



AGENDA - Tax Increment Finance Authority

DATE: September 29, 2022 7:00 PM City Council
Chambers

- I. Call to Order
- II. Roll Call
- III. Approval of Meeting Minutes
 - I. Approval of June 9, 2022 Meeting Minutes
 - II. Approval of September 19, 2022 Meeting Minutes
- IV. Public Comment
- V. Unfinished Business
- VI. New Business
 - I. Approve Lot Paving Quote
 - II. Maryland/Lakepointe Parking Lot Update
 - III. Attorney Selection
 - IV. DPW Building Costs and Budget Amendment
 - V. Goal Setting Discussion
- VII. Adjournment

Public Comment: Public Comments are limited to three minutes.

Live Stream: The meeting will be livestreamed to the Official City of Grosse Pointe Park YouTube Channel.

NORTHWEST TAX INCREMENT FINANCE AUTHORITY OF
THE CITY OF GROSSE POINTE PARK
INFORMATIONAL AND REGULAR MEETING
June 9, 2022; 7:00 pm

CALL TO ORDER – INFORMATIONAL MEETING

An informational meeting of the Grosse Pointe Park Northwest Tax Increment Finance Authority (“TIFA”) was called to order by Chairman Hughes.

ROLL CALL

Present: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

Also Present: Warren Rothe, TIFA Director and Assistant City Manager; and Jake Howlett, City Attorney.

Excused Absence: Board Members Cousineau, Kokoshi, Lee, and Mullen.

PUBLIC COMMENT

No public comments were made.

OVERVIEW OF ANNUAL ACTIVITIES

Director Rothe provided a summary of activities and accomplishments since December 7, 2021 to present on the following items: Department of Public Works new building; Business Improvement Grant program; Residential Improvement Grant program; 2022-2023 budget approval; appointment of new TIFA director; request for proposals for legal services; and parking improvements.

ADJOURNMENT OF INFORMATIONAL MEETING

Motion by Board Member Ralstrom, seconded by Board Member Chamberlain, to adjourn the informational session.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

CALL TO ORDER – REGULAR MEETING

A regular meeting of the Grosse Pointe Park Northwest Tax Increment Finance Authority (“TIFA”) was called to order by Chairman Hughes.

APPROVAL OF MAY 5TH MEETING MINUTES

Chairman Hughes presented the May 5th meeting minutes for approval.

Motion by Board Member Anton, seconded by Board Member Tompkins, to approve the May 5th meeting minutes as presented.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

PUBLIC COMMENT AGENDA ITEMS

No public comments were made.

UNFINISHED BUSINESS

No unfinished business was presented.

NEW BUSINESS – PURCHASE OF ALARM/SECURITY SYSTEM FOR DPW BUILDING

Director Rothe presented a quote from Pointe Alarm for installing a commercial alarm system, security cameras, and an access control system at the new DPW building totaling \$56,400.

Motion by Board Member Chamberlain, seconded by Board Member Anton, to approve the quote from Pointe Alarm for \$56,400 as presented.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

NEW BUSINESS – PURCHASE OF OFFICE FURNITURE FOR DPW BUILDING

Director Rothe presented a quote from Discount Office Equipment to procure furniture for various workspaces including the front desk, kitchen, staff office, and supervisor office totaling \$21,940.95.

Motion by Board Member Ralstrom, seconded by Board Member Anton, to approve the quote from Discount Office Equipment for \$21,940.95 as presented.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

NEW BUSINESS – MODIFICATION OF RESIDENT IMPROVEMENT GRANT PROGRAM

Director Rothe presented a modification of the Resident Improvement Grant program to include fence repairs and replacements be an eligible activity with a maximum grant award available per property of \$2,500.

Motion by Board Member Anton, seconded by Board Member Tompkins, to approve the modification to the Resident Improvement Grant program to include fence repairs and replacements with an amendment to increase the maximum grant award available from \$2,500 to \$3,000.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins;

and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

PUBLIC COMMENT NON-AGENDA ITEMS

No public comments were made.

