

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MONDAY, NOVEMBER 2, 2026
6:30 P.M.**

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

AGENDA

OPENING PRAYER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

APPROVAL OF THE AGENDA:

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 19, 2026:

ADDRESSING THE CITY COUNCIL

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

PROCLAMATIONS / SPECIAL PRESENTATIONS

None.

PUBLIC HEARINGS

None.

CITIZEN COMMENTS

COUNCIL COMMENTS

CONSENT AGENDA

1. Emergency WWTP Secondary Influent Pump #4 Repair. Approval of the proposal from Professional Pump of Belleville, Michigan to perform repair of the Secondary Influent Pump #4 in the amount of \$22,460.00.

Master Plan Implementation Goals: 3.4, 3.7

2. Professional Utility Engineering Services – Water and Wastewater Services Agreements. Approval of three agreements for professional engineering services with Orchard, Hiltz & McClement (OHM) Advisors (Saginaw, MI), Jones & Henry Engineers, Ltd. (Kalamazoo, MI) and Fishbeck (Lansing, MI).

3. Library Boiler Repair. Approval of purchased material and labor services from Goyette Mechanical Co., Inc. of Flint, MI for the repair of Weil McLain Steam Boiler at the Shiawassee District Library in the amount of \$28,400.00

Master Plan Implementation Goals: 3.4

ITEMS OF BUSINESS

1. Glow Owosso Fireworks Permit Request. Consider the request of Owosso Main Street/DDA for permission to hold a public fireworks display operated by Wolverine Fireworks Display, Inc. during the City's annual Glow Owosso event.

Master Plan Implementation Goals: 4.2, 4.6, 4.16, 5.9, 5.12

2. Citizens Loft Development Agreement. Approval of the Development Agreement between the City of Owosso and Woodworth Investments, LLC for the Citizens Loft project located on the third floor of the building at 123 N. Washington Street.

Master Plan Implementation Goals: 1.1, 1.9, 1.13, 6.6

3. Proposed Water & Sewer Connections Charges for 2026. Adoption of the revised water and sewer connection charges and miscellaneous charges beginning November 2, 2026.

Master Plan Implementation Goals: 3.4

4. Analysis of Vacant Building Ordinance Proposals. Approval for the City Manager and City Attorney to prepare a vacant building ordinance consistent with DDA Resolution No. 03-2026 and consistent code enforcement processed and schedules for Council consideration. And further recommend Council authorize the City Manager to provide the written responses requested by the DDA and the HDC.

Master Plan Implementation Goals: 1.12, 2.3

CITIZEN COMMENTS

COUNCIL COMMENTS

CITY MANAGER REPORT

1. Nathan R. Henne, City Manager. City Manager Report – October 2026.

COMMUNICATIONS

1. Tanya S. Buckelew, Community Development Director. Annual Liquor Licenses Inspection Report
2. Owosso Historical Commission. Minutes of October 20, 2026.

NEXT MEETING

Monday, November 16, 2026

BOARDS AND COMMISSIONS OPENINGS

Building Board of Appeals – Alternate - term expires June 30, 2028
Building Board of Appeals – Alternate - term expires June 30, 2027
Downtown Historic District Commission – term expires June 30, 2027
Planning Commission – 2 terms expire June 30, 2027
Planning Commission – term expires June 30, 2029
Zoning Board of Appeals – Alternate – term expires June 30, 2027

ADJOURNMENT

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

***PLEASE TAKE NOTICE THAT THE FOLLOWING MEETING
CAN ONLY BE VIEWED VIRTUALLY***

The Owosso City Council will conduct an in-person meeting on November 02, 2026. Citizens may view and listen to the meeting using the following link and phone numbers.

**OWOSSO CITY COUNCIL
Monday, November 02, 2026 AT 6:30 P.M.**

The public joining the meeting via Zoom CANNOT participate in public comment.

- **Join Zoom Meeting:**

<https://us02web.zoom.us/j/87811261737?pwd=CpxNRvb3PUwaGZarmTptAMwcm0Eur7.1>

Meeting ID: 878 1126 1737

Passcode: 425598

One tap mobile

+13126266799,,81130530177#,,,,*017514# US (Chicago)

+16465588656,,81130530177#,,,,*017514# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)
+1 646 558 8656 US (New York)
+1 301 715 8592 US (Washington DC)
+1 346 248 7799 US (Houston)
+1 669 900 9128 US (San Jose)
+1 253 215 8782 US (Tacoma)

- **For video instructions visit:**

- o Signing up and Downloading Zoom <https://youtu.be/qsy2Ph6kSf8>
- o Joining a Zoom Meeting <https://youtu.be/hlkCmbvAHQQ>
- o Joining and Configuring Audio and Video <https://youtu.be/-s76QHshQnY>

- **Helpful notes for participants:** [Helpful Hints](#)

- **Meeting packets are published on the City of Owosso website** <http://www.ci.owosso.mi.us>

Any person who wishes to contact members of the City Council to provide input or ask questions on any business coming before the Council on December 15, 2025 may do so by calling or e-mailing the City Clerk's Office prior to the meeting at (989)725-0500 or city.clerk@ci.owosso.mi.us. Contact information for individual Council members can be found on the City website at: <http://www.ci.owosso.mi.us/Government/City-Council>

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

**CITY OF OWOSSO
REGULAR MEETING OF THE CITY COUNCIL
MINUTES OF OCTOBER 19, 2026
6:30 P.M.
VIRGINIA TEICH CITY COUNCIL CHAMBERS**

PRESIDING OFFICER: MAYOR ROBERT J. TEICH, JR.

OPENING PRAYER: PASTOR BILL MOULL
OWOSSO FREE METHODIST CHURCH

PLEDGE OF ALLEGIANCE: MAYOR ROBERT J. TEICH, JR.

PRESENT: Mayor Robert J. Teich, Jr., Mayor Pro-Tem Jerome C. Haber,
Councilmembers Janae L. Fear, Carl C. Ludington, Emily S. Olson,
Rachel M. Osmer, and Christopher D. Owens.

ABSENT: None.

APPROVE AGENDA

Motion by Councilmember Osmer to approve the agenda as presented.

Motion supported by Councilmember Ludington and concurred in by unanimous vote.

APPROVAL OF THE MINUTES OF REGULAR MEETING OF OCTOBER 5, 2026

Motion by Councilmember Osmer to approve the Minutes of the Regular Meeting of October 5, 2026 as presented.

Motion supported by Councilmember Ludington and concurred in by unanimous vote.

PROCLAMATIONS / SPECIAL PRESENTATIONS

Curwood Festival Donation

Curwood Festival Royalty presented the City with a \$1,000.00 donation from the Curwood Festival for the maintenance of Curwood Castle.

Promotional Ceremony – Police Department Employee

A ceremony was conducted recognizing the promotion of Amber Curry to Owosso Police Department Sergeant.

Proclamation – National Friends of Library Week

Mayor Teich read aloud the following proclamation of the Mayor's Office declaring October 17-23, 2026 as National Friends of Libraries Week in the City of Owosso:

**National Friends of Libraries Week
Proclamation – Friends of Libraries Week**

Whereas, the Friends of the Owosso Library raises money that enables our library to move from good to great -- providing the resources for additional programming, much needed equipment, support for children's summer reading, and special events throughout the year; and

Whereas, the work of the Friends highlights, on an on-going basis, the fact that our library is the cornerstone of the community, providing opportunities for all to engage in the joy of life-long learning and connect with the thoughts and ideas of others from ages past to present; and

Whereas, the Friends understand the critical importance of well-funded libraries and advocate to ensure that our library gets the resources it needs to provide a wide variety of services to all ages including access to print and electronic materials, along with expert assistance in research, readers' advisory, and children's services; and

Whereas, the Friends' gift of their time and commitment to the library sets an example for all in how volunteerism leads to positive civic engagement and the betterment of our community.

Now, therefore, I, Robert J. Teich, Jr., Mayor of the City of Owosso, do hereby proclaim October 18-24, 2026, as Friends of the Library week in Owosso and urge everyone to join the Friends of the Owosso Library and thank them for all they do to make our library and community so much better.

Proclaimed this 19th day of October, 2026.

PUBLIC HEARINGS

Special Assessment District No. 2026-102 - Hazards & Nuisances

A public hearing was conducted to receive citizen comment regarding proposed Special Assessment District No. 2026-102, Hazards & Nuisances, as it relates to unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances.

There were no citizen comments received prior to or during the hearing.

Whereas, the Council, after due and legal notice, has met and there being no one to be heard, motion by Councilmember Olson that the following resolution be adopted:

RESOLUTION NO.

AUTHORIZING THE ROLL FOR SPECIAL ASSESSMENT DISTRICT NO. 2026-102, HAZARDS & NUISANCES

WHEREAS, the Council, after due and legal notice, has met and there being no one to be heard, motion by Councilmember Olson to adopt Special Assessment Resolution No. 2 for the annual hazards & nuisances roll, as follows:

Customer #	Address	Amount Due
050-010-015-002-00	663 Glenwood Ave	\$ 287.00
050-010-015-005-00	651 Glenwood Ave	\$ 132.50
050-010-017-040-00	646 Alger Ave	\$ 258.00
050-010-034-015-00	620 Wright	\$ 129.00

050-050-000-038-00	114 S Cedar St	\$ 135.00
050-090-002-016-00	1419 Cleveland Ave	\$ 158.00
050-111-009-003-00	412 Dimmick St	\$ 165.00
050-111-009-005-00	404 Dimmick St	\$ 158.00
050-113-001-024-00	816 W Stewart St	\$ 132.50
050-114-004-004-00	State St	\$ 399.00
050-114-004-005-00	1115 State St	\$ 528.00
050-115-002-019-00	1149 S Shiawassee St	\$ 265.00
050-180-004-020-00	326 S Dewey St	\$ 507.22
050-210-000-005-00	519 Moore St	\$ 165.00
050-250-000-040-00	624 Pine St	\$ 570.11
050-380-001-012-00	320 Dimmick St	\$ 165.00
050-390-004-012-00	1260 Adams St	\$ 135.00
050-490-000-006-00	314 N Chestnut St	\$ 270.96
050-542-000-005-00	412 E Main St	\$ 657.00
050-548-000-002-00	1299 S Shiawassee St	\$ 132.50
050-553-000-008-00	1500 McMillan Ave	\$ 284.00
050-602-007-005-00	1803 W Stewart St	\$ 1707.72
050-621-000-002-00	403 State St	\$ 169.00
050-651-000-022-00	501 S Shiawassee St	\$ 134.50
050-652-008-004-00	808 Division St	\$ 258.00
050-652-008-011-00	303 E Ridge St	\$ 203.29
050-660-006-005-00	718 River St	\$ 403.50
050-660-011-001-00	219 N Cedar St	\$ 135.00
050-660-014-012-00	104 N Lansing St	\$ 129.00
050-660-017-001-00	108 N Chipman St	\$ 184.00
		\$ 8,957.80

and

WHEREAS, the Council deems said Special Assessment Roll- Hazards and Nuisances to be fair, just and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the unpaid costs incurred in the altering, repairing, tearing down, abating or removing of hazards and nuisances of said properties.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Said Special Assessment Roll-Hazards and Nuisances as prepared by the City Assessor in the amount of \$8,957.80 is hereby confirmed and shall be known as Special Assessment Roll-Hazards and Nuisances No. 2026-102.
2. Said Special Assessment Roll-Hazards and Nuisances No. 2026-102 shall be placed on file in the office of the City Clerk who shall attach his warrant to a certified copy thereof within ten (10) days

commanding the Assessor to spread the various sums shown thereon as directed by the City Council.

Motion supported by Councilmember Osmer.

Roll Call Vote.

AYES: Councilmember Olson, Mayor Pro-Tem Haber, Councilmembers Fear, Owens, Ludington, Osmer, and Mayor Teich.

NAYS: None.

CITIZEN COMMENTS

Diana Hayes, 1235 N. Water Street, said the City is doing nothing to help seniors, and she would like to view the City's financial documentation.

Mike Cline, 204 Stratford Drive, said he felt that Councilmember Osmer had a conflict of interest in voting to approve the firm hired to assist the City in obtaining community reaction to the new recycling requirement. He asked how this could happen.

