

# Council Agenda

January 26, 2009 6:30 p.m. Council Chamber

PRAYER AND PLEDGE OF ALLEGIANCE

ROLL CALL

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

- *(A list will be provided on Monday after 1:00 p.m.)*

REMARKS OF COUNCIL:

PETITIONS:

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND  
APPOINTMENT OF BOARD AND COMMISSION MEMBERS:

From the Boards and Commissions Committee:

1. Consideration of reappointing Jeanne Swank to the STARS Board with a term to expire December 31, 2011.

REPORTS FROM MANAGER:

Management Update:

1. Peter Ewend, Saginaw Bay Underwriters, will review and discuss insurance renewals for 2009.
2. Kim Zimmer and Kurt Coduti from MDOT, will give an update on MDOT projects within the City limits.

Recommended Actions:

1. Recommending approval of the Water Service Agreement between the City of Saginaw and Bridgeport Charter Township for the provision of treated water to the Township and for revenue sharing between the two communities. The Agreement has been approved by

the City Manager as to substance and the City Attorney as to form. Bridgeport Charter Township Board of Trustees approved the Agreement on December 2, 2008.

2. Recommending approval of the Urban Cooperation Agreement with Bridgeport Charter Township. This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, to be executed on the same date. The Agreement has been approved by the City Manager as to substance and the City Attorney as to form. The Bridgeport Charter Township Board of Trustees approved the Agreement on December 2, 2008.
3. Recommending approval of the Letter of Understanding between the City of Saginaw and Charter Communications for the analog to digital transition and authorizing the City Attorney to execute the document. The Letter of Understanding has been approved by the City Manager as to substance and the City Attorney as to form. This agreement outlines the protocols and procedures involved in the technical aspects of the transition, and the Letter of Understanding guarantees certain minimum standards to customers and will benefit the City and its citizens.
4. Recommending that the 2009 Single Lot Special Assessment Tax Roll transmitted herewith be filed in the office of the City Clerk for public examination; that the Council meet and review said roll at a regular meeting to be held Monday, February 23, 2009, and that the City Clerk be authorized to post a public notice of said hearing.
5. Recommending approval of the insurance proposals with Chubb/Federal Insurance Company for Combined Building & Personal Property, Business Income and Extra Expense, Computer Coverage, Flood, Earthquake and Animals in the Petting Zoo; with The Hanover Insurance Group for Crime Coverage; with Chubb/Federal Insurance Company for Equipment Floater & Bridges Coverage; with Cincinnati Insurance Company for Machinery & Equipment Breakdown Coverage, and Illinois Union Insurance Company/ACE for Storage Tank Liability Insurance effective February 1, 2009 to February 1, 2010, for a total cost of \$281,591, with a possible 5% increase (\$395.25) in the Crime Policy; and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plans. I further recommend that I or my designee be allowed to make adjustments to said policies, as necessary throughout the policy term, in removing and/or adding coverage on equipment, machinery and buildings, as the City acquires and/or disposes of same. Funds are budgeted and available in the Self Insurance Fund (Other Services) Account No. 677 1762 711 8006 (\$115,627 will be expended from the fiscal year 2008-09 budget and \$161,877 from the fiscal year 2009-10 budget.)
6. Recommending that a purchase order be approved and issued to Service Express, Inc. in the amount of \$2,628.00 as annual payment for hardware maintenance and support services. This support service covers three servers, including the City's email server. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted and available in the Information Services Operating Services Account No. 658 1720 711 8005.
7. Recommending that a purchase order be approved and issued to Carrier and Gable, Farmington Hills, MI and that payment be made to them in the amount of \$4,515.61 for the repair of traffic signal equipment. Carrier and Gable is the sole repair facility for this equipment. This vendor meets all requirements of the contract compliance provisions.

Funds are available in the Traffic Engineering Parts and Supplies Account No. 202 4621 791 7330.

8. Recommending that a purchase order be approved and issued to Douglass Safety Systems in the amount of \$8,870.00 for the purchase of ten (10) ISI-Self Contained Breathing Apparatus air cylinders and two (2) ISI Viking digital air-switch facemasks for the Fire Department Operations Division. Douglass Safety Systems is the sole supplier of these ISI air cylinders and masks. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Fire Department Operations Division Parts and Supplies Account No. 101 3751 751 7330.