ADJOURNMENT

Motion by Board Member King-Piepenbrok, seconded by Board Member Ralstrom, to adjourn the meeting.

AYES: Board Members Anton, Chamberlain, King-Piepenbrok, Ralstrom, Secord, and Tompkins; and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Lee, and Mullen.

With no further business, the meeting adjourned at 7:39 pm.

Tax Increment Finance Authority Meeting - September 19, 2022
6:15 PM

CALL TO ORDER

The meeting was called to order by Chairman Hughes.

ROLL CALL

The following were present: Board Members Lee, King-Piepenbrok, Ralstrom, Secord, Tompkins, Anton and Chairman Hughes.

Also present: Warren Rothe, TIFA Director and Assistant City Manager; Jake Howlett, City Attorney; and Courtney Delmege, Deputy Clerk.

The following were absent: Board Members Cousineau, Kokoshi, Mullen, and Chamberlain.

PUBLIC COMMENT (AGENDA ITEMS)

There were no public comments made.

NEW BUSINESS:
APPROVE EASEMENT WITH DTE

In order for Detroit Edison (DTE) to proceed with installing a transformer that will service the DPW building, they need to be granted an easement. An easement document has been prepared by DTE for this purpose. It has been reviewed and approved by the TIFA Attorney as well as Stucky Vitale, the project engineer/architect.

DTE Electric Company Underground Easement 63171680-63171700

On -----~ 2022, for the consideration of system betterment, Grantor grants to Grantee a permanent, non-exclusive underground easement ("Right of Way") in, on, and across a part of Grantor's Land called the "Right of Way Area".

"Grantor" is:

"Grantee" is:

Northwest Tax Increment Finance Authority, an entity of The City of Grosse Pointe Park, a Michigan Public Body corporate

Whose address is 15115 East Jefferson Ave, Grosse Pointe Park, MI 48230

DTE Electric Company, a Michigan corporation, One Energy Plaza, Detroit, Michigan 48226

"Grantor's Land" is in the City of Grosse Pointe Park, County of Wayne, and State of Michigan, and is described as follows:

The legal description is more particularly described on Exhibit A, attached hereto, and made a part hereof.

Tax Identification Number(s): 39-007-08-0027-001

More commonly known as: 15032-15044 Mack Ave., Grosse Pointe Park, Michigan 48230

The "Right of Way Area" is a twelve (12) foot wide easement on part of Grantor's Land. The centerline of the Right of Way Area shall be established in the as-built location of the centerline of Grantee's facilities and shall be installed on Grantor's Land in the approximate location described on Exhibit B, attached hereto, and made a part hereof.

1. Purpose: The purpose of this Right of Way is to construct, reconstruct, modify, add to, repair, replace, inspect, operate and maintain underground utility line facilities, which may consist of

poles, guys, anchors, wires, manholes, conduits, pipes, cables, transformers and accessories.

2. Access: Grantee has the right of pedestrian and vehicular ingress and egress to and from the Right of Way Area over and across Grantor's Land.

3. Buildings or other Permanent Structures: No buildings or other permanent structures or improvements may be constructed or placed in the Right of Way Area without Grantee's prior, written consent. Grantor agrees, at its own expense, to remove any improvement that interferes with the safe and reliable operation, maintenance, and repair of Grantee's facilities upon the written demand of Grantee. If Grantor fails to comply with such demand, Grantor agrees that Grantee may remove any such improvement and bill Grantor for the cost thereof, which cost Grantor shall pay within thirty (30) days after demand therefor.

4. Excavation: Pursuant to 2013 Public Act 174, MISS DIG (1-800-482-7171 or 811 in some areas) must be called before any excavation in the Right of Way Area may proceed.