Galen Ponder, 602 N. Ball Street, said the recent candidate forum went really well and was a good thing for Owosso.

Julie Pickell, 120 W. King Street, said she is concerned with the feral cat problem and would like the City to partner with Community Cats of Owosso by providing funding for medical supplies and infrastructure.

Tom Manke, 2910 W. M-21, asked that an investigation into Councilmember Osmer's actions be conducted to determine if she violated the City Charter. He said he felt that the whole issue was pushed by the Cook family.

Kerry Tyler, 1425 W. Main Street, said she has two cat colonies located near her house and Community Cats of Owosso had been able to assist them in the past but no longer has the funds. She asked that the City partner with Community Cats to try and improve the situation.

Lori Bailey, co-founder of Community Cats of Owosso, said her organization fixes approximately 1,000 cats per year, but they are strained financially. She said she is hoping the City can help to reach even more cat owners.

COUNCIL COMMENTS

Councilmember Osmer said it is true she works for the Cook Family Foundation and that the Cook Family Foundation gave the City a grant to assist in obtaining citizen comment on the new recycling requirement. She said that at no time did she financially benefit from the Cook's donation to the City.

Mayor Teich announced that interested parties can now register for the Glow Parade, go to downtownowosso.org for more information.

He went on to indicate that Council will meet in January to develop goals for the coming year and that may be the best time to consider partnering with Community Cats.

Councilmember Olson offered that the City will make payment arrangements for your water bill as long as you contact them before the bill is due.

Mayor Teich said there is no quick answer to giving seniors a break, there are many infrastructure needs throughout the City. He commended the Council for taking action on the water rates when other Councils had not. He said it is the responsibility of Council to work for the betterment of the community, and they are doing the best they can.

Councilmember Fear pointed out that all budgets and audits are available on the City website at www.ci.owosso.mi.us.

Councilmember Osmer gave a shout out to Community Cats of Owosso for all of the good work that they do for the community.

CONSENT AGENDA

Motion by Choose an item. to approve the Consent Agenda as follows:

Traffic Control Order Request - Glow Owosso Parade, 5K and Tree Lighting. Approve request from Lizzie Fredrick, Owosso Main Street Director, for the street and lot closures for the annual Glow Owosso Parade, 5K, and Tree Lighting on Friday, November 27, 2026 beginning at 12:00 p.m. until 10:00 p.m. and further approve Traffic Control Order No. 1569 formalizing the action.

Master Plan Implementation Goals: 4.5, 4.6, 4.16, 5.9, 5.12, 5.17

Traffic Control Order– Michigan Ave at the Railroad Tracks. Approve Traffic Control Order No. 1570 for the permanent closure of Michigan Avenue at the railroad tracks south of Cass Street.

Sole Source Purchase – Legal Printing Services. Waive competitive bidding requirements, approve the sole source purchase of legal printing services from Owosso Newsmedia LLC aka The Argus-Press for the period from October 1, 2026 through June 30, 2027, and authorize payment based on unit prices for actual services rendered as follows:

RESOLUTION NO.

AUTHORIZING PAYMENT TO OWOSSO NEWSMEDIA LLC FOR ANNUAL LEGAL SERVICES

WHEREAS, the City of Owosso, Shiawassee County, Michigan has a duty to keep the public informed of City-related events and meetings; and

WHEREAS, the City is required to publish notices for said events and meetings through various laws and rules; and

WHEREAS, The Argus Press, owned by Owosso Newsmedia LLC, is currently the only functioning newspaper in the city; and

WHEREAS, Owosso Newsmedia LLC is proposed to serve as the City's publisher for legal notices.

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

FIRST: The City of Owosso has heretofore determined that it is advisable, necessary and in the public's interest to pay Owosso Newsmedia LLC monthly for legal printing services rendered.

SECOND: The finance department is authorized to issue a purchase order and pay Owosso Newsmedia LLC in an amount estimated at \$6,000 for the fiscal year ending June 30, 2027.

THIRD: The above expense shall be paid from various funds as outlined in the approved FYE 6-30-2027 budget.

Warrant No. 669. Authorize Warrant No. 669 as follows:

Vendor	Description	Fund	Amount
Shiawassee Economic Development Partnership	Annual Dues	General	\$40,000.00
Caledonia Charter Township	Quarterly Payment per Water District Agreement	Water	\$89,924.22
Owosso Charter Township	Quarterly Payment per Water Agreement	Water	\$32,609.93
		TOTAL	\$162,534.15

Motion supported by Choose an item..

Roll Call Vote.

AYES:

NAYS:

ITEMS OF BUSINESS

None.

CITIZEN COMMENTS

Mike Cline, 204 Stratford Drive, asked if the City's financial records were open to the public if they wanted to come to City Hall and sit down to look at them.

Julie Pickell, 120 W. King Street, said she had lots of visions as to what could be done in recruiting volunteers and educating the public.

Tom Manke, 2910 W. M-21, said he did not believe Ms. Osmer's statement of innocence and said the matter should be investigated. He went on to note that Councilmember Ludington makes a disclosure every time he performs work for the City.

Lori Bailey, 530 N. Chipman Street, thanked the Councilmembers for being brave and for loving the City. She said she knew from experience that they were not making easy decisions.

COUNCIL COMMENTS

Councilmember Osmer clarified that Councilmember Ludington gets paid for his work for the City, she does not.

Councilmember Owens said Council is well aware of who she works for.

Councilmember Olson announced that she would like to hold an Owosso Repair Day on November 14th from 10:00am – 4:00pm at her shop next to Taphouse Specialty Meat. Her desire is to have people good at fixing things volunteer to repair various items other citizens bring in.

There was a discussion among Council if they could “nip this in the bud” before Mr. Manke goes home and writes a story that is inaccurate. It was ultimately agreed there was nothing they could do.

Councilmember Fear noted that Council worked a long time to narrow the options on recycling and the single hauler option was chosen by a unanimous vote. She said that Councilmembers work to be mindful of the whole city and that Ms. Osmer had no conflict of interest when she voted on recycling.

COMMUNICATIONS

Nathan Henne, City Manager. September 2026 Financial Report.
Tanya S. Buckelew, Planning & Building Director. September 2026 Building Department Report.
Tanya S. Buckelew, Planning & Building Director. September 2026 Code Violations Report.
Tanya S. Buckelew, Planning & Building Director. September 2026 Inspections Report.
Tanya S. Buckelew, Planning & Building Director. September 2026 Rental Report.
Tanya S. Buckelew, Planning & Building Director. September 2026 Certificates Issued Report.
Kevin D. Lenkart, Public Safety Director. September 2026 Police Report.
Kevin D. Lenkart, Public Safety Director. September 2026 Parking Citation Report
Kevin D. Lenkart, Public Safety Director. September 2026 Fire Report.
Downtown Development Authority. Minutes of October 14, 2026.

NEXT MEETING

Monday, November 2, 2026

BOARDS AND COMMISSIONS OPENINGS

Building Board of Appeals – Alternate - term expires June 30, 2028
Building Board of Appeals – Alternate - term expires June 30, 2027
Downtown Historic District Commission – term expires June 30, 2027
Planning Commission – 2 terms expire June 30, 2027
Planning Commission – term expires June 30, 2029
Zoning Board of Appeals – Alternate – term expires June 30, 2027
Zoning Board of Appeals – Alternate – term expires June 30, 2028

ADJOURNMENT

Motion by Councilmember Osmer for adjournment at 7:36 p.m.

Motion supported by Councilmember Fear and concurred in by unanimous vote.

Robert J. Teich, Jr., Mayor

Amy K. Kohagen, City Clerk

*Due to their length, text of marked items is not included in the minutes. Full text of these documents is on file in the Clerk's Office.



MEMORANDUM

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

DATE: November 2, 2026

TO: Mayor Teich and the Owosso City Council

FROM: Ryan E. Suchanek, Director of Public Services & Utilities

SUBJECT: Emergency WWTP Secondary Influent Pump #4 Repair

RECOMMENDATION:

Approval of the proposal provided from Professional Pump of Belleville, Michigan to perform repair of the Secondary Influent Pump #4 in the amount of \$22,460.00.

BACKGROUND:

The secondary treatment process at the Wastewater Treatment Plant consists of the nitrification towers and secondary clarifier. Wastewater is conveyed through these treatment processes, as well as the subsequent tertiary treatment processes (filtration and disinfection), by three (3) 150 horsepower pumps and two (2) 100 horsepower pumps.

As part of the City's preventative maintenance program, each pump is typically removed and rehabilitated on a five-year cycle. Because critical wear components, including the shaft, bearings, and impeller, are housed within the pump casing and vertical column pipe, a complete disassembly is required to accurately assess the condition of the pump and determine the scope of any necessary repairs. The removal, disassembly, inspection, and rehabilitation of these pumps require specialized equipment and expertise beyond the capabilities of City maintenance staff; therefore, qualified pump repair contractors are utilized.

Secondary Influent Pump #4 recently experienced a failure caused by a restriction within the impeller. To identify the cause of the failure, the pump was removed, disassembled, and inspected. Professional Pump of Belleville, Michigan was able to pull it and inspect at a discounted rate in the amount of \$2,400.00 as they were on site already to reinstall SIP #1, which had been repaired recently.

Following removal of the restriction, Professional Pump's inspection identified several worn internal components consistent with the pump's operating hours. Due to the ongoing construction projects at the plant, this pump is overdue for a rebuild, the last time being 2019 (seven years). Staff believe it is in the City's best interest to proceed with a complete rebuild at this time.

Professional Pump has submitted a quotation in the amount of \$20,060.00 for the necessary rehabilitation, exclusive of the previously approved removal and inspection costs. Because the pump is already fully disassembled and located at Professional Pump's facility, staff recommend authorizing the repairs without soliciting additional quotations. Professional Pump has consistently provided the City with reliable, high quality, and cost-effective pump repair services over many years, and proceeding immediately will return the pump to service in the shortest possible timeframe.

Maintaining full pumping capacity is essential to the reliable operation of the Wastewater Treatment Plant. An extended outage of Secondary Influent Pump #4 increases operational risk, and the failure of an additional secondary influent pump during this period could significantly reduce the plant's pumping capacity and potentially contribute to sanitary sewer overflow conditions. Prompt completion of the rehabilitation is therefore recommended to protect the City's wastewater infrastructure, maintain regulatory compliance, and ensure uninterrupted treatment operations.

FISCAL IMPACTS:

Services will be funded from the FY 2026-2027 WWTP Equipment Fund account 599-901-977.000 in the amount of \$20,060.00 for the rehabilitation, plus \$2,400.00 for the pulling of the pump, disassembly, and inspection, for a total of \$22,460.00.

Document originated by: Ryan E. Suchanek, Director of Public Services & Utilities

Attachments:

- (1) Resolution
- (2) Professional Pump Repair Quote

Master Plan Implementation Goals: 3.4, 3.7

RESOLUTION NO.

**AUTHORIZING SERVICES AGREEMENT BETWEEN THE CITY OF OWOSSO
AND PROFESSIONAL PUMP OF BELLEVILLE, MICHIGAN
FOR EMERGENCY REPAIR OF SECONDARY INFLUENT PUMP #4**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, is required to handle a constant supply of wastewater from its City and regional customers in accordance with state and federal regulatory requirements, and

WHEREAS, the ability to pump and treat wastewater on demand from customers is compromised when pumps become worn out or inoperable, and

WHEREAS, the City's Director of Public Services and Utilities has reviewed the necessity for the purchase of services for the repair of pump components of Secondary Influent Pump #4, and recommends authorizing Professional Pump to provide these services in the amount of \$22,460.00.

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

- FIRST: The City of Owosso has heretofore determined that it is advisable, necessary and in the public interest to authorize a services agreement with Professional Pump of Belleville, Michigan for emergency repairs of Secondary Influent Pump #4, and to waive the competitive solicitation process as normally required by the City Purchasing Policy.
- SECOND: The Mayor and/or City Clerk are instructed and authorized to sign the purchase services agreement as prepared by the City Clerk.
- THIRD: The accounts payable department is authorized to submit payment to Professional Pump in the amount of \$22,460.00.
- FOURTH: The above expenses shall be paid from account no. 599-901-977.000.



