

**CITY OF OWOSSO
5TH MONDAY MEETING OF THE CITY COUNCIL
MONDAY, SEPTEMBER 30, 2019
7:30 P.M.**

**Meeting to be held at City Hall
301 West Main Street**

AGENDA


**PLEDGE OF ALLEGIANCE:
ROLL CALL:**

ADDRESSING THE CITY COUNCIL

1. Your comments shall be made during time set aside for that purpose.
2. Stand or raise a hand to indicate that you wish to speak.
3. When recognized, give your name and address and direct your comments and/or questions to any City official in attendance.
4. Each person wishing to address the City Council and/or attending officials shall be afforded one opportunity of up to four (4) minutes duration during citizen comments and questions.
5. In addition to the opportunity described above, a citizen may respond to questions posed to him or her by the Mayor or members of the Council, provided members have been granted the floor to pose such questions.

CITIZEN COMMENTS AND QUESTIONS

ITEMS OF BUSINESS

1. OMS/DDA RLF Grant Funding Approval – 114-116 W. Main Street. Consider approval of the application from Ruesswood REI Group requesting a grant from the OMS/DDA Revolving Loan Fund in the amount of \$50,000.00 for the purpose of installing a fire suppression system and rehabilitating the existing elevator located at 114-116 W. Main Street.
2. OMS/DDA RLF Loan Funding Approval – 216 W. Exchange Street. Consider approval of the application from Woodworth Properties, LLC requesting a loan from the OMS/DDA Revolving Loan Fund in the amount of \$50,000.00 for the purpose of renovating the first floor retail space and development of apartments on the second floor at 216 W. Exchange Street.
3. 21-Day Posting – Proposed Property Sale. Authorize twenty-one (21) day posting period for the sale of 30 acres of vacant City-owned industrial property to BCC Agricultural LLC in the amount of \$75,000.00 for purpose of developing a multi-business industrial park.
4. Tax Abatement Policy Amendment. Consider amendments to the City's Tax Abatement Policy updating it to reflect the current economic environment.
-  5. Trash Collection & Curb-side Recycling Presentation & Discussion. A presentation and discussion regarding ways to improve the City's trash collection ordinance and the possible adoption of a curbside recycling component.

NEXT MEETING

Monday, October 07, 2019

BOARDS AND COMMISSIONS OPENINGS

Building Board of Appeals – Alternate - term expires June 30, 2019
Building Board of Appeals – Alternate - term expires June 30, 2021
Brownfield Redevelopment Authority – term expires June 30, 2022
Historical Commission – 2 terms expire December 31, 2021
Planning Commission – term expires June 30, 2019
SATA Board of Directors – term expires October 1, 2022

ADJOURNMENT

The City of Owosso will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio recordings of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon seventy-two (72) hours notice to the City of Owosso. Individuals with disabilities requiring auxiliary aids or services should contact the City of Owosso by writing, calling, or emailing the following: Owosso City Clerk's Office, 301 West Main Street, Owosso, MI 48867; Phone: (989) 725-0500; Email: city.clerk@ci.owosso.mi.us. The City of Owosso Website address is www.ci.owosso.mi.us.



MEMORANDUM

301 W. MAIN • OWOSSO, MICHIGAN 48867-2958 • WWW.CI.OWOSSO.MI.US

DATE: September 23, 2019

TO: Owosso City Council

FROM: Josh Adams; Executive Director, Owosso Main Street/DDA

SUBJECT: OMS/DDA Revolving Loan Fund - Grant Approval

RECOMMENDATION:

Approval of the OMS/DDA Revolving Loan Fund - Grant Application for 114-116 W. Main Street for \$50,000.00 to Ruesswood REI Group. - according to the OMS/DDA Revolving Loan & Grant Manual specifications.

BACKGROUND:

On June 17, 2019 City Council approved the new OMS/DDA Revolving Loan & Grant Program, giving stewardship of the loan and grant process to the Owosso Main Street/DDA Board.

On July 23, 2019 a grant application was submitted to the OMS/DDA for a loan request from Ruesswood REI Group for \$50,000.00 for the installation of a fire suppression system and reconstruction of the existing elevator located at 114-116 W. Main Street. Improvements are being made to support the development of residential units located on the third-story.

During their August, 27, 2019 the OMS/DDA Design & Business Vitality Committee reviewed and approved the application, giving it an overall score of 40. This score is well above the 30 points required for consideration.

FISCAL IMPACTS:

Dollars will be disbursed from the OMS/DDA Revolving Loan & Grant fund.

RESOLUTION NO.

**AUTHORIZING THE RELEASE OF OMS/DDA REVOLVING GRANT FUNDS
TO RUESSWOOD REI GROUP
FOR ELIGIBLE WORK AT 114-116 W. MAIN STREET**

WHEREAS, in 1994 the city of Owosso established the Downtown Owosso Revolving (formerly UDAG/CDBG) Loan Program for projects within the Owosso Downtown Development Authority district; and

WHEREAS, on June 17, 2019 City Council approved the new OMS/DDA Revolving Loan & Grant Program, giving stewardship of the loan and grant process to the Owosso Main Street/DDA Board.

WHEREAS, on July 23, 2019 a grant application was submitted to the OMS/DDA for a grant request from Ruesswood REI Group for \$50,000.00 for the installation of a fire suppression system and reconstruction of the existing elevator located at 114-116 W. Main Street. Improvements are being made to support the development of residential units located on the third-story.

WHEREAS, on August, 27, 2019 the OMS/DDA Design & Business Vitality Committee reviewed and approved the application, giving it an overall score of 40. This score is well above the 30 points required for consideration.

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

- FIRST: The City of Owosso approves the grant of \$50,000.00 to Ruesswood REI Group for fire suppression and elevator improvement associated with 114-116 W. Main Street according to the terms & specifications determined by the OMS/DDA Loan & Grant Manual.
- SECOND: The mayor is hereby authorized and instructed to sign appropriate documents.
- THIRD: The accounts payable department is hereby authorized to release funds to Ruesswood REI Group in the amount of \$50,000.00 from the OMS/DDA Revolving Loan Fund.



CITY OF OWOSSO, MICHIGAN
APPLICATION - OWOSSO MAIN STREET/DDA (OMS)
REVOLVING LOAN FUND (RLF) & GRANT PROGRAM

301 W Main Street, Owosso, MI | 989.413.3344 | downtownowosso@gmail.com | www.downtownowosso.org

****BEFORE COMPLETING/SUBMITTING THIS APPLICATION, PLEASE CONTACT OMS/DDA (CONTACT INFO IS LISTED ABOVE).
THE OMS/DDA BUSINESS VITALITY COMMITTEE WILL OFFER FREE ASSISTANCE IN COMPLETION OF THIS APPLICATION AND
HELP ANSWER ANY QUESTIONS/CONCERNS ASSOCIATED WITH APPLICATION SUBMISSION.****

APPLICANT INFORMATION:

NAME: Ruesswood REI Group / Randall Woodward
ADDRESS: 1110 Riverside Dr. Owosso MI
BEST PHONE #: 989-277-2815 ☐ Business ☒ Mobile ☐ Home
EMAIL: Randy@woodwardcommercial.com

BUSINESS INFORMATION:

BUSINESS IS:
☒ New
☐ Existing - Years in Continuous Operation _____; Years in Current Location _____
FACILITY/BUILDING IS: ☒ Owned ☐ Leased ☐ Rented ☐ Looking for Space ☐ N/A
PROPERTY IS: ☒ Owned by Business ☐ Owned by Applicant
☐ Owned by Other _____ ☐ Looking for Land ☐ N/A
LEGAL NAME: RUESSWOOD REI GROUP
DBA (if different): _____ EIN # (if applicable): _____
ADDRESS: 114-116 W. MAIN ST, OWOSSO MI 48867
PHONE: 989.723-3711 WEBSITE: _____
NATURE/TYPE/CATEGORY OF BUSINESS: _____
TAX CLASSIFICATION OF BUSINESS:
☐ Corporation ☒ LLC ☐ Partnership ☐ Proprietorship ☐ S-Corp ☐ Individual ☐ Non-Profit
APPROXIMATE ANNUAL REVENUE: \$ N/A
CURRENT EMPLOYEES: # Full-Time _____ # Part-Time _____
WILL LOAN CREATE ADDITIONAL JOBS? ☐ No ☒ Yes - How Many?: FT ____ /PT ____
LIST OTHER INVESTORS/OWNERS IF APPLICABLE:
Name: _____ Name: _____
Name: _____ Name: _____

CONTINUE TO NEXT PAGE

LOAN REQUEST INFORMATION:

PURPOSE/SPECIFIC USES OF LOAN: GRANT
(SEE ATTACHED)

TOTAL PROJECT COST: \$ 713,000⁰⁰ GRANT LOAN AMOUNT REQUESTED: \$ 25,000⁰⁰ + 25,000⁰⁰ / \$50,000
ESTIMATED START DATE: 9/9/19 ESTIMATED COMPLETION DATE: 12/31/19
AMOUNT YOU and/or OTHER OWNERS PLAN TO INVEST: \$ 713,000⁰⁰
AMOUNT FOR WHICH YOU HAVE ALREADY SECURED FINANCING: \$ 713,000⁰⁰

If project's purpose is upper story residential development, grants may be available - please check all that are involved if this is project's purpose:

- ☐ Architecture Services ☒ Elevator ☒ Fire Suppression
☐ Professional Services-Access Study

APPLICATION CHECKLIST:

Please ensure the following are submitted with your application:

- ☒ Completed RLF Application Form
☒ Business plan ☐ All existing lien holder agreements (if applicable)

Note: Other documentation could be requested if deemed necessary by OMS/DDA. Additional information that could be requested are: Credit Reports for all business/owners; Proof of equity investment; Personal/business tax returns; Current business financial statement; Cash flow statements; Copy of lease/purchase agreement; Commitment letters from other lenders/project participants; Cost Estimates-all items being purchases with RLF monies; Articles of incorporation, partnership, and/or operating agreements.

By signing this form, I, the applicant, certify that all information contained above is true and complete to my best knowledge and belief. Applicant understands this application and any other information received with it will be retained whether this request is approved or denied.

Applicant Signature: [Signature] Date Signed: 8/12/19

Owosso Main Street/DDA Only:

Application Received By: _____ Date Received: _____

COMPLETED APPLICATIONS WILL BE REVIEWED BY THE OMS/DDA BUSINESS VITALITY COMMITTEE. IF APPROVED, APPLICATIONS WILL BE SUBMITTED TO THE LOAN REVIEW COMMITTEE FOR FINAL APPROVAL. APPLICANTS WILL BE ASKED TO BE PRESENT DURING THE LOAN REVIEW COMMITTEE'S REVIEW OF THEIR APPLICATION.

July 24, 2019

To: Owosso Main Street

Re: Application for RLF and Grant Program....Business Plan

Dear OMS/DDA Business Vitality Committee,

Ruesswood REI Group LLC is committed to it's future plans to redevelop underutilized space whereas new businesses and company expansions can take advantage of the great Downtown Owosso business district.

We believe the Ruesswood investment commitment to the Historical Façade Restoration Grant Project currently ongoing will be attractive to new interests, and our expanded redevelopment plans for the second floor interior office spaces are vital to helping bring new employment and employers to the city.

Thank you for your consideration.

301 W Main Street, Owosso, MI | 989.413.3344 | downtownowosso@gmail.com | www.downtownowosso.org

*APPLICATION MUST SCORE **30** OR MORE POINTS TO BE CONSIDERED ELIGIBLE FOR A LOAN.*

APPLICANT NAME: RUESSWOOD REI GROUP DATE REVIEWED: AUGUST 27, 2019

PROJECT ADDRESS: 114-116 W. MAIN STREET

PROJECT SCOPE OF WORK: ELEVATOR CONSTRUCTION AND FIRE SUPPRESSION INSTALLATION FOR UPPER-FLOOR RESIDENTIAL DEVELOPMENT

| Rationale Worksheet | | | |
|--|-------------|-----------|---|
| Criteria | Score Range | Score | Explanation/Feedback: |
| Will proposed loan or grant dollars be used to leverage additional State/Federal Programs? | 0-15 | 0 | |
| Does the project help fulfill OMS Transformation Strategy? | 0-10 | 10 | Upper-floor residential development |
| Is the project supported by a relevant business plan? | 0-10 | 0 | Attached Business Plan did not have enough detail |
| a) Does the project activate currently vacant or underutilized property within the district? OR b) Is the project an existing business expanding their product/services based on customer demand/feedback or new innovative items/new technologies. | 0-10 | 10 | This project will be activating two floors of one of the largest buildings within the downtown. |
| Does the project have a well-articulated path to completion? | 0-10 | 5 | Owner has made a pathway to achieve the goal |
| Does the project provide the best use/business type for the district? | 0-10 | 10 | The mixed use of all future on-site development is welcomed within the district. |
| Does the project have formal plans, site renderings, and/or cost estimates? | 0-5 | 0 | |
| Does the project have adequate matching funds? | 0-5 | 5 | The property owner has financing for the project. |
| TOTAL= | | 40 | |

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

MINUTES
SPECIAL MEETING OF THE
DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET
CITY OF OWOSSO
SEPTEMBER 9, 2019 AT 5:30 PM
CITY COUNCIL CHAMBERS

CALL TO ORDER: The meeting was called to order by Chairman Dave Acton at 5:30 p.m.

ROLL CALL: Was taken by Executive Director, Josh Adams

MEMBERS PRESENT: Chairman Dave Acton, Vice-Chairman Bill Gilbert, Commissioner Bobbi Fuller, Commissioner Jon Moore, Chairman Lance Omer, Commissioner Theresa Trecha, and Commissioner Jim Woodworth.

MEMBERS ABSENT: Mayor Chris Eveleth, Commissioner Ken Cushman

OTHERS PRESENT: Josh Adams, DDA Director

AGENDA: IT WAS MOVED BY AUTHORITY MEMBER GILBERT AND SUPPORTED BY AUTHORITY MEMBER WOODWORTH TO APPROVE THE AGENDA FOR SEPTEMBER 9, 2019.

AYES: ALL. MOTION CARRIED.

ITEMS OF BUSINESS:

1) RLF GRANT APPROVAL: 114-116 W. MAIN STREET

IT WAS MOVED BY AUTHORITY MEMBER TRECHA, SUPPORTED BY AUTHORITY MEMBER MOORE TO APPROVE THE RLF GRANT OF \$50,000.00 TO RUESSWOOD REI GROUP AS PRESENTED.

AYES: ALL. MOTION CARRIED.

PUBLIC COMMENTS: None

BOARD COMMENTS: None

ADJOURNMENT: IT WAS MOVED BY AUTHORITY MEMBER GILBERT AND SUPPORTED BY AUTHORITY MEMBER MOORE TO ADJOURN AT 6:15 P.M. AYES: ALL. MOTION CARRIED.

