

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Wednesday, April 17, 2019

5:00 PM

Committee Room

GOVERNMENTAL OPERATIONS COMMITTEE

Santino J. Guerra, Chairperson, Ward 3

*Eric Mays, Ward 1
Kate Fields, Ward 4
Herbert J. Winfrey, Ward 6
Allan Griggs, Ward 8*

*Maurice D. Davis, Ward 2
Jerri Winfrey-Carter, Ward 5
Monica Galloway, Ward 7
Eva L. Worthing, Ward 9*

Inez M. Brown, City Clerk

ROLL CALL

ADDITIONS/CHANGES TO AGENDA

Council shall vote on any changes/additions to the agenda.

SPECIAL ORDERS

- 180553** Special Order/Human Relations Commission/Revenue Estimating Commission
- Special Order as requested by Councilperson Fields to discuss the Human Relations Commission and the Revenue Estimating Commission.
- 180554** Special Order/Blight Elimination/Personnel/Equipment
- Special Order as requested by Councilperson Mays on blight elimination, including personnel and equipment.
- 180555** Special Order/Blight Court
- Special Order as requested by Councilperson Winfrey to discuss blight court.
- 180571** Special Order/Attendance Request/Republic Services
- A Special Order as requested by Councilperson Winfrey-Carter, re: She asks that representatives from Republic Services attend the 11/20 Governmental Operations Meeting in order to discuss the company's contract and services provided to residents. [Referral Action Date: 10/22/2018 @ City Council Meeting.]
- 180606** Special Order/Strategic Plan
- A Special Order as requested by Councilperson Fields to discuss the city's Strategic Plan.
- 190018** Special Order/Road Restoration
- A Special Order as requested by Councilperson Fields to discuss road restoration.
- 190153** Special Order/Concerns by Legal/City Auditor
- A Special Order as requested by 1st Ward Councilperson Eric Mays in order to discuss concerns between 4th Ward Councilperson Fields and the City's auditors, Yeo and Yeo, as raised by City Attorney Wheeler during the April 8, 2019 SA/FCC meetings. [Referral Action Date: 4/11/2019 @ Special City Council Meeting]

RESOLUTIONS

- 190076.1 Approval/Reduction of Lanes/Atherton Road/Dupont Street/From Four to Three Lanes

Resolution resolving that the proper city officials, upon City Council's approval, are authorized to do all things necessary to reduce the number of lanes on Atherton Road and Dupont Street, from four lanes to three, as requested by Transportation. [NOTE: The lane changes are for Atherton Road from Van Slyke Road to Dort Highway, and for Dupont Street from University Avenue to Flushing Road, and from Pasadena Avenue to West Bishop Avenue.]

- 190097 Set Hearing Date/Submission/Section 108 Loan Application/U.S. Department of Housing & Urban Development (HUD)/Fresh Start Hutchinson Neighborhood Grocery Store

Resolution resolving that a public hearing to consider submission of a \$2.6 million Section 108 Loan Application for partial funding of the Fresh Start Hutchinson Neighborhood Grocery Store will be held on the 25th of March, 2019, at 5:30 p.m. in City Council Chambers, 3rd Floor, City Hall, Flint, and that notice of such hearing be published in an official paper of general circulation not less than ten (10) days prior to said hearing, as requested by Community and Economic Development.

- 190148 Public Hearing/Industrial Facilities Exemption Certificate/Genesee Packaging, Inc./1101 N. Center Road/Zone 2

Resolution resolving that a public hearing to consider an Industrial Facilities Exemption Certificate (Public Act 198 of 1974, as amended) for Genesee Packaging, Inc., shall be held on May 13, 2019, at 5:30 p.m. in City Council Chambers, Flint City Hall, 1101 South Saginaw Street, Flint, and the City Clerk shall cause notice of such hearing to be published in an official paper of general circulation not less than ten (10) days prior to said hearing, AND, resolving that at said hearing, the above referred to and any other interested parties shall have the opportunity to be heard relative to said application. [NOTE: According to the Staff Review, Genesee Packaging, Inc. (GPI) proposes to move its Dort Highway operations and a portion of its North Street operations to occupy space at the facility, located on 78 acres at 1101 North Center Road, a building formerly housing Delphi East operations. While the entire facility is 550,000 square feet, GPI has leased 290,267 square feet of the building for office use, warehousing, distribution and its packaging operations. The interior of the space will be fully restored at a cost of approximately \$9.7 million.]

- 190149 Public Hearing/Industrial Facilities Exemption Certificate/Genesee Packaging, Inc./1101 N. Center Road/Zones 3 & 4

Resolution resolving that a public hearing to consider an Industrial Facilities Exemption Certificate (Public Act 198 of 1974, as amended) for Genesee Packaging, Inc., shall be held on May 13, 2019, at 5:30 p.m. in City Council

Chambers, Flint City Hall, 1101 South Saginaw Street, Flint, and the City Clerk shall cause notice of such hearing to be published in an official paper of general circulation not less than ten (10) days prior to said hearing, AND, resolving that at said hearing, the above referred to and any other interested parties shall have the opportunity to be heard relative to said application. [NOTE: According to the Staff Review, Genesee Packaging, Inc. (GPI) proposes to move its Dort Highway operations and a portion of its North Street operations to occupy space at the facility, located on 78 acres at 1101 North Center Road, a building formerly housing Delphi East operations. While the entire facility is 550,000 square feet, GPI has leased 290,267 square feet of the building for office use, warehousing, distribution and its packaging operations. The interior of the space will be fully restored at a cost of approximately \$9.7 million.]

APPOINTMENTS

None

DISCUSSION ITEMS

190152 Referral/Closed [Executive] Sessions/Ethics and Accountability Board (EAB)

Referral by Councilperson Fields to LEGAL, re: She asks that training be provided to the Ethics and Accountability Board (EAB) regarding closed/executive sessions. [Referral Action Date: 4/08/2019 @ Special Affairs Committee Meeting.]

190155 Discussion Item/Dump Permits

A discussion item as requested by Councilperson Davis, re: Dump permits. [Referral Action Date: 4/11/2019 @ Special City Council Meeting.]

190156 Discussion Item/Blight and Clean-Ups

A discussion item as requested by Councilperson Davis, re: Blight and City of Flint and Land Bank clean-ups. [Referral Action Date: 4/11/2019 @ Special City Council Meeting.]

OLD, OUTSTANDING DISCUSSION ITEMS

160410 Status/Speech Dictation Software

Referral made by Councilperson Eric Mays to CITY ADMINISTRATOR/POLICE CHIEF: He would like to know the status of speech dictation software. Please provide in writing for all councilpersons.

170024 Referral/Contract and Information/Natalie Pruett/Rebuild Flint the Right Way

Referral by Councilperson Fields to ADMIN, re: She requests a copy of the

contract between the City and Natalie Pruett, as well a copy of the work produced for funding to this point for the Rebuild Flint the Right Way Project. [Referral Action Date: 1/09/2017 @ Special Affairs Committee Meeting.]

170123 Referral/Personnel Policy on Nepotism and Cronyism

Referral by Councilperson Fields to LEGAL/HUMAN RESOURCES/ADMIN, re: During the February 27th Special Affairs Committee meeting, representatives from the Human Resources Department stated that, sometime during the last year, they submitted to Legal a personnel policy regarding nepotism and/or cronyism for its review. Ms. Fields asks that HR provide a copy of this draft document to the City Council for its perusal. [Referral Action Date: 2/27/2017 @ Special Affairs Committee Meeting.]

170253 Referral/Organization Chart

Referral by Councilperson Fields to MAYOR/ADM, She would like a detailed organization chart for the city that lists titles and the name of the person who currently holds each position. [Referral Action Date: 5/3/2017 @ Governmental Operations Committee Meeting.]

170255 Referral/Road Construction Plan/PACER Report

Referral by Councilperson Fields: She would like to know if there is a road reconstruction plan. If there is she would like a copy. She would also like the latest PACER report, broken down by ward, a list of projects already submitted to the State and a list of all road construction plans. [Referral Action Date: 5/3/2017 @ Governmental Operations Committee Meeting.]

170402 Discussion Item/Michigan Civil Rights Commission (MCRC)/Resolution for Racial Equity

A discussion item as requested by Councilperson Mays, re: He would like to discuss the recommendations/resolution mentioned during a July 10th MCRC presentation on racial equity. [Referral Action Date: 7/10/2017 @ City Council Meeting.]

170443 Discussion Item/Fund for High Water Bill Assistance

Discussion Item proposed by Councilperson Mays: He would like to discuss setting aside \$200,000.00 to \$300,000.00 to help constituents with high water bills. [Referral Action Date: 8/9/2017 @ Governmental Operations Committee Meeting.]

170472 Referral/Report on New Water Meters

Referral by Councilperson Fields to PURCHASING/WATER PLANT, re: She would like an update on the new water meters/transponders that have been installed within the city. Is there software available to utilize these new meters to their fullest capacity (e.g. more accurate usage/billing)? If so, how much will this software cost?

[Referral Action Date: 8/28/2017 @ Special Affairs Committee Meeting.]

- 170599** Council Review/Rules Governing Meetings of the Council
- Per the "Rules Governing Meetings of the Council", the Flint City Council shall review the "Rules Governing Meetings of the Council." [NOTE: The "Rules Governing Meetings of the Council" were originally adopted by the City Council on May 10, 1976, with a 1st Amendment adopted May 24, 2010, a 2nd Amendment adopted on April 27, 2015, and a 3rd Amendment adopted on June 12, 2017.]
- 180005** Referral/Police Investigation/Clubs With Recent Violations
- A referral by Councilperson Galloway for LAW/POLICE: She would like to know the status of the investigations into clubs with recent violations, including one on Saginaw Street and Piece of the Rock on Dort Highway. [Referral Action Date: 1/3/2018 @ Governmental Operations Committee Meeting.]
- 180056** Referral/Legal Opinion/Harassment and Discrimination in the Workplace
- Referral by Councilperson Fields to CITY ATTORNEY, re: She asks for a legal opinion as to whether or not Councilperson Mays' conduct during some council/committee meetings rises to the level of harassment, threats and/or intimidation, particularly in light of the City's Harassment and Discrimination Policy as adopted by EM Ambrose in April of 2015. [Referral Action Date: 2/12/2018 @ Special Affairs Committee Meeting.]
- 180059** Discussion Item/"Pilot Program"/Tax Reverted Property
- Discussion Item as requested by Councilperson Mays, re: He would like to discuss the necessary rules, policies, procedures, etc. for establishing a "pilot program" for the disposal of seven (7) homes recently reverted to the City's ownership by way tax reverted property. [Referral Action Date: 2/13/2018 @ Special City Council Meeting.]
- 180073** Discussion Item/Road Restoration/Previous/Ongoing
- Discussion item proposed by Councilperson Fields, re: She would like a discussion item about road restoration, previous and ongoing, for Governmental Operations. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]
- 180087** Discussion Item/Ethics Board/Ombudsperson
- A discussion item from Councilperson Fields to ADMIN/LAW, re: She would like to discuss setting up basic criteria for the Ethics Board and job qualifications for the Ombudsperson. [Referral Action Date: 2/21/2018 @ Governmental Operations Committee Meeting.]

- 180183** Referral/Certification/Files Shredded in Human Resources/Labor Relations
- A referral as requested by Councilperson Fields to Human Resources Director: She would like a copy of the certification for the files recently shredded in Human Resources/Labor Relations (as discussed at the April 4, 2018 Governmental Operations Meeting). [Referral Action Date: 4/4/2018 @ Governmental Operations Committee Meeting.]
- 180236** Revenue/Downtown Parking Meters
- Referral from Councilperson Guerra to LEGAL: re, he would like to know if the city can take back the revenue from parking meters from the Downtown Development Authority (DDA). [Referral Action Date: 5/9/2018 @ Governmental Operations Committee Meeting.]
- 180293** Discussion Item/Chief Public Health Advisor
- Discussion Item as requested by Councilperson Worthing, re: What is the exact role of the City's Chief Public Health Advisor?
- 180348** Referral/Question/Use of Electronic Cigarettes in Restaurants
- Referral by Councilperson Guerra to CITY ATTORNEY, re: He would like to know if the use of electronic cigarettes (vaping) is a health concern inside restaurants. [Referral Action Date: 6/20/2018 @ Finance Committee Meeting.]
- 180368** Update/Schedule for Mowing Right-of-Ways
- Referral by Councilperson Winfrey-Carter to TRANSPORTATION: She would like to know when the right-of-ways will be cut, particularly in the area of Dayton and Mason. [Referral Action Date: 7/18/2018 @ Governmental Operations Committee Meeting.]
- 180411** Referral/Legal Opinion/Executive Staff and Departments/Directors and Appointees
- Referral by Councilpersons Fields and Galloway to LEGAL, re: They ask for a legal opinion on, as well as general information, regarding executive staff and departments, etc., as follows: (1) What are Mayor Weaver's current five (5) Executive Staff positions, per City Charter Section 4-202, and who currently holds these positions?; (2) What are the City's current Executive Departments, per Charter Sec. 4-203?; (3) Who currently holds a position as (or is acting as) "Department Director", per Charter Sec. 4-203(F) (position title and individual)?; (4) To which positions has Mayor Weaver "appointed" someone and who has been named or appointed to those positions?; (5) What is the breakdown for all mayoral appointments, i.e., who/which positions are appointments, hirees, professional service agreement placements, etc. All information to include executive and departmental (City) staff, not board members. [Referral Action Date: 8/13/2018 @ City Council Meeting.]