PROFESSIONAL PUMP

PUMPS, SERVICE & REPAIR, FILTRATION & FLUID HANDLING ACCESSORIES

ISO 9001: 2008 CERTIFIED

41743 HAGGERTY CIRCLE
CANTON TOWNSHIP, MI 48188
OFFICE: 734.394.7878
FAX: 734.394.7867
TOLL FREE: 888.770. PUMP
WWW.PROFESSIONALPUMP.COM

QUOTE# ch-082026-1 rev.1

City of Owosso
301 West Main Street
Owosso, MI. 48867

Attn: Timothy Guysky
Ref: pump removal/repair PO# 48208

Thank you for giving Professional Pump Inc. the opportunity to quote your pump requirements. The following quote is for: Field service to inspect a Floway Vertical turbine pump Model 16 MKL-1, serial number unknown.

Scope of Work:

- Provide labor and materials to remove vertical turbine pump.
- Transport to our shop for inspection/repair.
- Customer to remove motor prior to arrival.
- Customer will operate overhead crane to assist pump removal. **(WORK PERFORMED ON 8/26/26)**
- Disassemble pump and clean for inspection.
- Plastic bottle found wedged in impeller vane path. This has caused an uneven flow and imbalance in the hydraulics of the impeller.
- The first stage impeller has been cut on the outer diameter of the vanes by the wedged plastic bottle.
- All shafting is worn at the respective bushing areas.
- All bushings are oversized.
- The mechanical seal faces are worn.
- Manufacture (4) new intermediate shafts in Duplex Stainless steel material.
- Manufacture new bowl shaft in Duplex Stainless Steel material.
- Manufacture new head shaft in Duplex Stainless Steel material.
- Manufacture (4) new intermediate bushings in Vesconite material.
- Manufacture (3) new bowl bushings in Vesconite material.
- Manufacture new stuffing box bushing in C932 bronze material.
- Install all (8) bushings.
- Replace (5) line couplers in 416ss material.
- Replace (5) j-type column couplings.
- Provide new deflector.

- Straighten all shafting to within .001" TIR.
- Rebuild mechanical seal with new faces, elastomers and hardware.
- Replace all gaskets and o-rings.
- Replace necessary hardware in stainless steel material.
- Weld repair impeller at damaged vane area.
- Dynamic balance impeller.
- Ceramic coat bowl internals to prevent future erosion.
- Assemble unit and establish free rotation.
- Paint unit and deliver to plant.
- Provide labor and materials to install repaired pump.
- Customer will operate overhead crane to assist in pump/motor installation.
- Set impeller lift and witness start up.

NET PRICE: \$22,460.00
(INCLUDES \$2,400.00 REMOVAL CHARGE)
DELIVERY: 4-6 WEEKS ARO
FOB: SHIPPING POINT
TERMS: NET 30 DAY WITH APPROVED CREDIT

Again, thank you for giving Professional Pump, Inc the opportunity to quote your pump requirements. ***This quote will be held for 30 days. All pump repairs have standard 90 day warranty from date of invoice.*** If you have any questions regarding this quote or would like to proceed, please contact me at any time or check one of the boxes below and fill in the information. Fax this quote back to (734)-394-7867, "Attn: Chris Hawkins".

- ☐ **Approval of repair of item(s)**
☐ **Return item(s) less repair (AS IS)**
☐ **Replace item(s) with new**

Approval Signature

Date

Purchase Order #

Sincerely,

Chris Hawkins

Chris Hawkins
 E-mail: chawkins@professionalpump.com
 Service Manager
 Professional Pump, Inc (www.professionalpump.com)

WWW.PROFESSIONALPUMP.COM



CC:

PROFESSIONAL PUMP REPAIR WARRANTY

ITEM #1 – TIME AND EXCLUSIONS

All pump repairs are warranted for a period of 90 days from the date of invoice against defects in parts or improper installation, unless otherwise specified in writing by the Professional Pump Service Dept. We are not responsible for external conditions or influences such as system problems, induced vibration, pipe strain, pipe movement, improper use, improper standard maintenance procedures, misapplication of the equipment, previous repairs or the selection of parts previously supplied. On all repairs, we are not responsible for application engineering. The standards of the Hydraulic Institute (current edition) shall prevail in questions of tolerance, performance, installation and maintenance.

ITEM #2 – FIELD SERVICE



On repairs brought to our service facility by the customer, they are F.O.B. Professional Pump facility and do not cover field removal or re-installations. Conditions in Item #1 above also apply, unless quoted in writing.

ITEM #3 – PURCHASE ORDERS

A purchase order is required on all warranty claims. If the warranty failure is due to defects in material or workmanship, it will be handled within the warranty period at no charge for parts and labor. If the failure is caused by any other reason, our standard labor and parts rates apply.

ITEM #4 – CUSTOMER ALTERATIONS

We are not responsible for customer installed equipment, customer installation, customer alterations or modifications to equipment. On field installation, warranty does not apply unless we do the pump to motor alignment and supervise the start-up of equipment. Professional Pump will not consider warranty for customer altered pumps, improper alignment or installation.

ITEM #5 – LUBERCATION

The responsibility for normal lubrication and normal maintenance shall be the responsibility of the customer. In all cases, the customer is responsible for providing the proper factory authorized lubricants.

ITEM #6 – SEAL AND PACKING

Mechanical seals are not covered under warranty unless it can be shown that the seal was defective from the factory or improperly installed. Pumps with packing require constant adjustment, especially at first during the "run-in" period. We will make the initial adjustment, however further adjustments, run-ins and additional rings, if required, are part of normal maintenance and the responsibility of the customer.

ITEM #7 – PARTIAL REPAIRS

No warranty applies on partial repairs (e.g.: we cannot be responsible for the entire pump unit if we, for example, make only a shaft or replace only bearings.)

ITEM #8 – NEW EQUIPMENT

On new electric motors, pumps or controls, we shall pass on and abide by the standard manufacturer's warranty.

ITEM #9 – CUSTOMER INSTALLATIONS





MEMORANDUM

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

DATE: November 2, 2026

TO: Mayor Teich and the Owosso City Council

FROM: Ryan E. Suchanek, Director of Public Services & Utilities

SUBJECT: Professional Utility Engineering Services – Water & Wastewater Services Agreements

RECOMMENDATION:

Request council approval of three agreements for professional engineering services with:

1. Orchard, Hiltz & McClement (OHM) Advisors (Saginaw, MI)
2. Jones & Henry (Kalamazoo, MI)
3. Fishbeck (Lansing, MI)

The above proposed agreements have been approved by the Director of Public Services & Utilities as to substance and form.

BACKGROUND:

On March 17, 2014, City Council approved the Qualification Based Selection (QBS) process for Engineering Services. These services are necessary to support City Utility Staff and the City's Engineering Staff in carrying out the duties and responsibilities for customer services, municipal agreements, and regulatory compliance, where workloads demand the assistance of a consultant's staff and expertise.

City Staff reviewed proposals from interested firms, updated rankings, and recommend entering into contracts with the three highest ranked firms. These three firms will be issued extended agreements.

FISCAL IMPACTS:

City Staff will request individual quotes from the three firms whenever there is a need for a specific service. These quotes will be evaluated and administered in accordance with the City of Owosso's Purchasing Policy.

ATTACHMENTS:

- (1) Resolution for Professional Utility Engineering Services
- (2) Agreement Renewal OHM Advisors
- (3) Agreement Renewal Jones & Henry
- (4) Agreement Renewal Fishbeck

Document originated by: Ryan E. Suchanek, Director of Public Services & Utilities

Master Plan Implementation Goals: NONE

RESOLUTION NO.

**AUTHORIZING THE EXECUTION OF AGREEMENTS
FOR PROFESSIONAL ENGINEERING SERVICES WITH
OHM ADVISORS, JONES & HENRY, AND FISHBECK**

WHEREAS, the City of Owosso, Michigan, has determined that it is advisable, necessary and in the public interest to secure professional engineering services for various public improvement projects in the City; and

WHEREAS, a quality-based selection process was developed to select qualified engineering firms; and

WHEREAS, OHM Advisors, Jones & Henry, and Fishbeck have been determined as most qualified to perform engineering services for water and wastewater utilities through this process.

NOW THEREFORE BE IT RESOLVED by the City of Owosso, county of Shiawassee, State of Michigan:

- FIRST: The City of Owosso has heretofore determined that it is advisable, necessary and in the public interest to employ the firms of OHM Advisors, Jones & Henry, and Fishbeck to provide professional engineering services for future water and wastewater utility projects; and
- SECOND: The Mayor and City Clerk of the City of Owosso is hereby instructed and authorized to sign the document attached as; Exhibit C-OHM-6, Agreement for Professional Engineering Services with OHM Advisors.; and
- THIRD: The Mayor and City Clerk of the City of Owosso is hereby instructed and authorized to sign the document attached as; Exhibit C-J&H-6, Agreement for Professional Engineering Services with Jones & Henry Engineers, Ltd.; and
- FOURTH: The Mayor and City Clerk of the City of Owosso is hereby instructed and authorized to sign the document attached as; Exhibit C-FB-5, Agreement for Professional Engineering Services with Fishbeck.; and
- FIFTH: The Director of Public Services & Utilities of the City of Owosso is hereby instructed to receive cost proposals from these three firms for future projects and make recommendation to the City Council for acceptance and award in accordance with the City of Owosso Purchasing Policy.

EXHIBIT C-OHM-6

**RENEWAL OF
AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES WITH
ORCHARD, HILTZ & MCCLEMENT (OHM)**

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and date noted, renewing the contract "Agreement for Professional Engineering Services with OHM" for the term of November 1, 2026 through October 30, 2027.

For the engineer:
OHM

For the owner:
City of Owosso, Michigan

By: _____
Printed Name: Louis P. Fleury, PE
Title: Dir. of Mid-Michigan

By: _____
Robert J. Teich Jr.
Mayor

By: _____

By: _____
Amy K. Kohagen
City Clerk

Executed: ____DATE____, Oct 27, 2026

Executed: _____, 2026

EXHIBIT C-J&H-6

**RENEWAL OF
AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES WITH
JONES & HENRY**

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and date noted, renewing the contract "Agreement for Professional Engineering Services with Jones & Henry" for the term of November 1, 2026 through October 30, 2027.

For the engineer:
Jones & Henry

For the owner:
City of Owosso, Michigan

By: 

Aaron J Davenport, PE
Principal, Chief Executive Officer

By: _____
Robert J. Teich Jr.
Mayor

By: _____

By: _____
Amy K. Kohagen
City Clerk

Executed: ____October 26,_____, 2026

Executed: _____, 2026

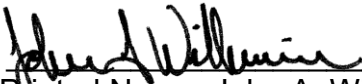
EXHIBIT C-FB-5

**RENEWAL OF
AGREEMENT FOR
PROFESSIONAL ENGINEERING SERVICES
WITH FISHBECK**

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and date noted, renewing the contract "Agreement for Professional Engineering Services with Fishbeck" for the term of November 1, 2026 through October 30, 2027.

For the engineer:
Fishbeck

For the owner:
City of Owosso, Michigan

By: 
Printed Name: John A. Willemin, PE
Title: Senior Executive

By: _____
Robert J. Teich Jr.
Mayor

By: _____

By: _____
Amy K. Kohagen
City Clerk

Executed: October 27, 2026

Executed: _____, 2026



MEMORANDUM

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

DATE: November 2, 2026

TO: Mayor Teich and the Owosso City Council

FROM: Ryan E. Suchanek, Director of Public Services & Utilities

SUBJECT: Library – Boiler Repair

RECOMMENDATION:

Approval of purchased material and labor services from Goyette Mechanical Co., Inc. of Flint, Michigan, for the repair of Weil McLain Steam Boiler at the Shiawassee District Library in the amount of \$28,400.00.

BACKGROUND:

The Shiawassee District Library's Weil McLain Steam Boiler is in need of repairs.