**CITY OF OWOSSO & OWOSSO MAIN STREET/DDA
GRANT AGREEMENT
WITH THE
RUESSWOOD REI GROUP**

THIS GRANT AGREEMENT (this "Agreement"), effective as of **October 1, 2019** (the "Effective Date"), is between the City of Owosso, a public body, whose address is 301 W. Main Street, Owosso, Michigan 48867, and the Ruesswood REI Group, a private company, whose address is 120 W. Exchange St #203, Owosso, Michigan 48867 (the "Grantee"). As used in this Agreement, the City of Owosso and the Grantee are, individually, a "Party" and, collectively, the "Parties".

RECITALS

A. The Revolving Loan Fund upper-floor residential development grant were created to incentive the increase upper-floor residential development within the downtown district. Increasing upper-floor residential density within the downtown is a Transformation Strategy for Owosso Main Street/DDA in collaboration with both the National Main Street Center & the Michigan Main Street Center.

B. The Grantee applied for grants to support the installation of a new elevator and fire suppression system at 114 W. Main Street ("Project").

C. The City of Owosso agrees to award Grantee a grant in the amount of up to Fifty Thousand Dollars (\$50,000) to be disbursed by Grantee under the terms of this Agreement (the "RFL Grant").

D. Consistent with this Agreement, the Grantee desires to disburse the RFL Grant to the Company for reimbursement of certain of Company's development expenses for the Project arising out of elevator & fire suppression development (the foregoing, "Eligible Expenses").

In consideration of the recitals and promises in this Agreement, the Parties agree:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. Except as otherwise defined in this Agreement, all capitalized terms in this Agreement shall have the respective meanings set forth on Exhibit A, which contains the defined terms for this Agreement.

Section 1.2 Construction of Certain Terms. Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; and (ii) words using the singular or plural number also include the plural or singular number.

ARTICLE II

RFL GRANT

Section 2.1 RFL Grant Commitment. Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties of the Grantee set forth in this Agreement, the City of Owosso agrees to make, and the Grantee agrees to accept, the RFL Grant.

Section 2.2 RFL Grant Manager. The Grantee must communicate with the City of Owosso's representative named below, or his or her designee, regarding this Agreement. The Grant Manager may be changed at any time at the discretion of the City of Owosso, and the City of Owosso shall give Grantee notice of any change to the designated Grant Manager.

Joshua Adams ("Grant Manager")
Owosso Main Street/DDA
301 W. Main Street
Owosso, MI 48867
downtownowosso@gmail.com

Section 2.3 Grant Terms.

(a) **Conditions to MEDC Grant Disbursement.** The City of Owosso's obligation to fund any portion of the RFL Grant is subject to all of the terms and conditions of this Agreement, including without limitation, the Grantee's satisfaction of all of the requirements to obtain a Grant Disbursement under Key Milestone Number One set forth on Exhibit B, and the Grantee being in compliance with this Agreement. The Grant Manager determines compliance with Key Milestone Number One.

ARTICLE III

REPRESENTATIONS AND COVENANTS OF THE GRANTEE

The Grantee represents and warrants to the City of Owosso:

Section 3.1 Organization. The Grantee has the power to enter into and perform its obligations under this Agreement.

Section 3.2 Authority. The execution, delivery and performance by the Grantee of this Agreement has been duly authorized and approved by all necessary and proper action on the part of the Grantee and will not violate any provision of law or result in the breach, be a default of, or require any consent under, any agreement or instrument to which the Grantee is a party, or by which the Grantee or its property may be bound or affected. This Agreement is valid, binding, and enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, moratorium, reorganization or other laws or principles of equity affecting the enforcement of creditors' rights generally or by general principles of equity.

Section 3.3 Consent. Except as has been disclosed in writing to the City of Owosso, no consent or approval is necessary from any governmental or other entity, except the City of Owosso, as a condition to the execution and delivery of this Agreement by the Grantee or the performance of any of its obligations under this Agreement.

Section 3.4 Full Disclosure. Neither this Agreement, nor any written statements or certificates furnished by the Grantee to the City of Owosso or the City of Owosso in connection with the making of the RLF Grant and Agreement contain any untrue statement of material fact, or to the best of the Grantee's knowledge, omit a fact necessary to make the statements true. There are no undisclosed facts, which materially adversely affect or, to the best of the Grantee's knowledge, are likely to materially adversely affect the properties, business, or condition (financial or otherwise) of the Grantee or the ability of the Grantee to perform its obligations under this Agreement.

Section 3.5 Litigation or Other Proceedings. Except as has been disclosed in writing to the City of Owosso, to the knowledge of the Grantee and its officers or directors, there are no suits or proceedings pending or, to the knowledge of the Grantee or its officers or directors, threatened, before any court, governmental commission, board, bureau, or other administrative agency or tribunal, which, if resolved against the Grantee, would have a material adverse effect on the financial condition or business of the Grantee or impair the Grantee's ability to perform its obligations under the Agreement.

Section 3.6 Compliance with Laws. To its knowledge, the Grantee is not and will not during the Term be in violation of any laws, ordinances, regulations, rules, orders, judgments, decrees or other requirements imposed by any governmental authority to which it is subject.

Section 3.7 Uses of Grant Disbursements.

(a) Any Grant Disbursement paid by the City of Owosso to the Grantee shall be paid by the Grantee to the Company as reimbursement for the Eligible Expenses for the Project.

(b) In addition to submission of information required by Key Milestone Number One, if requested by the Grant Manager, the Grantee shall provide additional information satisfactory to the Grant Manager evidencing the Grantee's use of any Grant Disbursement.

Section 3.8 Conflict of Interest. Except as has been disclosed to the City of Owosso, Grantee affirms that neither the Grantee, nor any of its officers, directors, employees, or affiliates have, shall have, or shall acquire any contractual, financial, business or other interest, direct or indirect, that would conflict in any manner with Grantee's performance of its obligations under this Agreement or otherwise create the appearance of impropriety with respect to this Agreement.

Grantee further affirms that neither Grantee nor any of its officer, directors, employees, or affiliates have accepted, shall accept, have offered, or shall offer, anything of value to influence the City of Owosso, its Council, Boards, Committee and their respective directors, participants, officers, agents and employees. Grantee shall not attempt to influence any City of Owosso employee by the direct or indirect offer of anything of value. Grantee also affirms that neither Grantee, nor its Affiliates or their employees has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Grantee or its Affiliate, any fee, commission, percentage, brokerage fee, gift or any other consideration contingent upon or resulting from the execution of this Agreement.

In the event of change in either the interests or services under this Agreement, Grantee will inform the City of Owosso regarding possible conflicts of interest which may arise because of such change. Grantee agrees that conflicts of interest shall be resolved to the City of Owosso's satisfaction or the City of Owosso may terminate this Agreement. As used in this Paragraph, "conflict of interest" shall include, but not be limited to, conflicts of interest that are defined under the laws of the State of Michigan.

Section 3.9 Key Milestones. The Grantee agrees to Key Milestone Number One set forth in Exhibit B.

Section 3.10 Other Grantee Covenants

(a) **Company Meetings.** Grantee shall use reasonable efforts to meet with a qualified Company representative to generally review Company activities and operations for the Project on or about each month for three (3) months following the Effective Date, and on or about each of the sixth (6th) and twelfth (12th) month following the Effective Date.

(b) **Reporting.** In addition to other monthly reporting to the City of Owosso under the City of Owosso's Michigan Main Street program, the Grantee shall provide such other reports and information reasonably requested by Grant Manager from time to time.

(c) **Indemnification and Insurance.** To the extent permitted by law, the Grantee shall indemnify, defend and hold harmless the City of Owosso, its Council, Boards, Committees, and their respective directors, participants, officers, agents and employees ("Indemnified Persons") from any damages that it may sustain by any acts or omissions of Grantee pertaining to this Agreement. The Grantee shall maintain such insurance to protect the Indemnified Persons from claims that might arise out of, or as a result of, Grantee's operations, or its acts or omissions arising under this Agreement; however, Grantee's indemnification obligations under this Agreement shall not be limited to the limits of liability imposed under the Grantee's insurance policies. The Grantee will provide and maintain its own general liability, property damage and workers' compensation insurance. This Section shall survive indefinitely.

(d) **Access to Records.** During the Term, and for five (5) years thereafter, the Grantee shall maintain reasonable records arising out of this Agreement and shall allow access to those records by the City of Owosso, or its authorized representative. This Section shall survive for five (5) years following the end of the Term.

ARTICLE IV

REPRESENTATIONS AND COVENANTS OF THE CITY OF OWOSSO

The City of Owosso represents and warrants to the Grantee:

Section 4.1 Organization. The City of Owosso is a public body corporate and has the power and authority to enter into and perform its obligations under this Agreement.

Section 4.2 Consent. Except as disclosed in writing to the Grantee, or provided by law, no consent or approval is necessary from any governmental authority as a condition to the execution and delivery of this Agreement by the City of Owosso or the performance of any of its obligations under this Agreement.

ARTICLE V

SUSPENSION, TERMINATION, DEFAULT AND REPAYMENT

Section 5.1 Suspension, Termination, Event of Default. Notwithstanding anything to the contrary, the City of Owosso's obligation to disburse any portion of the RLF Grant shall automatically be suspended and may be terminated, and this Agreement may be terminated, all at the option of the City of Owosso, upon the occurrence, and during the continuance, of any one or more of the following events (each, an "Event of Default"), unless a written waiver is provided by the City of Owosso:

- (a) the failure of the Grantee to request the Grant Disbursement in accordance with this Agreement, which in the aggregate, totals the full amount of the RLF Grant, by no later than October 1, 2021;
- (b) any representation or covenant made by the Grantee in support of this Agreement shall prove incorrect at the time that such representation was made in any material respect, including, but not limited to, any information provided in any Grant Disbursement Request or otherwise in support of Key Milestone Number One, or the representations and covenants set forth in Article III;
- (c) any material failure by the Grantee to comply with any of the terms, covenants and conditions on its part to be performed under this Agreement, including without limitation, failing any of the terms, covenants or conditions under Article III, which, if considered curable by the City of Owosso, is not cured by the Grantee to the satisfaction of the City of Owosso within the Cure Period;
- (d) the Grantee is in default, violation, breach, or non-compliance, of any kind or nature under any agreement or requirement, including submission of reports, with the City of Owosso, or for any department or agency within the State, federal, local or any governmental agency, including without limitation, the Department of Licensing and Regulatory Affairs, the Department of Talent and Economic Development, or the City of Owosso, which, if considered curable by the City of Owosso, is not cured by the Grantee to the satisfaction of the City of Owosso within the Cure Period;
- (e) any voluntary bankruptcy or insolvency proceedings are commenced by, or against, the Grantee, with any such proceedings against the Grantee not being set aside within sixty (60) calendar days from the date commenced.

Section 5.2 Repayment for Certain Events.

(a) **Event of Default.** If this Agreement is terminated prior to the end of the Term by the City of Owosso as a result of any Event of a Default, the Grantee shall upon written notice by the City of Owosso, immediately repay to the City of Owosso the amount of the RLF Grant then disbursed by the City of Owosso to the Grantee that Grantee has not yet disbursed to the Company as permitted by this Agreement.

(b) **Recovery by the Grantee.** In the event the Grantee receives repayment for any reason, voluntarily or involuntarily, of any portion of any RLF Grant funds from or on behalf of any Company, the amount received (not to exceed the amount of the Grant Disbursement paid to Grantee) less reasonable costs of collection, if any, shall be repaid to the City of Owosso within thirty (30) calendars of receipt by the Grantee.

(c) **Failure to Disburse.** In the event the Grantee has received any Grant Disbursement and has not, within sixty (60) days of receipt of such Grant Disbursement, disbursed all such RLF Grant monies to

the Company as permitted by this Agreement, the Grantee shall return to the City of Owosso the portion of the RLF Grant monies not yet disbursed by the Grantee.

Section 5.3 Available Remedies. The suspension or termination of payments to the Grantee, or the termination of this Agreement, are not intended to be the sole and exclusive remedies available to the City of Owosso, and each remedy shall be cumulative and in addition to every other provision or remedy given herein or now or hereafter existing at law, in equity, by statute or otherwise. The Grantee shall also pay all costs and expenses, including, without limitation, reasonable attorney's fees and expenses incurred by the City of Owosso in collecting any sums due the City of Owosso from the Grantee under this Agreement, in enforcing any of its rights against the Grantee under this Agreement, or in exercising any remedies against the Grantee available to the City of Owosso.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notice. Any notice or other communication under this Agreement shall be in writing and e-mailed, or faxed, or mailed by first class mail, postage prepaid, or sent by express, overnight courier to the respective Party at the address listed at the beginning of this Agreement or such other last known addresses or e-mail accounts, and shall be deemed delivered one business day after the delivery or mailing date.

Section 6.2 Counterparts; Facsimile/Pdf Signatures. This Agreement may be signed in counterparts and delivered by facsimile or in pdf form or other electronic format, and in any such circumstances, shall be considered one document and an original for all purposes.

Section 6.3 Severability. All clauses of this Agreement are distinct and severable and, if any clause shall be deemed illegal, void or unenforceable, it shall not affect the validity, legality or enforceability of any other clause or provision of this Agreement. To the extent possible, the illegal, void or unenforceable provision shall be revised to the extent required to render the Agreement enforceable and valid, and to the fullest extent possible, the rights and responsibilities of the Parties shall be interpreted and enforced to preserve the Agreement and the intent of the Parties. Provided, if application of this section should materially and adversely alter or affect a Party's rights or obligations under this Agreement, the Parties agree to negotiate in good faith to develop a structure that is as nearly the same structure as the original Agreement (as may be amended from time to time) without regard to such invalidity, illegality or unenforceability.

Section 6.4 Captions. The captions or headings in Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 6.5 Governing Law. This Agreement is a contract made under the laws of the State, and for all purposes shall be governed by, and construed in accordance with, the laws of the State.

Section 6.6 Relationship between Parties. The Grantee and its officers, agents and employees shall not describe or represent themselves as agents of the City, or Owosso Main Street/DDA to any individual person, firm or entity for any purpose.

Section 6.7. Successors and Assigns. The City of Owosso may at any time assign its rights in this Agreement. The Grantee may not assign its rights or obligations under this Agreement without the prior written consent of the City of Owosso. The terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 6.8 Waiver. A failure or delay in exercising any right under this Agreement will not be presumed to operate as a waiver unless otherwise stated in this Agreement, and a single or partial exercise of any right will not be presumed to preclude any subsequent or further exercise of that right or the exercise of any other right.

Section 6.9 Termination of Agreement. Except as to this Article VI and the Exhibit A definitions, which shall survive indefinitely, and except as to other terms and conditions which shall survive as provided in this Agreement, this Agreement shall terminate at the end of the Term. Provided however, any claims for repayment hereunder which arise out event that occurred during the Term, shall be brought within three (3) years after the end of the Term, and all available remedies thereon shall survive until all amounts due the City of Owosso are paid in full. Provided further, and notwithstanding anything to the contrary, in the event that the State Legislature or the State government fails to provide or terminates the funding necessary for the City of Owosso to fund the RLF Grant, the City of Owosso may terminate this Agreement by providing notice to the Grantee not less than thirty (30) calendar days before the date of cancellation provided, however, that in the event the action of the State Legislature or State government results in an immediate absence or termination of funding, this Agreement may be terminated effective immediately upon delivery of written notice to the Grantee. In the event of termination of funding, the City of Owosso has no further obligation to make any Grant Disbursement to Grantee for any reason beyond the date of termination of this Agreement.