5. Trees, Bushes, Branches, Roots, Structures and Fences: Grantee may trim, cut down, remove or otherwise control any trees, bushes, branches and roots growing or that could grow or fall in the Right of Way Area and remove any structures, improvements, fences, buildings or landscaping in the Right of Way Area that Grantee believes could interfere with the safe and reliable construction, operation, maintenance and repair of Grantee's facilities. No landscaping, trees, plant life, structures, improvements or fences may be planted, grown or installed within 8 feet of the front door, or within 2 feet of the other sides, of transformers or switching cabinet enclosures, and Grantee shall not be responsible for any damage to, or removal of, landscaping, trees, plant life, structures, improvements and/or fences located in such areas.

6. Restoration: If Grantee's agents, employees, contractors, subcontractors, vehicles, or equipment damage Grantor's Land while entering Grantor's Land for the purposes stated in this Right of Way, then Grantee will restore Grantor's Land as nearly as is reasonably practicable to the condition in which it existed prior to such damage. Restoration with respect to paved surfaces shall consist of asphalt cold patching of the damaged portion of any asphalted surfaces when the weather conditions suggest such use and the cement patching of the damaged portion of any cemented surfaces. Grantee shall have no liability, however, for the restoration or cost of any improvements located within the Right of Way Area, including, but not limited to, parking islands, gutters, fences or landscaping such as trees, bushes, or flowers (but not a simple lawn which, if damaged, will be patched and re-seeded by Grantee) that are damaged by Grantee in the course of constructing, reconstructing, modifying, adding to, repairing, replacing, operating or maintaining its facilities as described in paragraph 1 above.

7. Successors and Assigns: This Right of Way runs with the land and binds and benefits Grantor's and Grantee's successors and assigns.

8. Exemptions: This Right of Way is exempt from transfer tax pursuant to MCL 207.505(a) and MCL 207.526(a).

9. Governing Law: This Right of Way shall be governed by the laws of the State of Michigan.

Grantor:

Northwest Tax Increment Finance Authority, an entity of The City of Grosse

Pointe Park, a Michigan Public Body Corporate

By: _____

Name: _____

Title: _____

Motion by Board Member Tompkins, seconded by Board Member Ralstrom to approve the easement as prepared by DTE and authorize TIFA Director Rothe to execute the document.

AYES: Board Members Lee, King-Piepenbrok, Ralstrom, Tompkins, Anton and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Mullen, Secord, and Chamberlain.

PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments made.

ADJOURNMENT

Motion by Board Member Tompkins, seconded by Board Member Secord, to adjourn the meeting.

AYES: Board Members Lee, King-Piepenbrok, Ralstrom, Secord, Tompkins, Anton and Chairman Hughes.

NAYS: None

ABSENT: Board Members Cousineau, Kokoshi, Mullen, and Chamberlain.

With no further business, the meeting adjourned at 6:19 p.m.

Next meeting to be held on Thursday, September 29, 2022.

DRAFT PENDING APPROVAL



TAX INCREMENT FINANCE AUTHORITY MEETING

DATE: September 29, 2022

SUBJECT: Approve Lot Paving Quote

SUMMARY: As part of the TIFA's 2023 budget, developing the parking lots behind Pointe Hardware and between Maryland/Lakepoint was a top priority. While it was intended to begin work on the Pointe Hardware lot (PHL) earlier in the fiscal year, we were trying to coordinate alongside the development of the Maryland/Lakepoint lot before moving ahead with the PHL.

With the delays in finishing the design of the Maryland/Lakepoint lot, it is recommended to move forward with paving the PHL. The City recently solicited bids for an alley paving project. The selected low bidder was Hutch Paving, located in Warren. Hutch was contacted to see if they would be interested in paving the PHL while they are onsite paving alleyways and they provided the attached quote for the Board's consideration. If approved, the work is scheduled to begin the week of October 24th.

In anticipation of the Maryland/Lakepoint lot, only the paving portion of the PHL is being considered now. Landscaping and other beautification work that could be placed in the greenbelt will be coordinated with the Maryland/Lakepoint project when that occurs next year.

FINANCIAL IMPACT: \$265,000 has been allocated for parking lot improvements. There is sufficient funding to complete this project.

RECOMMENDATION: Motion to approve the quote from Hutch Paving as presented.