Scope of Work:

- Isolate power, water, and natural gas supply to leaking Weil McLain steam boiler in question – lock-out and tag-out for repairs to be made
- Remove jacket and steam trim from boiler to expose cast iron sections and connections
- Disassemble all (7) sections of steam boiler and reseal both fire and water side connections, thoroughly inspect all cast iron section mating faces to confirm no damage, no pitting, no cracking, etc.
- If (5) sections in question need replacement per internal inspection, additional cost will be incurred as listed below. (Section #1 - #2 - #3 - #6 - #7)
- All new heavy duty rope gasket, elastomer seals, draw rods, sealants, heavy hex nuts and washers to be OEM supplied
- All sections to be resealed with new hardware supplied
- Flush water side thoroughly and pressure test to confirm no leaks
- Reinstall boiler jacket and steam trim
- Remove and replace failed pressure gauge in question
- Remove and replace boiler sight glass

- Clean siphon tubes for operators
- Complete CSD-1 inspection upon completion
- If any issues are found upon CSD-1 inspection, repairs will be further quoted

City staff reached out to multiple HVAC contractors, including:

- Goyette Mechanical – Returned a quote to repair the current boiler.
 - In the amount of \$16,530.00 plus a contingency cost of \$11,870.00 if five (5) additional sections need replacement. For a grand total of \$28,400.00.
- Maurer Heating & Cooling Company – Returned a quote for instead of repairing the boiler, to install four (4) new gas furnaces.
 - In the amount of \$49,100.00
- Lamphere’s Plumbing Heating & Cooling – Did not return a quote.

Waiver of the competitive solicitation process per the City Purchasing Policy is requested due to the necessity and urgency for these specialized services, along with the recent and fast approaching winter weather.

FISCAL IMPACTS:

Services will be funded from the FY 2026-2027 Account 101-265-930.000-LIBRARY000 in the amount of \$16,530.00 plus a contingency amount of \$11,870.00 for a grand total of \$28,400.00. Additionally, is subject to the conditions of the Library’s lease contract.

Document originated by: Ryan E. Suchanek, Director of Public Services & Utilities

Attachments: (1) Resolution
(2) Goyette Mechanical’s Proposal

MASTER PLAN GOALS: 3.4

RESOLUTION NO.

**AUTHORIZING AGREEMENT FOR MATERIAL AND LABOR SERVICES BETWEEN
THE CITY OF OWOSSO AND GOYETTE MECHANICAL CO., INC. OF FLINT, MICHIGAN
FOR REPAIR OF BOILER AT THE LIBRARY**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, is required to maintain its infrastructure, including the Shiawassee District Library, and

WHEREAS, the ability to heat the building is compromised as result of a leaking steam boiler, and immediate action to make needed repairs are necessary to ensure heat supply at the library, and

WHEREAS, the City's Director of Public Services and Utilities has reviewed the proposal provided by Goyette Mechanical Co., Inc., and has verified the necessity of the materials and labor as indicated in the proposal to restore the Library's steam boiler to full operating condition, and recommends authorizing Goyette Mechanical to provide these repair services in the amount of \$16,530.00 plus an additional contingency amount of \$11,870.00 for a total amount of \$28,400.00.

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

- FIRST: The City of Owosso has heretofore determined that it is advisable, necessary and in the public interest to contract with Goyette Mechanical Co., Inc., of Flint, Michigan for repair services of the steam boiler located at the Shiawassee District Library, and to waive the competitive solicitation process as normally required by the City's purchasing policy.
- SECOND: The Mayor and/or City Clerk are instructed and authorized to sign the purchase services agreement as prepared by the City Clerk and/or Goyette Mechanical.
- THIRD: The accounts payable department is authorized to submit payment to Goyette Mechanical Co., Inc. in the amount not to exceed \$28,400.00.
- FOURTH: The above expenses shall be paid from account No. 101-265-930.000-LIBRARY000. Additionally, is subject to the conditions of the Library's lease contract.

PROPOSAL PREPARED BY:

Estimator Name: Rob Johnson
 Title: Project Estimator
 Phone: 810-397-3585
 Email: rkjohnson@goyette-mechanical.com

Date: 8-10-2026
 Customer Name: City of Owosso/Shiawassee District Library
 Attn: Tom
 Email: Thomas.wheeler@ci.owosso.mi.us
 Phone: 989-725-0551
 Location Name: Shiawassee District Library
 Location Address: 502 W. Main St. Owosso, MI 48867

Re: Weil McLain Steam Boiler Repairs

Scope of Work:

- Isolate power, water, and natural gas supply to leaking Weil McLain steam boiler in question – lock-out and tag-out for repairs to be made
- Remove jacket and steam trim from boiler to expose cast iron sections and connections
- Disassemble all (7) sections of steam boiler and reseal both fire and water side connections, thoroughly inspect all cast iron section mating faces to confirm no damage, no pitting, no cracking, etc.
- If (5) sections in question need replacement per internal inspection, additional cost will be incurred as listed below.
(Section #1 - #2 - #3 - #6 - #7)
- All new heavy duty rope gasket, elastomer seals, draw rods, sealants, heavy hex nuts and washers to be OEM supplied
- All sections to be resealed with new hardware supplied
- Flush water side thoroughly and pressure test to confirm no leaks
- Reinstall boiler jacket and steam trim
- Remove and replace failed pressure gauge in question
- Remove and replace boiler sight glass
- Clean siphon tubes for operators
- Complete CSD-1 inspection upon completion
- If any issues are found upon CSD-1 inspection, repairs will be further quoted

Total Repair Cost: **\$16,530.00**

Additional Cost for (5) Replacement Sections IF NEEDED: **\$11,870.00**

Exclusions: Asbestos Removal * Plan Review and Professional Fees * Items not indicated above will be proposed and approved prior to work being performed.

Acceptance: The prices, specifications and conditions are respectfully submitted, found to be satisfactory and are accepted. You are authorized to do the work as specified. Payment will be made as outlined below. **GOYETTE MECHANICAL CO., INC.**

- 1) **Warranty:** Contractor warrants to Owner that the installed and Goyette supplied Equipment has a ____ year Labor warranty, ____ year part warranty. Subject to the following terms, conditions and limitations, Contractor will, during the term of this Warranty, at its expense, repair or cause to be repaired any parts in the equipment. Upon expiration of the term of this Warranty, without notice from the Owner of some defect, Contractor shall have no further obligation to make repairs at Contractor's expense under any provision of this Warranty and Owner shall not make any further demand or claim against the Contractor. This warranty covers the equipment in its original installed condition.

Other part/component warranties

	Year compressor warranty		
	Year heat exchanger warranty		
	Year		Warranty
	Year		Warranty

- 2) **Not covered under warranty:** This warranty does not include maintenance on the equipment or failures that are directly related to lack of maintenance. This warranty also does not cover equipment or parts that were reused from a previous installation or needed for installation that are not directly part of the equipment itself or any work from a different contractor.
- 3) **Events Which May Void Warranty but are not limited to.**
 - (a) Water Damage from anything other than the actual equipment itself including flooding, water pipes, etc.
 - (b) Electrical surges caused by lightning, utility companies, improper use of a generator, etc.
 - (c) Improper installation of surrounding equipment that may cause harm to the existing system.
 - (d) Repairs or work performed on equipment by someone other than a Goyette representative.
 - (e) Relocation of any kind to a property not of which the original installation took place.
 - (f) Plugged drains, dirty sensors, dirty filters, lack of water treatment
 - (g) Blocked vents
 - (h) Power and/or gas supply issues
 - (i) Forces of nature
- 4) **Notification by Owner.** During the term of this warranty, customers must call Goyette Mechanical for all repairs to the Goyette supplied equipment.
- 5) **Transferability.** This warranty is not transferable, except with the prior written consent of Contractor.
- 6) **Incidental or Consequential Damages.** UNDER NO CIRCUMSTANCES SHALL CONTRACTOR BE LIABLE TO OWNER OR ANY OTHER PERSON FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES. INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR DAMAGE TO OR LOSS OF USE OF THE BUILDING OR ITS CONTENTS, RENTAL EQUIPMENT, WHETHER ARISING OUT OF BREACH OF WARRANTY, BREACH OF CONTRACT OR UNDER ANY OTHER THEORY OF LAW.
- 7) **Payment to Contractor.** This warranty shall not be or become effective unless and until Contractor has been paid in full for said installation in accordance with the agreement.
- 8) All warranty claims shall be subject to the review and written approval of the manufacturer.

Accepted By:		Date:	
---------------------	--	--------------	--

In reference to the above-mentioned project, our price includes all supervision, labor, permit, materials, tools, and equipment required for a complete scope. ***Goyette Mechanical reserves the right to make reasonable changes to the contract between the parties.***

Terms and Conditions: All material is guaranteed to be specified. All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications involving extra costs will become an extra charge over and above the estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control.

Goyette Mechanical is requesting a copy of the building Asbestos and lead survey upon quote approval. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

With acceptance of this proposal, customer acknowledges terms of warranty. Warranty information is available upon request.

This Proposal may be withdrawn if not accepted within 14 days of date listed above.

Project Financing options are available, quick, & easy to apply. Click link below

[Finance Quote / Application](#)

PAYMENT TERMS: **Net 30 with Approved Credit.** A 3% charge is added to credit card payments.



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

MEMORANDUM

DATE: November 16, 2026

TO: Owosso City Council

FROM: Lizzie Fredrick, OMS & DDA Executive Director

SUBJECT: Glow Owosso Fireworks Permit Approval

BACKGROUND:

In 2024, Owosso Main Street & Downtown Development Authority added fireworks to the Glow Owosso event activities. To host a fireworks display, OMS & DDA needs City Council's approval of the permit subject to the requirements of Public Act 256 of 2011.

Master Plan Implementation Goals: 4.2, 4.6, 4.16, 5.9, 5.12

FISCAL IMPACT:

The firework display is estimated to cost \$3,000 which will be funded by General Ledger Number 248.705.818.750.

MOTION TO CONSIDER:

To approve the permit for Wolverine Fireworks Display, Inc. for the November 27, 2026, Glow Owosso event.

ATTACHMENTS:

Glow Owosso Fireworks Display Permit

RESOLUTION NO. #####

**RESOLUTION AUTHORIZING A PUBLIC FIREWORKS DISPLAY PERMIT
FOR WOLVERINE FIREWORKS DISPLAY, INC**

WHEREAS, Owosso Main Street & Downtown Development Authority holds the annual Glow Owosso celebration; and

WHEREAS, as the legislative body of the City of Owosso, the City Council is required by Public Act 256 of 2011 to approve any public fireworks displays within its jurisdiction; and

WHEREAS, an application has been made by the OMS & DDA and operator Wolverine Fireworks Display, Inc. requesting a permit for a public fireworks display to be held during the November 27, 2026 Glow Owosso event; and said application has been reviewed by staff; and

WHEREAS, this is within budget from 248-705-818.750.

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

FIRST: it has theretofore determined that it is advisable, necessary and in the public interest to approve a public display fireworks permit for the annual Glow Owosso event, with Wolverine Fireworks Display, Inc. serving as operator.

SECOND: the Accounts Payable department is authorized to pay the operator in the amount of \$3,000.00 upon the successful conduct of the display.

THIRD: the above expense shall be paid from Account No. 248-705-818.750.

I hereby certify that the foregoing document is a true and complete copy of a resolution authorized by the Owosso City Council at the regular meeting of November 16, 2026.



Wolverine FIREWORKS

205 West Seidlers Rd. • Kawkawlin, MI 48631
Phone: 989.662.0121 • Fax: 989.662.0122

Display, Inc.

— Visit us at www.wolverinefireworks.com —

Contract Agreement

This Contract will engage the services of Wolverine Fireworks Display Inc. as vendor and display operator. This agreement, between **Owosso Main Street DDA**, herein after called "Sponsor" and Wolverine Fireworks Display Inc., 205 W Seidlers Rd., Kawkawlin, MI., Hereinafter called "Professional", is as follows.