Section 6.10 Amendment. This Agreement may not be modified or amended except pursuant to a written instrument signed by the Grantee and the City of Owosso.

Section 6.11 Publicity. At the request and expense of the City of Owosso the Grantee will cooperate with the City of Owosso, and request that the Company also cooperate, to promote the Project through one or more of the placement of a sign, plaque, media coverage or other public presentation at the Project location, or other locations, acceptable to the Parties.

Section 6.12 Site Visit. At the request and expense of the City of Owosso, the Grantee will cooperate with the City of Owosso, and request that the Company also cooperate, to permit the Grant Manager or such other City of Owosso representative to visit the Project location and/or view the results of the Eligible Expenses.

(Signature page follows)

The Parties have executed this Agreement effective on the Effective Date.

City of Owosso

By: Christopher Eveleth
Its: Mayor

Ruesswood REI Group

By: Randy Woodworth
Its: _____

EXHIBIT A

DEFINED TERMS

- (a) **"Agreement"** means this Agreement, including the Exhibits to this Agreement.
- (b) **"Company"** has the meaning set forth on the respective Exhibits.
- (c) **"Cure Period"** means within thirty (30) calendar days after written notice by the MEDC, or within such longer period as determined in writing and at the sole discretion of the MEDC.
- (d) **"Company Match"** has the meaning set forth in Exhibit B-1.
- (e) **"Effective Date"** has the meaning set forth in the preamble.
- (f) **"Eligible Expenses"** has the meaning set forth in Recital D.
- (g) **"Event of Default"** means any one or more of those events described in Section 5.1.
- (h) **"Exhibit"** means each of the documents or instruments attached to this Agreement.
- (i) **"Grant Disbursement"** means RLF Grant funds paid to the Grantee under this Agreement.
- (j) **"Grant Disbursement Request"** means: a written request from the Grantee for a Grant Disbursement in support of Key Milestone Number One, in the form and substance set forth on Exhibit B-1; and
- (k) **"Grantee"** has the meaning set forth in the preamble.
- (l) **"Grant Manager"** has the meaning set forth in Section 2.2.
- (m) **"Indemnified Persons"** has the meaning set forth in Section 3.10(c).
- (n) **"Key Milestone Number One"** means Key Milestone Number One which is set forth on Exhibit B.
- (o) **"RLF Grant"** has the meaning set forth in Recital C.
- (p) **"Party"** or **"Parties"** has the meaning set forth in the preamble.
- (q) **"Project"** has the meaning in Recital B.
- (r) **"State"** means the State of Michigan.
- (s) **"Term"** means from the Effective Date and, unless earlier terminated as provided by this Agreement through October 1, 2021.

EXHIBIT B

KEY MILESTONES

Key Milestone Number One:

Subject to the terms and conditions of the Agreement, including the terms and conditions of Section 2.3 of the Agreement which include the required submission of a Grant Disbursement Request, and any other information as may be required under the Agreement, a Grant Disbursement may be requested by the Grantee:

Grant Disbursement: Up to \$50,000.00.

By no later than October 1, 2021, the Grantee must submit, and demonstrate to the satisfaction of the Grant Manager, all the following, and must otherwise be in compliance with the Agreement:

1. A fully completed Grant Disbursement Request in the form and substance set forth in Exhibit B-1, signed by the Grantee; and
2. A fully completed acknowledgement of the Company in the form and substance set forth on Exhibit B-1, signed by Company; and
3. One or more photograph(s) of the Project, which at a minimum must include a photograph of all improvements made to the Project because of Eligible Expenses.

EXHIBIT B-1

KEY MILESTONE NUMBER ONE GRANT DISBURSEMENT REQUEST

This Grant Disbursement Request is being delivered pursuant to Section 2.3 and Key Milestone Number One of the Grant Agreement dated as of October 1, 2019 (the "Grant Agreement"), by and between the City of Owosso, and the Ruesswood REI Group. (the "Grantee"). Capitalized terms in this Grant Disbursement Request and not otherwise defined herein shall have the meanings ascribed to them in the Grant Agreement.

The undersigned, in the name and on behalf of Grantee, hereby certifies, represents and warrants, that as of the date of signing this Grant Disbursement Request:

1. The Grantee has complied, and is in compliance, with all the terms, covenants and conditions of the Grant Agreement.
2. No Event of Default (as defined in Section 5.1 of the Grant Agreement) exists, and no event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default.
3. The representations and covenants of the Grantee contained in Article III of the Grant Agreement are true.
4. This Grant Disbursement Request is being submitted with respect to Ruesswood REI Group. ("Company") for the Project located at 114 W. Main Street Street, Owosso, MI 48867.
5. Attached is a copy of supporting documentation received by the Grantee from the Company evidencing the Company's actual expenditure of the Eligible Expenses for the Project (i.e., receipt, copy of check payment, purchaser order denoted as paid).
6. Attached is one or more photograph(s) evidencing the improvements made to the Project because of Eligible Expenses.

7. The Grantee requests a Grant disbursement in the amount of \$50,000.00.

The undersigned has the authority, and signs this Grant Disbursement Request, on behalf of the Grantee.

Owosso Main Street/DDA

By: Josh Adams
Its: Executive Director

Dated: _____

COMPANY ACKNOWLEDGMENT

1. The Company affirms it has paid the Eligible Expenses for the Project.
2. The Company will cooperate with the Grantee's and/or the City of Owosso's reasonable requests for information related to the Project, Eligible Expenses or arising out of the Grant Agreement.
3. At the request and expense of the City of Owosso the Company will cooperate with the Grantee, and the City of Owosso, to promote the Project through one or more of the placement of a sign, plaque, media coverage or other public presentation at the Project location, or other locations, acceptable to the Parties.
4. At the request and expense of the City of Owosso, the Company will cooperate with the Grantee and the City of Owosso, to permit an City of Owosso representative to visit the Project location and/or view the results of the Eligible Expenses.

The undersigned has the authority, and signs this Company Acknowledgment, on behalf of the Company.

Ruesswood REI Group

By: Randy Woodworth
Its: _____

Dated: _____

TRANSNATION TITLE AGENCY

Print 1 Copy To Be Signed

WAIVER OF LIEN - PARTIAL UNCONDITIONAL

Commitment No.:

I / we have a contract with GREAT LAKES ELEVATOR
to provide NEW PASSENGER ELEVATOR
(other contracting party)

for the improvement to the property described as: 114-116 W MAIN ST
DUNDAS, Michigan 48867

NEW hole has been excavated, also having work by others, under alarm, some machine work
used, etc. (see contract)
lien to the amount of \$ 56,444.50 for labor/materials provided through and hereby waive my / our construction
3/8/2019 (date) (35%)

This waiver, together with all previous waivers, if any (check one) ☒ does ☐ does not cover all amounts due to me / us for contract improvement provided through the date shown above:

If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a notice of furnishings from me/one of us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

STATEMENT OF ACCOUNT:

| | | |
|--------------------------------------|----------------------|---|
| Contract Price | \$ <u>161,220.00</u> | Signed on <u>3/8/2019</u> (date) |
| Previously Paid | \$ <u>0</u> | by <u>Scott Simmons</u> (signature of lien claimant) |
| This Payment | \$ <u>56,444.50</u> | |
| Balance to Become Due | \$ <u>104,825.50</u> | |
| Labor Wages Due but Unpaid | \$ <u>0</u> | |
| Labor Fringe Benefits & Withholdings | \$ <u>0</u> | Address <u>530 E. CANAL Drive, E.</u> |
| Due but Unpaid | \$ <u>0</u> | Telephone <u>517-655-5400</u> |

For V.
Great Lakes Elevator

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

At Row 3/17/2006

| | | | |
|--------------------------------|----------------------|-------------------------|------------|
| TO OWNER: | PROJECT: KNAPS | APPLICATION NO.: | OWNER |
| Woodworth Commercial | Woodworth Commercial | PERIOD TO: 3/31/2019 | ARCHITECT |
| 120 W. Exchange | 116 W. Main | PROJECT NOS.: | CONTRACTOR |
| Owosso, MI 48867 | Owosso, MI 48867 | CONTRACT DATE: 3/8/2019 | |
| FROM CONTRACTOR: | VIA ARCHITECT: | | |
| Great Lakes Elevator | | | |
| 530 E. Grand River Road | | | |
| Williamston, MI 48895 | | | |
| CONTRACT FOR: New Installation | | | |

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract: Continuation Sheet, AIA Document G703, is attached.

| | |
|--|--------------|
| 1. ORIGINAL CONTRACT SUM | \$161,270.00 |
| 2. Net change by Change Orders | \$0.00 |
| 3. CONTRACT SUM TO DATE (Line 1 + 2) | \$161,270.00 |
| 4. TOTAL COMPLETED & STORED TO DATE | \$56,444.50 |
| Column G on G703 | |
| 5. RETAINAGE: | |
| a. % of Completed Work (Columns D + E on G703) | \$0.00 |
| b. % of Stored Material (Column F on G703) | \$0.00 |
| c. Total Retainage (Line 5a + 5b or Total in Column I of G703) | \$0.00 |
| 6. TOTAL PAID/LESS RETAINAGE (Line 4 less Line 5 Total) | \$56,444.50 |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificates) | \$0.00 |
| 8. CURRENT PAYMENT DUE | \$56,444.50 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) | \$104,825.50 |
| CHANGE ORDER SUMMARY | |
| Total changes approved in previous months by Owner | \$0.00 |
| Total approved this Month | \$0.00 |
| TOTALS | \$0.00 |
| NET CHANGES by Change Order | \$0.00 |

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work, for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Great Lakes Elevator

By: [Signature] Date: 3/8/19

State of: Michigan

County of: Ingham

Subscribed and sworn to before me this 08 day of March, 2019

Notary Public: [Signature]

My Commission expires: 11/6/16

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED

(Attach explanation of amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

WOODWORTH COMMERCIAL

Brokerage | Management | Development
120 W. Exchange St. # 203
Owosso, MI 48867

CHEMICAL BANK
74-1001/724

17684

03/19/2019

PAY TO THE
ORDER OF

Great Lakes Elevator

\$**56,444.50

Fifty-six thousand four hundred forty-four and 50/100*****

DOLLARS

PROTECTED AGAINST FRAUD

Great Lakes Elevator

MEMO

114-116 W. MAIN, OWOSSO

⑈017684⑈ ⑆072410013⑆ 2551248400⑈

WOODWORTH COMMERCIAL

03/19/2019

Great Lakes Elevator

17684

Downpayment to replace elevator at Ruesswood bulk

56,444.50

BLE Inv #

Woodworth Management - Chemical

56,444.50

designee has
ceived this
telephone, or

te / us for

struction

48867

(35%)

MUST SIGN + DATE
to release check



Riser & Sprinklers
Lower + 2nd level

Per Dave Clark -
Add \$4,750 more for
2nd floor

619 S. Washington St.
Owosso, MI 48867
989-725-7155
FAX: 989-729-0204
~~clarkfire@fireandsafety.biz~~
clarkesummitous.com

August 16, 2018

Woodworth Commercial LLC
120 W Exchange St Ste 203
Owosso, MI 48867
Attn: Randy Woodworth
Rick Hebert
PH: 989-723-3711
Fax: 989-936-5920
Email: randywoodworth@gmail.com
rick@woodworthcommercial.com

Job: Ruesswood Building
114 W Main St
Owosso, MI 48867

Clark Fire & Safety, Inc. is pleased to provide you with the following quote to remove and replace existing dry valve sprinkler system, update existing wet sprinkler system, and replace sprinkler heads in lower level:

| | |
|-----------------------|--------------|
| Job Cost: | \$ 22,145.00 |
| Drawings: | \$ 2,500.00 |
| (Riser & Lower Level) | |
| Permit: | \$ 350.00 |

Total Cost

\$ 24,995.00

NOTE: This will update the building to current code on lower & main levels.

TERMS:

50% due at installation, 40% due at completion, Balance due at final test

Please see attached list of exclusions.

Clark Fire & Safety, Inc. would like to thank you for the opportunity to bid specified work. The cost does include labor and materials necessary for the outline scope of work.

EXCLUSIONS:

The following exclusions will apply:

- Any cosmetic repairs to be done by others. No modifying of ceiling tiles, carpet or walls
- Any electrical work for devices
- No painting of piping
- Any underground work to be done by others
- Any Michigan state sales tax, if applicable
- Fire alarm programming or tie-in
- Changes in scope of work

If you have any questions, please do not hesitate to contact us.

Thank you,

David J. Clark

David J. Clark
Clark Fire & Safety
President
989-725-7155
dclarkfire@fireandsafety.biz

ACCEPTANCE OF PROPOSAL

Signature:  _____

Date: 10/4/18



MEMORANDUM

301 W. MAIN • OWOSSO, MICHIGAN 48867-2958 • WWW.CI.OWOSSO.MI.US

DATE: September 23, 2019

TO: Owosso City Council

FROM: Josh Adams; Executive Director, Owosso Main Street/DDA

SUBJECT: OMS/DDA Revolving Loan Fund - Grant Approval

RECOMMENDATION:

Approval of the of the OMS/DDA Revolving Loan application for 216 W. Exchange Street for \$50,000.00 to Woodworth Properties, LLC. - according to the OMS/DDA Revolving Loan & Grant Manual specifications.

BACKGROUND:

On June 17, 2019 City Council approved the new OMS/DDA Revolving Loan & Grant Program, giving stewardship of the loan and grant process to the Owosso Main Street/DDA Board.

On July 23, 2019 a loan application was submitted to the OMS/DDA for a loan request from Woodworth Properties, LLC. for \$50,000.00 for the renovation of the vacant property location at 216 W. Exchange Street. Renovations include first-floor improvements and upper-level residential development.

During their August, 27, 2019 meeting the OMS/DDA Design & Business Vitality Committee reviewed and approved the application, giving it an overall score of 52. This score is well above the 30 points required for consideration.

FISCAL IMPACTS:

Dollars will be disbursed from the OMS/DDA Revolving Loan & Grant fund.

RESOLUTION NO.

**RESOLUTION AUTHORIZING
THE APPROVAL OF THE RELEASE OF OMS/DDA REVOLVING LOAN FUNDS
TO WOODWORTH PROPERTIES, LLC.
ASSOCIATED TO WORK AT 216 W. EXCHANGE STREET**

WHEREAS, in 1994 the city of Owosso established the Downtown Owosso Revolving (formerly UDAG/CDBG) Loan Program for projects within the Owosso Downtown Development Authority district; and

WHEREAS, on June 17, 2019 City Council approved the new OMS/DDA Revolving Loan & Grant Program, giving stewardship of the loan and grant process to the Owosso Main Street/DDA Board; and

WHEREAS, on July 23, 2019 a loan application was submitted to the OMS/DDA for a loan request from Woodworth Properties, LLC. for \$50,000.00 for the renovation of the vacant property location at 216 W. Exchange Street. Renovations include first-floor improvements and upper-level residential development.