PREPARED BY: Warren Rothe, Assistant City Manager

Grosse Point Park Alley - Maryland Lot

Quote created on September 21, 2022 - Reference: 20220921-080617175

OHM Advisors

34000 Plymouth Road
Livonia, MI 48150
United States

Patrick Drozer

Principal
patrick.droze@ohm-advisors.com
248-761-8108

Comments

Patrick,

Instead of having the landscap angles I simplified the project by making it a 103' x 31' rectangle, leaving the bioswale per the site plan. The two gentlemen with the city seemed to like the idea. Let me know what you think.

John

John Kruso - Sales Engineer at Hutch Paving



Products & Services

CONCRETE CURB | 120 LF

1 x \$0.00

- Saw Cut & excavate existing concrete to a maximum thickness of 18.00" hauling all debris off site to approved recycling facility.
- Install 18.00" concrete with a 4,000 PSI psi rating concrete + (2) #4 Steel bar running horizontal entire length of curb.
- Concrete to receive a light broom finish followed by relief joints + cure & sealing.

4" ASPHALT ~ 31' x 104'

1 x \$0.00

- Fine grade & compact existing cggregate base, checking for any deficiencies.
- Hutch Paving will grade existing base materials, making new high points improving drainage pattern.
- Install 2.00" #13A MDOT SPEC Leveling course asphalt and compact.
- Apply SS-1h emulsion (tack coat) asphalt binder.
- Install 2.00" #5E1 Commercial Grade SPEC Wearing course asphalt and compact.
- Re-stripe improved surfaces per existing layout with MDOT spec traffic paint.
- Remove all debris resulting from our operation.

WARRANTY | TERMS | PERMITS

1 x \$29,642.00

- INCLUDES: ONE YEAR WRITTEN WARRANTY Excluding Reflective Cracking or frost heave
EXCLUDES: Permits, Inspections, Undercutting of unsuitable sub base, restoration of

Striping, restoration of landscaping, repair to hidden structures, such as but not limited to irrigation lines, electrical lines, or anything not marked by the miss dig system, repair to asphalt under milled surface unless otherwise noted above.
PAYMENT TERM: 25% down and the balance net 15 days from the date of the Invoice(s) with no retention held. A 1.5% monthly service charge will be applied for balances due beyond the 15 days.
PERMITS: Permits secured by HPI will be reimbursed cost plus 20% acquisition fee or a \$400.00 min charge.

One-time subtotal	\$29,642.00
Total	\$29,642.00

This quote expires on October 21, 2022.

Purchase Terms

STANDARD TERMS: This contract is subject to the following terms. Hutch Paving, Inc., is referred to as Contractor or HPI. The owner, architect client, or customer to whom this contract is addressed is referred to as "Customer." Prices quoted are valid for 30 days from issue date of the proposal, unless specified otherwise. Payment is due as invoiced. A finance charge of 1-1/2% per month will be added to all past due accounts.

WARRANTY COVERAGE: HPI's work is covered by our standard warranty against defects in materials and workmanship for a period of 12 months from the date of substantial completion, subject to the terms and conditions herein. The warranty does not cover cracks or drainage when the work involves resurfacing and not a complete replacement.

CHANGES: It is expressly understood that all terms, agreements, and conditions relating to this contract are only those expressed in writing herein, and that there are no oral representations, undertakings, terms, agreements or conditions of any kind. No changes or alterations in this agreement shall be allowed except in writing and at prices agreed upon at the time the changes are authorized.

ESTIMATED OR APPROXIMATE QUANTITIES: Quantities and areas in this proposal are approximate, arrived at for estimating purposes only. In addition, it is understood that payment is to be made on actual quantities of work completed and actual areas covered unless this agreement is a "lump sum" contract or unless otherwise indicated.

FROST HEAVE: Should there be subsurface or subterranean water that is susceptible to the freeze thaw cycle, the possibility for frost heave in the winter is possible. Frost heave can lift the pavement of any type causing lifting, cracking & separation. Frost heave is unavoidable in Michigan and is not covered under warranty

PROPERTY LINES/UNDERGROUND CONDITIONS: The Customer is responsible for identifying and accounting for the location of property lines, drainage, irrigation systems, underground structures or pipes, or any other condition not immediately observable, and shall indemnify and hold harmless HPI for any damages or delay, and pay any additional charges incurred by HPI, resulting from the existence of such lines, structures, or conditions not marked by dig..

