acts of Michigan of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.). The city is authorized by the 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 the act at any amount it chooses not to exceed the taxes that would be paid but for the act. It is further acknowledged that such housing for persons of low income is a public necessity, and as the city will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption therefor is a valid public purpose; further, that the continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the periods hereinafter contemplated are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance thereon. The city acknowledges that Owosso Limited Dividend Housing Association (a sponsor) has offered subject to receipt of a mortgage loan from the authority, to erect, own and operate a housing development identified as Owosso Mixed, MSHDA #618 on certain property located at (see legal description on file with the city clerk) in the city to serve persons of low income, and that the sponsor has offered to pay the city on account of the development an annual service charge for public services in lieu of all taxes.~~

**~~Sec. 32-37. -- Definitions.~~**

~~The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:~~

~~Act means the state housing development authority act, being Act No. 346 of the Public Acts of Michigan of 1966 (MCL 125.1401 et seq., MSA 16.114(1) et seq.), as amended.~~

~~Authority means the state housing development authority.~~

~~Contract rents are defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to the U.S. Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.~~

~~Housing development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.~~

~~Mortgage loan means a loan to be made by the authority to the sponsor for the construction and permanent financing of the housing development.~~

~~Sponsor means persons or entities which have applied to the authority for a mortgage loan to finance a housing development.~~

~~Utilities mean fuel, water, sanitary sewer service and/or electrical service which are paid by the development.~~

**~~Sec. 32-38. – Class of housing developments.~~**

~~It is hereby determined that 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 shall be multiple dwellings for the elderly, which are financed or assisted pursuant to the act. It is further determined that Owosso Mixed, MSHDA #618 is of this class.~~

**~~Sec. 32-39. – Establishment of annual service charge.~~**

~~The housing development identified as Owosso Mixed, MSHDA #618 and the property on which it shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The city, 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 this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the sponsor's offer, subject to receipt of a mortgage loan from the authority, to construct, own and operate the housing development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charges shall be equal to four (4) percent of the difference between contract rents actually collected and utilities.~~

**~~Sec. 32-40. – Contractual effect.~~**

~~Notwithstanding the provisions of section 15a(5) of the Act (MCL 125.1415a(5), MSA 16.114(15a)(5)), to the contrary, a contract between the city and the sponsor with the authority as third part beneficiary thereunder, to provide tax exemption and accept payments in lieu thereof as previously described is effected by enactment of this article.~~

**~~Sec. 32-41. – Service charge.~~**

~~The service charge in lieu of taxes as determined hereunder shall be payable in the same manner as general property taxes are payable to the city except that the annual payment shall be paid on or before March thirty first of the following year.~~

**~~Sec. 32-42. – Duration.~~**

~~Pursuant to section 15a(3) of the Act (MCL 125.1415a(3), MSA 16.114(15a)(3)), [of] this article shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or the authority has any interest in the property.~~

SECTION 2. NAME. The amended Ordinance shall be known and cited as the "City of Owosso Payment in Lieu of Taxes Ordinance."

SECTION 3. ADDITION. That new Sections 32-36 through 32-42 which read as follows, shall be adopted:

**Sec. 32-36. - 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 elderly citizens of low income or citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA 125.1401 *et seq*; MSA 116.114(1) *et seq*). The City 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 elderly persons of low income and person of low income is a public necessity, and as the City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the periods con-

templated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such Ordinance and service charge.

The city further acknowledges that Owosso Limited Dividend Housing Association (a sponsor) has offered subject to receipt of a mortgage loan from the authority, to erect, own and operate a housing development identified as Owosso Mixed, MSHDA #618 on certain property located at (see legal description on file with the city clerk) in the city to serve persons of low income, and that the sponsor has offered to pay the city on account of the development an annual service charge for public services in lieu of all taxes.

The city further acknowledges that Lincoln House LDHA Limited Partnership (a sponsor) has offered subject to receipt of Low Income Housing Tax Credits from the authority, to erect, own and operate a housing development identified as the Lincoln House on certain property located at 120 Michigan Avenue in the city to serve elderly persons and persons of low income, and that the sponsor has offered to pay the city on account of the development an annual service charge for public services in lieu of all taxes.

**Sec. 32-37. - Definitions.**

*Authority* means the Michigan State Housing Development Authority.

*Act* means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.

*Annual shelter rents* means the total collections during an agreed annual period from all occupants of a housing development representing rents or occupancy charges exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

*Contract rents* are as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended.

*Housing development* means a development which contains a significant element of housing for elderly persons of low income or persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the development as it relates to housing for persons of low income.

*HUD* means the Department of Housing and Urban Development of the United States Government. (Delete if inapplicable.)

*Elderly persons* means a family where the head of household is 62 years of age or older or a single person who is 62 years of age or older, or as otherwise defined by MSHDA.

*Elderly persons of low income* means elderly persons who meet the eligibility criteria set by the Authority and/or federal government.

*Persons of low income* means persons and families eligible to move into a Housing Development.

*Mortgage loan* means a loan to be made by the Authority or Farmers Home Administration or the Department of Housing and Urban Development to the Sponsor for the construction and permanent financing of the Housing Development or a mortgage loan insured by HUD or Federally aided mortgage as defined by the Act.

*Sponsor* means persons or entities which have applied to either the Authority for a Mortgage Loan to finance a Housing Development or to another governmental entity for a federally-aided mortgage, as defined by the Act.

*Utilities* mean fuel, water, sanitary sewer service and/or electrical service which are paid by the Housing Development.