WHEREAS, on August, 27, 2019 the OMS/DDA Design & Business Vitality Committee reviewed and approved the application, giving it an overall score of 52. This score is well above the 30 points required for consideration.

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

- FIRST: The City of Owosso approves the loan of \$50,000.00 to Woodworth Properties, LLC for the redevelopment of 216 W. Exchange Street according to the terms & specifications determined by the OMS/DDA Loan & Grant Manual.
- SECOND: The mayor is hereby authorized and instructed to sign appropriate documents.
- THIRD: The accounts payable department is hereby authorized to release funds to Woodworth Properties, LLC in the amount of \$50,000.00 from the OMS/DDA Revolving Loan Fund.



CITY OF OWOSSO, MICHIGAN
APPLICATION - OWOSSO MAIN STREET/DDA (OMS)
REVOLVING LOAN FUND (RLF) & GRANT PROGRAM

301 W Main Street, Owosso, MI | 989.413.3344 | downtownowosso@gmail.com | www.downtownowosso.org

****BEFORE COMPLETING/SUBMITTING THIS APPLICATION, PLEASE CONTACT OMS/DDA (CONTACT INFO IS LISTED ABOVE).
THE OMS/DDA BUSINESS VITALITY COMMITTEE WILL OFFER FREE ASSISTANCE IN COMPLETION OF THIS APPLICATION AND
HELP ANSWER ANY QUESTIONS/CONCERNS ASSOCIATED WITH APPLICATION SUBMISSION.****

APPLICANT INFORMATION:

NAME: Randy Woodworth / Woodworth Properties, LLC

ADDRESS: 120 W. Exchange St Owosso, MI 48867

BEST PHONE #: 989-277-2815 ☐ Business ☒ Mobile ☐ Home

EMAIL: randy@woodworthcommercial.com

BUSINESS INFORMATION:

BUSINESS IS: N/A

☐ New

☐ Existing - Years in Continuous Operation _____; Years in Current Location _____

FACILITY/BUILDING IS: ☐ Owned ☐ Leased ☐ Rented ☐ Looking for Space ☐ N/A

PROPERTY IS: ☐ Owned by Business ☒ Owned by Applicant

☐ Owned by Other _____ ☐ Looking for Land ☐ N/A

LEGAL NAME: _____

DBA (if different): _____ EIN # (if applicable): _____

ADDRESS: _____

PHONE: _____ WEBSITE: _____

NATURE/TYPE/CATEGORY OF BUSINESS: _____

TAX CLASSIFICATION OF BUSINESS:

☐ Corporation ☐ LLC ☐ Partnership ☐ Proprietorship ☐ S-Corp ☐ Individual ☐ Non-Profit

APPROXIMATE ANNUAL REVENUE: \$ _____

CURRENT EMPLOYEES: # Full-Time _____ # Part-Time _____

WILL LOAN CREATE ADDITIONAL JOBS? ☐ No ☒ Yes - How Many?: FT 1 /PT 1

LIST OTHER INVESTORS/OWNERS IF APPLICABLE:

Name: _____ Name: _____

Name: _____ Name: _____

CONTINUE TO NEXT PAGE

LOAN REQUEST INFORMATION:

PURPOSE/SPECIFIC USES OF LOAN:

1. Rehab/renovate upper story Apartment
2. CONSTRUCT A RETAIL SPACE FOR ELITE PET STYLING

ELITE PET WILL BE ABLE TO HIRE ADDITIONAL STAFF W/ BIGGER SPACE

TOTAL PROJECT COST: \$ 106,901 LOAN AMOUNT REQUESTED: \$ 50,000⁰⁰

ESTIMATED START DATE: immediate ESTIMATED COMPLETION DATE: 10/31/19

AMOUNT YOU and/or OTHER OWNERS PLAN TO INVEST: \$ 56,901⁰⁰

AMOUNT FOR WHICH YOU HAVE ALREADY SECURED FINANCING: \$ TBD - RLF

If project's purpose is upper story residential development, grants may be available - please check all that are involved if this is project's purpose:

- ☐ Architecture Services ☐ Elevator ☐ Fire Suppression
☐ Professional Services-Access Study

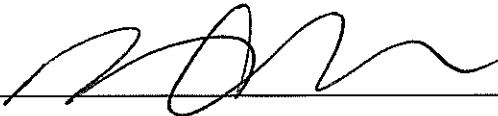
APPLICATION CHECKLIST:

Please ensure the following are submitted with your application:

- ☒ Completed RLF Application Form
☒ Business plan ☒ All existing lien holder agreements (if applicable)

Note: Other documentation could be requested if deemed necessary by OMS/DDA. Additional information that could be requested are: Credit Reports for all business/owners; Proof of equity investment; Personal/business tax returns; Current business financial statement; Cash flow statements; Copy of lease/purchase agreement; Commitment letters from other lenders/project participants; Cost Estimates-all items being purchases with RLF monies; Articles of incorporation, partnership, and/or operating agreements.

By signing this form, I, the applicant, certify that all information contained above is true and complete to my best knowledge and belief. Applicant understands this application and any other information received with it will be retained whether this request is approved or denied.

Applicant Signature:  Date Signed: 7-23-19

Owosso Main Street/DDA Only:

Application Received By: _____ Date Received: _____

COMPLETED APPLICATIONS WILL BE REVIEWED BY THE OMS/DDA BUSINESS VITALITY COMMITTEE. IF APPROVED, APPLICATIONS WILL BE SUBMITTED TO THE LOAN REVIEW COMMITTEE FOR FINAL APPROVAL. APPLICANTS WILL BE ASKED TO BE PRESENT DURING THE LOAN REVIEW COMMITTEE'S REVIEW OF THEIR APPLICATION.

BUSINESS PLAN
216 W. Exchange

This property has sat vacant, after the business closure of Dr. Tretheway, since 2013. Woodworth Properties purchased the property in November of 2018 with the intention of attracting a new retail tenant and rehabbing the upper story apartment. This plan was delayed due to the medical marijuana provisioning lottery and sat idle for many months while that process eventually came to end. We immediately became active again in tenant attraction and have thankfully just signed a Lease with Elite Pet Styling. We have also been self-performing some of the initial kitchen and bath demo on the second floor.

Elite Pet Styling has outgrown their current space and their current Landlord has found a replacement tenant. This was a perfect storm since it is never our intention to move a tenant downtown that leads to a vacancy for another Landlord. Elite will now be able to hire new employees to accommodate it's growing business.

We intend to utilize RLF capital to assist in the complete renovation of the retail space to build to suit a storefront for an existing and thriving business in our downtown. The detailed costs are laid out in the attached bid sheet.

Additionally, we intend to expend capital on the existing apartment space that is in dire need of renovation. We will make this apartment an extremely desirable rental with many elegant touches that are becoming the norm for our downtown. A detail of the expenses for the apartment project is also attached.

Owners capital to date consists of the following:

| | |
|---------------------------|--------------------|
| Acquisition Down Payment | \$12,500.00 |
| <u>New Apartment Roof</u> | <u>\$ 4,000.00</u> |
| TOTAL | \$16,500.00 |

Additional Capital Requirement:

| | |
|-------------------------|---------------------|
| Apartment Renovation | \$ 54,325.00 |
| <u>Retail Build Out</u> | <u>\$ 52,576.00</u> |
| TOTAL | \$106,901.00 |

Sources for Additional Capital Requirement:

| | |
|---------------------------------|---------------------|
| DDA/RLF Loan | \$ 50,000.00 |
| <u>Additional Owner Capital</u> | <u>\$ 56,901.00</u> |
| TOTAL | \$106,901.00 |

Overall, this project is consistent with the DDA's vision of providing quality business spaces, attractive living quarters and helping existing business grow.

Bid Estimate
Worksheet Direct Cost

This form should be filled out by all contractors submitting bids for Tenant work along with an explanation regarding the full scope of work. When completed submit all bids and corresponding documentation to the appropriate

| BID ESTIMATE WORKSHEET | | | |
|---|-----------------------------------|--------------------------|---------------------------------------|
| Date: June 26, 2019 | | Tenant: Residential TBD | |
| Building: 216 W. Exchange St. | | Space no: 216 (resident) | |
| Prepared by: Woodworth Commercial | | Square footage: 1,254 | |
| Description of work: Interior residential apartment - make rent ready | | | |
| Cost Code | Direct Cost | Cost | NOTES: |
| | General Conditions | | |
| 186-01000 | General Conditions | \$1,000.00 | Porta potty - Builders Risk - Cleanup |
| 186-01005 | General Contractor Fee | \$0.00 | To WC |
| | On-Site Supervision | \$0.00 | To WC |
| 186-01700 | Dumpsters | \$0.00 | Resourceful Recycling |
| 186-02100 | Permits | \$500.00 | City of Owosso |
| | Additional Soft Cost | \$750.00 | Various |
| | On Site | | |
| 186-02060 | Demolition | \$700.00 | Self |
| | Paving | \$0.00 | |
| | Temporary Fencing | \$0.00 | |
| | Shell | | |
| 186-03001 | Concrete | \$0.00 | |
| 186-05120 | Structural Steel | \$0.00 | |
| 186-07239 | Framing Material | \$1,200.00 | Home Depot |
| 186-09358 | Masonry | \$200.00 | Sealer - Self |
| 186-06200 | Finish Carpentry | \$5,500.00 | Brane Builders |
| 186-07100 | Decking | \$5,500.00 | Brane Builders |
| 186-07500 | Roofing | \$0.00 | |
| 186-08001 | Doors & Windows | \$2,500.00 | Home Depot |
| 186-08900 | Glazed Curtain Walls (storefront) | \$0.00 | |
| 186-09250 | Gypsum Board | \$2,500.00 | Home Depot/ Paul McOwen |
| 186-09300 | Floor Tile | \$1,500.00 | Home Depot |
| 186-09510 | Acoustical Ceilings | \$0.00 | |
| 186-09550 | Wood Flooring | \$1,000.00 | Refinish - Glad Day |
| 186-09680 | Carpeting | \$2,500.00 | Owosso Carpet |
| 186-09900 | Painting | \$1,500.00 | Chris Tkaczyk |
| 186-09950 | Appliances | \$2,400.00 | |
| 186-10162 | Toilet Partitions | \$0.00 | |
| 186-10800 | Toilet and Bath Accessories | \$5,500.00 | Home Depot |
| 186-15300 | Fire Protection | \$0.00 | |
| 186-15400 | Plumbing | \$2,000.00 | Bukovick Plmbg. |
| 186-15500 | HVAC | \$8,000.00 | Maurer Htg. & Cng. |
| 186-16000 | Electrical | \$5,000.00 | NSE Electric |
| 186-16720 | Alarm & Detection Systems | \$1,500.00 | Retreiver Solutions |
| 186-00503 | Sales Taxes | | |
| | SUBTOTAL | \$51,250.00 | |
| | Hard Cost Contingency | \$3,075.00 | |
| 186-18801 | Contingency | 6% include % | |
| TOTAL | DIRECT COSTS | \$54,325.00 | |

Bid Estimate
Worksheet Direct Cost

This form should be filled out by all contractors submitting bids for Tenant work along with an explanation regarding the full scope of work. When completed submit all bids and corresponding documentation to the appropriate

| BID ESTIMATE WORKSHEET | | | |
|---|-----------------------------------|-------------------------------|---------------------------------------|
| Date: June 26, 2019 | | Tenant: Elite Pet Styling | |
| Building: 216 W. Exchange St. | | Space no: 216 (street retail) | |
| Prepared by: Woodworth Commercial | | Square footage: 1,912 | |
| Description of work: Interior buildout for tenant needs | | | |
| Cost Code | Direct Cost | Cost | NOTES: |
| | General Conditions | | |
| 186-01000 | General Conditions | \$1,000.00 | Porta potty - Builders Risk - Cleanup |
| 186-01005 | General Contractor Fee | \$0.00 | To WC |
| | On-Site Supervision | \$1,500.00 | To WC |
| 186-01700 | Dumpsters | \$0.00 | Resourceful Recycling - Included |
| 186-02100 | Permits | \$800.00 | City of Owosso |
| | Additional Soft Cost | \$1,500.00 | Various |
| | On Site | | |
| 186-02060 | Demolition | \$4,800.00 | Resourceful Recycling |
| | Paving | \$0.00 | |
| | Temporary Fencing | \$0.00 | |
| | Shell | | |
| 186-03001 | Concrete | \$0.00 | |
| 186-05120 | Structural Steel | \$0.00 | |
| 186-07239 | Framing Material | \$2,000.00 | Home Depot |
| 186-09358 | Masonry | \$0.00 | |
| 186-06200 | Finish Carpentry | \$3,500.00 | Brane Builders |
| 186-07100 | Decking | \$0.00 | |
| 186-07500 | Roofing | \$3,000.00 | Brane Builders |
| 186-08001 | Doors & Windows | \$2,000.00 | Hi-Quality Glass |
| 186-08900 | Glazed Curtain Walls (storefront) | \$0.00 | |
| 186-09250 | Gypsum Board | \$3,500.00 | Great Lakes Supply |
| 186-09300 | Floor Tile | \$3,500.00 | Owosso Carpet |
| 186-09510 | Acoustical Ceilings | \$4,000.00 | Paul McOwen |
| 186-09550 | Wood Flooring | \$0.00 | |
| 186-09680 | Carpeting | \$0.00 | |
| 186-09900 | Painting | \$1,500.00 | Chris Tkaczyk |
| 186-09950 | Wall Covering | \$0.00 | |
| 186-10162 | Toilet Partitions | \$0.00 | |
| 186-10800 | Toilet and Bath Accessories | \$2,000.00 | Bukovick Plmbg. |
| 186-15300 | Fire Protection | \$0.00 | |
| 186-15400 | Plumbing | \$2,000.00 | Bukovick Plmbg. |
| 186-15500 | HVAC | \$8,000.00 | Maurer Htg. & Cng. |
| 186-16000 | Electrical | \$5,000.00 | NSE Electric |
| 186-16720 | Alarm & Detection Systems | \$0.00 | Retreiver Solutions |
| 186-00503 | Sales Taxes | | |
| | SUBTOTAL | \$49,600.00 | |
| | Hard Cost Contingency | \$2,976.00 | |
| 186-18801 | Contingency | 6% include % | |
| TOTAL | DIRECT COSTS | \$52,576.00 | |

MORTGAGE

THIS MORTGAGE, made this 28th day of November 2018 Between: Woodworth Properties, a Michigan Limited Liability Company and Randall Woodworth whose address is 120 W. Exchange St #203, Owosso, MI 48867 hereafter referred to as "The Mortgagor", and Tait Family Trust dated August 12, 2003 whose address is 720 S Washington, Owosso, MI 48867 hereafter referred to as "The Mortgagee",

WITNESSETH, that the Mortgagor mortgages and warrants to the Mortgagee land situated in the City of Owosso, County of Shiawassee; and State of Michigan, to-wit:

SEE EXHIBIT A

Commonly Known as: 216 W. Exchange Street, Owosso, MI 48867
050-470-014-013-00

Including any part of any street or alley adjacent to said premises, vacated or to be vacated, together with all and singular the buildings, hereditaments, appurtenances, privileges, rights and water rights, including (but not excluding any other fixtures which would ordinarily be construed as part of the realty), any and all storm sash, storm doors, storm vestibules, wire screens, wire doors, window shades, awnings, mantels and connecting iron or woodwork, grates, gas and electric fixtures, bathtubs, laundry and bathroom fixtures, oil burner and equipment, coal stoker, plumbing equipment, linoleum, furnaces, hot water heaters, incinerators, ventilators and all steam or hot water radiators and registers and the piping connected therewith, belonging to or used as a part of the building or buildings upon said premises at the time of the execution of this mortgage, or hereafter erected thereon, or which may be attached to said building or buildings or used as a part thereof at any time during the term of this mortgage, all of which are hereby deemed to be a part of this realty and secured by this mortgage, including as well all apparatus and fixtures of every description for watering, heating, ventilating and screening said premises and the rents income and profits thereof thereunto belonging or in anywise appertaining to secure the performance of the covenants hereinafter contained and the payment of the principal sum of \$75,250.00, together with interest at the rate of 8.00 percent per annum from the date hereof upon the unpaid principal until fully paid, payable according to the terms of a certain promissory note bearing even date herewith, executed and delivered by said Mortgagor to said Mortgagee.