DELAYS/TIME OF COMPLETION: HPI is not responsible for delays caused by **SUBGRADES/MINIMUM GRADE:** HPI will not place material on a subgrade that, in HPI's sole discretion, is unacceptably wet, unstable, or frozen, or where a minimum grade of one percent (1%) is not possible. In the event the Customer insists on the work proceeding in spite of such conditions, the Customer will be required to absolve HPI in writing of any responsibility for the quality and outcome of the work, and the warranty will be void.

PERMITS: Customer shall obtain and pay for any and all permits, inspections or assessments if they are required.

ZONING REQUIREMENTS & REGULATIONS: HPI assumes no responsibility for determining whether Customer has the legal right or authority to perform the work as specified. Notwithstanding that such work might be deemed to violate any ordinance, zoning regulation, or other law, the Customer shall, nevertheless, be obligated to pay for the work performed as ordered.

THICKNESS OF ASPHALT PAVEMENT: All descriptions of pavement in this proposal refer to average thickness. Variations in subgrade and technical limitations may result in variations from the average.

SOIL CONDITIONS: HPI assumes no responsibility for any unusual soil conditions encountered that are not specifically referred to in this proposal. Also, HPI assumes no responsibility for the excavation, removal or disposal of any contaminated soils encountered during any excavation for the Customer. The Customer will pay any extra cost for such conditions incurred by HPI.

TREE ROOTS: Contractor shall not be responsible for any damage to trees occasioned by the removal of tree or tree roots in preparing the site.

COLD WEATHER CONDITIONS: Effective October 1, jobs are subject to winter conditions (50 degrees or below). Roller marks and asphalt marks may be visible due to cold weather temperatures.

NOTICE OF COMMENCEMENT: Notice of Commencement is requested under MCL 570.1108a(1).

DISPUTE RESOLUTION: Except for any claim by HPI for payment or enforcement of its lien rights, disputes arising out of this contract shall be submitted to arbitration before an arbitrator who is a registered engineer or architect. In the event the parties cannot agree upon such an arbitrator, the American Institute of Architects (AAA) shall select the arbitrator and the arbitration proceedings shall be governed by AAA rules. The cost of the arbitration shall be borne equally by both parties. The decision of the arbitrator shall be binding upon the parties and enforceable in a Circuit Court for the State of Michigan. As a condition precedent to requesting arbitration, Customer shall deposit any unpaid balance due on the contract into escrow with an escrow agent approved by HPI. Customer shall pay HPI all attorney fees, costs, and expenses incurred by HPI in enforcing the terms of this agreement, including but not limited to the collection of any payment due herein and the defense of any claim by Customer. le for delays beyond its control. All timeframes are approximate.

Signature

Signature

Date

Printed name

Countersignature

Signature

Date

Printed name

Questions? Contact me



John Kruso

Sales Engineer

john@hutchpaving.com

+1 (248) 514-6295



Hutch Paving

3000 E. 10 Mile Rd.

Warren, MI 48091



TAX INCREMENT FINANCE AUTHORITY MEETING

DATE: September 29, 2022

SUBJECT: Maryland/Lakepointe Parking Lot Update

SUMMARY: As you are aware, we are working with the Kercheval business community on developing the parking lot between Lakepointe and Maryland. Attached is a preliminary concept plan that shows the proposed layout and design of the parking lot. At this time, engineering work is being finalized.

The purpose of this item is to begin building awareness among the board members. Your feedback and comments are welcome.

FINANCIAL IMPACT: To be determined.

RECOMMENDATION: No action is needed at this time.