**INTRODUCTION OF ORDINANCES:**

1. An Ordinance to add Section 33.40 ‘Neighborhood Enterprise Zones’ to Chapter 33, ‘Taxation and Assessment’ of Title III, ‘Administration,’ of the Saginaw Code of Ordinances, O-1.

**CONSIDERATION AND PASSING OF ORDINANCES:**

**RESOLUTIONS:**

**UNFINISHED BUSINESS:**

**MOTIONS AND MISCELLANEOUS BUSINESS:**

Darnell Earley  
City Manager

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Insurance proposals for the City's Building & Personal Property Coverage, Business Income, Valuable Papers and Records, Computers, Flood, Earthquake, Animals in the Petting Zoo, Crime, Equipment, Bridges, Machinery & Equipment Breakdown and Storage Tanks

**Manager's Recommendation:**

I recommend approval of the insurance proposals with Chubb/Federal Insurance Company for Combined Building & Personal Property, Business Income and Extra Expense, Computer Coverage, Flood, Earthquake and Animals in the Petting Zoo; with The Hanover Insurance Group for Crime Coverage; with Chubb/Federal Insurance Company for Equipment Floater & Bridges Coverage; with Cincinnati Insurance Company for Machinery & Equipment Breakdown Coverage, and Illinois Union Insurance Company/ACE for Storage Tank Liability Insurance effective February 1, 2009 to February 1, 2010, for a total cost of \$281,591, with a possible 5% increase (\$395.25) in the Crime Policy; and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plans.

I further recommend that I or my designee be allowed to make adjustments to said policies, as necessary throughout the policy term, in removing and/or adding coverage on equipment, machinery and buildings, as the City acquires and/or disposes of same.

Coverage documents, policy changes and contracts to implement the new insurance are subject to the City Manager's approval as to substance and the City Attorney's approval as to form.

# COUNCIL COMMUNICATION

Funds are budgeted and available in the Self Insurance Fund (Other Services) Account No. 677-1762-711-80-06. (\$115,627 will be expended from the 2008-2009 budget and \$161,877 from the 2009-2010 budget.)

## **Justification:**

Recently, Saginaw Bay Underwriters received proposals for insurance coverage on City Buildings & Personal Property, Business Income and Extra Expense, Computer Coverage, Flood, Earthquake, Animals in the Petting Zoo, Crime Coverage, Equipment and Bridges, Machinery & Equipment Breakdown, Storage Tanks and Crime Coverage to be effective February 1, 2009 to February 1, 2010. Upon receipt and review of the proposals received by Saginaw Bay Underwriters, the following insurance policies are being recommended:

### **BLANKET COVERAGE**

Chubb/Federal Insurance Company policy which includes Blanket Coverage for Buildings and Personal Property, Business Income and Extra Expense, Valuable Papers and Records, Computer Coverage, Flood, Earthquake, and Animals in the Petting Zoo. Last year's premium was \$172,194 and this year's premium is \$175,442, which includes a Terrorism Coverage charge of \$7,797. This is an increase of \$3,248, over last year's premium, which is a result of increasing the value of the City buildings by 3% to stay current with inflation. (This policy carries a \$100,000 deductible with the exception of the Animals in the Petting Zoo, which has a \$500 deductible and Computer Coverage, which has a \$10,000 deductible.) It should also be noted that two locations were removed from flood coverage and several others added.

# COUNCIL COMMUNICATION

## **CRIME COVERAGE**

The Hanover Insurance Group, policy, which includes coverage for Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction (inside and outside the premises) and Computer Fraud for an estimated annual premium of \$7,905. This is the same premium as the prior year however, Hanover has requested a new application which City staff is currently completing. It is unlikely there will be any change in premium since there have been no reported instances but it is recommended Council approve the policy with a possible 5% increase so the City's coverage will not lapse while the paperwork is being finalized.