- 180439** Discussion Item/Absentee Ballot Voting/City of Flint
- Referral by Councilperson Mays to CLERK, re: He would like a discussion item about absentee ballot voting in the City of Flint on the Governmental Operations Agenda. [Referral Action Date: 8/22/2018 @ Governmental Operations Committee Meeting.]
- 180444** Referral/Street Sweepers
- Referral by Councilperson Winfrey-Carter to ADMIN/STREET MAINTENANCE, re: She asks if street sweepers can again be utilized to address debris along the city's streets, as well as to help keep the areas around sewer drains clean. [Referral Action Date: 8/27/2018 @ City Council Meeting.]
- 180447** Discussion Item/City Council Referral Process
- Discussion Item as requested by Councilperson Galloway, re: She would like to begin discussions regarding amendments to the City Council Rules, specifically concerning the Council's referral process and the need to have it outlined and incorporated into said rules. [Referral Action Date: 8/27/2018 @ City Council Meeting.]
- 180449** Referral/Issuance of Medical Marihuana Cards
- Referral by Councilperson Galloway to LEGAL/CLERK, re: She asks whether or not businesses who deal with medical marihuana products can also issue medical marihuana cards [@ 2020 S. Center Road). Under current laws, exactly who is allowed to issue these cards? [Referral Action Date: 8/27/2018 @ City Council Meeting.]
- 180475** Referral/Use of Random Predictive Software/Location of Lead Pipes
- A referral as requested by Councilperson Guerra to FIN/DPW: He would like to know if the city used Random Predictive Software to predict the location of lead pipes. If so, why did the city stop using it and what was the success rate. If not, why not. [Referral Action Date: 9/5/2018 @ Governmental Operations Committee Meeting.]
- 180487** Discussion Item/Genesee County Warning Sirens
- A discussion item as requested by Councilperson Guerra, re: He would like to discuss the county's warning (tornado) sirens that are tested on the first Saturday of each month (from March through November) because he has been getting complaints from residents who can't hear the warning. [Referral Action Date: 9/10/2018 @ Special Affairs Committee Meeting.]
- 180488** Discussion Item/Landlord Task Force
- A discussion item as requested by Councilperson Guerra, re: He would like to discuss the possibility of having a task force whose responsibility would be

checking on landlords and their properties with regard to code enforcement and other rules/laws. [Referral Action Date: 9/10/2018 @ Special Affairs Committee Meeting.]

180491 Referral/City Council Parliamentarian Session

Referral by Councilperson Worthing to CLERK, re: She would like to know if it is possible to schedule another parliamentarian session for City Council members, specifically with regard to Points of Order and Points of Information. [Referral Action Date: 9/10/2018 @ City Council Meeting.]

180493 Referral/Legal Opinion/City Charter Appointment Sections

Referral by Councilperson Fields to LEGAL, re: She would like to know if there are any legal ramifications or concerns for "violating" the City Charter with regard to mayoral appointments, requirements and timelines, etc. [Referral Action Date: 9/10/2018 @ City Council Meeting.]

180494 Referral/License to Operate

Referral by Councilperson Worthing to CLERK/LICENSING/BSI, re: She would like to know if 2020 S. Center Road and 1938 S. Dort Highway (Piece of the Rock) are open operating under business licenses formally approved by the City of Flint and, if so, under what status are they operating. [Referral Action Date: 9/24/2018 @ City Council Meeting.]

180536 Referral/GLWA Board Appointment

Referral by Councilperson Fields to ADMIN, re: She would like to know the current status of the City's expected appointment to the Great Lakes Water Authority (GLWA) Board. [Referral Action Date: 10/8/2018 @ Special Affairs Committee Meeting.]

180537 Referral/Possible Business Violations

Referral by Councilperson Galloway to POLICE/PLANNING and DEVELOPMENT, re: She asks that the business at 1709 S. Saginaw Street (Platinum Hookah) be checked with regard to underage drinking, and drinking and marijuana usage taking place outside of the building. Complainant (owner of business at 1714 S. Saginaw) states that he has trouble keeping Platinum's customers from using his parking lot, that he has been threatened numerous times, and that the majority of the issues he is experiencing stem from the underage drinking. [Referral Action Date: 10/8/2018 @ City Council Meeting.]

180602 Referral/City Charter Amendments

Referral as requested by Councilperson Fields to LEGAL, re: She asks whether or not the Attorney's Office is working on Charter amendments and, if so, at whose direction? Why wasn't City Council made aware that Charter amendments were being made? What exactly are the amendments and what is their purpose?

[Referral Action Date: 11/19/2018 @ Special Affairs Committee Meeting.]

180603 Referral/Optimized Corrosion Control

Referral as requested by Councilperson Griggs to ADMIN/DPW, re: He would like a copy of the EPA Administrative Consent Order that requires the City to have optimized corrosion control (see Reso No. 180582 - Arcadis of Michigan LLC). [Referral Action Date: 11/19/2018 @ City Council Meeting.]

180608 Attendance Request/Land Bank Officials

A referral as requested by Councilperson Mays: re, he would like for Deb Cherry and relevant Land Bank officials to attend the next Governmental Operations Committee to discuss Resolution 180589 (An Objection to the Transfer of Tax-Reverted Property). [Referral Action Date: 11/20/18 @ Governmental Operations Committee Meeting.]

190047 Referral/City Engineer's Involvement in Projects

A discussion item as requested by Councilperson Griggs to discuss whether the city engineer is involved in projects that other firms are contracted to do to insure that federal and state guidelines are followed. [Referral Action Date: 2/6/2019 @ Finance Committee Meeting.]

190056 Discussion Item/Blight and Equipment

Discussion Item as requested by Councilperson Mays, re: He would like to discuss blight concerns throughout the city and the making sure that workers have the necessary equipment to get the job done efficiently and effectively (e.g. backhoe tractors, etc.). [Referral Action Date: 2/11/2019 @ City Council Meeting.]

190078 Referral/Charter Amendment (Ballot Proposal)

Referral by Councilperson Guerra to LEGAL, re: He requests that the Legal Department draft a Charter amendment in order to make the Flint City Council's election cycle 2020 instead of 2021. [Referral Action Date: 2/25/2019 @ Special Affairs Committee Meeting.]

190080 Referral/Meeting Minutes/Local Officers Compensation Commission [LOCC]

Referral by Councilperson Fields to CITY CLERK, re: She would like a copy of the minutes for the February 2019 LOCC meeting. [Referral Action Date: 2/25/2019 @ City Council Meeting.]

NEW BUSINESS

ADJOURNMENT

190076.1

SUBMISSION NO.: _____

PRESENTED: 3-21-19

ADOPTED: _____

**RESOLUTION RECOMMENDING A LANE REDUCTION ON BOTH AHERTON ROAD AND
DUPONT STREET FROM FOUR LANES TO THREE**

BY THE MAYOR:

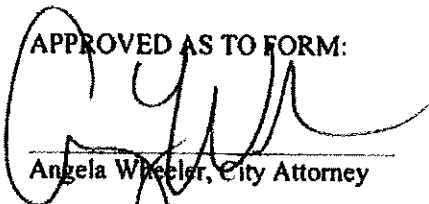
Whereas, due notice has been given to all persons interested as to the time and place of a hearing in respect to the proposed action of this body to reduce the number of lanes on Atherton Road (from Van Slyke to Dort Highway) and Dupont Street (from Pasadena Avenue to West Bishop Avenue) from four lanes to three; and

A public hearing was held on _____.


Pursuant to the requirements of Section 42-25 of the Flint City Code, a public hearing has been held so that members of the Flint City Council could meet and hear objections to the proposed reduction of lanes of the above-described street; and

IT IS RESOLVED, that the lanes on Atherton Road and on Dupont Street be reduced from four lanes to three.

APPROVED AS TO FORM:



Angela Wheeler, City Attorney



Dr. Karen W. Weaver
Mayor

190097

Resolution No.: _____

Presented: 3-21-19

Adopted: _____

Resolution Setting Hearing Date to Consider Submission of a \$2.6M Section 108 Loan Application to the U. S. Department of Housing and Urban Development for the Fresh Start Hutchinson Neighborhood Grocery Store

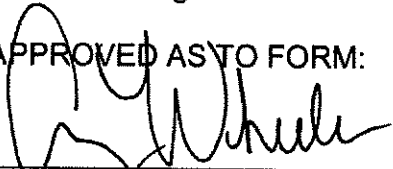
By the Mayor:

The owners of property located at 2125 N. Saginaw Street have submitted a Section 108 application to the City of Flint for a third party loan in the amount of \$2.6M to partially fund the construction of the Fresh Start Hutchinson Neighborhood Grocery Store to be located at the site.

Before submitting the application to the U.S. Department of Housing and Urban Development for final approval, the *Citizens' Participation Plan*, which describes the means by which the City of Flint will provide for citizens' participation in community and housing development programs, requires that a public hearing be held to allow citizens of the City of Flint the opportunity to be heard thereon.

IT IS RESOLVED, that such a hearing to consider submission of a \$2.6M Section 108 Loan Application for partial funding of the Fresh Start Hutchinson Neighborhood Grocery Store be held on the 25th of March, 2019 at 5:30 p.m. in the City Council Chamber of Flint City Hall, 1101 S. Saginaw Street, Flint, Michigan, and the notice of such hearing be published in an official paper of general circulation, not less than ten (10) days prior to said hearing.

APPROVED AS TO FORM:



Angela Wheeler, Chief Legal Officer

ADMINISTRATION



Dr. Karen W. Weaver, Mayor

CITY COUNCIL

Herbert J. Winfrey, President

RESOLUTION STAFF REVIEW FORM

DATE – March 5, 2019

Agenda Item Title:

- ✓ 1. Resolution Setting Hearing Date to Consider Submission of a \$2.6M Section 108 Loan Application to the U. S. Department of Housing and Urban Development for the Fresh Start Hutchinson Neighborhood Grocery Store
2. Resolution to Approve Submission of a \$2.6M Section 108 Loan Application to the U. S. Department of Housing and Urban Development for the Fresh Start Hutchinson Neighborhood Grocery Store

Prepared By

Department of Planning and Development - Community and Economic Development Division

Background/Summary of Proposed Action:

These resolutions are to 1.) Set a public hearing date on which to allow Flint City residents to comment on the Submission of a Section 108 application to the U.S. Department of Housing and Urban Development, and 2.) Subsequent approval to submit the application.

The Fresh Start CDC and its development team will use sources of funding obtained from the Ruth Mott and Charles Stewart Mott Foundations, a Section 108 Loan from the City of Flint, New Market Tax Credits and brownfield tax increment financing to design and build a 25,000 square foot neighborhood grocery store next to a 6,500 sf historic church located on the northwest corner of Saginaw and Hamilton Streets. Once constructed, the store will be operated by Fresh Start Hutchinson Neighborhood Grocery Store L.L.C. See attached application for more information.

Financial Implications:

Upon final approval by the U.S. Department of Housing and Urban Development's Financial Management Division, the City of Flint will receive \$2.6M in Section 108 guaranteed loan funds. It will then re-lend the funds to Fresh Start CDC as a source of funding to carry out the grocery store project. The funds are guaranteed in that the City must pledge its current and future CDBG allocations as security for the guaranteed loan.

Budgeted Expenditure: Yes ___ No ___

Please explain, if no:

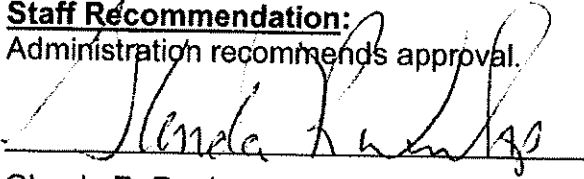
Account #: Reviewed and
approved by C. Dotson N/A
Date

Pre-encumbered: Yes _____ No _____

Requisition # _____

Other Implications (i.e., collective bargaining): None known

Staff Recommendation:
Administration recommends approval.