PREPARED BY: Warren Rothe, Assistant City Manager



Maryland / Lakepointe Plan

September 27, 2022



TAX INCREMENT FINANCE AUTHORITY MEETING

DATE: September 29, 2022

SUBJECT: Attorney Selection

SUMMARY: A RFP for legal services was published on Bidnet, a website where municipalities across Michigan solicit for quotes and services. Eight firms responded with proposals which were reviewed by the City Manager, TIFA Director, and Chairman Hughes. Interviews were scheduled with two firms.

Based on the unanimous consent of the interview panel, it is recommended that the Board select McGraw Morris as legal counsel to the TIFA. Kevin Kilby, a partner with McGraw Morris, will be the principal attorney. Kevin has extensive experience representing other DDAs, TIFAs, and other authorities. Select clients include Ypsilanti, Frankenmuth, Romeo, Vassar, and Sault Ste. Marie.

A resume of Kevin is attached for your review.

FINANCIAL IMPACT: The hourly rate for McGraw Morris is \$175. Currently, Bodman is charging \$430 an hour. It is anticipated that significant savings will be realized in the TIFA's legal budget.

RECOMMENDATION: Motion to accept McGraw Morris's proposal for legal services and appoint Kevin Kilby as attorney for the Tax Increment Finance Authority.

PREPARED BY: Warren Rothe, Assistant City Manager

3. PERSONNEL

A. PROFESSIONAL RESUME OF KEVIN KILBY, THE PROPOSED DDA/TIFA ATTORNEY, AND OTHER PROPOSED MEMBERS OF LEGAL TEAM

Kevin Kilby

Mr. Kilby began his law career in 2005 and is a Partner with McGraw Morris' Troy location where he heads the firm's Municipal Law section. He brings with him an extensive knowledge of governmental operations. He focuses his practice in water, sewer and drain law, municipal litigation and municipal law, with an emphasis in government contracts, planning and zoning, tax increment financing, property law, and utility law.

He started his municipal career working for the Floyd County Ambulance Service in Iowa and as a reserve officer for the Floyd County Sheriff's Department. He later became a full-time police officer with the cities of Bowman, North Dakota, Nora Springs, Iowa, and Leon, Iowa. He also worked undercover for the North Iowa Area Narcotics Task Force and as a reserve officer and a tactical officer with the Forest City Police Department. He left his career in law enforcement and went to work in the City Manager's Office for the City of West Des Moines, Iowa before being appointed the City Administrator for the City of Clio, Michigan.

Mr. Kilby received his J.D., graduating cum laude, with a certificate in Litigation, from the Thomas M. Cooley Law School. In law school, Mr. Kilby was active in numerous organizations, including Assistant Editor – Thomas M. Cooley Law Review, Mock Trial National Team, Moot Court Board, and Mock Trial Board. Kevin received his Master's Degree in Public Administration from Drake University with honors in 1999 and received his Bachelor's degree in Public Administration from Upper Iowa University in 1997.

Areas of Practice:

Water, sewer and drain law
Municipal Law
Litigation
Employment and Labor
Downtown Development Authority

Bar Admissions:

Michigan, 2005
U.S. District Court Eastern District of Michigan, 2005
United States Supreme Court, 2009

Education:

Thomas M. Cooley Law School, Lansing, Michigan, June 2005 J.D. Honors: Cum Laude
Drake University, Des Moines, Iowa, May 1999 Masters Degree in Public Administration.
Honors: Cum Laude
Upper Iowa University, Fayette, Iowa, May 1997 Bachelor of Science in Public Administration
Upper Iowa University, Fayette, Iowa, May 1997 Associate of Arts in Business
Waldorf College, Forest City, Iowa, 1993 Associates of Arts in Liberal Arts

Iowa Law Enforcement Academy, 1992 Certified Law Enforcement Officer
University of North Dakota – LR, May 1991 Certificate in Police Training

Professional Associations and Memberships:

American Bar Association
Federal Bar Association
International City/County Management Association
Michigan Bar Association
Oakland County Bar Association
Genesee County Bar Association
Michigan Association of Municipal Attorneys

Past Employment Positions:

City of Clio, Michigan, City Administrator
West Des Moines, Iowa, Intern to City Manager
City of Leon, Iowa, Police Officer
City of Nora Springs, Iowa, Police Officer
City of Bowman, North Dakota, Police Officer
City of Forest City, Iowa, Reserve Police Officer
Floyd County Sheriff's Department, Reserve Deputy
North Iowa Area, North Iowa Area Narcotics Task Force
Floyd County Ambulance Service, Ambulance Attendant

Honors and Awards:

- 2017 Recipient of the International Municipal Lawyers Association Marvin J. Glink Private Practice Local Government Award
- 2017 One of only eleven attorneys in the State of Michigan to graduate the Michigan Association of Municipal Attorneys Academy.

Published Works:

Lead and Copper Rule, *Briefly*, the official publication of the Public Corporation Law Section of the Michigan State Bar, June 2017.

Lead and Copper Rule, *Laches*, the official publication of the Oakland County Bar Association, October 2016.



TAX INCREMENT FINANCE AUTHORITY MEETING

DATE: September 29, 2022

SUBJECT: DPW Building Costs and Budget Amendment

SUMMARY: Please review the accompanying memo regarding the status of the DPW Building project. A budget amendment is requested to cover unexpected costs associated with the project.

FINANCIAL IMPACT: Sufficient unspent funds are available in the FY 2022 TIFA budget to accommodate the additional costs.

RECOMMENDATION: Motion to approve the additional expenditures of \$36,357.99 and amend the FY 2022 budget accordingly.

PREPARED BY: Warren Rothe, Assistant City Manager

In 2020, the TIFA issued a \$4,000,000 bond to construct the new Department of Public Works Facility on Mack Ave. In addition to the bond proceeds, the TIFA also appropriated the following funds in the FY 2022 budget to be spent on non-construction improvements:

- \$100,000 for security-related improvements.
- \$35,000 for IT infrastructure and equipment.
- \$30,000 for furniture and office equipment.

During the 2022 fiscal year, the TIFA committed \$78,751 towards alley sewer separation and repaving from the DPW property to Goethe Ave. In total, the TIFA committed \$4,243,751 for the DPW building. (See Table 1)

During construction, typical with any construction project, additional unforeseen conditions and change orders have been required by Roncelli to erect the building. These items primarily consist of the following:

- Work to remove unforeseen and unknown building foundations that were discovered during the foundation and regrade the site. (\$66,673.41)
- Work to install a layer of backfill that was the proper depth and material composition to support the weight of the building. This item was not contemplated in the original budget development and was discovered during soil boring investigations. (\$35,692.08)
- The water supply for the fire suppression system was designed to be fed through a water main off Maryland. The water main was unable to supply enough pressure and volume of water to meet fire code requirements. This necessitated a redesign of the system. The most cost effective option was to run the water service to a Detroit water main located on the far side of Mack Avenue. Additionally, this required that the interior plumbing and layout of the entire fire suppression system be redesigned. (77,911.34)

These three items, representing unforeseen changes in site conditions, total \$180,276.83 (See Table 3). TIFA has the funds and budget flexibility to pay these additional costs. (See tables 2, 4, and 5).

The changed/unknown site conditions resulted in charges of \$180,276.83. TIFA is able to commit the \$78,751 it allocated to alley improvements towards this amount. Of the original DPW commitment, which includes the \$78,751 for the alley, \$143,918.84 is available to coverage the unexpected costs. ***Therefore an additional contribution of \$36,357.99 is requested.*** Even with this additional requirement, the TIFA is projected to end Fiscal Year 2022 with an ending net position of \$123,144.71. (See table 5) For reference, the TIFA began Fiscal Year 2022 with a net position of \$1,117.

Given the scope and size of the project, the unforeseen site conditions and the incredible increase of construction costs and supply issues related to inflation, the overall project cost has been well within normal and expected construction management.