And the Mortgagor covenants with the Mortgagee, while this mortgage remains in force as follows:

1. To pay said indebtedness and the interest thereof in the time and in the manner above provided.
2. To pay all taxes and assessments levied on the land within 30 days after the same become due and payable, and deliver the official receipts therefore to the Mortgagee.
3. To keep the buildings and equipment on the premises insured against loss or damage by fire for the benefit of, with loss payable to, and in manner and amount approved by, and deliver the policies as issued to the Mortgagee with the premiums therefore paid in full.
4. To abstain from the commission of waste on the mortgaged premises, and keep the buildings thereon and equipment in good repair, and promptly comply with all laws and ordinances, regulations and requirements of the Municipality or other government regulations affecting the mortgaged premises.
5. That if there be default in delivering any insurance policy or in the payment of any tax, assessment or taxes or insurance premiums and any amount so paid shall be added to said indebtedness and hereby secured and be payable to the Mortgagee forthwith with interest at the rate of seven percent per annum.
6. That the whole of said principal sum shall, at the option of the Mortgagee, become due and payable after default for more than 30 days, in the payment of any installment of principal or interest upon said indebtedness, or any tax, assessment or insurance premium, anything to the contrary herein or in said note notwithstanding.

When Recorded return to:
Randall Woodworth, Member

120 W. Exchange St #203
Owosso, MI 48867

Drafted by:
Max R. Tait Trustee of the Tait Family
Trust dated August 12, 2003

720 S Washington
Owosso, MI 48867

7. That in the event of the passage of any law or regulation, State, Federal or Municipal, subsequent to the date hereof in any manner changing or modifying the laws now in force governing the taxation of mortgages, or debts secured by mortgages, or the manner of collecting such taxes, the entire principal secured by this mortgage and all interest accrued thereon shall become due and payable forthwith, at the option of the Mortgagee.
8. That, in the event the ownership of the mortgaged premises, or any part thereof, become vested in a person other than the Mortgagor, the Mortgagee may deal with such successor or successors in interest with reference to this mortgage, and the debt hereby secured in the same manner as with the Mortgagor, without in any manner vitiating or discharging the Mortgagor's liability hereunder, or upon the debt hereby secured.
9. The power is hereby granted by the Mortgagor to the Mortgagee, if default is made in the payment of said indebtedness, interest, taxes or insurance premiums, or any part thereof at the time and in the manner herein agreed, to grant, bargain, sell, release and convey the premises, with the appurtenances at public auction and to execute and deliver to the purchaser or purchasers, at such sale, deeds of conveyance, good and sufficient at law, pursuant to the statute in such case made and provided, and out of the proceeds to retain all sums due hereon, the costs and charges of such sale, and the attorney fees provided by law, returning the surplus money, if any, to the mortgagor or Mortgagor's heirs and assigns, and such sale or a sale pursuant to a decree in chancery for the foreclosure hereof may, at the option of the Mortgagee, be made *en masse*.
10. Remedies on default. If a default occurs under this mortgage, the Mortgagee may, in addition to its other rights and remedies under this mortgage or any other loan documents or provided by law, take any of the following actions:
 - a. The Mortgagee may declare the unpaid balance of the mortgage debt, accrued and unpaid interest, and all charges that the Mortgagor must pay to the Mortgagee under the loan documents immediately due and, at the Mortgagee's option,
 - (1) file a suit for those amounts,
 - (2) file a suit for any delinquent payment of the mortgage debt, or
 - (3) take any steps and institute any other proceedings that the Mortgagee thinks are necessary to enforce payment of the mortgage debt and performance of the other obligations under this mortgage and to protect the lien of this mortgage.
 - b. The Mortgagee may commence foreclosure proceedings against the mortgaged premises through judicial proceedings or by advertisement, at the option of the Mortgagee; sell the mortgaged premises or cause them to be sold at a public sale; and convey the mortgaged premises to the purchaser, in accordance with Michigan statutes, in a single parcel or in several parcels at the option of the Mortgagee. The Mortgagee may apply the proceeds, in this order to
 - (1) the expenses for collecting the mortgage debt and for foreclosing on the mortgage, including reasonable attorney fees as, permitted by law;
 - (2) the Mortgagee's direct or indirect expenses for complying with the note for the mortgage debt, this mortgage, and the loan documents with interest as stated in these documents;
 - (3) accrued and unpaid interest on the mortgage debt;
 - (4) the unpaid principal of the mortgage debt; and
 - (5) the Mortgagor unless a court of competent jurisdiction decrees otherwise.
 - c. The Mortgagee may obtain updated abstracts and tax histories for the mortgaged premises, procure title insurance or title reports, or if necessary, obtain new abstracts and tax histories.
 - d. The Mortgagee may obtain a receiver to manage the mortgaged premises and to collect the rent and income from them.

LORI L. EDINGTON
NOTARY PUBLIC-STATE OF MICHIGAN
COUNTY OF SHIAWASSEE
My Commission Expires March 11, 2022

301 W Main Street, Owosso, MI | 989.413.3344 | downtownowosso@gmail.com | www.downtownowosso.org

*APPLICATION MUST SCORE **30** OR MORE POINTS TO BE CONSIDERED ELIGIBLE FOR A LOAN.*

APPLICANT NAME: WOODWORTH PROPERTIES, LLC. DATE REVIEWED: AUGUST 27, 2019

PROJECT ADDRESS: 216 W. EXCHANGE STREET

PROJECT SCOPE OF WORK: REHAB/RENOVATE UPPER-STORY APARTMENT; CONSTRUCT A RETAIL SPACE FOR ELITE PET STYLING

| Rationale Worksheet | | | |
|--|-------------|-----------|--|
| Criteria | Score Range | Score | Explanation/Feedback: |
| Will proposed loan or grant dollars be used to leverage additional State/Federal Programs? | 0-15 | 0 | |
| Does the project help fulfill OMS Transformation Strategy? | 0-10 | 10 | Upper-floor Residential Development |
| Is the project supported by a relevant business plan? | 0-10 | 5 | The Business Plan is good. The revenue portion should be better articulated. Also, a pro forma for the building project should be provided to the Loan Committee for their review. |
| a) Does the project activate currently vacant or underutilized property within the district? OR b) Is the project an existing business expanding their product/services based on customer demand/feedback or new innovative items/new technologies. | 0-10 | 10 | The project activate both the 1st-floor retail space and the 2nd-floor residential space. |
| Does the project have a well-articulated path to completion? | 0-10 | 7 | The project has a tenant for the 1st-floor unit and has a contractor already chosen. |
| Does the project provide the best use/business type for the district? | 0-10 | 10 | The use for both floors is the best for our district. |
| Does the project have formal plans, site renderings, and/or cost estimates? | 0-5 | 5 | Cost Estimates were provided. In the future, site renderings would be helpful. |
| Does the project have adequate matching funds? | 0-5 | 5 | The property owner projects matching dollars over \$50,000.00 |
| TOTAL= | | 52 | |

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the page.

DDA Loan Amortization Schedule

| Enter values | |
|-----------------------------|--------------|
| Loan amount | \$ 50,000.00 |
| Annual interest rate | 3.00 % |
| Loan period in years | 10 |
| Number of payments per year | 12 |
| Start date of loan | 12/1/2019 |
| Optional extra payments | \$ - |

| Loan summary | |
|------------------------------|-------------|
| Scheduled payment | \$ 482.80 |
| Scheduled number of payments | 120 |
| Actual number of payments | 120 |
| Total early payments | \$ - |
| Total interest | \$ 7,936.45 |



Lender name: Woodworth Properties, LLC.

| Pmt No. | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|---------|--------------|-------------------|-------------------|---------------|---------------|-----------|-----------|----------------|---------------------|
| 1 | 1/1/2020 | \$ 50,000.00 | \$ 482.80 | \$ - | \$ 482.80 | \$ 357.80 | \$ 125.00 | \$ 49,642.20 | \$ 125.00 |
| 2 | 2/1/2020 | 49,642.20 | 482.80 | - | 482.80 | 358.70 | 124.11 | 49,283.50 | 249.11 |
| 3 | 3/1/2020 | 49,283.50 | 482.80 | - | 482.80 | 359.59 | 123.21 | 48,923.90 | 372.31 |
| 4 | 4/1/2020 | 48,923.90 | 482.80 | - | 482.80 | 360.49 | 122.31 | 48,563.41 | 494.62 |
| 5 | 5/1/2020 | 48,563.41 | 482.80 | - | 482.80 | 361.40 | 121.41 | 48,202.01 | 616.03 |
| 6 | 6/1/2020 | 48,202.01 | 482.80 | - | 482.80 | 362.30 | 120.51 | 47,839.72 | 736.54 |
| 7 | 7/1/2020 | 47,839.72 | 482.80 | - | 482.80 | 363.20 | 119.60 | 47,476.51 | 856.14 |
| 8 | 8/1/2020 | 47,476.51 | 482.80 | - | 482.80 | 364.11 | 118.69 | 47,112.40 | 974.83 |
| 9 | 9/1/2020 | 47,112.40 | 482.80 | - | 482.80 | 365.02 | 117.78 | 46,747.38 | 1,092.61 |
| 10 | 10/1/2020 | 46,747.38 | 482.80 | - | 482.80 | 365.94 | 116.87 | 46,381.44 | 1,209.48 |
| 11 | 11/1/2020 | 46,381.44 | 482.80 | - | 482.80 | 366.85 | 115.95 | 46,014.59 | 1,325.43 |
| 12 | 12/1/2020 | 46,014.59 | 482.80 | - | 482.80 | 367.77 | 115.04 | 45,646.82 | 1,440.47 |
| 13 | 1/1/2021 | 45,646.82 | 482.80 | - | 482.80 | 368.69 | 114.12 | 45,278.14 | 1,554.58 |
| 14 | 2/1/2021 | 45,278.14 | 482.80 | - | 482.80 | 369.61 | 113.20 | 44,908.53 | 1,667.78 |
| 15 | 3/1/2021 | 44,908.53 | 482.80 | - | 482.80 | 370.53 | 112.27 | 44,538.00 | 1,780.05 |
| 16 | 4/1/2021 | 44,538.00 | 482.80 | - | 482.80 | 371.46 | 111.34 | 44,166.54 | 1,891.40 |
| 17 | 5/1/2021 | 44,166.54 | 482.80 | - | 482.80 | 372.39 | 110.42 | 43,794.15 | 2,001.81 |
| 18 | 6/1/2021 | 43,794.15 | 482.80 | - | 482.80 | 373.32 | 109.49 | 43,420.83 | 2,111.30 |
| 19 | 7/1/2021 | 43,420.83 | 482.80 | - | 482.80 | 374.25 | 108.55 | 43,046.58 | 2,219.85 |
| 20 | 8/1/2021 | 43,046.58 | 482.80 | - | 482.80 | 375.19 | 107.62 | 42,671.39 | 2,327.47 |
| 21 | 9/1/2021 | 42,671.39 | 482.80 | - | 482.80 | 376.13 | 106.68 | 42,295.27 | 2,434.15 |
| 22 | 10/1/2021 | 42,295.27 | 482.80 | - | 482.80 | 377.07 | 105.74 | 41,918.20 | 2,539.88 |
| 23 | 11/1/2021 | 41,918.20 | 482.80 | - | 482.80 | 378.01 | 104.80 | 41,540.19 | 2,644.68 |
| 24 | 12/1/2021 | 41,540.19 | 482.80 | - | 482.80 | 378.95 | 103.85 | 41,161.24 | 2,748.53 |
| 25 | 1/1/2022 | 41,161.24 | 482.80 | - | 482.80 | 379.90 | 102.90 | 40,781.34 | 2,851.43 |
| 26 | 2/1/2022 | 40,781.34 | 482.80 | - | 482.80 | 380.85 | 101.95 | 40,400.49 | 2,953.39 |
| 27 | 3/1/2022 | 40,400.49 | 482.80 | - | 482.80 | 381.80 | 101.00 | 40,018.69 | 3,054.39 |
| 28 | 4/1/2022 | 40,018.69 | 482.80 | - | 482.80 | 382.76 | 100.05 | 39,635.93 | 3,154.43 |
| 29 | 5/1/2022 | 39,635.93 | 482.80 | - | 482.80 | 383.71 | 99.09 | 39,252.22 | 3,253.52 |
| 30 | 6/1/2022 | 39,252.22 | 482.80 | - | 482.80 | 384.67 | 98.13 | 38,867.54 | 3,351.65 |
| 31 | 7/1/2022 | 38,867.54 | 482.80 | - | 482.80 | 385.63 | 97.17 | 38,481.91 | 3,448.82 |
| 32 | 8/1/2022 | 38,481.91 | 482.80 | - | 482.80 | 386.60 | 96.20 | 38,095.31 | 3,545.03 |
| 33 | 9/1/2022 | 38,095.31 | 482.80 | - | 482.80 | 387.57 | 95.24 | 37,707.74 | 3,640.27 |
| 34 | 10/1/2022 | 37,707.74 | 482.80 | - | 482.80 | 388.53 | 94.27 | 37,319.21 | 3,734.54 |
| 35 | 11/1/2022 | 37,319.21 | 482.80 | - | 482.80 | 389.51 | 93.30 | 36,929.70 | 3,827.83 |
| 36 | 12/1/2022 | 36,929.70 | 482.80 | - | 482.80 | 390.48 | 92.32 | 36,539.22 | 3,920.16 |
| 37 | 1/1/2023 | 36,539.22 | 482.80 | - | 482.80 | 391.46 | 91.35 | 36,147.77 | 4,011.51 |
| 38 | 2/1/2023 | 36,147.77 | 482.80 | - | 482.80 | 392.43 | 90.37 | 35,755.33 | 4,101.87 |
| 39 | 3/1/2023 | 35,755.33 | 482.80 | - | 482.80 | 393.42 | 89.39 | 35,361.92 | 4,191.26 |
| 40 | 4/1/2023 | 35,361.92 | 482.80 | - | 482.80 | 394.40 | 88.40 | 34,967.52 | 4,279.67 |
| 41 | 5/1/2023 | 34,967.52 | 482.80 | - | 482.80 | 395.38 | 87.42 | 34,572.13 | 4,367.09 |
| 42 | 6/1/2023 | 34,572.13 | 482.80 | - | 482.80 | 396.37 | 86.43 | 34,175.76 | 4,453.52 |
| 43 | 7/1/2023 | 34,175.76 | 482.80 | - | 482.80 | 397.36 | 85.44 | 33,778.40 | 4,538.96 |
| 44 | 8/1/2023 | 33,778.40 | 482.80 | - | 482.80 | 398.36 | 84.45 | 33,380.04 | 4,623.40 |
| 45 | 9/1/2023 | 33,380.04 | 482.80 | - | 482.80 | 399.35 | 83.45 | 32,980.69 | 4,706.85 |
| 46 | 10/1/2023 | 32,980.69 | 482.80 | - | 482.80 | 400.35 | 82.45 | 32,580.33 | 4,789.30 |
| 47 | 11/1/2023 | 32,580.33 | 482.80 | - | 482.80 | 401.35 | 81.45 | 32,178.98 | 4,870.76 |
| 48 | 12/1/2023 | 32,178.98 | 482.80 | - | 482.80 | 402.36 | 80.45 | 31,776.62 | 4,951.20 |
| 49 | 1/1/2024 | 31,776.62 | 482.80 | - | 482.80 | 403.36 | 79.44 | 31,373.26 | 5,030.64 |
| 50 | 2/1/2024 | 31,373.26 | 482.80 | - | 482.80 | 404.37 | 78.43 | 30,968.89 | 5,109.08 |
| 51 | 3/1/2024 | 30,968.89 | 482.80 | - | 482.80 | 405.38 | 77.42 | 30,563.51 | 5,186.50 |
| 52 | 4/1/2024 | 30,563.51 | 482.80 | - | 482.80 | 406.39 | 76.41 | 30,157.11 | 5,262.91 |
| 53 | 5/1/2024 | 30,157.11 | 482.80 | - | 482.80 | 407.41 | 75.39 | 29,749.70 | 5,338.30 |
| 54 | 6/1/2024 | 29,749.70 | 482.80 | - | 482.80 | 408.43 | 74.37 | 29,341.27 | 5,412.68 |
| 55 | 7/1/2024 | 29,341.27 | 482.80 | - | 482.80 | 409.45 | 73.35 | 28,931.82 | 5,486.03 |
| 56 | 8/1/2024 | 28,931.82 | 482.80 | - | 482.80 | 410.47 | 72.33 | 28,521.35 | 5,558.36 |
| 57 | 9/1/2024 | 28,521.35 | 482.80 | - | 482.80 | 411.50 | 71.30 | 28,109.85 | 5,629.66 |
| 58 | 10/1/2024 | 28,109.85 | 482.80 | - | 482.80 | 412.53 | 70.27 | 27,697.32 | 5,699.94 |
| 59 | 11/1/2024 | 27,697.32 | 482.80 | - | 482.80 | 413.56 | 69.24 | 27,283.76 | 5,769.18 |
| 60 | 12/1/2024 | 27,283.76 | 482.80 | - | 482.80 | 414.59 | 68.21 | 26,869.17 | 5,837.39 |