Glenda R. Dunlap
Program Manager

RESOLUTION REVIEW FORM

FROM: DCED/- GRD
Department/Author

DATE March 5, 2019
NO. 19-8029
Law Office Login #

RESOLUTION NAME: **Resolution Setting a Public Hearing Date to Consider Submission of a \$2.6M Section 108 Loan Application**

Date In: _____

1. RESOLUTION REVIEW - PLANNING AND DEVELOPMENT DIRECTOR

By: Suzanne Wilcox 
Planning and Development Director

DATE: 3/5/19
(Date)

Date In: _____

2. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to **FORM ONLY**:
The Legal Department has reviewed the RESOLUTION as to Form on
this form approves as to **FORM ONLY**

3/6/19, and by signing
(Date)

By: 
Legal Officer

DATE: 3-6-19

**Application
for
\$2.6 Million HUD 108 Guaranteed Loan
Fresh Start Hutchinson Neighborhood Grocery Store,
Conquering the Flint Food Desert
Flint, Michigan**

**Applicant
City of Flint
1100 Saginaw Street
Flint, Michigan 48502**

**Department of Community and Economic Development
Glenda Dunlap, Program Manager**

**gdunlap@cityofflint.com
(810) 766-7426 Ext. 3020**

**Prepared by
Albert A. Bogdan
AAB Development Strategies, LLC
bogdanaa@aabds.com
313 445-1843**

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The Honorable Herbert Winfrey President
Flint City Council
1100 Saginaw Street
Flint, MI 48502

**SUBJECT: HUD Section 108 Guaranteed Loan Application – Fresh Start
U.S. Department of Housing and Urban Development**

Dear Mr. Winfrey:

Attached for your review and approval is an application to the U.S. Department of Housing and Urban Development (HUD) for a \$2.6 million HUD Section 108 guaranteed loan. The loan is required to fund the construction of the 25,000 square foot Fresh Start Hutchinson Neighborhood Grocery store on the northwest corner of Hamilton and Saginaw. The loan is only about 26% of the total development costs and will be the senior note on the project.

The closing on the investment will be conditional on the Fresh Start CDC obtaining an estimate \$3 million in New Market Tax Credit investment, \$1.5 million in Community Reinvestment Act grant from MEDC grants and a Brownfield TIF through the Flint Brownfield Redevelopment Authority. The funds will permit a vigorous and lasting elimination of a Food Desert in Flint. In addition, the project will provide badly needed new jobs.

The purpose of the HUD 108 guaranteed loan, when combined with the other grants grant is to spur community development and enhance the security or viability of this low to moderate income neighborhood.

The HUD 108 guaranteed loan application is targeted for closing by this Summer, 2019. Please contact Al Bogdan, at 313-445-1843 if you have any questions or require additional information.

Respectfully submitted,

Karen Weaver
Mayor

1. Project Description

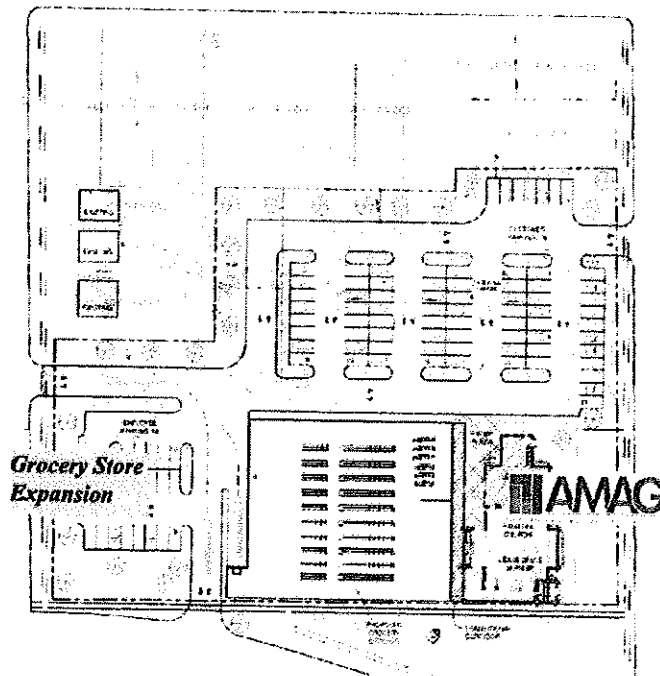
Fresh Start Hutchinson Neighborhood Grocery Store will be located at:
2125 North Saginaw Street
Flint, MI 48505

History of Flint's Food Desert

In 2014, the City of Flint changed its water supplier which initiated a process that caused the leaching of lead into the water and poisoning its residents. In 2015, Kroger Supermarket retreated from the market followed by the Meijer's huge grocery store. Not only were the residents being harmed by the water crisis, the residents of north Flint found themselves in a food desert. Just as the children needed access to healthy food to help fight the impact of lead poisoning, access to grocery store in their neighborhood, the food stores left Flint.

The Flint & Genesee County Chamber of Commerce published a report in October /2016 pointing out the need to eradicate the food desert. The report determined that the neighborhoods north of downtown need reliable food offerings to feed their families, stay healthy, and have good nutrition to help combat the effects of lead exposure, particularly for their children.

The report indicated the advantage of an independent neighborhood grocery store operator in an underserved neighborhood. It can scale to fewer economic constraints, and can benefit by being more flexible in store size, product responsiveness and have lower bottom lines. The combination of community leadership and a knowledgeable operator can have a major impact on counteracting the culture, especially a culture not used to have access to fresh fruits and vegetables. The neighborhood grocer is intertwined into the local culture and has greater capacity to develop relationships with residents. The community relationships are just as important as the food itself to conquer the Food Desert with healthy eating.



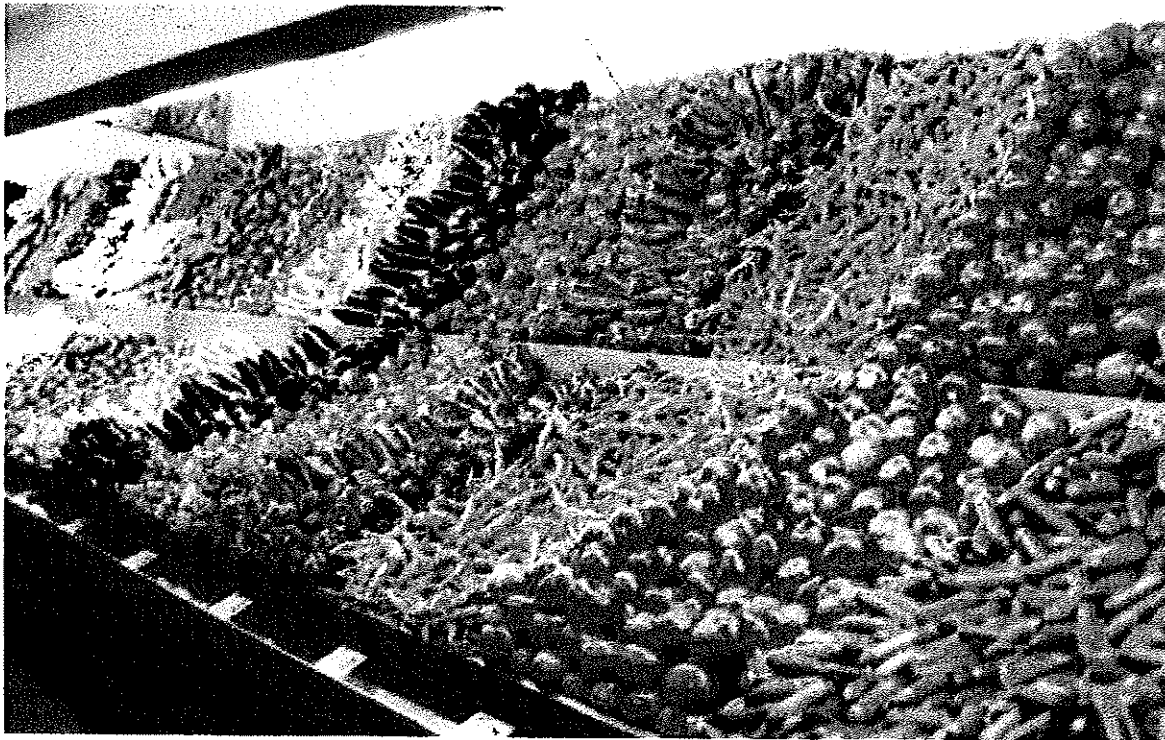
In order to assure that the market was designed for success, Fresh Start recruited Super value stores, a national food distributor SUPERVALU is a leader in wholesale and distribution, serving over 3,000 independently owned and operated stores. The company provides a wide array of services to its supplied retailers, which effectively leverages SUPERVALU's scale and expertise across its entire network. They were hired to prepare a market study whose projections are shown as Attachment A. The grocery projections were designed for a 20,000 square foot store. The additional 5,0000 square feet will be rented to important ancillary services that are key to increasing store volume such as a pharmacy, bank or credit union, telephone products, and sandwich store. We conservatively project a 2 year rent up for the additional grocery space.

No income is projected for the historic church building as we work to recruit a new creative tenant. The City has agreed to work with us to conduct community brainstorming and charrette sessions to find the most appropriate use for the community. In the mean-time the building will be used for seasonal sales activity such as Christmas season and spring planting season and for special event and sales. Several of the national NMTC Community Development entities have indicated that they have successfully financed SUPERVALU served groceries to successfully solve a food desert problem.

Fresh Start Grocery to Use New Markets Tax Credit to Conquer Flint's Food Desert

Pastor Patrick Sanders of the New Jerusalem Baptist Church took a leadership role by recruiting Andy Hanousch, a young grocery entrepreneur, to create a partnership to deliver healthy food to the community. Andy was born into an Iraqi Chaldean immigrant family that has owned and run a Flint neighborhood grocery store for the past thirty years, He literally grew up and was raised to be a grocery store operator. They have formed the perfect team bringing together strong community leadership with someone that knows how to run a profitable grocery store. They have systematically done their market research, site selection, pro formas, built a development team and brought in the best store designer to the table. It is now time to move to a close with NMTC being the center of the financing

The site for the 25,000 square foot grocery is centrally located at NW corner of North Saginaw Street and Hamilton Street. A new Lear plant employing over 400 people is under construction down the street on the old Buick site. New housing is being constructed on Saginaw Street. The historic Oak Park Episcopal Church will be modified to serve as its seasonal sales activities center – plants and gardening supplies in the Spring and Summer - Halloween, Thanksgiving & Christmas supplies in the Fall & Winter.



Description of Work Scope

The combined HUD 108 loan, combined with the Michigan Economic Development Corporation Community Revitalization Program funding, Stuart Mott Foundation, Ruth Mott Foundation, and the New Market Tax Credit Program and supported by a Flint Brownfield Redevelopment Authority tax increment financing will be used to design and build a 25,000 square foot neighborhood grocery store next to a 6,500 square foot historic church located a site on the northwest corner of Saginaw Street and Hamilton Street.

The scope of work will require Fresh Start CDC to demolish four closed houses and to demolish the 1969 addition to the historic church. This part of the church is severely blighted and needs to be removed. The site is on a hill and will require significant land restructuring to build the parking lot to serve the development. Access to the site will be off of Saginaw and Hamilton

As part of the due diligence, Environment Consultants will be engaged to evaluate the asbestos level in the building prior to demolition. A phase 1 Environmental Assessment for the main church site has found no issues. The balance of the four lots are residential or vacant. A full HUD environmental review will be added to the phase 1 environmental assessment and will need to be approved by HUD prior to the release of funds.