**Sec. 32-38. - Class of Housing Developments.**

It is determined that 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 shall be multiple dwellings for elderly persons of low income or persons of low income which are financed or assisted by the Authority or which have a Federally aided mortgage, as defined in the Act. It is determined that Owosso Mixed, MSHDA #618 and the Lincoln House are of this class.

**Sec. 32-39. - Establishment of Annual Service Charge for Owosso Mixed, MSHDA #618.**

The housing development identified as Owosso Mixed, MSHDA #618 and the property on which it shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The city, 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 this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established herein, and in consideration of the sponsor's offer, subject to receipt of a mortgage loan from the authority, to construct, own and operate the housing development, hereby agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charges shall be equal to four (4) percent of the difference between contract rents actually collected and utilities.

**Sec. 32-40. - Establishment of Annual Service Charge for Lincoln House.**

Housing Developments for elderly persons of low income or persons of low income and the property on which they shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The City, acknowledging that the Sponsor and the Authority, in the case of a Sponsor receiving a Federally aided mortgage, have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Developments for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, will accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to 10% of the difference between the Annual Shelter Rent actually collected and utilities.

**Sec. 32-41. - Payment of Service Charge.**

The 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 City except that the annual payment shall be paid on or before March 31<sup>st</sup> of each year.

**Sec. 32-42. - Duration.**

The tax exempt status of a Housing Development approved for such status by the City Council shall remain in effect and shall not terminate so long as the Mortgage Loan for such Housing Development remains outstanding and unpaid, as long as the property is subject to restrictive rents in compliance with the Low Income Housing Tax Credit program administered by MSHDA, or for such period as the Authority or other governmental entity has any interest in the property; provided, the construction of such Housing Development commences within two years from the effective date the City Council approves the Housing Development for tax exempt status as provided in this Ordinance.

SECTION 4. 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 5. INCONSISTENT ORDINANCES. All ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are repealed.

SECTION 6. EFFECTIVE DATE. This amendment shall become effective 20 days after passage.

SECTION 7. AVAILABILITY. This ordinance may be purchased or inspected in the city clerks' office, Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m.

SECTION 8. PUBLIC HEARING. A public hearing is set for Monday, February 4, 2013 at approximately 7:30 p.m. in the City Hall Council Chambers to hear citizen comment regarding the proposed amendment.

Motion supported by Mayor Pro-Tem Popovitch.

Roll Call Vote.

AYES: Councilpersons Fox, Cook, Mayor Pro-Tem Popovitch, Councilperson Bailey, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

**EXECUTIVE SESSION**

Motion by Councilperson Cook to authorize the holding of an executive session at the conclusion of the second session of Citizen Comments and Questions for the purpose of discussing land acquisition.



Motion supported by Councilperson Bailey.

Roll Call Vote.

AYES: Councilpersons Bailey, Fox, Mayor Pro-Tem Popovitch, Councilperson Cook, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

**\*CHECK REGISTER – DECEMBER 2012**

Councilperson Cook questioned two large checks that appeared to be for improvements on a residential structure. City Manager Crawford explained these charges were a part of the Housing Program and was actually MSHDA funds funneled through the City as a part of the program.

Councilperson Cook moved to affirm check disbursements totaling \$1,023,104.14 for the month of December 2012.

Motion supported by Mayor Pro-Tem Popovitch.

Roll Call Vote.

AYES: Mayor Pro-Tem Popovitch, Councilpersons Fox, Cook, Bailey, and Mayor Frederick.

NAYS: None.

ABSENT: Councilpersons Erfourth and Eveleth.

\*Due to its length, full text of the Check Register is not included in the minutes. It can be viewed in its entirety at the Clerk's Office.

**COMMUNICATIONS**

C. Eveleth, SATA Board of Directors. Resignation letter.  
Charles P. Rau, Building Official. December 2012 Building Department Report.  
Charles P. Rau, Building Official. December 2012 Code Violations Report.  
Michael T. Compeau, Public Safety Director. December 2012 Police Report.  
Michael T. Compeau, Public Safety Director. December 2012 Fire Report.  
DDA/Main Street Board. Minutes of January 2, 2013.

Mayor Frederick noted the vacancy on the SATA Board created by the resignation of Councilperson Eveleth. He noted that while it was not required he would like to have another Council member take Mr. Eveleth's place and he would look to them for interest in the position. He also noted the DDA/Main Street Board is looking to expand its membership and he would be looking for people interested in those positions as well.

**CITIZEN COMMENTS AND QUESTIONS**

None.

The council took a brief recess at 8:15 p.m.

**ADJOURNED TO EXECUTIVE SESSION AT 8:20 P.M.**

**RETURNED FROM EXECUTIVE SESSION AT 8:51 P.M.**

**APPROVAL OF THE MINUTES OF EXECUTIVE SESSION OF JANUARY 7, 2013**

Motion by Mayor Pro-Tem Popovitch to approve the Minutes of the Executive Session of January 7, 2013 as presented.

Motion supported by Councilperson Fox and concurred in by unanimous vote.

**NEXT MEETING**

Monday, February 04, 2013

**BOARDS AND COMMISSIONS OPENINGS**

Building Board of Appeals, term expires 06-30-2015 (candidate must possess construction knowledge)

**ADJOURNMENT**

Motion by Councilperson Fox for adjournment at 8:52 p.m.

Motion supported by Mayor Pro-Tem Popovitch and concurred in by unanimous vote.

---

Benjamin R. Frederick, Mayor

---

Amy K. Kirkland, City Clerk