| Pmt No. | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance | Cumulative Interest |
|---------|--------------|-------------------|-------------------|---------------|---------------|-----------|----------|----------------|---------------------|
| 61 | 1/1/2025 | 26,869.17 | 482.80 | - | 482.80 | 415.63 | 67.17 | 26,453.53 | 5,904.56 |
| 62 | 2/1/2025 | 26,453.53 | 482.80 | - | 482.80 | 416.67 | 66.13 | 26,036.86 | 5,970.70 |
| 63 | 3/1/2025 | 26,036.86 | 482.80 | - | 482.80 | 417.71 | 65.09 | 25,619.15 | 6,035.79 |
| 64 | 4/1/2025 | 25,619.15 | 482.80 | - | 482.80 | 418.76 | 64.05 | 25,200.40 | 6,099.84 |
| 65 | 5/1/2025 | 25,200.40 | 482.80 | - | 482.80 | 419.80 | 63.00 | 24,780.59 | 6,162.84 |
| 66 | 6/1/2025 | 24,780.59 | 482.80 | - | 482.80 | 420.85 | 61.95 | 24,359.74 | 6,224.79 |
| 67 | 7/1/2025 | 24,359.74 | 482.80 | - | 482.80 | 421.90 | 60.90 | 23,937.84 | 6,285.69 |
| 68 | 8/1/2025 | 23,937.84 | 482.80 | - | 482.80 | 422.96 | 59.84 | 23,514.88 | 6,345.53 |
| 69 | 9/1/2025 | 23,514.88 | 482.80 | - | 482.80 | 424.02 | 58.79 | 23,090.86 | 6,404.32 |
| 70 | 10/1/2025 | 23,090.86 | 482.80 | - | 482.80 | 425.08 | 57.73 | 22,665.79 | 6,462.05 |
| 71 | 11/1/2025 | 22,665.79 | 482.80 | - | 482.80 | 426.14 | 56.66 | 22,239.65 | 6,518.71 |
| 72 | 12/1/2025 | 22,239.65 | 482.80 | - | 482.80 | 427.20 | 55.60 | 21,812.44 | 6,574.31 |
| 73 | 1/1/2026 | 21,812.44 | 482.80 | - | 482.80 | 428.27 | 54.53 | 21,384.17 | 6,628.84 |
| 74 | 2/1/2026 | 21,384.17 | 482.80 | - | 482.80 | 429.34 | 53.46 | 20,954.83 | 6,682.30 |
| 75 | 3/1/2026 | 20,954.83 | 482.80 | - | 482.80 | 430.42 | 52.39 | 20,524.41 | 6,734.69 |
| 76 | 4/1/2026 | 20,524.41 | 482.80 | - | 482.80 | 431.49 | 51.31 | 20,092.92 | 6,786.00 |
| 77 | 5/1/2026 | 20,092.92 | 482.80 | - | 482.80 | 432.57 | 50.23 | 19,660.35 | 6,836.23 |
| 78 | 6/1/2026 | 19,660.35 | 482.80 | - | 482.80 | 433.65 | 49.15 | 19,226.69 | 6,885.38 |
| 79 | 7/1/2026 | 19,226.69 | 482.80 | - | 482.80 | 434.74 | 48.07 | 18,791.96 | 6,933.45 |
| 80 | 8/1/2026 | 18,791.96 | 482.80 | - | 482.80 | 435.82 | 46.98 | 18,356.13 | 6,980.43 |
| 81 | 9/1/2026 | 18,356.13 | 482.80 | - | 482.80 | 436.91 | 45.89 | 17,919.22 | 7,026.32 |
| 82 | 10/1/2026 | 17,919.22 | 482.80 | - | 482.80 | 438.01 | 44.80 | 17,481.21 | 7,071.12 |
| 83 | 11/1/2026 | 17,481.21 | 482.80 | - | 482.80 | 439.10 | 43.70 | 17,042.11 | 7,114.82 |
| 84 | 12/1/2026 | 17,042.11 | 482.80 | - | 482.80 | 440.20 | 42.61 | 16,601.91 | 7,157.43 |
| 85 | 1/1/2027 | 16,601.91 | 482.80 | - | 482.80 | 441.30 | 41.50 | 16,160.61 | 7,198.93 |
| 86 | 2/1/2027 | 16,160.61 | 482.80 | - | 482.80 | 442.40 | 40.40 | 15,718.21 | 7,239.33 |
| 87 | 3/1/2027 | 15,718.21 | 482.80 | - | 482.80 | 443.51 | 39.30 | 15,274.70 | 7,278.63 |
| 88 | 4/1/2027 | 15,274.70 | 482.80 | - | 482.80 | 444.62 | 38.19 | 14,830.09 | 7,316.81 |
| 89 | 5/1/2027 | 14,830.09 | 482.80 | - | 482.80 | 445.73 | 37.08 | 14,384.36 | 7,353.89 |
| 90 | 6/1/2027 | 14,384.36 | 482.80 | - | 482.80 | 446.84 | 35.96 | 13,937.52 | 7,389.85 |
| 91 | 7/1/2027 | 13,937.52 | 482.80 | - | 482.80 | 447.96 | 34.84 | 13,489.56 | 7,424.69 |
| 92 | 8/1/2027 | 13,489.56 | 482.80 | - | 482.80 | 449.08 | 33.72 | 13,040.48 | 7,458.42 |
| 93 | 9/1/2027 | 13,040.48 | 482.80 | - | 482.80 | 450.20 | 32.60 | 12,590.27 | 7,491.02 |
| 94 | 10/1/2027 | 12,590.27 | 482.80 | - | 482.80 | 451.33 | 31.48 | 12,138.95 | 7,522.50 |
| 95 | 11/1/2027 | 12,138.95 | 482.80 | - | 482.80 | 452.46 | 30.35 | 11,686.49 | 7,552.84 |
| 96 | 12/1/2027 | 11,686.49 | 482.80 | - | 482.80 | 453.59 | 29.22 | 11,232.90 | 7,582.06 |
| 97 | 1/1/2028 | 11,232.90 | 482.80 | - | 482.80 | 454.72 | 28.08 | 10,778.18 | 7,610.14 |
| 98 | 2/1/2028 | 10,778.18 | 482.80 | - | 482.80 | 455.86 | 26.95 | 10,322.32 | 7,637.09 |
| 99 | 3/1/2028 | 10,322.32 | 482.80 | - | 482.80 | 457.00 | 25.81 | 9,865.32 | 7,662.89 |
| 100 | 4/1/2028 | 9,865.32 | 482.80 | - | 482.80 | 458.14 | 24.66 | 9,407.18 | 7,687.56 |
| 101 | 5/1/2028 | 9,407.18 | 482.80 | - | 482.80 | 459.29 | 23.52 | 8,947.90 | 7,711.07 |
| 102 | 6/1/2028 | 8,947.90 | 482.80 | - | 482.80 | 460.43 | 22.37 | 8,487.46 | 7,733.44 |
| 103 | 7/1/2028 | 8,487.46 | 482.80 | - | 482.80 | 461.59 | 21.22 | 8,025.88 | 7,754.66 |
| 104 | 8/1/2028 | 8,025.88 | 482.80 | - | 482.80 | 462.74 | 20.06 | 7,563.14 | 7,774.73 |
| 105 | 9/1/2028 | 7,563.14 | 482.80 | - | 482.80 | 463.90 | 18.91 | 7,099.24 | 7,793.63 |
| 106 | 10/1/2028 | 7,099.24 | 482.80 | - | 482.80 | 465.06 | 17.75 | 6,634.19 | 7,811.38 |
| 107 | 11/1/2028 | 6,634.19 | 482.80 | - | 482.80 | 466.22 | 16.59 | 6,167.97 | 7,827.97 |
| 108 | 12/1/2028 | 6,167.97 | 482.80 | - | 482.80 | 467.38 | 15.42 | 5,700.59 | 7,843.39 |
| 109 | 1/1/2029 | 5,700.59 | 482.80 | - | 482.80 | 468.55 | 14.25 | 5,232.03 | 7,857.64 |
| 110 | 2/1/2029 | 5,232.03 | 482.80 | - | 482.80 | 469.72 | 13.08 | 4,762.31 | 7,870.72 |
| 111 | 3/1/2029 | 4,762.31 | 482.80 | - | 482.80 | 470.90 | 11.91 | 4,291.41 | 7,882.63 |
| 112 | 4/1/2029 | 4,291.41 | 482.80 | - | 482.80 | 472.08 | 10.73 | 3,819.34 | 7,893.35 |
| 113 | 5/1/2029 | 3,819.34 | 482.80 | - | 482.80 | 473.26 | 9.55 | 3,346.08 | 7,902.90 |
| 114 | 6/1/2029 | 3,346.08 | 482.80 | - | 482.80 | 474.44 | 8.37 | 2,871.64 | 7,911.27 |
| 115 | 7/1/2029 | 2,871.64 | 482.80 | - | 482.80 | 475.62 | 7.18 | 2,396.02 | 7,918.45 |
| 116 | 8/1/2029 | 2,396.02 | 482.80 | - | 482.80 | 476.81 | 5.99 | 1,919.20 | 7,924.44 |
| 117 | 9/1/2029 | 1,919.20 | 482.80 | - | 482.80 | 478.01 | 4.80 | 1,441.20 | 7,929.23 |
| 118 | 10/1/2029 | 1,441.20 | 482.80 | - | 482.80 | 479.20 | 3.60 | 962.00 | 7,932.84 |
| 119 | 11/1/2029 | 962.00 | 482.80 | - | 482.80 | 480.40 | 2.40 | 481.60 | 7,935.24 |
| 120 | 12/1/2029 | 481.60 | 482.80 | - | 481.60 | 480.40 | 1.20 | 0.00 | 7,936.45 |

PROMISSORY NOTE

\$50,000.00

Dated: _____
At: Owosso, Michigan

FOR VALUE RECEIVED, the undersigned promises to pay to the order of the City of Owosso Downtown Development Authority/Owosso Main Street, a Michigan municipal corporation, at its office at 301 West Main Street, Owosso, Michigan 48867, the principal sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), THE BALANCE OF A LOAN ISSUED on _____, in lawful money of the United States of America with interest thereon to be computed from OCTOBER 1, 2019 at a rate per annum which is three percent (3%). From this date forward Principal and Interest shall be payable in 120 monthly installments of \$482.80 each, commencing on DECEMBER 1, 2019, and continuing on the same day of each succeeding MONTH thereafter until DECEMBER 1, 2029 when the final payment of outstanding principal and interest is due and payable. The attached amortization table shall become the required payment schedule from this date forward.

Notwithstanding anything to the contrary contained herein, at no time shall the interest payable be greater than the maximum permitted by law.

As to this note and all other instruments securing the indebtedness, the undersigned and any endorsers severally waive all applicable exemption rights, whether under the State Constitution, homestead laws or otherwise, and also severally waive valuation and appraisement, presentment, protest and demand, notice of protest demand and dishonor and nonpayment of this note, and expressly agree that the maturity of this note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of the undersigned or said endorsers.