2. Sources and Uses

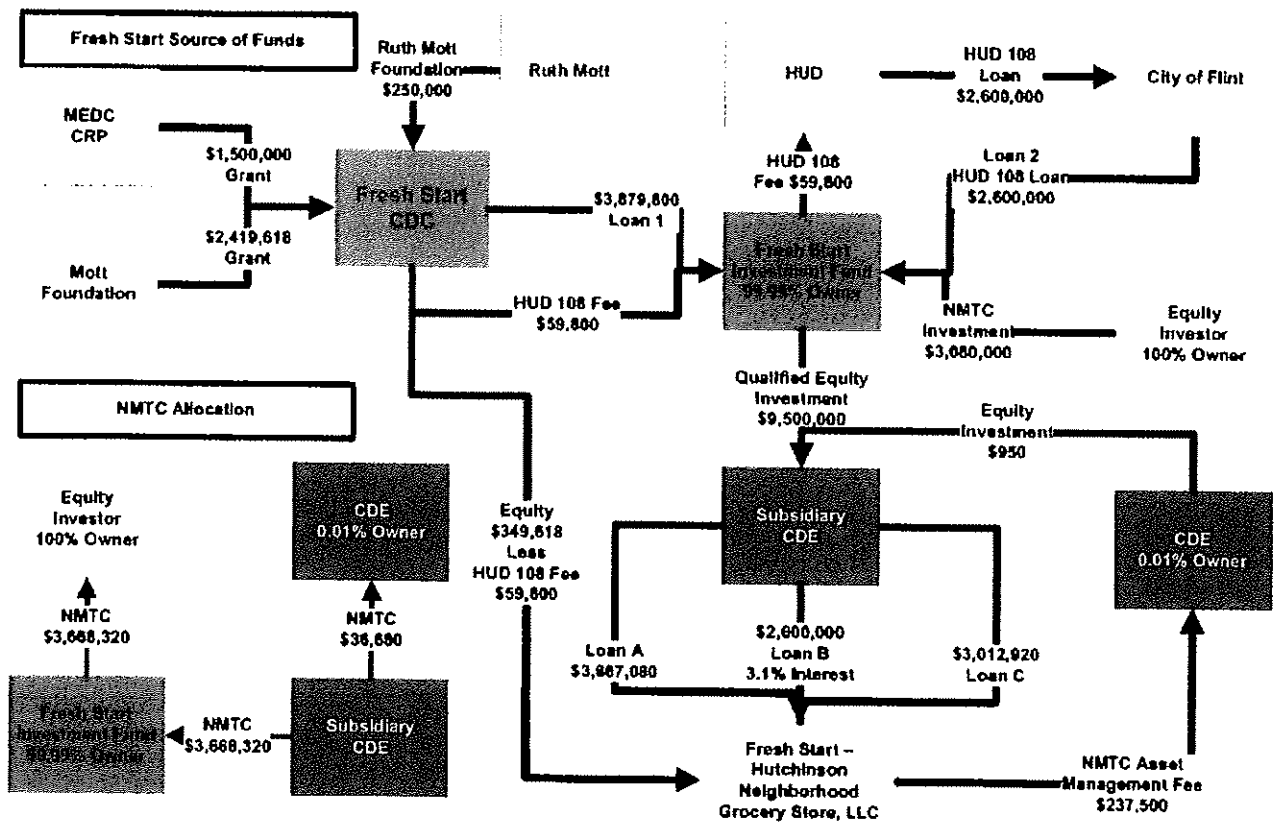
Uses & Sources of Funds			
Fresh Start Hutchinson Neighborhood Grocery Store			
Acquisition		Budget	Brownfield TIF Eligible
Acquisition		\$190,000	
Closing Costs		<u>\$60,000</u>	
		<u>\$250,000</u>	
Hard Costs			
Asbestos Abatement (Church & Houses)		\$50,000	\$50,000
Demolition part of Church and 3 Houses		\$562,000	\$562,000
Site improvements (sidewalks, site fill, lighting, landscaping, storm water detention, parking)		\$750,000	\$750,000
Total Site Improvements		<u>\$1,362,000</u>	
Grocery store construction (sq ft)	25,000	\$3,000,000	\$3,000,000
	\$120		
Permits/Tap Fees/Bond/Cost Certification		\$275,000	\$275,000
Engineering + Environmental Testing		\$112,000	\$112,000
Other CRP Eligible Costs		\$35,000	\$35,000
Contingency	7.5%	\$348,000	\$110,550
Equipment (\$/sq ft) + project management Cost	\$125	\$2,756,300	\$2,756,300
	20,000		
Total Construction		<u>\$6,526,300</u>	
Other Soft Costs			
Architect		\$149,000	\$149,000
Professional & Consulting Fees		\$295,000	\$25,000
Construction Interest (Interest, term in mos)	3.1%	\$80,600	
	12		
Initial Inventory Stocking & Initial Operations		\$460,465	
Other Soft Costs		\$108,000	
Soft Cost Misc. & Contingency		<u>\$45,953</u>	
Total soft costs		<u>\$1,139,018</u>	
Financing Costs			
NMTC Asset Management Fee	2.50%	\$237,500	
HUD Fee		\$59,800	
Transaction Costs (4-5 attorneys, Pianta Moran, HUD)		<u>\$275,000</u>	
NMTC / HUD Transaction Cost		<u>\$572,300</u>	
Total Cost		<u>\$9,849,618</u>	\$1,609,550
Proposed NMTC Qualified Equity Investment =	\$9,849,618		CRP (25%) = \$2,009,325
Sources of funds			
MEDC CRP	Grant	\$1,500,000	
	25		
Loan (amortization period, interest, term)	3.10%	\$2,600,000	
	20		
New Markets Tax Credit (cents/credit)	\$0.83	\$3,080,000	
Grants (CDBG, Ruth Mot.)		\$250,000	
Grants		<u>\$2,419,618</u>	
Total Source of Funds			\$9,849,618
Note: Non NMTC Funds that must be invested as debt = \$6,420,000			

AAB Development Strategies, LLC

2/7/2019

The New Market Tax Credit Structure

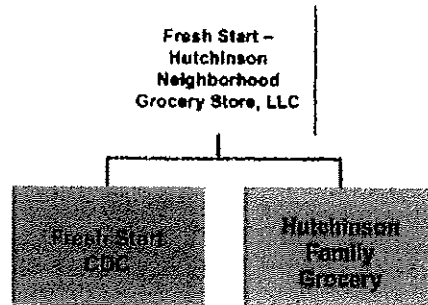
The HUD 108 loan will be made to the City of Flint who in turn will make the loan to The Fresh Start Investment Fund with the HUD fee being paid by Fresh Start CDC or the Fresh Start Hutchinson Grocery Store. The grants from Fresh MEDC and the foundations will be made to the Fresh Start CDC who in turn will make a loan to the Fresh Start Investment Fund and when combined with an equity investment of a projected \$3.08 million to arrive at a total Qualified Equity Investment of \$9.5 million. In exchange for the \$3.08 million the CDE shall allocate \$3,668,320 to the Fresh Start Investment Fund LLC which will be 100% owned by the equity investor who will receive the monetary benefits of the New Markets Tax Credits. The Fresh Start CDC loan will be subordinated to the HUD 108 loan.



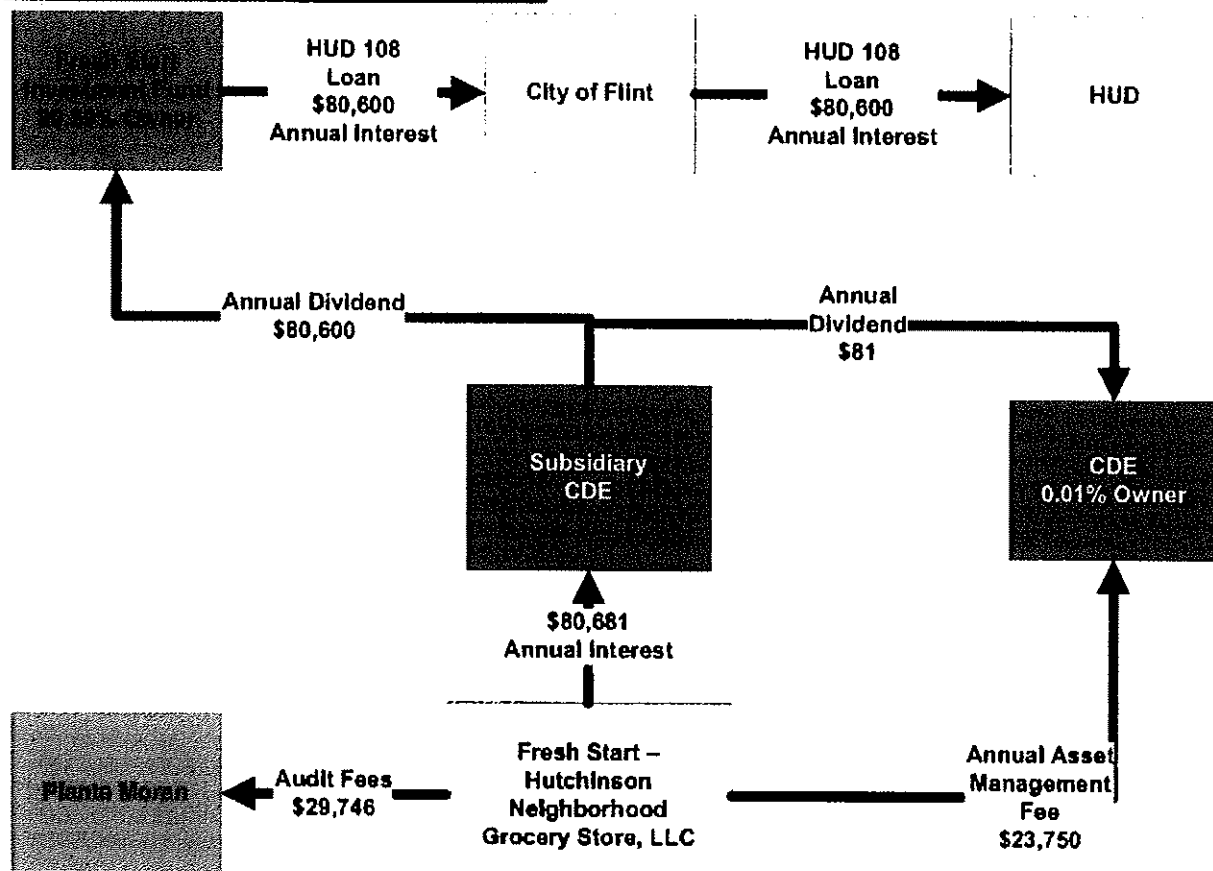
The loans to the Qualified Low Income Business (QALICB), Fresh Start Hutchinson Neighborhood Grocery Store LLC shall essentially mirror the investments made into the Fresh Start Investment Fund. Loans A and Loan C will be subordinated to Loan B which mirrors the HUD 108 loan. The structure is needed to meet the complex tax requirements and NMTC regulations of the CDFI Fund as well as HUD requirements. It is created with the multiple loans so the structure can be unwound easily after the seven-year holding period leaving HUD, City of Flint, Fresh Start Hutchinson Neighborhood Grocery Store, LLC and the Fresh Start CDC and its partner Hutchinson Family Market in the final structure.

The QALICB, Fresh Start – Hutchinson Neighborhood Grocery Store is owned by the nonprofit Fresh Start CDC and the Hutchinson Family Grocery and will be operated by Hutchinson Family Grocery.

Ownership Structure



Fresh Start Annual Payments



The payments from Fresh Start Hutchinson Neighborhood Grocery will make its payments through the structure in a timely manner in order to meet HUD’s payment schedule. All funds transfers will be done by using a single bank up to reduce transfer delays up to the City of Flint payment. The City of Flint will make its payment every month on schedule independent of the timing of the Fresh Start Investment Fund payment.

4. Repayment Schedule 6

Loan	\$2,600,000				
Interest	3.1%				
Interest Only	84 months after loan begins				
Amortization period	216 months after interest only period				
Term	240 months				
Cap Rate	6.0%				
Year	Balance	February Interest	August Interest	Principal Payment	Annual Payment
2020	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2021	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2022	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2023	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2024	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2025	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2026	\$2,600,000.00	\$40,300.00	\$40,300.00	\$0.00	\$80,600.00
2027	\$2,600,000.00	\$40,300.00	\$40,300.00	\$110,000.00	\$190,600.00
2028	\$2,490,000.00	\$38,595.00	\$38,595.00	\$110,000.00	\$187,190.00
2029	\$2,380,000.00	\$36,890.00	\$36,890.00	\$115,000.00	\$188,780.00
2030	\$2,265,000.00	\$35,107.50	\$35,107.50	\$120,000.00	\$190,215.00
2031	\$2,145,000.00	\$33,247.50	\$33,247.50	\$125,000.00	\$191,495.00
2032	\$2,020,000.00	\$31,310.00	\$31,310.00	\$130,000.00	\$192,620.00
2033	\$1,890,000.00	\$29,295.00	\$29,295.00	\$130,000.00	\$188,590.00
2034	\$1,760,000.00	\$27,280.00	\$27,280.00	\$135,000.00	\$189,560.00
2035	\$1,625,000.00	\$25,187.50	\$25,187.50	\$145,000.00	\$195,375.00
2036	\$1,480,000.00	\$22,940.00	\$22,940.00	\$150,000.00	\$195,880.00
2037	\$1,330,000.00	\$20,615.00	\$20,615.00	\$155,000.00	\$196,230.00
2038	\$1,175,000.00	\$18,212.50	\$18,212.50	\$165,000.00	\$201,425.00
2039	\$1,010,000.00	\$15,655.00	\$15,655.00	\$170,000.00	\$201,310.00
2040	\$840,000.00	\$0.00	\$0.00	\$840,000.00	\$840,000.00
	Total Paid =	\$656,735.00	\$656,735.00	\$2,600,000.00	\$3,913,470.00
	Total Interest =	\$1,313,470.00			

In order to assure a healthy cash flow and debt service ratio, the HUD 108 guaranteed loan will be amortized over a 20 years with 7-years interest only, as required by the NMTC program, amortized over the next 214 months, but within a 20-year term limitation required by the HUD 108 program. At the end of the 20-year term, the project is projected to have a market value of \$4,473,176 (See 5. Collateral) which is almost five times the \$840,000 principal that will be refinanced.