The Sponsor and Professional, for mutual consideration hereinafter set forth, agree as follows:

- A: Professional agrees to provide Sponsor with correct amount, size and description of Fireworks as specified in proposal submitted to Sponsor **10/27/26**.
- B: Professional will provide Sponsor with Labor for the **November 27, 2026** Fireworks Display at **202 S. Water St., Owosso, MI 48867**
- C: Rain Date **N/A**.
- D: Professional agrees to provide Sponsor with Liability Insurance in the amount of **\$10,000,000.00**. All individuals/entities listed on the certificate of insurance will be deemed an additional insured per this contract.
- E: Sponsor agrees that in case of inclement weather or any other circumstances not caused solely by Professional, Sponsor will be charged maximum fixed costs in the amount of **\$750.00** per day and not for the unused Fireworks Package if display is cancelled *after* 5:00 p.m. the day before the display whether display *is or is not* rescheduled. If display is cancelled *prior* to 5:00 p.m. the day before the display and *is* rescheduled, Sponsor will be charged a minimum administration fee of **\$100.00**.
- F: Sponsor agrees to pay Professional a deposit of **\$750.00 upon signing of contract, no later than 20 days prior to display date**. If display is cancelled and not rescheduled by sponsor after deposit is paid but prior to 30 days before the display, Sponsor will forfeit 25% of deposit. If less than 30 days prior to display, Sponsor will forfeit 100% of deposit.
- G: Sponsor agrees to pay balance of **\$2,250.00 (including applicable sales tax)** within **10** days after show date of **Nov. 27, 2026**.
- H: Sponsor agrees to indemnify, hold harmless, and defend Professional from and against any and all suits, claims, damages, liabilities, losses, expenses, and costs, including attorney fees (collectively "loss"), except to the extent such loss was caused by Professional's sole negligence.
- I: Sponsor agrees to procure and furnish a suitable place to display the fireworks in accordance with the NFPA 1123, and to secure all police, fire, and local and state permits, to arrange for any security bonds as required by law and to furnish all necessary and proper police and fire protection for the protection of Sponsor, the public, individuals who work in or around the display, for proper crowd control, vehicle parking and proper supervision. Sponsor further agrees to provide all necessary and proper discharge site security.
- J: If Professional, in its sole determination, is unable to supply the size and type of fireworks proposed due to supply chain issues, Professional will substitute with fireworks of equal monetary value, in its sole discretion, if possible. If no such supply is available, Professional will refund Sponsor any deposit paid and this agreement will be cancelled without penalty to Professional or Sponsor.

Sponsor

Rachel Chisler

Professional



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/27/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Partners Group Ltd 1111 Lake Washington Blvd N. Suite 400 Renton WA 98056	CONTACT NAME: Sally Boyce PHONE (A/C, No, Ext): 425-897-6026 E-MAIL ADDRESS: ssboyce@tpgrp.com FAX (A/C, No): 425-455-6727
INSURED Wolverine Fireworks Display, Inc. 205 West Seidlers Road Kawkawlin MI 48631	INSURER(S) AFFORDING COVERAGE INSURER A : Palomar Excess and Surplus Insurance Company INSURER B : Continental Indemnity Company INSURER C : Allianz Global Corporate & Specialty SE INSURER D : INSURER E : INSURER F :

COVERAGES

CERTIFICATE NUMBER: 927307716

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC	Y		AESPLMRGL2600021	2/1/2026	2/1/2027	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			BESCRMNMI01160117125501	2/1/2026	2/1/2027	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	☒ UMBRELLA LIAB ☐ EXCESS LIAB DED ☐ RETENTION \$			25QS1585	2/1/2026	2/1/2027	EACH OCCURRENCE \$ 9,000,000 AGGREGATE \$ 9,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A				WC STATU-TORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The following are included as Additional Insured on General Liability as their interest may appear as respects operations performed by or on behalf of the Named Insured per form ECG 20592 0509 attached:
City of Owosso and Owosso Main Street DDA
Date of Event: November 27, 2026.
Location of Event: Parking lot behind Fire Station. 202 S. Water St., Owosso, MI 48867

CERTIFICATE HOLDER**CANCELLATION**

Owosso Main Street DDA
301 W. Main St
Owosso MI 48867

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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2026 Permit for Fireworks Other than Consumer or Low Impact

Authority: 2011 PA 256	The LEGISLATIVE BODY OF CITY, VILLAGE OR TOWNSHIP BOARD will not discriminate against any individual or group because of race, sex, religion, age, nationality, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this Legislative Body of City, Village or Township Board.
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This permit is not transferable. Possession of this permit authorizes the herein named person to possess, transport and display fireworks in the amounts, for the purpose of and at the place listed below only through permit expiration date.

TYPE OF PERMIT(S) (Select all applicable boxes) ☐ Agricultural or Wildlife Fireworks ☐ Articles Pyrotechnic ☒ Display Fireworks ☐ Public Display ☐ Private Display ☐ Special Effects Manufactured for Outdoor Pest Control or Agricultural Purposes		FOR USE BY LEGISLATIVE BODY OF CITY, VILLAGE OR TOWNSHIP BOARD ONLY. PERMIT(S) EXPIRATION DATE (ENTER DATE OF EXPIRATION)	
NAME OF PERSON PERMIT ISSUED TO Wolverine Fireworks Display, Inc.		AGE (18 YEARS OR OLDER) ☒ YES ☐ NO	
ADDRESS OF PERSON PERMIT ISSUED TO 205 W. Seidlers Rd., Kawkawlin, MI 48631			
NAME OF ORGANIZATION, GROUP, FIRM OR CORPORATION Owosso Main St.			
ADDRESS 301 W. Main St., Owosso, MI 48867			
NUMBER AND TYPES OF FIREWORKS (Please attach additional pages if necessary) See Proposal			
EXACT LOCATION OF DISPLAY OR USE 202 S. Water St., Owosso, MI 48867, Behind Fire station			
CITY, VILLAGE, TOWNSHIP Owosso		DATE 11/27/26	TIME After Dusk
BOND OR INSURANCE FILED ☒ YES ☐ NO			AMOUNT \$10,000,000.00

Issued by action of the Legislative Body of a ☐ City ☐ Village ☐ Township of _____ on the _____ day of _____ _____ (Signature and Title of Legislative Body Representative)	
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THIS FORM IS VALID UNTIL THE DATE OF EXPIRATION OF PERMIT

Sales Order

Wolverine Fireworks Display Inc
205 West Seidlers Road
(989) 662-0121

Order Number: 0029141
Order Date: 10/26/2026

Salesperson: 0001
Customer Number: 01-0001521

Sold To:

Owosso Main Street/DDA
301 W. Main St.
Owosso, MI 48867

Confirm To:

Lizzie Fredrick

Ship To:

Shoot Site
210 S Water St
Owosso, MI 48867

Customer P.O.		Ship VIA	F.O.B.	Terms		
11/2726		W.F.D.	Kawkawlin, MI	Net 10 Days After Show		
Item Code	Unit	Ordered	Shipped	Back Order	Price	Amount
/SHOW		Fireworks Display				3,000.00
MJG-J-TEK12QP		Match Electric 12ft w/quick pl				
Whse: MI1	BX25	1.00	0.00	0.00	0.00	0.00
GAL-GC319Z		100s Red Strobe Tail				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00
HUS-FK100CC		100s Color Crossette 1/1				
Whse: MI1	CASE	2.00	0.00	0.00	0.00	0.00
GAL-GC324		49s Red, Blue Mine w/Ti Salute				
Whse: MI1	EACH	3.00	0.00	0.00	0.00	0.00
LSF-SM003		100s Big Silver Chry Crackling				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00
LSF-SM002		100s Brocade Crown				
Whse: MI1	CASE	2.00	0.00	0.00	0.00	0.00
GAL-GC340Z		100s Blue Pearls + Brocade Cr				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00
HUS-FK300BN		300s Colorful World				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00
LID-LDA206-R		210s Red Rhyme of Dancing				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00
TSK-CZ3011201		112s Celebration a Divine Land				
Whse: MI1	CASE	1.00	0.00	0.00	0.00	0.00

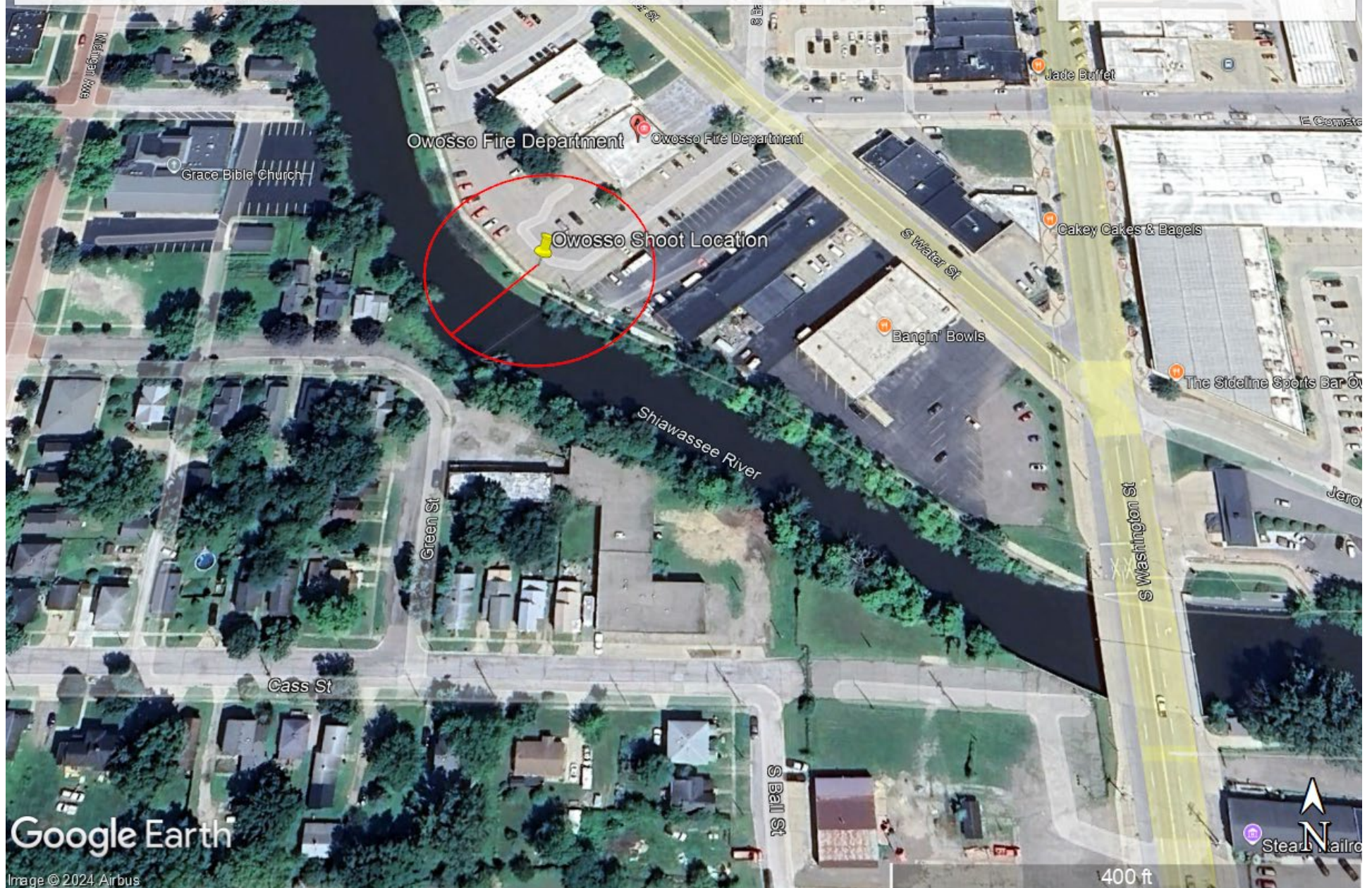
Net Order:	3,000.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total:	3,000.00

Owosso Shoot Location

120 Feet- Fallout Area Meets NFPA guidelines requiring minimum safety radius of 70ft per (inch Shell size)
Cakes used in display are all under 2". No spectators or occupied buildings are allowed within this circle.