Any default in the payment of principal and/or interest required by this note or other instruments securing this note shall be a default hereunder entitling the holder to accelerate the indebtedness hereunder (notwithstanding any provisions contained in the evidence thereof to the contrary), exercise any one or more of the rights and remedies granted to the City of Owosso Downtown Development Authority/Owosso Main Street, Michigan by the instruments securing this note.

This note is to be construed according to the laws of the State of Michigan.

Randy Woodworth/Woodworth Properties, LLC.

By _____

Its: _____

City of Owosso Downtown
Development Authority/Owosso Main Street

City of Owosso

By _____

By _____

Its: _____

Its: _____



301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ (989) 725-0599 ▪
FAX (989) 723-8854

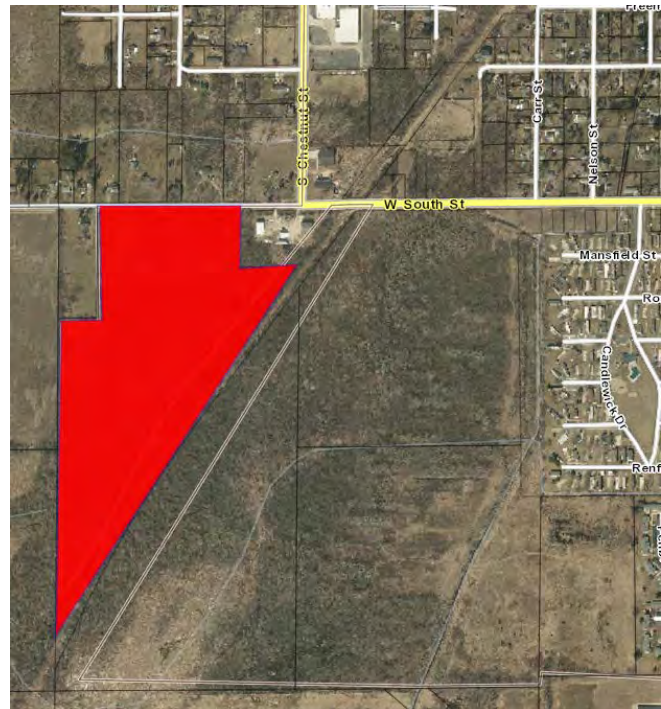
DATE: 9.30.19
TO: CITY COUNCIL
FROM: CITY MANAGER
SUBJECT: 21 Day Posting Period – Industrial property purchase offer – W South St

BACKGROUND:

The City of Owosso owns 30 acres of I-2 zoned property on the south west corner of town. The property is located off of W South St. Parcel # 050.549.000.002.00. The City has owned this property since purchasing it in 1992 for \$25,000.

This offer to purchase the property is for \$75,000. The potential purchaser wishes to develop the property as industrial site condominiums. Water and Sewer would need to be extended from the Chestnut/South St intersection 350 linear feet to the property. The cost for that would be paid by the developer.

A development agreement would need to be a condition of this sale to ensure that the new owner would indeed develop the property as intended. This development agreement would be drafted after the 21 day posting period has expired and before December 5, 2019.



FISCAL IMPACT:

The offer for the property is \$75,000. This would be recorded in the City's General Fund as revenue.

RECOMMENDATION:

This is an opportunity to develop 30 acres of vacant industrial property into a multi-business industrial park. I recommend starting the 21 day posting period – after which if there are no other offers to enter into a development agreement and sell the property for \$75,000.

RESOLUTION NO.

**RESOLUTION AUTHORIZING 21-DAY POSTING OF PURCHASE AGREEMENT FOR
THE SALE OF CITY-OWNED PROPERTY AT WEST SOUTH STREET**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, owns parcel 050-549-000-002-00, consisting of 30 acres of industrial-zoned property; and

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has received an offer to purchase said parcel for seventy-five thousand dollars (\$75,000); and

WHEREAS, the City of Owosso has no immediate or long-term plans to develop said parcel under city ownership; and

WHEREAS, this parcel has not been actively marketed, thereby triggering the 21-day public inspection period set forth in Section 14.3(2) of the Owosso City Charter.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County, Michigan that:

- FIRST: The purchase agreement for the property described above be posted for a 21-day period to allow for citizen comment and other offers.
- SECOND: The proposed agreement be returned to Council at the meeting of Monday, October 21, 2019 for potential final disposition.

**LETTER OF INTENT TO PURCHASE
COMMERCIAL REAL ESTATE**

This Contract is Intended to be a Binding Real Estate Contract

Date: September 23, 2019

BUYER: BCC Agricultural LLC
11111 N Telegraph Rd
Carleton MI 48117

SELLER: City of Owosso
301 W. Main Street
Owosso MI 48867

Buyer's Broker is _____

Seller's Broker is _____

☐ Individual ☐ Corporation ☒ LLC ☐ Partnership
☐ Trust ☐ Other _____

☐ Individual ☐ Corporation ☐ LLC ☐ Partnership
☐ Trust ☒ Other City of Owosso

This Letter of Intent ("LOI") sets forth certain non-binding provisions and certain binding provisions between Buyer and Seller with respect to the possible acquisition of commercial real estate commonly known as 505-549-000-002-00
see attached ("Premises").

This LOI will remain open for execution by the other party until December 5, 2019, provided however, that the party submitting this LOI may withdraw this LOI, in writing, at any time prior to the other party's execution.

NON-BINDING PROVISIONS

Upon execution by Buyer and Seller of this LOI, the following numbered paragraphs (collectively, "Non-Binding Provisions") reflect only the general understanding of the matters described in them, and each party acknowledges that the Non-Binding Provisions are not intended to constitute a complete statement of, or a legally binding or enforceable obligation on the part of, Seller or Buyer; and neither Seller nor Buyer shall have any liability to the other with respect to the Non-Binding Provisions until a Real Estate Purchase Contract ("Contract") is executed and delivered by and between them. If a Contract is not prepared, authorized, executed, and delivered for any reason, no party to this LOI shall have any liability to any other party to this LOI based upon, arising from, or relating to the Non-Binding Provisions.

1. Basic Transaction. On the terms and subject to the provisions to be set forth in the Contract to be negotiated and entered into by the parties, Buyer would purchase the Premises from Seller.
2. Purchase Price and Earnest Money.
 - (A) Seventy-five Thousand Buyer would pay 75,000.00 Dollars for the Premises.
 - (B) Five Thousand Buyer would pay 5000.00 Dollars as earnest money upon execution of the Contract.
3. Proposed Closing. If a Contract is entered into between Buyer and Seller, the parties intend that the proposed transaction would be consummated on or before ("Closing").
4. Initial Drafting. The initial draft of the Contract shall be prepared by the attorney for the Buyer.
5. Contract. The Contract would contain the usual and customary conditions of those typically found in commercial real estate contracts in the Chicago, Illinois area for real property of a similar nature. In addition, the contract would contain the following additional provisions.
 - A. Title Insurance and Deed. Seller, at Seller's sole expense, would provide to Buyer a standard ALTA commitment for title insurance in the amount of the purchase price. Additional endorsements to, and extended coverage, of the commitment and the type of deed would be as negotiated between Seller and Buyer in the Contract. Seller and Buyer shall execute all real estate transfer tax declarations and real estate transfer tax shall be paid as set forth in the Contract.
 - B. Payment of real estate commission. The real estate commission would be paid by N/A. If the Premises is not currently listed in the MLS / CMLS, then _____ shall pay a sale commission of _____% of the gross sale price to the Seller's Broker who shall pay Buyer's Broker, _____% thereof.
 - C. Environmental Inspections. The environmental inspection(s) shall be at expense of the Buyer and would be completed no later than 45 days after execution of the Contract.

- D. Other General Physical Inspection of the Premises. A general physical inspection of the Premises would be at the expense of Buyer and would be completed no later than 45 days after execution of the Contract.
- E. Appraisal. The appraisal would be at the expense of Buyer and would be completed no later than 45 days after execution of the Contract.
- F. Financing. Buyer would have _____ days after execution of the Contract to obtain financing for the purchase of the Premises on terms and conditions acceptable to Buyer. Cash close
- G. Personal Property Included in the Purchase. NONE
- H. American Land Title Association ("ALTA") Survey. The ALTA survey would be obtained by Seller at Seller's expense and would be completed no later than 15 days after execution of the Contract.
- I. Zoning and Land Use. Any rezoning and land use issues would be resolved at the expense of Buyer and shall either be resolved not later than 45 days after execution of the Contract or the Contract shall provide for a contingency and contingency period in which time the parties shall seek to obtain rezoning of the Premises as N/A; and each party shall agree to cooperate with the other party's rezoning efforts.
- J. Review of Leases, Service Contracts, and Other Agreements. Seller shall produce copies of all leases, service contracts, and other agreements relating to the Premises, and Buyer shall have a period of _____ days to review and either approve or disapprove same.
- K. Assignment of Leases, Security Deposits, Service Contracts, and Other Agreements, if any. Subject to Buyer's approval pursuant to the review afforded by Paragraph 5.J above, at Closing Seller shall assign all leases, security deposits, services, contracts and other agreements relating to the Premises to Buyer and Buyer shall assume same.
- L. Proration of Taxes, Rentals, Assessments, Service Contracts, Utilities and Other Recurring Obligations (collectively "Property Expenses"). All Property Expenses shall be prorated as of date of Closing as set forth in the Contract.
- M. Condition of Premises.
- X a) "As-Is" condition as of the date of Buyer's final inspection prior to the execution of the Contract, with no warranties expressed or implied.
- _____ b) "As-Is" condition as of Buyer's final inspection prior to execution of the Contract, except Seller would provide the following warranty(s), with the specific language of such warranty(s) to be negotiated between Seller and Buyer in the Contract.
- _____
- _____
- N. Other: _____
- _____
- _____
- In any event, final completion of any other due diligence and/or contingencies on behalf of Buyer would be completed not later than 45 days after Execution
- _____

BINDING PROVISIONS

Upon execution by Buyer and Seller of this LOI, the following lettered paragraphs (collectively, "Binding Provisions") will constitute the legally binding and enforceable agreement of Buyer and Seller (in recognition of the significant costs to be borne by all parties in pursuing this proposed transaction and in further consideration of their mutual undertakings as to the matters described herein).

- A. Reasonable Efforts. Buyer and Seller will negotiate in good faith and use their reasonable efforts to arrive at a mutually acceptable Contract for approval, execution, and delivery on or before the termination date set forth in Paragraph F (ii) hereof.
- B. Confidentiality. In the event of that negotiations are terminated, each party will promptly deliver to the other party and will not retain any documents, work papers and other materials (and any reproductions thereof) obtained by each party or on its behalf from the other party as a result of this LOI or in connection therewith, whether

so obtained before or after the execution hereof, and will not use any non-public information so obtained and will use its reasonable efforts to keep such information confidential unless disclosure is required by law. Neither Seller nor Buyer may disclose the existence or status of this LOI or negotiations of the Contract to any party other than Seller or Buyer's attorney, broker, lender, and other advisors relating to the purchase and sale of the premises unless disclosure is required by law.

- C. Exclusive Dealings. Until the Contract has been duly executed and delivered by all the parties or until the Binding Provisions have been terminated pursuant to Paragraph F below, whichever occurs sooner: (i) Seller will not enter into any negotiations, discussions, agreements or understandings for the purpose of selling or exchanging the Premises to any other person or entity; and (ii) Buyer will not enter into any negotiations, discussions, agreements or understandings for the purpose of buying or exchanging any real property other than the Premises to be used by Buyer for the purpose for which Buyer seeks to purchase the Premises. The foregoing precludes the Premises remaining in the MLS / CMLS system while this provision remains in effect.
- D. Broker. It is acknowledged by the parties that the brokers or salespersons designated above have participated in the transaction by acting as agent for the parties during their negotiations.
- E. Costs. Buyer and Seller will each be responsible for and bear all of their own respective costs and expenses, including without limitation, expenses of their legal counsels, accountants, representatives, and other advisors (other than the parties' brokers) incurred at any time in connection with this LOI.
- F. Termination. The Binding Provisions of this LOI may be terminated: (i) at any time by mutual written consent of Buyer and Seller; or (ii) upon written notice by any party to the other party if the Contract has not been executed and delivered by all parties by 12.5.19; provided, however, that the termination of the Binding Provisions shall not affect the liability of a party for breach of any of the Binding Provisions prior to the termination. Upon termination of the Binding Provisions, the parties shall have no further obligations hereunder, except as stated in Paragraphs B and E of these Binding Provisions, which shall survive any such termination.
- G. Non-Discrimination. The parties understand and agree it is illegal for either party to refuse to display, lease, or sell seller's Premises to any person on the basis of race, color, religion, national origin, sex, ancestry, age, marital status, physical or mental handicap, familial status, military status, unfavorable discharge from military service, sexual orientation, or any other class protected by Article 3 of the Illinois Human Rights Act. The parties agree to comply with all applicable federal, state and local fair housing laws.

BUYER:

Thomas J Beste
 Buyer's Signature
Thomas J Beste
 Printed Name
1111 N Telegraph Rd
 Street Address
Carleton MI 48117
 City, State and Zip
734-790-1683
 Telephone #

Fax #
tombeste@gmail.com
 E-Mail

ERIK CHAPPELL ESQ
 Buyer's Attorney
5565 Airport Hwy
 Address
Suite 101 Toledo OH
 Telephone #
419-867-8900
 Fax #
egc@Lydenlaw.com
 E-Mail

Broker/Agent
 Address
 Telephone #
 Fax #
 E-Mail

SELLER:

Christopher T. Eveleth
 Seller's Signature
301 W. Main Street
 Printed Name
 Street Address
Owosso MI 48867
 City, State and Zip
989-725-0568
 Telephone #
989-725-0526

Fax #
nathan.henne@ci.owosso.mi.us
 E-Mail

Scott Gould
 Seller's Attorney
114 E Main St #218, Owosso, MI
 Address
(989) 725-0071
 Telephone #
(989) 729-9066
 Fax #
gouldlaw@outlook.com
 E-Mail

Listing Broker/Agent
 Address
 Telephone #
 Fax #
 E-Mail

IT IS RECOMMENDED THAT PARTIES CONSULT AN ATTORNEY REGARDING THIS TRANSACTION.



DATE: 9.30.19
TO: CITY COUNCIL
FROM: CITY MANAGER
SUBJECT: Tax Abatement Policy

BACKGROUND:

In 2010, the City passed a tax abatement policy to encourage development and redevelopment. That policy was heavily weighted toward job creation due to the economic downturn. Now, needs have changed. Housing availability is an issue now but staff did not want to rule out continued support for job creation and retention. This new policy draft:

1. Strengthens the annual reporting requirements for those projects that are awarded abatements
2. Requires an annual contribution from those projects that are awarded abatements in order to support city services.
3. Puts emphasis on granting abatements that meet the development goals of the master plan
4. Require applicants for abatements to provide financial justification for an abatement so we are not simply increasing a company's profits by granting an abatement
5. Increases the capital investment amounts required to reflect rises in inflation since 2010
6. Adds a housing eligibility component to help incentivize new housing development

FISCAL IMPACT:

Abatements are granted to encourage development where such development would not be financially possible without an abatement. Therefore, these abatements have a negative effect on property tax revenues in the short term. However, after an abatement expires, revenues go up. With a possibility of participation agreements being a condition of granting an abatement, we may be able to receive some money back to help fund essential services. This would help offset the foregoing of tax revenue for these abatements. That's not something that existed in the old policy.