The Fresh Start Hutchinson Grocery Store is projected to have Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) coverage of the HUD 108 loan debt service from anywhere between 1.71 to 2.06 times during the seven-year interest only period. The loan represents only about 26% of the Total Development Cost.

During the time that the loan reaches the amortization period in the eight year, the value of the project is projected to be about \$3.825 million dollars, which gives it a 68% loan to projected value.

City of Flint Loan Structure Analysis

Year	Balance	Annual Payment	EBITDA	Debt Service Coverage	Present Value	Outstanding Loan/Value	Loan/Total Development Cost
2020	\$2,600,000.00	\$80,600.00					
2021	\$2,600,000.00	\$80,600.00	\$143,841.22	\$1.78			26.2%
2022	\$2,600,000.00	\$80,600.00	\$154,513.08	\$1.92			
2023	\$2,600,000.00	\$80,600.00	\$163,678.77	\$2.03			
2024	\$2,600,000.00	\$80,600.00	\$165,011.48	\$2.05			
2025	\$2,600,000.00	\$80,600.00	\$166,370.85	\$2.06			
2026	\$2,600,000.00	\$80,600.00	\$137,757.41	\$1.71			
2027	\$2,600,000.00	\$190,600.00	\$229,500.22	\$1.20	\$3,825,004	68.0%	
2028	\$2,490,000.00	\$187,190.00	\$232,149.36	\$1.24	\$3,869,156	64.4%	
2029	\$2,380,000.00	\$188,780.00	\$234,851.49	\$1.24	\$3,914,192	60.8%	
2030	\$2,265,000.00	\$190,215.00	\$237,607.66	\$1.25	\$3,960,128	57.2%	
2031	\$2,145,000.00	\$191,495.00	\$240,418.95	\$1.26	\$4,006,983	53.5%	
2032	\$2,020,000.00	\$192,620.00	\$243,286.47	\$1.26	\$4,054,775	49.8%	
2033	\$1,890,000.00	\$188,590.00	\$246,211.34	\$1.31	\$4,103,522	46.1%	
2034	\$1,760,000.00	\$189,560.00	\$249,194.71	\$1.31	\$4,153,245	42.4%	
2035	\$1,625,000.00	\$195,375.00	\$252,237.74	\$1.29	\$4,203,962	38.7%	
2036	\$1,480,000.00	\$195,880.00	\$255,341.64	\$1.30	\$4,255,694	34.8%	
2037	\$1,330,000.00	\$196,230.00	\$258,507.61	\$1.32	\$4,308,460	30.9%	
2038	\$1,175,000.00	\$201,425.00	\$261,736.90	\$1.30	\$4,362,282	26.9%	
2039	\$1,010,000.00	\$201,310.00	\$265,030.78	\$1.32	\$4,417,180	22.9%	
2040	\$840,000.00	\$840,000.00	\$268,390.54		\$4,473,176	18.8%	
Total Paid =		\$3,913,470.00					
Total Interest =							

As soon as this proposal is accepted, HUD, City of Flint and Fresh Start will enter into the necessary agreements to prepare the phase 1 environmental assessment and the HUD environmental review in order release the funds. Fresh Start will manage the implementation of the project with the support and assistance of City of Flint. Fresh Start will promptly hire a design build construction manager - architects to design the expansion space and to prepare the necessary RFPs to then go out for subcontractor bids. All bids will require the use of prevailing wage under the Davis-Bacon Act. Work can become as soon as the funds can be closed. Subcontractors will be selected based on qualifications and cost. At this stage it is contemplated that the HUD 108 closing will occur by this Summer, with Construction beginning soon thereafter and be completed by October 1, 2020

The City of Flint has agreed to work with us by providing the necessary funds to have the Genessee Land Bank Authority demolish the vacant homes on the site in order to permit us to combine then lots in order to receive site plan approval. The site will be designed in order tom permit the use of the church as an integral part of the grocery centered shopping center

The entire project has been designed by the development team organized by the Fresh Start CDC and show in the table to our right. A properly designed grocery store will require the team participation of Super Value, the store's distributor and its store designer Mehmert Store services, who will work with Andy Hanousch to layout all of the equipment so as to assure properly meeting every customer's needs. Super Valu will be able to offer ethnic packages that meet the needs of the ethnic groups in the neighborhood. Hanoush will assure proper location of in store tenants to provide products and services demand by the customer. Architect Dave McLane will capture the store design and convert them to construction drawings. Mehmet will select the equipment that will be needed and obtain bids from competitive equipment providers including looking at preowned equipment with active warranties.

The Fresh Start Development Team

- Developer , Pastor Patrick Sanders, Fresh Start CDC
- Operator (Partner) – Hutchinson Foods, Andy Hanoush
- Market Study & Distributor , SuperValu Stores, Bill Taggart
- Store Design, Mehmert Store Services, Brad Knab
- Architect, AMAG, Dave McLean
- Contractor, HD Construction, Troy Hall
- Attorney, Florise Neville-Ewell
- Historic Consultant, Kristine Kidorf
- NMTCPA Plante Moran, Gordon Goldie
- Development Finance Consultant, AABDS, Al Bogdan

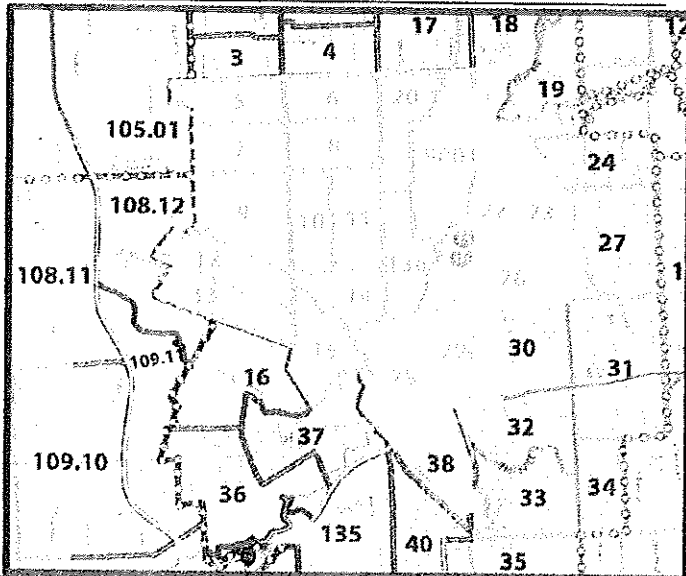
The bidding and cost development will be organized in order to be able to have Plante Moran certify all Michigan Community Revitalization Program Costs, Flint Brownfield Redevelopment Authority Tax Increment Eligible costs and the New Markets Qualified Equity Investment related costs.

Then first stage of construction will focus on the demolition of the 1969 portion of the church and\ land balancing in order to establish the site entry and flat portion of the parking lot designed to assure proper storm water management and the proper integration of the church retail with the new building.

The design-build contract will be a maximum guaranteed contract with HD Construction to build to Fresh Start specifications. All draws will be managed by the bank that is selected to make the New Market Tax Credit Investment or someone approved by them. All funds will be deposited in that bank in order to assure efficient management of draws and bookkeeping. All funds will need to flow through the New Market Tax Credit structure to make sure all Department of the Treasury and HUD regulations are followed. All subcontracts will need to be structured to assure that the CPA can certify the eligible TIF and CRP costs

7. Eligible Activity & CDBG National Objectives

The project meets several of the CDBG National Objectives. First, the project is designed to serve the low to moderate income community as can be seen from the adjacent census tract map, the boundaries approximate the trade area in the City of Flint. 58% of the residents have incomes that meet the low to moderate income objective. Further, 83.9% of the block groups have more than 51% of the residents whose incomes are low to moderate income. This far exceeds the requirement that three-quarters of the block groups need to have more than 51% of the residents that are low to moderate income.



The assistance to a business, such as a grocery store which provides goods or services to residents of a L/M income residential area, qualifies if as long as it primarily serves a L/M income neighborhood.

New Markets Tax Credit Qualified Census Tract

In addition, the HUD 108 loan, the census tract containing the grocery store must meet the criteria for New Markets Tax Credit eligibility which requires a median family income of less than 70% of the area's median family income or a poverty level in excess of 30% of the area.

The Census Tract is 26049001100 has a population of 2,060 people,

Flint Block Groups Served by Fresh Start Hutchinson Neighborhood Grocery Store - % LMI Calculation

GEOID	low mod univ	low mod %	Total Persons	GEOID	low mod univ	low mod %	Total Persons
260490005001	755	31.79%	2,375	260490013001	740	29.05%	2,547
260490005002	615	89.43%	688	260490013002	675	52.59%	1,284
260490005003	715	53.15%	1,345	260490013003	630	27.78%	2,268
260490006001	655	37.40%	1,751	260490013004	1415	74.91%	1,889
260490006002	705	78.72%	896	260490014001	365	83.56%	437
260490006003	775	72.26%	1,073	260490014002	395	78.48%	503
260490006004	810	67.28%	1,204	260490014003	770	79.87%	964
260490007001	490	39.80%	1,231	260490015001	975	83.08%	1,174
260490007002	1145	74.24%	1,542	260490015002	385	84.42%	456
260490007003	470	76.60%	614	260490015003	575	71.30%	806
260490007004	985	66.50%	1,481	260490020001	785	79.62%	986
260490007005	715	58.04%	1,232	260490020002	680	52.21%	1,302
260490008001	600	61.67%	973	260490020001	885	67.80%	1,305
260490008002	650	80.00%	813	260490022002	430	89.53%	480
260490009001	830	75.30%	1,102	260490022003	500	86.00%	581
260490009002	1300	67.31%	1,931	260490022004	545	94.50%	577
260490009003	940	51.60%	1,822	260490022005	850	71.18%	1,194
260490009004	515	12.62%	4,081	260490023001	515	60.19%	856
260490009005	740	60.14%	1,230	260490023002	880	60.80%	1,447
260490010001	520	77.88%	668	260490023003	900	70.00%	1,286
260490010002	410	34.15%	1,201	260490026001	545	84.40%	646
260490010003	240	33.33%	720	260490026002	505	63.37%	797
260490010004	1655	73.72%	2,245	260490026003	1130	80.53%	1,403
260490011001	680	75.74%	898	260490026004	600	83.33%	720
260490011002	560	77.68%	721	260490026005	450	66.67%	675
260490011003	460	65.22%	705	260490028001	300	88.33%	340
260490011004	930	78.49%	1,185	260490028002	655	59.54%	1,100
260490012001	445	68.54%	649	260490028003	590	78.81%	749
260490012002	1365	37.73%	3,618	260490029001	615	73.17%	841
260490012003	770	23.38%	3,293	260490029002	1175	65.96%	1,781
260490012004	915	78.69%	1,163	260490136001	1320	68.18%	1,936
				Total =	45,140	58.04%	77,779

A Total of 52 of 62 Census Block Groups (83.9%) have low to moderate-incomes

a Poverty Rate of 36.3% with a median Family Income of \$24,643 as opposed to an area median income of \$62,261 which provides us a percentage of AMI of 39.68%. The area is considered by all Community Development Entities as Severely Distressed and thereby particularly attractive as New Markets Tax Credit investment. The project is under consideration by an estimated six CDEs, all of them awaiting the announcement on which ones have won an NMTC allocation from the CDFI Fund of the US Treasury.

Objective	Qualifies, if	Example
L/M Income Area Benefit	The assistance is to a business which provides goods or services to residents of a L/M income residential area.	Assistance to neighborhood businesses such as grocery stores and laundromats, serving a predominantly L/M income neighborhood.

8. Public Benefit Standards

The National Objectives for the program are Low-Mod Area Benefit 24 CFR 570.208(a)(1)

Fresh Start CDC projects plans to spend funds on eligible economic development activities as defined by 24 CFR 570.203.

- a. This project will meet the public benefit standard based upon the number of low- and moderate-income persons served in the project area [see 24 CFR 570.209(b)(1)(ii) (Provide goods or services to residents of an area, such that the number of low- and moderate-income persons residing in the areas served by the assisted businesses amounts to at least one low- and moderate-income person per \$350 of CDBG funds used). The number of low- and moderate-income persons living in the project's trade area is 45,150.
- b. In addition, Any activity which meets one or more of the following criteria may, at the grantee's option, be excluded from the aggregate standards described in paragraph (b)(1) section: (F) Provides assistance to a business that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty; (G) Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income; and (I) Provides assistance to a Community-Based Development Organization serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income: [see 24 CFR 570.209(b)(2)(v)F, G, and I.
- c. The HUD 108 \$2.6 million loan represents only 13.4% of the authorized HUD 108 lending capacity of the city of Flint. Its annual repayment of about \$220,000 is further guaranteed by the city's annual CDBG award by a 17.6 to one coverage.