Legend

-  Owosso Fire Department
-  Owosso Fire Department
-  Owosso Shoot Location

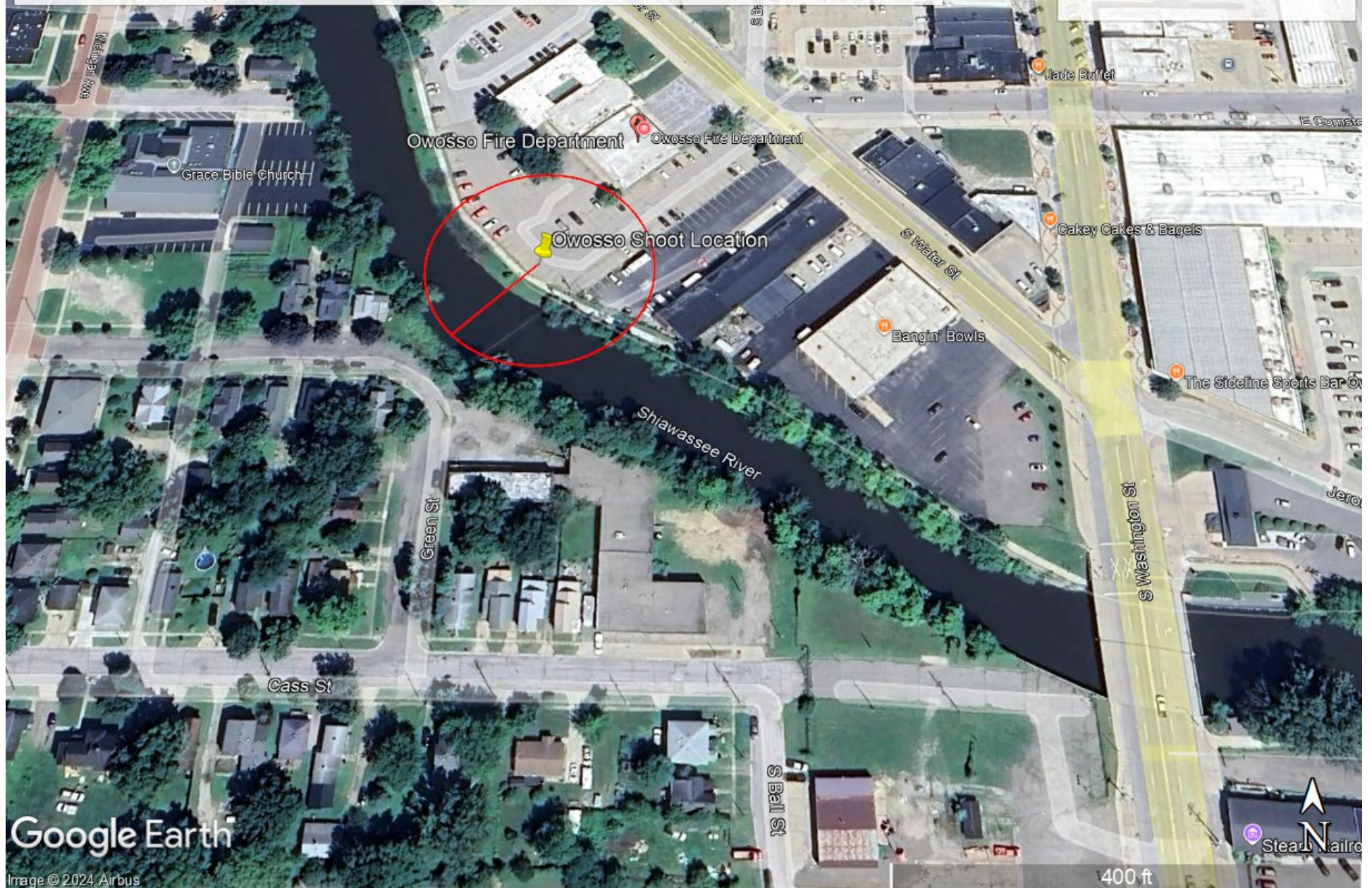


Owosso Shoot Location

120 Feet- Fallout Area Meets NFPA guidelines requiring minimum safety radius of 70ft per (inch Shell size)
Cakes used in display are all under 2". No spectators or occupied buildings are allowed within this circle.

Legend

-  Owosso Fire Department
-  Owosso Fire Department
-  Owosso Shoot Location





MEMORANDUM

Building Department 301 W Main St Owosso, MI 989-725-0535

DATE: October 27, 2026

TO: Mayor Teich and the Owosso City Council

FROM: Tanya Buckelew, Community Development Director

SUBJECT: Citizens Loft Development Agreement

RECOMMENDATION:

Staff recommends approval of the Development Agreement between the City of Owosso and Woodworth Investments, LLC for the Citizens Loft project located on the third floor of the building at 123 N. Washington Street.

BACKGROUND:

- On behalf of Woodworth Investments, LLC, the City applied for and has been awarded a Community Development Block Grant (CDBG) for \$576,270. This includes reimbursement of administrative costs.
- This is an Unoccupied Rental Rehabilitation (URR) grant and will be used to rehabilitate the 3rd floor into five (5) residential apartments and at least three (3) of the units must be low- to moderate-income households.

DOCUMENTS ATTACHED:

- Development Agreement
- Grant Agreement
- Program Guidelines

FISCAL IMPACTS:

Minimal impact on the budget as the City will be reimbursed for the administrative costs associated with this grant.

Master Plan Implementation Goals: 1.1, 1.9, 1.13, 6.6

RESOLUTION NO.

**APPROVAL OF DEVELOPMENT AGREEMENT
City of Owosso and Woodworth Investments, LLC
Citizens Loft Project
123 N. Washington Street**

**Community Development Block Grant (CDBG)
Unoccupied Rental Rehabilitation (URR)**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, was awarded a Community Development Block Grant (CDBG) Unoccupied Rental Rehabilitation Project through the Michigan State Housing Development Authority (MSHDA) on behalf of Woodworth Investments, LLC (Developer), together with James Woodworth for the 3rd floor residential redevelopment project at 123 N Washington Street on January 13, 2026; and

WHEREAS, the City of Owosso wishes to enter into a development agreement to ensure that the developer sees the project through to completion and grant closeout; and

WHEREAS, the project includes the addition of five (5) rehabbed downtown residential units; and

WHEREAS, at three (3) of the residential units must be occupied by low- to moderate- income households as required by the grant program; and

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

FIRST: the CDBG Development Agreement Between the City of Owosso, Woodworth Investments, LLC, together with James Woodworth is hereby approved as required by the Community Development Grant Agreement for Grant # NDD-2024-37-CDB-03.

SECOND: the Mayor and City Clerk are instructed and authorized to sign the document substantially in the form attached, Development Agreement Between the City of Owosso and Woodworth Investments, LLC together with James Woodworth.

Development Agreement
Between the City of Owosso
&
Woodworth Investments, LLC
For
Citizens Loft
123 N Washington Street
Community Development Block Grant (CDBG)
Unoccupied Rental Rehabilitation (URR)
Project
2026-2027

This Development Agreement ("Agreement") is dated _____, 2026, by and between the **City of Owosso**, a Michigan municipal corporation, located at 301 W. Main Street, Owosso, MI 48867 ("City"), and **Woodworth Investments, LLC**, a Michigan limited liability company, together with **James Woodworth**, individually, both located at 113 W. Exchange Street, Owosso, MI 48867 (collectively, "Developer") (each individually a "Party" and together the "Parties"). This Agreement consists of 13 pages.

RECITALS

WHEREAS, the Developer owns the real property located in the City of Owosso, Michigan, commonly known as 123 N. Washington St, Owosso, MI 48867 and legally described as W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT Parcel I.D. No: 050-470-022-020-00.

WHEREAS, pursuant to the Community Development Block Grant Program ("CDBG"), the Developer has sought financial support for the rehabilitation of the third-floor area of the structure on the Property.

WHEREAS, at the request of the Developer, the City has submitted to Michigan State Housing Development Authority (MSHDA) an application for grant funding for the rehabilitation of the Property, which has been approved:

WHEREAS, the Developer intends to revitalize the third floor of the historic building in downtown Owosso, Michigan into five (5) rehabbed rental units, with three (3) units being allocated for eligible low to moderate income households as described in the following definition of the "Project" and within and in accordance with the CDBG Grant Agreement # NDD-2024-37-CDB-03.

WHEREAS, the Developer and the City wish to set forth their respective duties and obligations related to this Project and set forth the terms governing the development of the Project.

WHEREAS, the City of Owosso and the Developer have recognized the need for the development of additional rental units in the City.

WHEREAS, the Developer will develop the second floor of the Property for additional residential units, with the use of MEDC grant funding, historic tax credits, bank financing and owner contribution for the rehabilitation of the Property that will allow the following:

- Seven (7) additional residential units
- Fire suppression
- Installation of an elevator
- Façade improvements

NOW THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are incorporated in and form a part of this Agreement.
2. **SCOPE OF PROJECT.** The scope of the Project is defined as the construction, rehabilitation and improvement of the Property to include five (5) rehabbed rental units, with three (3) units being allocated for eligible low to moderate income households, including demolition/cleanout, framing, electrical, HVAC, plumbing, insulation, drywall, paint, cabinets, flooring, and

appliances, up through Certificate of Occupancy and close-out of any Grant obligations, and including but not limited to, and process of, all necessary accounting and reporting to government agencies.

3. **CDBG GRANT AGREEMENT.** The parties agree to be bound by and adhere to the terms and conditions of the CDBG Grant Agreement # NDD-2024-37-CDB-03 (SEE EXHIBIT 1).
4. **PROGRAM GUIDELINES.** The parties agree to follow the fully executed Program Guidelines (SEE EXHIBIT 2).
5. **DEFINITIONS.**

"CDBG" shall mean Community Development Block Grant Program.

"City" shall mean the City of Owosso, Michigan, a Michigan municipal corporation.

"City Representative" or "City Official" shall mean an employee, elected official or appointed official of the City together with any City agent or consultant disclosed to the Developer.

"Controlling Member" shall mean an owner of Woodworth Investments, LLC, whom holds a majority of voting interest or operational power to direct the company's business decisions.

"Developer" shall mean Woodworth Investments, LLC and James Woodworth personally.

"Grant Term" shall mean July 1, 2026 through June 30, 2028.

"Effective Date" shall mean the date when both the City and the Developer have executed this Agreement.

"Laws" shall mean all federal, state and local laws, moratoria, initiatives, referenda, ordinances, rules, regulations, standards, orders and other governmental requirements applicable to the Project, including, without limitation, those relating to the environment, health and safety, disabled or handicapped persons.

"MSHDA" shall mean the Michigan State Housing Development Authority.

"Permit fees" shall mean all fees for required permits due to the City after the Effective Date.

"Permits" shall mean all permits, licenses, approvals, entitlements, notifications, determinations, and other governmental and quasi-governmental authorizations, including without limitation zoning and land use approvals and certificates of occupancy, required in connection with the ownership, planning development, construction, use, operation, or maintenance of the Project. As used herein, "quasi-governmental" shall include the providers of all utility services to the Project.

"Person" shall mean a natural person, corporation, partnership, trust, association, limited liability company or other entity.

"Project" shall mean the construction, rehabilitation and improvement of the Property to include five (5) housing units on the third floor of a mixed-use building located at 123 N. Washington St, Owosso, MI 48867. Three (3) of the units must be occupied by low- to

moderate- income residents. The project includes new electric, mechanical, and plumbing throughout, hard surfaced countertops, energy efficient systems, energy star appliances, wood or vinyl plank flooring. The project shall be fully code compliant. Additionally, the City of Owosso has granted a 12-year Obsolete Property Rehabilitation Certificate on the property to assist with the project.

"Project Budget" shall mean the overall budget for the cost of constructing, equipping, and completing the Project and shall include capital and a general summary of the planned sources and uses for the Project.

"Property" shall mean the premises at 123 N Washington Street in the City of Owosso, Shiawassee County, Michigan, legally described as W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT - Parcel I.D. No: 050-470-022-020-00.

"Term" shall mean the term of this Agreement, commencing on the Effective Date and expiring upon the first to occur of: (i) the termination of this Agreement pursuant to an express provision of the Agreement; or (ii) the mutual written agreement of the Parties to terminate this Agreement; or completion of the Project and issuance of certificate of occupancy and close-out of any grant obligations, and including but not limited to, and process of, all necessary accounting and reporting to government agencies.