## **EQUIPMENT FLOATER POLICY**

Chubb/Federal Insurance Company policy which includes Radio, Equipment and Machinery, Employee Tools, Rental Cost Reimbursement, Leased/Rented from others, Floating Docks, Debris Removal, Fire Department Service Charges, Inventory or Appraisals, Pollutant Clean-up, Fire Protection and Equipment Refill for a premium of \$17,549, which is the same as last year. (The deductible for this policy ranges from \$1,000-\$5,000, with the exception of the Floating Docks which carries a \$25,000 deductible.)

## **BRIDGES POLICY**

Chubb/Federal Insurance Company policy which includes coverage on the Douglas Schenck, Frank Andersen, Holland, Genesee Avenue, Johnson Street, Norman Street, C&O RR Crossing, Ojibway Island (South End) and Ojibway Island Pedestrian (North & South End) Bridges for an unaltered premium of \$59,604. (The deductible on this policy is \$50,000.)

# COUNCIL COMMUNICATION

## **MACHINERY & EQUIPMENT BREAKDOWN**

Cincinnati Insurance Company policy which includes coverage on Electric Generators, Miscellaneous Electrical Apparatus, Recip. Eng. Internal Combustion, Transformers, Water Damage, Expediting Expenses, Water Damage, Ammonia Contamination and Hazardous Substance, for a premium of \$13,244. This is the same insurance the City carried the prior year with no cost increase. (This policy has a \$1,000-\$5,000 deductible.)

## **STORAGE TANK LIABILITY INSURANCE**

Illinois Insurance Company policy which includes coverage on 13 tanks (8-above ground and 5-underground) that are insured at 4 locations. The premium increased by \$188 from \$7,659 to \$7,847 due to the tanks being one year older. This amount includes a terrorism charge of \$265. (The policy has a \$10,000 deductible.)

### **Council Action:**

Council \_\_\_\_\_ moved that the recommendation from the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** 2009 Single Lot Special Assessments Tax Roll

**Manager's Recommendation:**

It is recommended that the 2009 Single Lot Special Assessment Tax Roll transmitted herewith be filed in the office of the City Clerk for public examination; that the Council meet and review said roll at a regular meeting to be held Monday, February 23, 2009, and that the Clerk is hereby directed to post a public notice of said hearing.

**Justification:**

The City Engineer filed the 2009 single lot assessment tax roll with the City Clerk on January 16, 2009, for the following assessments:

1. Sewer Connections & Replacements (SEWTR)
2. Nuisances: Trash Removal/Yard Cleanup (TR009), Weed/Grass Cutting (WC009) and Wrecker Service/Vehicle Removal (WS009).
3. Solid Waste Disposal Annual Fee (TRFE)
4. Environmental Compliance (EC001)
5. Environmental Tests/Samples/Inspections/Adm. Fees (EC091)
6. Environmental Fines & Surcharges (EC092)

The expenses on single lot assessments are not the types that require prorating of costs among several lots and parcels of land in the special assessment district, but are assessed to owners of the individual lots on which a service was performed. The owners of record have been billed in accordance with provisions of Title III, Administration, Chapter 33, "Taxation and Assessment," Section 33.26, Assessing Single Lots of the Saginaw Code of Ordinances, O-1.

**Council Action:**

Council \_\_\_\_\_ moved to accept the recommendation of the City Manager.



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Service Express Hardware Maintenance Renewal

**Manager's Recommendation:**

I recommend that a purchase order be issued to Service Express, Inc. in the amount of \$2,628.00 as annual payment for hardware maintenance and support services.

This support service covers three servers, including the City's email server.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this payment are budgeted and available in the Information Services Operating Services Account No. 658-1720-711.80-05.

**Justification:**

This annual renewal with Service Express, Inc. covers the City for the period of 3/1/2009 thru 2/28/2010 with hardware maintenance and support services for several City servers.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Repair of traffic signal equipment

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to Carrier and Gable, Farmington Hills, MI, and that the invoice received from them be accepted and payment be made to them in the amount of \$4,515.61 for the repair of traffic signal equipment. Carrier and Gable is the sole repair facility for this equipment.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this equipment are available in the Traffic Engineering Parts and Supplies Account No. 202-4621-791-7330.