City of Flint Annual CDBG Budget =	\$3,872,807
Ratio Annual CDBG Coverage of Debt Service =	\$3,872,807/220,750 = \$17.6/1
Total Flint HUD 108 Loans Authorized	\$19,364,035
Existing Flint HUD 108 Outstanding Loans=	\$ 6,531,000
Available HUD 108 Loan Authority =	\$12,833,035
Proposed New HUD 108 Financing =	\$ 2,600,000
Projected HUD 108 Loans as % of Authorized Loans =	13.43%

9. Public Notice

Notice for the Public Hearing was published on for a Public Hearing to be Held on Thursday, January 24, 2019 A copy of the notice is attached as Attachment B.

10. Whom May We Contact

Contact name: Al Bogdan @ bogdanaa@aabds.com 313 445-1843;

Attachment A SUPERVALU Grocery Market Projections for Flint Trade Area

Fresh Start Grocery Income Statement		Market Projections Produced by Super Value Stores for Fresh Start COC for the Trade Area Determined by Professional Analysts											
		Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5	Projected Year 6	Projected Year 7	Projected Year 8	Projected Year 9	Projected Year 10		
Sales/Distributions		1,170,137	1,136,434	1,153,988	1,177,298	1,188,867	1,206,700	1,224,801	1,243,173	1,261,820	1,280,748	1,300,000	1,318,700
Grocery		362,748	393,554	399,457	405,449	411,531	417,704	423,970	430,322	436,784	443,336	449,996	456,764
Produce		775,476	787,108	798,915	810,898	823,062	835,408	847,939	860,558	873,368	886,071	898,779	911,492
Meat		366,197	371,690	377,265	382,924	388,668	394,498	400,416	406,422	412,518	418,706	424,987	431,363
Frozen Food		430,870	437,282	443,842	450,499	457,257	464,115	471,077	478,143	485,316	492,595	500,000	507,546
Dairy		102,705	108,421	110,960	112,635	114,314	116,029	117,769	119,536	121,329	123,149	125,000	126,887
Bakery		430,870	437,282	443,842	450,499	457,257	464,115	471,077	478,143	485,316	492,595	500,000	507,546
Deli		172,348	174,913	177,537	180,200	182,908	185,646	188,431	191,257	194,126	197,038	199,996	202,900
GMI/HBC		172,348	174,913	177,537	180,200	182,908	185,646	188,431	191,257	194,126	197,038	199,996	202,900
Cigarettes		715,410	718,641	721,921	725,250	728,628	732,058	735,538	739,077	742,658	746,298	750,000	753,800
Liquor		172,348	174,913	177,537	180,200	182,908	185,646	188,431	191,257	194,126	197,038	199,996	202,900
Pop		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Department Gross Profit		4,308,200	4,372,821	4,438,415	4,504,992	4,572,566	4,641,155	4,710,772	4,781,434	4,853,155	4,925,953	5,000,000	5,075,609
Grocery		313,847	318,442	323,117	327,863	332,683	337,578	342,544	347,581	352,691	357,866	363,106	368,411
Produce		120,199	122,002	123,832	125,689	127,571	129,488	131,431	133,402	135,408	137,439	139,487	141,554
Meat		193,869	196,777	199,729	202,725	205,765	208,852	211,985	215,165	218,392	221,668	225,000	228,387
Frozen Food		109,859	111,507	113,180	114,877	116,600	118,349	120,125	121,927	123,755	125,612	127,500	129,419
Dairy		112,013	113,693	115,399	117,130	118,887	120,670	122,480	124,317	126,182	128,075	130,000	131,961
Bakery		45,236	45,915	46,603	47,302	48,017	48,733	49,461	50,200	50,958	51,723	52,500	53,289
Deli		193,869	196,777	199,729	202,725	205,765	208,852	211,985	215,165	218,392	221,668	225,000	228,387
GMI/HBC		36,189	36,732	37,280	37,842	38,410	38,986	39,570	40,164	40,767	41,378	41,996	42,621
Cigarettes		17,233	17,491	17,754	18,020	18,290	18,565	18,843	19,126	19,413	19,704	20,000	20,300
Liquor		47,390	48,101	48,823	49,555	50,298	51,051	51,814	52,586	53,367	54,156	54,954	55,761
Pop		25,849	26,237	26,630	27,030	27,435	27,847	28,265	28,689	29,119	29,556	30,000	30,443
Other		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0	0	0	0
Store Gross Profit		1,215,343	1,243,573	1,272,077	1,300,858	1,329,921	1,359,270	1,388,909	1,418,842	1,449,075	1,479,608	1,510,441	1,541,574
TIFF		92,043	97,043	97,043	97,043	97,043	97,043	97,043	97,043	97,043	97,043	97,043	97,043
Tenant Rent		28,750	39,061	47,858	48,816	49,792	50,788	51,803	52,831	53,869	54,917	55,975	57,043
Freight & Fee		(150,787)	(153,049)	(155,345)	(157,675)	(160,040)	(162,440)	(164,877)	(167,350)	(169,860)	(172,408)	(174,991)	(177,609)
Store Gross Profit		1,190,449	1,216,628	1,243,534	1,270,233	1,297,276	1,324,630	1,352,332	1,380,392	1,408,715	1,437,300	1,466,149	1,495,265
Wages		476,517	487,909	499,403	511,004	522,713	534,530	546,454	558,486	570,625	582,869	595,218	607,672
Benefits		77,548	78,711	79,891	81,090	82,306	83,538	84,784	86,045	87,311	88,591	89,885	91,193
Promotion		21,955	22,285	22,619	22,958	23,302	23,652	24,007	24,367	24,732	25,103	25,479	25,860
Supplies		49,344	50,287	51,042	51,807	52,584	53,373	54,174	54,986	55,811	56,648	57,500	58,366
Prop Taxes		99,543	101,036	102,557	104,090	105,651	107,236	108,844	110,474	112,134	113,816	115,519	117,244
Insurance		5,000	5,075	5,150	5,228	5,307	5,386	5,467	5,549	5,632	5,717	5,800	5,885
Utilities		179,000	181,685	184,410	187,176	189,984	192,834	195,726	198,662	201,642	204,667	207,738	210,854
Other Expense		133,837	136,642	139,576	142,549	145,560	148,609	151,696	154,821	157,984	161,185	164,424	167,701
MMTC Fees		53,570	53,570	53,570	53,570	53,570	53,570	53,570	53,570	53,570	53,570	53,570	53,570
Operating Expenses		1,046,508	1,062,201	1,078,210	1,094,489	1,110,938	1,127,580	1,144,426	1,161,477	1,178,733	1,196,194	1,213,860	1,231,731
EBITDA		145,041	151,372	157,566	163,729	169,958	176,152	182,425	188,778	195,111	201,524	208,007	214,560
Debt Service		80,600	80,600	80,600	80,600	80,600	80,600	80,600	80,600	80,600	80,600	80,600	80,600
Net Cash Flow		64,441	70,772	76,966	83,129	89,358	95,552	101,825	108,178	114,511	120,924	127,407	133,959
Debt Service Coverage		1.78	1.92	2.06	2.10	2.14	2.19	2.23	2.28	2.33	2.38	2.43	2.48
NOTE: Gross margin detailed projections provided by Super Value Stores as part of their market projections with 2.0% inflation													
Debt \$ 2,600,000 3.1% 75 years													
Annual Mortgage \$190,644													
= Information added to Super Value Market Projections													
7 year Interest Only \$ 80,600													

Public Notice

**City of Flint
Community Development Block Grant (CDBG) Program
HOME Investment Partnerships Program (HOME)
Housing Opportunities for Persons with AIDS (HOPWA)
Emergency Shelter Grant (ESG) Program**

NOTICE OF PUBLIC HEARING & COMMENT PERIOD FOR CHANGES TO CONSOLIDATED PLAN, 2018-2019 ACTION PLAN AND FOR A \$2.6 MILLION HUD 108 GUARANTEED LOAN FOR THE FRESH START HUTCHINSON NEIGHBORHOOD GROCERY STORE PROJECT

Notice is hereby given that the City of Flint is proposing the following changes to the 2018-2019 Action Plan and Consolidated Plan for the CDBG, HOME, HOPWA, and ESG programs:

1. Under Citizen Participation Plan Section Add the Guaranteed Loan Program to CDBG, HOME, HOPWA and ESG programs
2. Add a \$2.6 million HUD 108 Guaranteed Loan for the purposes of constructing a 25,000 square foot grocery store while preserving the historic portion of the adjacent church. The space will be used to provide healthy foods and vegetables which in turn will create jobs in Flint/

Notice is hereby also given that City of Flint is applying for a \$2.6 million HUD Section 108 guaranteed loan to the Fresh Start Investment Fund to finance the construction of the Fresh Start Hutchinson Neighborhood Grocery Store Project at 2025 N. Saginaw Street in the City of Flint to expand the market available for feeding Flint residents. No program income is anticipated. The programs are projected to create an estimated 20 full time equivalent jobs over the next two years.

The loan will be secured by independent collateral and guaranteed by the CDBG allocation to City of Flint. The annual distribution of CDBG funds to City of Flint Primary Jurisdiction communities are not affected.

The program meets the national objectives by serving areas of low to moderate income residents of Flint.

A copy of the proposed application can be found on <http://www.cityofflint.com>

Public Hearing: City of Flint will conduct a public hearing on 24th of January, 2019 at approximately 9:30 a.m. at the City of Flint City Hall, 1100 Saginaw Street, Flint, MI 48502. The public is encouraged to comment on both actions.

Persons with disabilities who require auxiliary aids or services in using public facilities, services or programs may contact:

Glenda Dunlap, Community Development Manager
City of Flint, Department of Economic Development/Community Development
City of Flint City Hall, 1100 Saginaw Street, Flint, MI 48502
Telephone: (810) 766-7426 X3020 • E-mail: gdunlap@cityofflint.com

Attachment C: Certifications

**FRESH START HUD SECTION 108 LOAN GUARANTEE
CITY OF FLINT CERTIFICATIONS**

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the City of Flint certifies that:

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

8. Anti-Lobbying -- To the best of the City of Flint's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub grantees shall certify and disclose accordingly.

Special Assessments.

City of Flint will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

Authority of Jurisdiction

The consolidated plan is authorized under State and local law and the City of Flint possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Affirmatively Further Fair Housing

The City of Flint will affirmatively further fair housing, and the guaranteed loan funds will be administered in compliance with:

1. Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and
2. The Fair Housing Act (42 USC 3601-3619)

Anti-displacement and Relocation Plan

It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community

Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Consistency with plan

The activities to be undertaken with HUD Section 108 Loan Guarantee funds are consistent with the Consolidated Plan as approved by the City of Flint Commission on 10/15/09.

Citizen Participation

It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan

Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan

It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD as modified the City of Flint Council on _____.

Compliance with Laws

It will comply with applicable laws.

Efforts to Obtain Other Financing

The City of Flint hereby certifies and assures with respect to its application for a guaranteed loan pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with the timely execution of the project without such guarantee.

Authorized to Execute Documents

In accordance with 24 CFR § 570.704 (b) 8-ii-B, City of Flint certifies that City of Flint Executive Karen Weaver is authorized to execute such documents as may be required in order to implement the application and issue debt obligations pursuant to the attached resolution from the City of Flint City Council.

Signature/Authorized Official

Date

**Karen Weaver
Mayor**

Karen Weaver

Mayor

PUBLIC HEARING

Flint City Hall

1100 Saginaw Street

Flint, MI 48502

January 24, 2019

Minutes

Subject: HUD 108 Guaranteed Loan to the Fresh Start Investment Fund as a \$2.6 million leveraged loan to finance the construction of the Fresh Start Hutchinson Neighborhood Grocery Store and as an amendment to the City of Flint 2017/2022 Consolidated Plan and 2018/2019 Action Plan

1. The public hearing was opened at approximately at ____ am

Glenda Dunlap, program manager at City of Flint Community and Economic Development Department welcomed comments on the proposed HUD 108 Guaranteed Loan to the Fresh Start Investment Fund for the construction of the Fresh Start Hutchinson Neighborhood Grocery Store and changes to the City of Flint Consolidated Plan and 1018/2019 Action Plan

2. The list of attendees is:
3. The following comments were made:
4. The Public Hearing ended at approximately _____ am

Attachment E: Flint City Council Resolution

RESOLUTION

No _____

By Councilperson _____ and Co-sponsored by Councilperson _____

WHEREAS, the Flint City Council is committed to expand L/M income services job opportunities in City of Flint;

WHEREAS, the City of Flint has the authority to enter into a HUD Section 108 Loan Guarantee agreement and pledge the loan proceeds to the Fresh Start Investment Fund for the purpose of economic development.