6. PROJECT OVERVIEW AND INITIAL CONDITIONS.

- A. Project Costs. The total estimated Project cost is \$4,412,454. ("Project Costs")
- B. CDBG Grant. Of the total Project cost, CDBG Grant funds shall not exceed \$500,000:
- C. Public Contributions. The City will not provide direct financial assistance to the Project; however, the City has approved an Obsolete Property Rehabilitation Certificate .
- D. Financial Contributions. The City shall not be required to contribute any City funds for the Project, and the Developer and City acknowledge same. The City shall serve as Grantee under the CDBG Grant Agreement # NDD-2024-37-CBD-03.
- E. Developer shall be solely responsible for any Project costs more than the Grant funds, that may also include repayment of Grant funds, as required under this Agreement and Grant Agreement.
- F. To secure the City's interest and to garner good faith performance of the Developer, the Developer shall place into escrow a minimum of TWO HUNDRED THOUSAND DOLLARS (\$200,000), prior to the beginning of construction. The Developer shall have said funds deposited with the City to act as an escrow agent and to make disbursements on Developer's presentation of requests for payments and upon City's approval. These funds will be disbursed in proportion to the expenditure of CDBG funds. The projected split is 64/36 grant to Developer on every reimbursement draw.
- G. Project Milestones. The Project Milestones shall be as follows:
 - Grant Agreement Executed: Completed
 - Construction Commencement: December 1, 2026 or later
(pending Environmental Assessment Completion and release of funds)

- Construction Completion:
- All three (3) units leased
(to qualifying low to moderate income households)

December 31, 2027

June 30, 2028

- H. Repayment. The Developer acknowledges that should any of the specifications in this Agreement or the CDBG Grant Agreement for the Project not be met, the City may require the repayment of the Grant up to the full amount from the Developer.

7. DEVELOPMENT REQUIREMENTS.

- A. Project Construction. The Developer will commence construction of the Project and will proceed diligently to construct and develop the Project during the Grant Term as outlined in the Grant Agreement.
- B. Permits and Approvals. The City shall expedite, to the extent it is legally permitted to do so, the issuance of all Permits and City approvals necessary for the Project, provided that the Developer/Contractors have submitted the required application or information under the generally applicable standards for granting such Permits in the City. Promptly following the Developer/Contractors completed submissions, the City shall review the same. The Developer/Contractors shall maintain, as required by law and all applicable building codes, all Permits that are necessary in order for the Developer/Contractors to construct and complete the Project, whether required by the City and/or other governmental agencies. The Developer, at its sole cost and expense, shall be exclusively responsible for obtaining and maintaining all Permits.
- C. Payment of Taxes. The Developer shall pay and discharge prior to the date when a penalty would apply, all taxes assessed against the Property.
- D. Maintain Existence in Good Standing. The Developer shall maintain its existence as a limited liability company in good standing in the State of Michigan.
- E. Developer's Insurance. Prior to commencing construction on all or any portion of the Property, Developer shall and Developer shall cause its agents, contractors and subcontractors, (the "Developer Parties") to procure and maintain in full force and effect, at Developer's sole expense, Builders Risk, Commercial General Liability Insurance, Commercial Automobile Liability Insurance, (including coverage for owned automobiles and for non-owned and hired automobiles), Umbrella or Excess Liability Insurance for the Commercial General Liability Insurance and Commercial Automobile Liability Insurance, Professional Liability as specified herein and any other insurance as may be required from time to time. With the exception of Worker's Compensation and Professional Liability Insurance, each policy must (i) identify the City as an additional insured and (ii) include an endorsement providing that coverage in favor of City will not be impaired in any way by any act, omission, or default of Developer, its contractors, employees, agents, representatives or any other person. All insurance policies required hereunder shall be written as primary policies, not contributing with or in excess of any coverage maintained by the City of Owosso. Developer shall provide the City with a Certificate of Insurance and a copy of the additional insured endorsement at any time upon request. Commercial General Liability Insurance, Commercial Automobile Liability Insurance, Umbrella or Excess Coverage and Worker's Compensation Insurance shall be written with limits of liability, not less than those shown below. Builders' Risk policies for each portion of the Project will be for the completed value of the structures and the Infrastructure

Improvements, either in whole or as component parts of the Project based upon the construction cost.

- Builders Risk As stated above
- Commercial General Liability Insurance on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included. (E) Explosion, Collapse, and Underground (XCU) coverage, if applicable. Limits may be obtained by the use of primary and excess/umbrella liability policies.
- Automobile Liability including Michigan No-Fault Coverages, with limits of liability not less than \$1,000,000 per occurrence, combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles.
- Owners' and Contractor Protective Liability: The Contractor shall procure and maintain during the life of this contract, a separate Owners' and Contractor's Protective Liability Policy with limits of liability not less than \$1,000,000 per occurrence and aggregate for Personal Injury, Bodily Injury, and Property Damage. The City of Owosso shall be the "Named Insured" on said coverage.
- Additional Insured: Commercial General Liability and Automobile Liability as described above shall include an endorsement stating the City of Owosso shall be listed as additional insured. It is understood and agreed by naming the City of Owosso as additional insured, coverage afforded is considered primary and any other insurance the City of Owosso may have in effect shall be considered secondary and/or excess.
- Proof of Insurance Coverage: Contractor shall provide the City of Owosso, at the time that the contracts are returned by him/her for execution, a Certificate of Insurance as well as the required endorsements. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable.
- If any of the above coverages expire during the term of this contract, the Contractor shall deliver renewal certificates and endorsements to the City of Owosso at least ten (10) days prior to the expiration date.
- Worker's Compensation Statutory limits
- Developer shall, and shall cause its contractors to, maintain in effect all insurance coverage required hereunder, at the Developer's sole expense or such Developer Party's sole expense. All insurance is to be issued by companies having a "General Policyholders Rating" of at least "A" and a financial rating of not less than Class XII. All insurance policies shall provide that the coverage afforded shall not be canceled or non-renewed or restrictive modifications added, until at least ten (10) days' prior written notice has been given to each of the Developer's Designees. Developer shall, at least thirty (30) days prior to the expiration of such policies, furnish the City with renewals

thereof. In the event the Developer or Developer Parties fail to obtain or maintain any insurance coverage required under the Agreement, the City may purchase such coverage and charge the cost thereof to Developer at 125% of the actual costs in order to compensate the City for the administrative time involved.

- General Indemnification. To the extent not covered by the proceeds from the insurance policies required to be carried hereunder or under any other agreements between the parties hereto, Developer agrees that it shall indemnify and hold harmless the City from against and from any loss, damage, claim of damage, liability or expense to or for any person or property, whether based on contract, tort, negligence or otherwise, arising directly or indirectly out of or in connection with its acts or omissions in conjunction with the performance of this Agreement so indemnifying, its agents, servants, employees or contractors; provided, however, that nothing herein shall be construed to require a party to indemnify the other against such party's own acts, omissions, or neglect.
 - Termination. In the event of Developer default, the City may terminate this Agreement during the Grant Term only after and during the continuance of a Developer Event of Default. The Developer may terminate this Agreement only after and during the continuance of a City Event of Default.
- F. The Developer shall require the contractors and subcontractors to comply with all federal requirements applicable to the project and funding source, including, but not limited to, the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), Build America, Buy American (BABA) domestic preference requirements, Section 3 requirements and the Davis-Bacon and Related Acts (DBRA).
- G. Wage Determinations as required by Davis-Bacon. The Developer is using multiple funding streams to support this overall project, including MEDC grant funds, and will be abiding by and reporting Davis Bacon requirements for aggregate activities and funding. See Exhibit A for the Davis-Bacon Act Wage Determinations #MI20260008, Modification #3, Construction – Residential and Last Revised Date of May 18, 2026 for Shiawassee County.

8. CONFLICTS OF INTEREST.

- A. No Conflict Representation of Developer. The Developer and its Controlling Member represent and warrant that, to their actual knowledge and except as disclosed to the City, the Mayor of the City, any member of the City Council, City Manager or any other City Representative who exercises any discretionary function or responsibility in connection with the approval of any action required under this Agreement (collectively "City Official(s)"), that said City Officials have no personal financial interest in the Developer or the Project.
- B. No Conflict Covenant of Developer. The Developer and its Controlling Member covenant and agree that no City Official may, to the extent of the Developer and Controlling Member have the authority to prevent, (i) obtain a personal or financial interest in the Developer or the Project, (ii) hold or have an interest in any contract, subcontract, or agreement for payment with respect to the construction and development of the Project, either for themselves or those with whom they have a direct family or business relationship during

their tenure as a City Official.

9. REPRESENTATION AND WARRANTIES.

A. Default by Developer. The occurrence of any of the following events shall be an event of default by the Developer under this Agreement (a "Developer Event of Default"):

1. Breach of this Agreement, Representation and Warranties. Breach of any provision of this Agreement, representation, or warranty made in this Agreement or in connection with any delivery, application or commitment for the Project by the Developer is false or misleading in any material respect at the time made.
2. Breach of CDBG Grant Agreement # NDD-2024-37-CBD-03.
3. Failure to Complete Project.
4. Payment and Performance Default. The Developer fails, after receiving any required notice, to perform any covenant, agreement, obligation, term, or condition under this Agreement within any applicable grace or cure period, or if no due date or grade period is set forth in this Agreement and is not expressly prohibited, then within sixty (60) days for monetary default following written demand and sixty (60) days for non-monetary default following written demand (specifying the nature of the default), and for non-monetary default during the Development Period, the Development shall not be in default if the nature of the default is such that the Developer may need more time to cure, in which case the period to cure shall be extended for ninety (90) days for so long as may be reasonably required to cure such default provided the Developer
5. Bankruptcy.
 - Developer adjudicated insolvent, or shall make assignment for the benefit of creditors, shall file a petition in bankruptcy, shall voluntarily be adjudicated insolvent or bankrupt or shall admit in writing the inability to pay debts as they mature, shall petition or apply to any tribunal for or shall consent to or shall not contest the appointment of a receiver, trustee, custodian or similar officer, and the appointment of same adversely affects the Project or the City.
 - A petition is filed or any case, proceeding or other action is commenced against the Developer seeking to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or other relief under any law relating to bankruptcy, insolvency, arrangement, reorganization, receivership or other debtor relief under any law or statute of any jurisdiction whether now or hereafter in effect or a court of competent jurisdiction enters an order for relief against the Developer that is not dismissed within one hundred twenty (120) days after being commenced.
 - Dissolution of Developer. Any dissolution, termination, or partial or complete liquidation of the Developer prior to completion of the Project.
 - Failure to Maintain Property / Project Insurance as Required.

- B. Remedies of the City. After and during the continuance of a Developer Event of Default, the rights and remedies of the City shall include, but not limited to:
1. Damages and Injunction. The City may maintain an action to recover any damages (including reasonable fees and expenses of legal counsel, consultants, and expert witnesses incurred in connection therewith) resulting from the Development Event of Default. Notwithstanding the foregoing, in no event will the Developer be liable for any punitive, speculative, or consequential damages alleged by the City. The City may also seek injunctive relief.
 2. Termination. The City may terminate this Agreement in accordance with the specific termination rights set forth in this Agreement.
 3. Specific Performance of this Agreement.
 4. Developer shall be liable to City and/or any governmental agency for any amounts of the Grant, repayment of the Grant, or reimbursement of Grant funds, to any governmental agency by reason of Developer's breach of this Agreement, default, or failure to complete the Project.
- C. Default by the City. The occurrence of any of the following events shall be an event of default by the City under this Agreement (a "City Event of Default").
1. Payment or Performance Default. City fails, after receiving any required notice, to perform any covenant, agreement, obligation, term, or condition under this Agreement, within any applicable grace period, or if no due date or grace or cure period is set forth, then within sixty (60) days following written demand specifying the nature of the default.
 2. Breach of Representations and Warranties. Any representation or warranty made in this Agreement or in connection with any delivery application or commitment relating to the Project by the City is false or misleading in any material respect at the time made.
- D. Remedies of Developer. After and during the continuance of a City Event of Default, the rights and remedies of the Developer shall be limited to:
1. Injunction. Developer may seek an injunction resulting from the City Event of Default. Notwithstanding the foregoing, in no event will the City be liable for any punitive, speculative, consequential, or any other damages due to loss, or personal liability damages, alleged by the Developer. The Developer may also seek injunctive relief.
 2. Termination. Developer may terminate this Agreement in accordance with the specific termination rights set forth in this Agreement; notwithstanding, section 8(B)(4) above shall survive termination of this Agreement.
 3. Specific Performance of this Agreement.