The city's policy is that no more than 5% of the city's total taxable value be tied up in exempted taxable value via abatements. As of today, we are at about 4% - or \$10,400,398 - tied up in abatements out of a total taxable value of \$253,262,708 (2018 values). Total city taxes lost from all current active abatements in the city is \$115,580 per year.

RECOMMENDATION:

Abatements are a tool in our economic development toolbox and have been for some time. It is unlikely they will be going away so we might as well use them while they are available. These updates to the policy are needed to reflect inflation, changing economics, housing needs, and a financial showing of good faith to the city from those businesses that are granted tax abatements.

RESOLUTION NO.

**AUTHORIZING AMENDMENTS TO
THE CITY OF OWOSSO TAX ABATEMENT POLICY**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, adopted a tax abatement policy on June 7, 2010; and

WHEREAS, the Policy was adopted to ease the negative local economic effects of the Great Recession; and

WHEREAS, the economy has improved since the original policy was adopted and needs have shifted to include the availability of housing; and

WHEREAS, the City of Owosso wishes to strengthen the tax abatement application process to include proof of financial need for a project seeking abatements; and

WHEREAS, the City of Owosso seeks to impose a commitment from projects awarded an abatement to support the community in return for a pledge of taxpayer dollars for private development; and

WHEREAS, the City of Owosso seeks to align projects requiring abatements with the goals set forth in the City's various planning efforts; and

WHEREAS, the City of Owosso wishes to continue robust support for local economic and community development.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County, Michigan that:

FIRST: The City of Owosso has theretofore determined that it is advisable, necessary and in the public interest to adopt revisions to the Owosso Tax Abatement Policy.

CITY OF OWOSSO

Tax Abatement Policy

Effective Date: September 30, 2019

Policy Statement: The City of Owosso is committed to enhancing the quality of life and stimulating the local economy through the attraction of high-quality development, the retention and creation of high-quality jobs, and the development of additional housing opportunities within the City. Accordingly, consideration for tax abatement is viewed as a privilege, not as a property right. This policy establishes minimum requirements and a uniform set of standards and procedures to be used when considering a request for a tax abatement/exemption

I. MINIMUM REQUIREMENTS FOR TAX ABATEMENTS

- a. Abatements shall be subject to duration and amount limits.
- b. Such duration and amount limits shall be for the minimum amount necessary to meet the goals of the project.
- c. Benefits to the City of the proposed abatement shall be:
 - i. At least equal to or greater than the cost of the abatement; and
 - ii. In the public interest because it will accomplish at least one of the following purposes:
 - 1. Increase or preserve the tax base
 - 2. Provide employment opportunities
 - 3. Expand housing opportunities within the City
 - 4. Provide or help acquire or construct public facilities
 - 5. Help redevelop or renew blighted areas
 - 6. Help provide access to services to residents
 - 7. Finance or provide public infrastructure
 - 8. Accomplish development goals in the City Master Plan
- d. The City of Owosso will not support tax abatements for proposals that are not economically feasible. The method of analysis for this requirement will be a thorough review of project pro-formas and/or financials.
- e. All projects seeking tax abatement shall include a job creation/retention component or an expansion of housing opportunities within the City.

- f. The taxable value of the proposed abatement – considered together with the aggregate taxable value of property exempt under certificates previously granted and in force shall not exceed five (5) percent of taxable value of the City of Owosso.

Example: 2018 City of Owosso taxable value = \$253,262,708
 5% of City of Owosso taxable value = \$12,663,135

Per MCL 125.2788(1): If the taxable value of the property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate taxable value of property exempt under certificates previously granted and currently in force ...exceeds 5% of the taxable value of the qualified local governmental unit, the legislative body of the qualified local governmental unit shall make a separate finding and shall include a statement in its resolution approving the application that exceeding that amount shall not have the effect of substantially impeding the operation of the qualified local governmental unit or impairing the financial soundness of an affected taxing unit.

- g. The City will not issue or be a signatory on bonds in connection with abatements.
- h. Commencement of any new construction or improvements shall be within the limits set forth within the applicable public act for the abatement being sought.
- i. The City Council will not take action on any abatement unless the applicant presents the project at the scheduled public hearing and is available to answer questions.
- j. The City of Owosso reserves the right to waive, modify or amend any of these policies when it is in the best interest of the City of Owosso.

II. EVALUATION CRITERIA

- a. Private Development Objectives: The City of Owosso will consider using tax abatements to help private development projects that strive to achieve one or more of the following objectives:
 - i. To retain local jobs and/or increase the number and diversity of high-quality jobs that offer attractive wages and benefits.
 - ii. To encourage additional unsubsidized private development in the City of Owosso – either directly or indirectly through spinoff development without the use of tax abatement.
 - iii. To expand the availability of housing opportunities within the City limits.

- iv. To facilitate the development process and to achieve development of sites that would not be developed without tax abatement assistance.
- v. To remove blight and/or encourage redevelopment of commercial and industrial areas that will result in high quality redevelopment (i.e. contaminated site cleanup) beyond the costs normally incurred in development.
- vi. To provide infrastructure necessary to accommodate economic development.
- vii. To meet other public policy goals as adopted by the City of Owosso – including but not limited to the City’s Master Plan.

b. Additional Objectives: The City of Owosso will also consider the following factors when evaluating tax abatement requests to help private development projects.

- i. To support local businesses, extra consideration will be given to existing businesses seeking to expand and grow within the City.
- ii. The extent to which the proposed project creates high quality jobs in the City – paying wages equal to or greater than the average local wage of the same class.
- iii. The extent to which the proposed project adds to the net commercial, industrial, or general tax base of the City and optimizes the private development of the proposed site.
- iv. Whether or not the proposed project provides services not already provided in the City or services which are needed.
- v. Whether or not the proposed business would be in direct competition with existing businesses in the City. Abatements should not be given to businesses which would receive a competitive advantage over existing businesses in the City.
- vi. Whether or not the project will significantly impact environmental/natural resources.
- vii. The extent to which other political subdivisions are in support of the project. The extent to which the project represents additional tax revenue for the City.
- viii. The extent to which the project requires improvements in city infrastructure, road construction, or other traffic problems. Also to be considered is the impact of the proposal on other city services such as law enforcement, human services, prosecutions, parks, and historic preservation.
- ix. Consistency of the proposed project with the City land use regulations and planning and zoning policies.
- x. How the proposed project furthers the goals and objectives of the City and/or community.
- xi. The level of private financial investment in the project.
- xii. The extent to which the project utilizes local vendors/products in construction and/or operation upon completion.

III. APPLICATION

- a. The applicant shall submit an application – available at City Hall – for all projects for which a tax abatement is sought from the City of Owosso.

- b. Applications shall include:
 - i. A letter formally requesting tax abatement from the City of Owosso
 - 1. For some abatements, this letter must also request that a tax abatement district be established for the property depending on the public act governing the abatement.
 - ii. Completed application for tax abatement with any requested supporting materials.
 - iii. A project pro-forma
 - iv. Official forms developed by the State of Michigan – if applicable – shall also be submitted in a timely manner per procedures set forth within the applicable abatement act under which the application is made
 - v. The applicant shall submit completed applications to the City Clerk. An application will not be accepted if it is incomplete or if any required materials are not included.

IV. APPROVAL PROCESS

- a. The City Clerk shall notify – by certified mail – each taxing jurisdiction of a request to establish an abatement district or application for the abatement. Said taxing jurisdiction shall have fifteen (15) days from the date of receipt of said notification to respond in writing with their thoughts and considerations. These taxing jurisdictions shall have no voting or veto authority.
- b. The City Clerk shall notify applicant by certified mail if the application is found consistent with this policy. Procedures set forth within the abatement act shall be followed.
- c. The length of the exemption shall be determined by the attached abatement schedule.
- d. The approval for the abatement district and approval of an application for abatement shall not be addressed at the same meeting.

V. REQUIRED AGREEMENTS

- a. Development Agreement: All projects granted tax abatement will be required to enter into a development agreement. The development agreement will be recorded against the property, will clearly define the responsibilities of the property owner(s) receiving the abatement, and will require annual reporting.
- b. Participation Agreement (N/A for stand-alone, non-mixed use housing projects): All projects granted tax abatement will be required to enter into a participation agreement. The participation agreement must include the following pledge:
 - i. An annual payment to the city of 15% of the annual amount of CITY abated taxes for a Public Safety Administrative Fee.

- c. Reimbursement Agreement (PA 381 Brownfield Only): All projects granted a Brownfield tax abatement are required to enter into a reimbursement agreement with the city per Public Act 381.

VI. ANNUAL REPORTING REQUIREMENTS

- a. All projects granted tax abatement shall submit an annual status report on the form developed and provided by the City of Owosso. The requirement makes all abatements granted consistent with the State Tax Commission Administrative Rule 55(3). The report will include – but not be limited to – status of employment, wage level, real property project progress and costs, aesthetic enhancement progress and costs as part of the project, local vendors/businesses utilized and the cost of their services/products used, number of employees living in the city, and other improvements and costs not listed within the scope of the project.

VII. RESCISSION OF ABATEMENTS

- a. Imposition of any rescission is at the sole discretion of the City of Owosso and shall be considered on a case-by-case basis in compliance with the applicable act under review.
- b. Rescission shall not violate the statutory requirements of the applicable act in any way. Consideration may include but not be limited to:
 - i. Sale or closure of the facility and departure of the company from the jurisdiction unless abatement is transferable.
 - ii. Significant change in the use of the facility and/or the business activities of the company not consistent with the requirement of the applicable act for which approved.
 - iii. Significant employment reductions not reflective of the company's normal business cycle and/or local and national economic condition.
 - iv. Failure to achieve the minimum number of net new jobs and wage level as specified in the abatement application.
 - v. Failure to perform requirements outlined in the participation agreement with the City.
 - vi. Failure to complete the project in a timely manner as specified in the approval resolution and/or the applicable act.
 - vii. Failure to comply with annual reporting requirements.
 - viii. Failure to pay annual property taxes timely on real property not exempt under the approved abatement.
 - ix. Failure to comply with the City's ordinances and policies.

Note: Owosso is designated as a Core Community by the MEDC. This provides Owosso with three unique redevelopment tools:

Brownfield Redevelopment Incentives

Core Communities have the ability to use brownfield tools not only on contaminated property, but blighted and functionally obsolete sites as well. In addition, the tax increment financing component can pay for demolition, site preparation, public infrastructure and lead and asbestos abatement, as well as environmental remediation.

Neighborhood Enterprise Zones

This program provides property tax incentives for new home construction and home rehabilitation. For new home construction, instead of the full millage rate, the new home is taxed at half of the statewide average. For rehabilitation projects, the assessment is frozen at pre-improvement levels. Each of these abatements can be approved for six to 15 years. Land is not abated.

Obsolete Property Rehabilitation Exemption (Available only in Core Communities)

This incentive is designed to assist in the redevelopment of contaminated, blighted and functionally obsolete properties. The goal is to convert these underutilized buildings into vibrant commercial and/ or commercial housing opportunities. The incentive offers the community the ability to freeze local property taxes at the predevelopment level for up to 12 years. The developer can also apply to the State Treasurer to freeze half of the state education millage for up to six years. Land is not abated.

ABATEMENT SCHEDULE

This schedule applies to industrial, commercial, and/or residential property as defined by the Michigan General Property Tax Act

| | | |
|--|--|---|
| Capital Investment \$0 to \$120,000 \$120,001 to \$300,000 \$300,001 to \$600,000 \$600,001 to \$1,350,000 \$1,350,001 to \$3,000,000 \$3,000,001 to \$6,000,000 \$6,000,001 + | Years of Tax Abatement 1 2 3 4 5 6 7 | Rehabilitate or Restore a building within Historic District? Additional 2 years in any capital investment |
| New Job Creation (as FTE – 40 hrs/week) 1-10 11-25 26-50 51 + | Years of Tax Abatement 2 3 4 5 | |
| New Job Wages (calculation based on MI min wage) Average Wage > 1.5x min wage Average Wage > 2.5x min wage Average Wage > 3x min wage | Years of Tax Abatement 1 2 3 | |
| Number of years located in City of Owosso 2-10 11-25 26 + | Years of Tax Abatement 1 2 3 | |
| New employees with City of Owosso residency 1-10 11-25 26 + | Years of Tax Abatement 1 2 3 | |
| New housing units created in City of Owosso 1-5 6-10 11-25 25+ | Years of Tax Abatement 1 2 3 4 | |

Current Abatement Programs Being Utilized or Available

PA 198 – 1974 – Industrial Facilities Tax

- Eligible industries: manufacturing, research and development, high-tech, and communications centers.
- Maximum eligible award: 50% abatement for up to 12 years on new real property investments

PA 255 – 1978 Reinstated 2009 – Commercial Redevelopment Tax

- Eligible industries: obsolete and declining property, zoned for commercial/industrial prior to June 21, 1975
- Maximum Eligible Award: 50% abatement for up to 12 years on replacement or new real property. Zero taxes levied on value of restored real property investment for up to 12 years

PA 210 – 2005 – Commercial Rehabilitation Tax

- Eligible Industries: multifamily housing or group of contiguous commercial property 15 years old or older covering at least three acres or located in a downtown district
- Maximum Eligible Award: Zero taxes levied on value of restored real property investment for up to 10 years

PA 146 – 2000 – Obsolete Property Rehabilitation

- Eligible Industries: Any project that takes place on an obsolete property and results in a commercial or mixed-use building project
- Maximum Eligible Award: Freezes existing taxable value on a designated facility for up to 12 years

PA 381 – 1996 – Brownfield Redevelopment Financing Act

- Eligible properties: obsolete, deficient, or vacant contaminated properties
- Maximum Eligible Award: recapture of eligible activities costs through Tax Increment Financing (TIF) on investment for a period up to 30 years
- City may decide which eligible activities to fund through TIF reimbursements

PA 147 – 1992 – Neighborhood Enterprise Zone (NEZ) Act

- Eligible Properties: single or multi-family housing consisting of 10 or more contiguous parcels, or located within a downtown revitalization district and consisting of at least 10 units.
- Maximum Eligible Award: 15 years (17 years if it is a rehabilitated qualified historic building if the owner lives on premise)

PA 328 – 1998 – Personal Property Exemption

- Eligible Industries: manufacturing, mining, research and development, wholesale trade and office operations
- Maximum Eligible Award: freezes existing taxable value on a designated facility for up to 12 years