WHEREAS, the City of Flint is committed toward them elimination of a food desert and increasing the growth of job opportunities for Flint residents;

WHEREAS, The Fresh Start Hutchinson Neighborhood Grocery Store will be established and is committed to providing quality food products and services to the residents of this low to moderate income community;

WHEREAS, HUD requires the City of Flint modify its 2018/2019 Action Plan to include the Guaranteed Loan Program as a program covered by its Citizens Participation Plan;

WHEREAS, HUD requires that the \$2.6 million HUD Section 108 Guaranteed Loan to the Fresh Start Investment Fund be included in the 2018/19 Action Plan;

THEREFORE, BE IT RESOLVED, by the Flint City Council this 27th day of January, 2019 that it, hereby, approves the changes to the Consolidated Plan and 2018/2019 Action Plan to include the Guaranteed Loan Program as a part of the Citizens Participation Plan and to include the design, construction and operation the Fresh Start Hutchinson Neighborhood Grocery Store

RESOLVED, that approval is, hereby, granted authorizing the City of Flint to submit an application to HUD in the amount of \$2,600,000 for a HUD Section 108 Guaranteed Loan to be made to City of Flint who in turn will lend the funds to the Fresh Start Investment Fund to be combined with a New Markets Tax Credit investment. The \$2.6 million loan is needed to obtain the needed funds to construct a 25,000 square foot grocery store on the northwest corner of Hamilton and Saginaw.

RESOLVED, that the \$2.6 million HUD Section 108 Guaranteed Loan be made to the Fresh Start Investment Fund to finance the design, construction and operation of the Fresh Start Hutchinson Neighborhood Grocery Store Project as indicated in the 2018/2019 Action Plan.

[Application on File]

190148

Resolution No.: _____

Presented: 4-17-19

Adopted: _____

Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zone 2
(1101 N. Center Road, Zone 2 – P.A. 198 of 1974, as amended)

By the Mayor:

On the 25th day of February 2019, a Plant Rehabilitation District was established on the property legally described in the *Attachment* and commonly known as 1101 N. Center Road, Zone 2.

Owners/tenants of said property filed with the City Clerk of the City of Flint, an application for an Industrial Facilities Exemption Certificate for real property located within the previously established and legally described Plant Rehabilitation District.

Before acting upon said application, the local governing body is required by State Statute to afford the applicant, the City Assessor and representatives of any taxing units, which may be affected, an opportunity for a hearing thereon.

IT IS RESOLVED that such a hearing to consider an Industrial Facilities Exemption Certificate (P.A. 198 of 1974, as amended) for Genesee Packaging, Inc., shall be held on May 13, 2019 at 5:30 p.m. in the City Council Chamber of Flint City Hall, 1101 S. Saginaw Street, Flint, Michigan, and the City Clerk shall cause notice of such hearing to be published in an official paper of general circulation not less than ten (10) days prior to said hearing.

RESOLVED, that at said hearing, the above referred to and any other interested parties shall have the opportunity to be heard relative to said application.

APPROVED AS TO FORM:

ADMINISTRATION:



Angela Wheeler, Chief Legal Officer



Dr. Karen W. Weaver, Mayor

CITY COUNCIL

Herbert J. Winfrey, President

RESOLUTION STAFF REVIEW FORM

DATE – April 1, 2019

Agenda Item Title:

- ✓ 1. Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc.
(1101 N. Center Road, Zone 2 – P.A. 198 of 1974, as amended)

2. Resolution to Consider the Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc.
(1101 N. Center Rd., Zone 2 – P.A. 198 of 1974, as amended)

Prepared By

Department of Planning and Development - Community and Economic Development Division

Background/Summary of Proposed Action:

These resolutions are to 1.) set a public hearing date on which to allow for public comments on the application for an Industrial Facilities Exemption Application for Zone 2 and 2.) subsequent approval of the application.

Genesee Packaging, Inc. (GPI) proposes to move its Dort Hwy operations and a portion of its North Street operations to occupy space at the facility located on 78 acres at 1101 N. Center Road, a building formerly housing Delphi East operations. While the entire facility is 550,000 sq. ft., GPI has leased 290,267 sf of the building for office use, warehousing, distribution and its packaging operations. The new location will allow for the expansion of existing operations. The interior of the space will be fully restored to accommodate GPI's operations at a cost of approximately \$9.7M.

Lease Zone 2	75,267 sq. ft.
Lease Zones 3 & 4	<u>215,000</u> sq. ft.
Total sq. ft.	290,267 sq. ft.

GPI will retain approximately 115 jobs and expects to create another 100 jobs at the new location at 1101 N. Center Road. The plant rehab district for GPI's operations was established on February 25, 2019, after a public hearing was held. The exemption term will be 62 months, commensurate with the term of GPI's lease with the owner of the facility. GPI will have an option to extend the term of the exemption contingent upon meeting certain conditions as listed in the approval resolution.

Genesee Packaging, Inc. was founded in Flint, MI in 1979 by Willie Artis, to provide contract packaging to the automotive industry, and supply various corrugated products

Financial Implications:

Final approval of the application by the State Treasury and issuance of an Industrial Facilities Exemption Certificate to the applicant provides a tax benefit to the applicant in that the taxable value of the building will be frozen for the duration of the certificate.

Budgeted Expenditure: Yes No **Please explain, if no:**

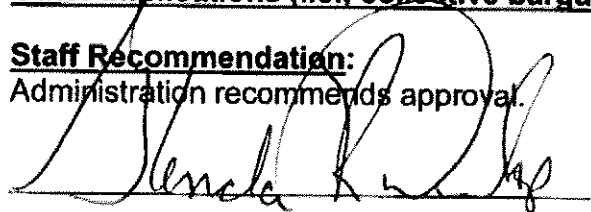
Account #: Reviewed and approved by C. Dotson N/A
Date

Pre-encumbered: Yes No **Requisition #** _____

Other Implications (i.e., collective bargaining): None known

Staff Recommendation:

Administration recommends approval.



Glenda R. Dunlap
Program Manager

1101 N. CENTER ROAD – LEGAL DESCRIPTIONS

PROPERTY

Parcel B:

The South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, Except that part owned and occupied by the Grand Trunk Railway Company. Also Except the West 40 feet of the South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, lying North of the Grand Trunk Western Railroad Company right of way, and Also Except the West 40 feet of the South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, lying South of the Grand Trunk Western Railroad Company Right of Way. Also Except part of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, described as BEGINNING at the intersection of the Northerly line of Robert T. Longway Boulevard (previously referred to as Kearsley Street), with the Easterly line of Averill Avenue, said point being N01°29'W along the North and South 1/4 line, 33.0 feet and N87°52'E, 40.0 feet from the interior 1/4 corner of said Section 9; Thence N01°29'W along said Easterly line, 17.36 feet to the intersection of said Easterly line of Averill Avenue and the Southerly line of the Grand Trunk Western Railroad Right of Way; Thence N89°26'E along said Southerly line, 10.0 feet; Thence S62°18'42"E, 34.40 feet to the Northerly line of Robert T. Longway Boulevard; Thence S87°52'W along said Northerly line, 40.0 feet to the POINT OF BEGINNING.

LEASE AREA 1 – Genesee Packaging, Inc. 215,000sf

Land over the above described Parcel B, being part of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, more particularly described as: Commencing at the North 1/4 Corner of said Section 9; thence along the North line of said Section 9, S89°05'51"E, 40.00 feet; thence S00°44'47"W, 40.00 feet to the intersection of the South line of Davison Road (40 foot half width - public) and the East line of N Averill Avenue (80 foot wide - public); thence along said East line S00°44'47"W, 1281.89 feet to the Northwest corner of said Parcel B; thence continuing along said East line, also being the West line of said Parcel B, S00°44'47"W, 758.22 feet; thence S88°23'50"E, 118.00 feet to the POINT OF BEGINNING; thence continuing S88°23'50"E, 483.15 feet; thence N01°36'10"E, 59.98 feet; thence S88°23'50"E, 99.65 feet; thence N01°36'10"E, 6.89 feet; thence S88°23'50"E, 138.26 feet; thence S01°36'10"W, 18.85 feet; thence S88°23'50"E, 83.60 feet; thence S01°36'10"W, 288.64 feet; thence N88°23'50"W, 804.67 feet; thence N01°36'10"E, 240.63 feet to the POINT OF BEGINNING. Containing ±212,863 square feet of land.

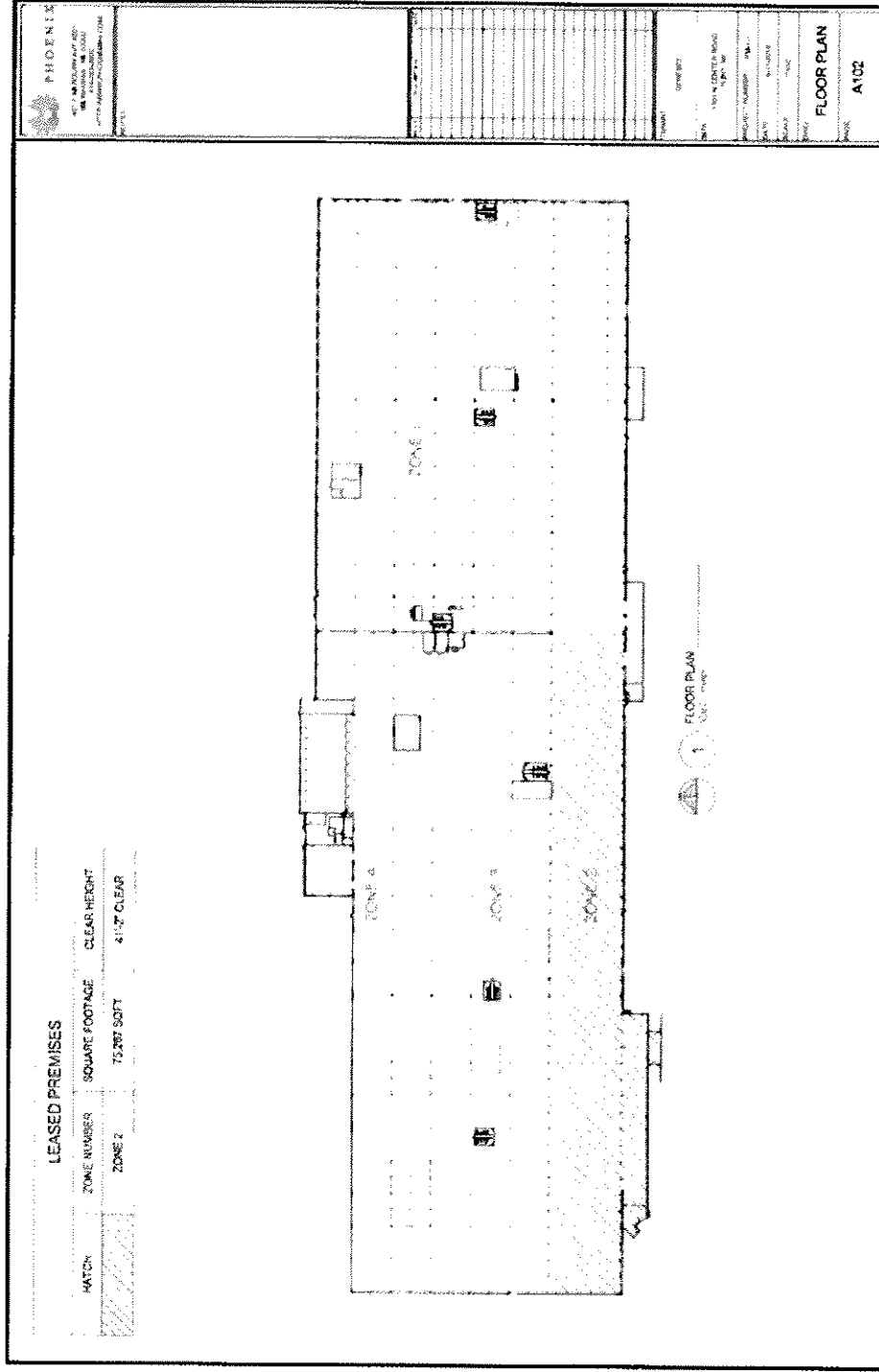
LEASE AREA 2 – Genesee Packaging, Inc. 75,267sf

Land over the above described Parcel B, being part of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, more particularly described as: Commencing at the North 1/4 Corner of said Section 9; thence along the North line of said Section 9, S89°05'51"E, 40.00 feet; thence S00°44'47"W, 40.00 feet to the intersection of the South line of Davison Road (40 foot half width - public) and the East line of N Averill Avenue (80 foot wide - public); thence along said East line S00°44'47"W, 1281.89 feet to the Northwest corner of said Parcel B; thence continuing along said East

line, also being the West line of said Parcel B, S00°44'47"W, 758.22 feet; thence S88°23'50"E, 118.00 feet; thence S01°36'10"W, 240.63 feet to the POINT OF BEGINNING; thence S88°23'50"E, 804.67 feet; thence S01°36'10"W, 91.32 feet; thence N88°23'50"W, 804.67 feet; thence N01°36'10"E, 91.32 feet to the POINT OF BEGINNING. Containing ±73,486 square feet of land.