**Justification:**

In mid and late July 2008, two separate lightning storms occurred in the City of Saginaw, which caused significant damage to the traffic signal equipment at eleven locations throughout the City of Saginaw. Lightning strikes damaged the EPAC controllers, which were replaced with in stock equipment, and the damaged controllers were sent in for repair. The costs of these repairs varies on each controller, depending on what components were damaged. This invoice is the cost for repairing all eleven controllers.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** SCBA Air Cylinders & Face Masks

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to Douglass Safety Systems in the amount of \$8,870.00 for the purchase of ten (10) ISI Self-Contained Breathing Apparatus air cylinders and two (2) ISI Viking digital airswitch facemasks for the Fire Department Operations Division. Douglass Safety Systems is the sole supplier of these ISI air cylinders and masks.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44 of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Fire Department Operations Division Parts and Supplies Account No. 101-3751-751.73-30.

**Justification:**

Self-Contained Breathing Apparatus are used as personal protective equipment that is worn in hazardous environments. These new ISI air cylinders are part of a replacement plan that will replace those that have reached the manufacturer's recommended service life. The facemasks will provide us with the necessary amount of masks to ensure that we are able to provide individual masks for all personnel.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Approving Letter of Understanding with Charter Communications

**Manager's Recommendation:**

I recommend approval of the Letter of Understanding between the City of Saginaw and Charter Communications for the analog to digital transition and authorizing the City Attorney to execute the document. The Letter of Understanding has been approved by me as to content and the City Attorney as to form.

**Justification:**

Charter Communications and other cable providers will be engaged in the transition of television service from analog to digital format in February 2009. In order to make the transition as convenient and efficient as possible, it has entered into uniform Letters of Understanding with the communities it serves. This agreement outlines the protocols and procedures involved in the technical aspects of the transition. This Letter of Understanding guarantees certain minimum standards to customers and will benefit the City and its citizens.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Bridgeport Township Water Service Agreement

**Manager's Recommendation:**

I recommend approval of the Water Service Agreement between the City of Saginaw ("City") and Bridgeport Charter Township for the provision of treated water to the Township and for revenue sharing between the two communities. The Agreement has been approved by me as to substance and the City Attorney as to form.

**Justification:**

The City has water treatment and transmission facilities, which it uses to supply potable water services to various wholesale customers, including Bridgeport Charter Township ("Township"). The Township requires a secure source of water service into the future to assist development in its municipality. The City and Township have negotiated an Agreement to provide water services and share in the revenue produced by the economic development created by those water services.

The additional revenue to be paid to the City for additional water services in economic development projects includes the following:

1. A one-time payment of \$2,000.00, with a cumulative annual increase of 3%, for additional water extensions to residential units requiring a permit.
2. A one-time fee, between \$5,000.00 and \$40,000.00, with a cumulative annual increase of 3%, for additional water extensions to commercial or industrial units that require a permit.
3. Payment of Income Tax by employees and employers for businesses that employ ten or more persons, within the economic development projects, with the revenue shared by the City and the Township on a 90% to 10% basis, respectively.
4. The Agreement is for thirty (30) years.

The Agreement was approved by Bridgeport Charter Township Board of Trustees on December 2, 2008.

**Council Action:**

Council \_\_\_\_\_ moved the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Bridgeport Township Urban Cooperation Agreement

**Manager's Recommendation:**

I recommend approval of the Urban Cooperation Agreement with Bridgeport Charter Township ("Township"). This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, to be executed on the same date. The Agreement has been approved by me as to substance and the City Attorney as to form.

**Justification:**

The Water Service Agreement requires the Township to make payments to the City resulting from new residential, commercial, industrial and manufacturing developments within the Township. These requirements are set forth in the Urban Cooperation Agreement, which will result in payments to the City of \$2,000.00 per new connection for each residential unit and from \$5,000.00 to \$40,000.00 for connections resulting from new non-residential developments, inclusive of a 3% cumulative annual increase for both. It also requires payment of employee and employer income tax to be shared by the City and the Township on a 90% to 10% basis, respectively, for entities employing ten or more persons. The Bridgeport Charter Township Board of Trustees approved the Agreement on December 2, 2008.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation from the City Manager be approved.