Table 1: Summary of TIFA DPW Appropriations before Unexpected Costs

DPW Building TIFA Cost Development			
Source	Appropriation	Expenditures	Remaining
Construction Contract	\$ 4,000,000.00	\$ 3,991,205.24	\$ 8,794.76
Security System	\$ 100,000.00	\$ 73,335.97	\$ 26,664.03
Furniture	\$ 30,000.00	\$ 21,940.95	\$ 8,059.05
IT Improvements	\$ 35,000.00	\$ 13,350.00	\$ 21,650.00
Alley Separation	\$ 78,751.00	\$ -	\$ 78,751.00
Totals:	\$ 4,243,751.00	\$ 4,099,832.16	\$ 143,918.84

Table 2: FY 2022 and FY 2023 Actual Expenditures before DPW Unexpected Costs

Category	FY 22 Budget	FY 22 Actual	FY 23 Costs	Unspent Funds
Operating Supplies	\$ 10,000.00	\$ 2,028.32		\$ 7,971.68
Traffic Lighting	\$ 36,400.00	\$ 20,713.23		\$ 15,686.77
Legal Services	\$ 40,000.00	\$ 9,043.47		\$ 30,956.53
Auditor	\$ 5,500.00	\$ 2,954.00		\$ 2,546.00
Holiday Decoration	\$ 21,250.00	\$ 11,018.48		\$ 10,231.52
Grant Program	\$ 100,000.00	\$ 54,734.77		\$ 45,265.23
Pedestrian Lighting	\$ 25,625.00	\$ 25,625.00		\$ -
Residential Improvement Program	\$ 225,000.00	\$ 71,426.53		\$ 153,573.47
Parking Capital Improvement	\$ 225,000.00	\$ 47,650.19		\$ 177,349.81
Engineering Services	\$ 75,000.00	\$ 40,771.72		\$ 34,228.28
Marketing/Promotions	\$ 75,000.00	\$ 75,000.00		\$ -
DPW Debt	\$ 305,395.00	\$ 305,394.11		\$ 0.89
DPW Security	\$ 100,000.00	\$ 16,935.97	\$ 56,400.00	\$ 26,664.03
DPW IT	\$ 35,000.00	\$ 4,430.00	\$ 8,920.00	\$ 21,650.00
DPW Furniture	\$ 30,000.00	\$ 21,940.95		\$ 8,059.05
Totals:	\$ 1,309,170.00	\$ 709,666.74	\$ 65,320.00	\$ 534,183.26

Note: Because the invoices were received for several items after the “cutoff” period, \$65,320 will be booked in FY 23. This does not affect the resources committed by the TIFA.

Table 3: DPW Unexpected Costs

DPW Unexpected Costs	
Description	Cost
Foundation Work	\$ 66,673.41
Fire Supression	\$ 77,911.34
Backfill/Undercuts	\$ 35,692.08
Total:	\$ 180,276.83

Table 4: Net Position before DPW Unexpected Costs

FY 22 Beginning Net Position	\$ 1,117.00
FY 22 Actual Revenues	\$ 1,011,942.12
FY 22 Actual Expenditures	\$ 709,666.74
FY 22 Ending Net Position - before unexpected costs	\$ 303,392.38

Table 5: FY 22 Net Position after DPW Unexpected Costs

DPW Unexpected Costs	\$ 180,276.83
FY 22 Ending Net Position - after unexpected costs	\$ 123,115.55

Table 6: Summary of TIFA DPW Expenditures, including Unexpected Costs

DPW Building TIFA Cost Development			
Source	Appropriation	Expenditures	Difference
Construction Contract	\$ 4,000,000.00	\$ 3,991,205.24	\$ 8,794.76
Security System	\$ 100,000.00	\$ 73,335.97	\$ 26,664.03
Furniture	\$ 30,000.00	\$ 21,940.95	\$ 8,059.05
IT Improvements	\$ 35,000.00	\$ 13,350.00	\$ 21,650.00
Alley Separation	\$ 78,751.00	\$ -	\$ 78,751.00
Unexpected Costs	\$ -	\$ 180,276.83	\$ (180,276.83)
Totals:	\$ 4,243,751.00	\$ 4,099,832.16	\$ (36,357.99)