EXHIBIT A

SITE PLAN OF PREMISES



[Exhibit A to Lease by and between Phoenix Flint, LLC and Genesee Packaging, Inc. for certain premises located at 1101 N. Center Road in Flint, Michigan]

RESOLUTION REVIEW FORM

FROM: DCED/- GRD
Department/Author

DATE March 21, 2019
NO. 19-8059
Law Office Login #

RESOLUTION NAME: **Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zones 2**

Date In: _____

1. RESOLUTION REVIEW - PLANNING AND DEVELOPMENT DIRECTOR

By: Suzanne Wilcox 
Planning and Development Director

DATE: 4/9/19
(Date)

Date In: _____

2. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY.
The Legal Department has reviewed the RESOLUTION as to Form on
this form approves as to FORM ONLY.

4-9-19, and by signing
(Date)

By: 
Legal Officer

DATE: 4-9-19

190149

Resolution No.: _____

Presented: 4-17-2019

Adopted: _____

Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zone 3 & 4
(1101 N. Center Road, Zones 3 & 4 – P.A. 198 of 1974, as amended)

By the Mayor:

On the 25th day of February 2019, a Plant Rehabilitation District was established on the property legally described in the *Attachment* and commonly known as 1101 N. Center Road, Zones 3 & 4.

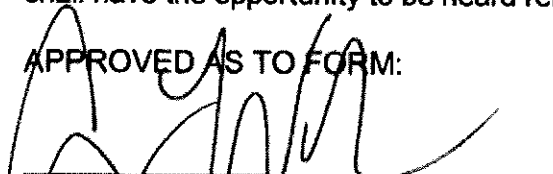
Owners/tenants of said property filed with the City Clerk of the City of Flint, an application for an Industrial Facilities Exemption Certificate for real property located within the previously established and legally described Plant Rehabilitation District.

Before acting upon said application, the local governing body is required by State Statute to afford the applicant, the City Assessor and representatives of any taxing units, which may be affected, an opportunity for a hearing thereon.

IT IS RESOLVED that such a hearing to consider an Industrial Facilities Exemption Certificate (P.A. 198 of 1974, as amended) for Genesee Packaging, Inc., shall be held on May 13, 2019 at 5:30 p.m. in the City Council Chamber of Flint City Hall, 1101 S. Saginaw Street, Flint, Michigan, and the City Clerk shall cause notice of such hearing to be published in an official paper of general circulation not less than ten (10) days prior to said hearing.

RESOLVED, that at said hearing, the above referred to and any other interested parties shall have the opportunity to be heard relative to said application.

APPROVED AS TO FORM:



Angela Wheeler, Chief Legal Officer

ADMINISTRATION



Dr. Karen W. Weaver, Mayor

CITY COUNCIL

Herbert J. Winfrey, President

RESOLUTION STAFF REVIEW FORM

DATE – April 1, 2019

Agenda Item Title:

1. Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zones 3 & 4 (1101 N. Center Road, Zones 3 & 4 – P.A. 198 of 1974, as amended)
2. Resolution to Consider the Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zones 3 & 4 (1101 N. Center Rd., Zones 3 & 4 – P.A. 198 of 1974, as amended)

Prepared By

Department of Planning and Development - Community and Economic Development Division

Background/Summary of Proposed Action:

These resolutions are to 1.) set a public hearing date on which to allow for public comments on the application for an Industrial Facilities Exemption Application for Zones 3 & 4, and 2.) subsequent approval of the application.

Genesee Packaging, Inc. (GPI) proposes to move its Dort Hwy operations and a portion of its North Street operations to occupy space at the facility located on 78 acres at 1101 N. Center Road, a building formerly housing Delphi East operations. While the entire facility is 550,000 sq. ft., GPI has leased 290,267 sf of the building for office use, warehousing, distribution and its packaging operations. The new location will allow for the expansion of existing operations. The interior of the space will be fully restored to accommodate GPI's operations at a cost of approximately \$9.7M.

Lease Zone 2	75,267 sq. ft.
Lease Zones 3 & 4	<u>215,000</u> sq. ft.
Total sq. ft.	290,267 sq. ft.

GPI will retain approximately 115 jobs and expects to create another 100 jobs at the new location at 1101 N. Center Road. The plant rehab district for GPI's operations was established on February 25, 2019, after a public hearing was held. The exemption term will be 62 months, commensurate with the term of GPI's lease with the owner of the facility. GPI will have an option to extend the term of the exemption contingent upon meeting certain conditions as listed in the approval resolution.

Genesee Packaging, Inc. was founded in Flint, MI in 1979 by Willie Artis, to provide contract packaging to the automotive industry, and supply various corrugated products.

Financial Implications:

Final approval of the application by the State Treasury and issuance of an Industrial Facilities Exemption Certificate to the applicant provides a tax benefit to the applicant in that the taxable value of the building will be frozen for the duration of the certificate.

Budgeted Expenditure: Yes No **Please explain, if no:**

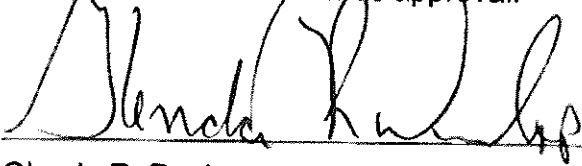
Account #: Reviewed and approved by C. Dotson N/A
Date

Pre-encumbered: Yes No **Requisition #** _____

Other Implications (i.e., collective bargaining): None known

Staff Recommendation:

Administration recommends approval.



Glenda R. Dunlap
Program Manager

1101 N. CENTER ROAD -- LEGAL DESCRIPTIONS

PROPERTY

Parcel B:

The South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, Except that part owned and occupied by the Grand Trunk Railway Company. Also Except the West 40 feet of the South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, lying North of the Grand Trunk Western Railroad Company right of way, and Also Except the West 40 feet of the South 1/2 of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, lying South of the Grand Trunk Western Railroad Company Right of Way. Also Except part of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, described as BEGINNING at the Intersection of the Northerly line of Robert T. Longway Boulevard (previously referred to as Kearsley Street), with the Easterly line of Averill Avenue, said point being N01°29'W along the North and South 1/4 line, 33.0 feet and N87°52'E, 40.0 feet from the Interior 1/4 corner of said Section 9; Thence N01°29'W along said Easterly line, 17.36 feet to the Intersection of said Easterly line of Averill Avenue and the Southerly line of the Grand Trunk Western Railroad Right of Way; Thence N89°26'E along said Southerly line, 10.0 feet; Thence S62°18'42"E, 34.40 feet to the Northerly line of Robert T. Longway Boulevard; Thence S87°52'W along said Northerly line, 40.0 feet to the POINT OF BEGINNING.

LEASE AREA 1 -- Genesee Packaging, Inc. 215,000sf

Land over the above described Parcel B, being part of the Northeast 1/4 of Section 9, Town 7 North, Range 7 East, City of Flint, Genesee County, Michigan, more particularly described as: Commencing at the North 1/4 Corner of said Section 9; thence along the North line of said Section 9, S89°05'51"E, 40.00 feet; thence S00°44'47"W, 40.00 feet to the Intersection of the South line of Davison Road (40 foot half width - public) and the East line of N Averill Avenue (80 foot wide - public); thence along said East line S00°44'47"W, 1281.89 feet to the Northwest corner of said Parcel B; thence continuing along said East line, also being the West line of said Parcel B, S00°44'47"W, 758.22 feet; thence S88°23'50"E, 118.00 feet to the POINT OF BEGINNING; thence continuing S88°23'50"E, 483.15 feet; thence N01°36'10"E, 59.98 feet; thence S88°23'50"E, 99.65 feet; thence N01°36'10"E, 6.89 feet; thence S88°23'50"E, 138.26 feet; thence S01°36'10"W, 18.85 feet; thence S88°23'50"E, 83.60 feet; thence S01°36'10"W, 288.64 feet; thence N88°23'50"W, 804.67 feet; thence N01°36'10"E, 240.63 feet to the POINT OF BEGINNING. Containing ±212,863 square feet of land.

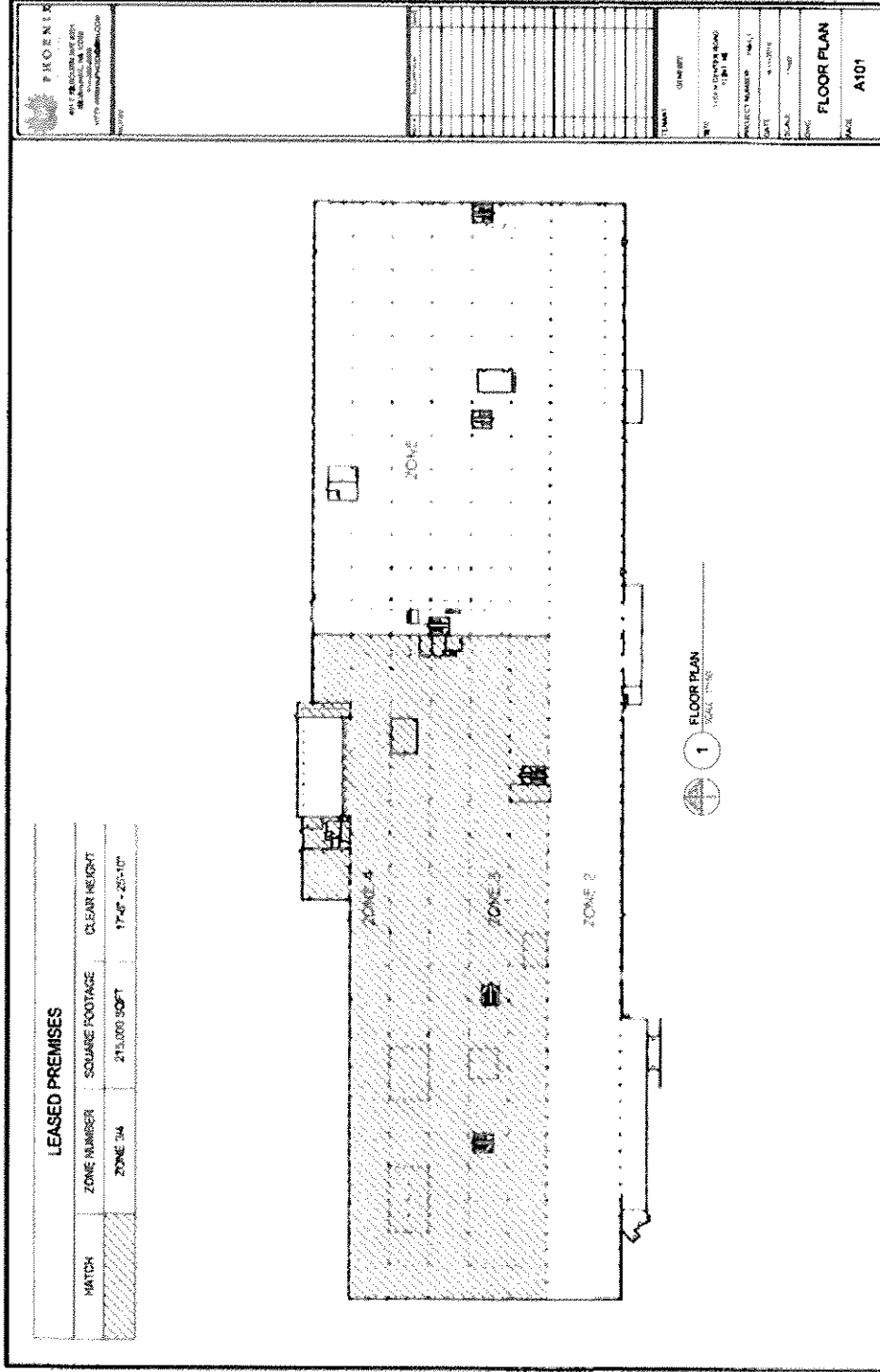
LEASE AREA 2 -- Genesee Packaging, Inc. 75,267sf

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SITE PLAN OF PREMISES



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RESOLUTION REVIEW FORM

FROM: DCED/- GRD
Department/Author

DATE NO. 4-9-19
19-8057
Law Office Login #

RESOLUTION NAME: **Resolution Setting Hearing Date to Consider Approval of an Industrial Facilities Exemption Application for Genesee Packaging, Inc. Zones 3 & 4**

Date In:

1. RESOLUTION REVIEW - PLANNING AND DEVELOPMENT DIRECTOR

By: Suzanne Wilcox 
Planning and Development Director

DATE: 4/9/19
(Date)

Date In:

2. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY.
The Legal Department has reviewed the RESOLUTION as to Form on this form approves as to FORM ONLY.

4/9/19
(Date), and by signing

By: 
Legal Officer

DATE: 4-9-19