# COUNCIL COMMUNICATION

Council \_\_\_\_\_ introduced an ordinance entitled and

reading as follows:

AN ORDINANCE TO ADD SECTION 33.40 "NEIGHBORHOOD ENTERPRISE ZONES" TO CHAPTER 33, "TAXATION AND ASSESSMENT" OF TITLE III "ADMINISTRATION", OF THE SAGINAW CODE OF ORDINANCES, O-1.

Laid over under the Charter provision.



# COUNCIL COMMUNICATION

Council \_\_\_\_\_ moved that an ordinance introduced, January 26, 2009, entitled and reading as follows, be taken up and enacted:

AN ORDINANCE TO ADD SECTION 33.40 "NEIGHBORHOOD ENTERPRISE ZONES" TO CHAPTER 33, "TAXATION AND ASSESSMENT" OF TITLE III "ADMINISTRATION", OF THE SAGINAW CODE OF ORDINANCES, O-1.

The City of Saginaw Ordains:

Section 1. §33.40, "Neighborhood Enterprise Zones" is hereby added to Chapter 33, "Taxation and Assessment", of Title III, "Administration" of the City of Saginaw Code of Ordinances, O-1, and shall read as follows:

NEIGHBORHOOD ENTERPRISE ZONES

§ 33.40. PURPOSE.

The purpose of this chapter is to preserve Saginaw neighborhoods and to further the maintenance, preservation, improvement and development of housing for all persons regardless of income level; to provide that the City, by resolution, may designate one or more neighborhood enterprise zones pursuant to the Michigan Neighborhood Enterprise Zone Act, Act 147 of the Public Acts of 1992, as amended, being M.C.L.A. 207.771 et seq.; and to encourage, through ad valorem property tax benefits established by said Act, the construction of new structures that have as their primary purpose owner-occupied one or two unit residential housing and the rehabilitation of existing structures having as their primary purpose residential housing consisting of one to eight units, by bringing them into conformity with minimum Building and Housing Code standards and improving the livability of units.

# COUNCIL COMMUNICATION

## §33.41. DEFINITIONS.

As used in this chapter:

*Certificate of approval* means a certificate issued by the Chief Inspector, or his or her designee, of the Department of Economic Development of the City, attesting to the fact that a new or rehabilitated facility for which an enterprise zone certificate is in effect is in compliance with the construction and safety codes of the City.

*Neighborhood enterprise zone* means any zone designated by the City by resolution as a neighborhood enterprise zone pursuant to the requirements of the Michigan Neighborhood Enterprise Zone Act.

*Neighborhood Enterprise Zone Act* means Act 147 of the Public Acts of 1992, as amended, being M.C.L.A. 207.771 et seq.

*Neighborhood enterprise zone certificate* means a certificate as defined and issued pursuant to the Neighborhood Enterprise Zone Act.

*New facility* means a new structure that has as its primary purpose residential housing consisting of one or two units, one of which is or will be occupied by an owner as his or her principal residence. "New facility" includes a new individual condominium unit, in a structure with one or more condominium units, that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence "New facility" does not include apartments.

*Owner* means the record title holder of, or the vendee of the original land contract pertaining to, a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is applied for or issued.

# COUNCIL COMMUNICATION

*Rehabilitated facility* means an existing structure with a current true cash value of \$80,000.00 or less per unit, that has or will have as its primary purpose residential housing consisting of one to eight units, the owner of which proposes improvements that, if done by a licensed contractor, would cost in excess of \$5,000.00 per owner-occupied unit or 50 percent of the true cash value, whichever is less; or in excess of \$7,500.00 per nonowner-occupied unit or 50 percent of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit, or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformity with minimum Saginaw Housing Code standards for occupancy or improve the livability of the units while meeting minimum Saginaw Housing Code standards. "Rehabilitated facility" also includes an individual condominium unit, in a structure with one or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements. "Rehabilitated facility" does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss.

## §33.42 DESIGNATION OF ZONES.

The City, by Council resolution, may, upon City initiative or on petition of any person:

(a) Designate one or more neighborhood enterprise zones within a local governmental unit. A neighborhood enterprise zone, other than a neighborhood enterprise zone designated pursuant to subsection (b) hereof, shall contain not less

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than ten platted parcels of land. All the land within a neighborhood enterprise zone shall also be compact and contiguous.

(b) Designate one or more neighborhood enterprise zones limited to new facilities if each new facility in the zone is part of a development of ten or more units.

The total acreage of the neighborhood enterprise zones designated under this section shall not exceed fifteen percent of the total acreage contained within the boundaries of the local governmental unit.

(c) Not less than 60 days before the passage of a resolution designating a zone, the City Clerk shall give written notice to the assessor and to the governing body of each taxing unit that levies ad valorem property taxes in the proposed neighborhood enterprise zone.

(d) Before acting upon the resolution, the City Council shall make a finding that the proposed neighborhood enterprise zone is consistent with the master plan and the neighborhood preservation and economic development goals of the City, and adopt a statement of the City's goals, objectives, and policies relative to the maintenance, preservation, improvement and development of housing for all persons regardless of income level living within the proposed neighborhood enterprise zone.

(e) The City shall hold a public hearing on the application not later than 45 days after the date the notice is sent but before acting upon the resolution.

## §33.43 APPLICATION FOR CERTIFICATE.

Once a neighborhood enterprise zone is established in the manner provided in Section 33.42 and the Neighborhood Enterprise Zone Act, any person who proposes to construct a new facility or to rehabilitate property located in a neighborhood enterprise

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zone, and who intends to seek the tax benefits provided in the Neighborhood Enterprise Zone Act, may file an application for a neighborhood enterprise zone certificate with the City Clerk. The application must be filed before a building permit is issued for the work proposed, or as otherwise provided by the City Council by resolution if the application is filed not later than 6 months following the date the building permit is issued, and shall be filed in the form and manner prescribed in said Act. The application for a certificate shall be subject to the requirements, approvals and conditions of the Neighborhood Enterprise Zone Act.

## §33.44 INSPECTIONS.

(a) Before the sale of a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is in effect, an inspection by the City shall be requested and made to determine compliance with all applicable Saginaw construction and safety codes.

(b) No sale of any new or rehabilitated facility for which a neighborhood enterprise zone certificate is in effect may be finalized until there is compliance with the applicable Saginaw construction and safety codes and a certificate of approval attesting to the fact is issued by the Chief Inspector or his or her designee.

## §33.45 ISSUANCE OF CERTIFICATE OF APPROVAL.

(a) A certificate of approval shall be issued only after the new or rehabilitated facility has been inspected and meets the requirements of all the applicable Saginaw construction and safety codes. An inspection report shall be completed by the inspector after the inspection is completed. The report shall note all violations found in the facility.

# COUNCIL COMMUNICATION

Before a certificate of approval is issued, all violations must be corrected and approved and the required inspection fee paid

(b) After issuance, a certificate of approval shall only be valid for one sale of a new or rehabilitated facility. A new inspection and certificate of approval shall be required each time a new or rehabilitated facility is sold.

## §33.46 INSPECTION FEE.

The City shall charge a non-refundable inspection fee which shall be set by Council resolution and paid in advance of the certificate of approval inspection.

Section 2. That this Ordinance shall take effect on February 19, 2009.

Enacted: February 9, 2009.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Ordinance to Regulate Neighborhood Enterprise Zones.

**Manager's Recommendation:**

I recommended that Section 33.40, "Neighborhood Enterprise Zones" be added to Chapter 33, "Taxation and Assessments", of Title III, "Administration" of the City of Saginaw Code of Ordinances, O-1. The Section to be amended and the reasons to do so are set out below. An Ordinance has been prepared and appears under the regular order of business.

**Justification:**

The City of Saginaw has taken advantage of the Neighborhood Enterprise Zone ("NEZ") Act, Act 147 of the Public Acts of 1992, to create enterprise zones and grant certificates for buildings within those zones. The purpose of this Act is to grant tax incentives for the construction and rehabilitation of residential structures. The construction and rehabilitation would likely not occur but for the temporary tax incentives granted the owners. The City benefits by the investments made in its housing stock and the eventual increase in the tax base of the community.

The NEZ statute requires the participating community to enact a local ordinance to regulate the administration of these zones and the granting of these certificates. The proposed ordinance follows the requirements of the statute in that regard and continues the previous policies of the City.

**Council Action:**

This Council Communication is being submitted to explain the ordinance to be introduced in a subsequent portion of the agenda.