9. MISCELLANEOUS.

- A. Effect of Agreement. The City shall be obligated to perform only those undertakings

expressly set forth in this Development Agreement, the Grant Agreement and its obligation and duties pursuant to applicable laws, ordinance and charter. Execution of this Agreement in no way constitutes City approval of the Project or obligates the City to support or approve the Project except as expressly set forth in this Development Agreement and the Grant Agreement.

- B. Compliance with Laws. The Developer and the City shall each comply with all applicable laws at all times during the Grant Term, and that may be required subsequent.
- C. City Consent. Where the consent of the City is required or requested under this Agreement after the Effective Date, such consent may be provided by the City Manager.
- D. Costs. Except as specifically set forth in this Agreement, each of the Parties will bear its own cost and fees with respect to actions taken as required by this Agreement or in support of such obligations. The City and the Developer shall have no liability for any claims of any nature except as expressly set forth in this Agreement.
- E. Assignability, Transferability, Modification. The obligations of the Developer under this Agreement are not assignable, transferable, or modifiable without the express written agreement of the City. If assignment or transfer is authorized, the obligations of the Developer under this Agreement shall survive any assignment, unless waived or modified by the City. If the City declines to approve an assignment in accord with the provisions of this section, Developer shall remain obligated to complete its obligations under the Agreement.
- F. Notices. Except as otherwise specified herein, all notices, consents, approvals, requests, and other communications (collectively called "Notices") required or permitted under this Agreement must be given in writing and are effective on delivery. Delivery may be effectuated by personal service with receipt obtained; certified mail or first-class mail with delivery proof; or nationally recognized overnight courier delivery service with next business day delivery. Notices must be addressed as follows:

To the City: City Manager
 301 W Main St
 Owosso, MI 48867

With a copy to: City Attorney
 114 E Main St, #218
 Owosso, MI 48867

To the Developer: Woodworth Investments, LLC
 James Woodworth
 116 W Main Street, Suite 203
 Owosso, MI 48867

With a copy to: James Woodworth
 113 E Exchange St.
 Owosso, MI 48867

- G. Amendment. No amendment or modification to or of this Agreement shall be binding upon a Party to this Agreement until such amendment or modification is reduced to writing and

executed by the Parties after the consent of the City Council.

- H. Binding Effect. This Agreement shall be binding upon the Parties to this Agreement and upon their respective successors and assigns.
- I. Survival and Litigation Costs. The terms, conditions and provisions of this Agreement which are expressly provided to survive shall survive its termination. In any litigation arising out of this Agreement, each Party shall be responsible for its individual attorneys' fees, expenses and costs, including its expenses of consultants and expert witnesses, and costs at trial and for appeals, and the provisions of this sentence shall survive the termination of this Agreement.
- J. Severability. In any clause, provision or section of this Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect the validity of any of the remaining clauses, provisions, or sections of this Agreement.
- K. Time of Essence. Time shall be of the essence of this Agreement.
- L. Execution in Counterparts. The Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.
- M. Captions. The captions and heading in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.
- N. Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of State of Michigan and all applicable federal laws of the United States. Any claims, lawsuits, or causes of action arising out of the Agreement shall be exclusively litigated in the Courts for the County of Shiawassee, Michigan.
- O. Force Majeure. No Party hereto shall be liable for the failure to perform its obligations hereunder if such failure is due to unforeseeable events beyond, the Party's reasonable control and without such Party's fault or negligence, including but not limited to, acts of God, acts of the public enemy, acts of any government, acts of the other Party, fires, flood, epidemics, quarantine restriction, strikes and embargoes, shortage of materials and delays of contractors due to such causes. The failure to perform shall be excused only for the period during which the events giving rise to the failure to perform exists; provided, however, that the Party seeking relief from its obligation under this Section shall notify the other Party in writing, setting forth the event giving rise to such failure to perform, within thirty (30) business days following knowledge of the occurrence of such event.
- P. Relationship of the Parties. The relationship of the City and the Developer shall be defined solely by the expressed terms of this Agreement, including the implementing documents described or contemplated herein, and neither the cooperation of the parties hereunder nor anything expressly or implicitly contained herein shall be deemed or construed to create a partnership, limited or general, or joint venture between the City and the Developer, nor shall any party or their agent be deemed to be the agent or employee of any party to this Agreement. Under no circumstances shall an agent, employee or contractor of the Developer, be, nor considered to be, an employee of the City of Owosso.

- Q. Entire Agreement. The parties agree that this Development Agreement contains the entire terms and conditions between the City and Developer and that there are no other agreements, representations, statements, or understandings, which have been relied on by the parties.
- R. Drafting and Construction. All parties to this Agreement have participated fully and equally in the negotiation and preparation hereof; therefore, this Agreement shall not be more strictly construed or any ambiguities within this Agreement resolved against any party hereto.
- S. Due Authorization. The City and the Developer each warrant and represent to the other that this Agreement and the terms and condition thereof have been duly authorized and approved by, in the case of the City, its City Council and all other governmental agencies whose approval may be required as a precaution or precondition to the effectiveness hereof, and as to the Developer, by the Property owner or members thereof, and that the persons who have executed this Agreement below have been duly authorized to do so. The parties hereto agree to provide such opinions of counsel as to the due authorization and binding effect of this Agreement and the collateral documents contemplated hereby as the other party shall reasonably request.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

WITNESSES:

CITY OF OWOSSO

By _____
Robert Teich, Mayor

Date _____

By _____
Amy Kohagen, Clerk

Date _____

Woodworth Investments, LLC

By _____
James Woodworth, Member

Date _____

James Woodworth

By _____
James Woodworth, personally

Date _____

EXHIBIT 1

MSHDA MI NEIGHBORHOOD GRANT AGREEMENT MI NEIGHBORHOOD GRANT # NDD-2024-37-CDB-03

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
735 East Michigan Avenue, Lansing, Michigan 48912

THIS MI NEIGHBORHOOD GRANT AGREEMENT ("Agreement") made and entered into as of , by and between **City of Owosso, a local unit of government** whose address is **301 W Main St. Owosso, Michigan 48867** (the "Grantee"), and the Michigan State Housing Development Authority, a public body corporate and politic of the State of Michigan, whose address is 735 East Michigan Avenue, Lansing, Michigan 48912 ("the Authority").

RECITALS

- A. The State Housing Development Authority Act of 1966, Public Act 346 of 1966 (the "Act"), Part 125.1458 et seq., as amended, charges the Authority with creating and implementing the MI Neighborhood Program for the purposes of developing and coordinating public and private resources to meet the affordable housing needs of low income, very low income, and extremely low-income households and to revitalize downtown areas and adjacent neighborhoods in the State of Michigan.
- B. Funds appropriated pursuant to the Act are to be used to support initiatives and expand opportunities for low- and moderately low-income housing, including but not limited to improving the Grantee's ability to provide housing services, building capacity, initiate and coordinate housing development, and to provide gap funding for housing projects falling at 80% and/or 120% or less of the local region's Area Median Income dependent on funding source parameters outlined within the Exhibit(s).
- C. The Authority is responsible for ensuring that Authority grant funds are distributed in accordance with the grant funding parameters and be expended for one or more of the activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's General Rules. Section 58a of the Act provides that the Authority may use the monies held in the Fund to make loans or grants to eligible applicants as defined in Section 58(2)(d), in any amounts as the Authority determines, to finance the acquisition, construction, rehabilitation, or preservation of housing for low income, very low income and extremely low income households; Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 ("2023 PA 4"), amending Public Act 281 of 1967, at MCL 206.695(1) et. Seq., beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to \$50 million, if available, to the HCDF Program. On September 19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of the HCDF funds. Effective October 7, 2025, the Michigan Legislature appropriated to the Authority, pursuant to the Public Act 22 of 2025 ("2025"), Act No. 22. Public Act of 2025, effective Oct. 7, 2025, 2025 Mich, Pub, Acts 22, for state fiscal year 2025-2026, \$50 million to the HCDF Program. The Statewide Housing Plan Program Grants identified in Schedule A will be funded under the HCDF Program from the 2025 PA 22 appropriation.
- D. This MI Neighborhood Grant is authorized, between the Authority and the Grantee and requires the following:
 - a. a provision pursuant to which the owner and manager agree not to evict a tenant without just cause, as defined in MCL 125.694a; and

- b. a provision providing for the recapture or de-obligation of some or all of the Grant for any the reasons specified in Rule 125.196(4) of the Authority's General Rules; and
 - c. performance metrics and reporting requirements a required by MI Neighborhood guidelines.
- E. The Grantee has represented to the Authority that it is not debarred, is authorized to conduct business in the State of Michigan, that the signatory executing this Agreement is authorized to bind the Grantee to the terms of this Agreement and fully intends to distribute funds in accordance with the Act for housing-related purposes as described in the Exhibit(s) attached and incorporated in this Agreement.
- F. This Grant, NDD-2024-37-CDB-03, in an amount not to exceed Five Hundred and Seventy-Six Thousand Two Hundred and Seventy (\$576,270.00) (the "Grant") is for housing-related activities more specifically described in the Exhibit(s) with detailing (the "Program") as applicable and identifying the appropriately allocated funding source and its parameters.

NOW, THEREFORE, in consideration of and as a condition to receiving the Grant, the Grantee agrees that:

1. The terms and conditions set forth herein are a reasonable and appropriate means to assure the use of funds in accordance with the Act, the Rules, and the Authority's Authorizing Resolutions.
2. All aspects of the Grantee's plan for the use of the Grant are specifically described in the Program attached hereto as the Exhibit(s), which Program and all Exhibit(s) hereto are incorporated hereinto and made a part herof, and the Grantee will operate the Program as described in the Exhibit(s). Grantee must comply with the terms of all Exhibits hereto.
3. All actions of the Grantee and requirements of the Grantee's Program are subject to the terms of this Agreement, the provisions of the Act and the Rules of the Authority, being R 125.101, et seq (the "Authority Rules").
4. The activities of the Grantee will be subject to the review of and, in the discretion of the Authority, audit by Authority staff to ensure compliance with this Agreement, the Act and the Authority's Rules, and the Grantee will provide any books, records or documents in such form and at such place as the Authority may request.
5. An initial advancement of up to 25% of the project award amount is allowed. If applicable, the HCDF advance must be expended within 180 days of receipt unless written exception is granted by the Authority. If applicable, the CDBG advance must be expended within 30 days of receipt unless written exceptions is granted by the Authority. The Grantee agrees to draw down non-advanced Grant proceeds only when and, in such amounts, as may be necessary to pay for the activities as Authorized in the Act or otherwise described in Exhibit(s).
 - a. In no event will any reimbursement be made after a written notice by the Authority to the Grantee of a violation of this Agreement, and the violation has not been corrected to the satisfaction of the Authority.
 - b. The MI Neighborhood Program funds will not be used to pay expenses that will be or have been otherwise reimbursed.

All requests for the disbursement of Grant proceeds shall be submitted to the Chief Executive Officer and Executive Director of the Authority or their designee, shall be made in writing, and shall include the amount of Grant proceeds to be disbursed, a description of the purposes for which the proceeds are to be used, copies of invoices, billings, or such other documentation as

may be necessary to demonstrate project costs, and such other information as the Chief Executive Officer and Executive Director or their designee may request. The Grantee agrees that disbursement(s) under this Agreement shall be made in accordance with Authority established schedules and procedures (the "Disbursement"). The Grantee further agrees that in the event no funds are advanced or disbursed (hereafter "advanced" and "disbursed" are individually and collectively referred to as "Disbursed") within ninety (90) days of the effective starting date as defined herein, the funds authorized pursuant to this Agreement shall be subject to recapture by the Authority.

6. If an advance or any portion of any Grant is not used for the intended purpose due to conditions that make it impossible to use as stated herein, or if the grantee fails to use all or any portion of the Grant, any unused MI Neighborhood Grant proceeds that have been disbursed will be returned to the Authority immediately.
7. Grant proceeds are to be used for housing-related activities. Accordingly, the Grantee shall, prior to disbursement of funds, prepare and submit to the Authority a detailed budget of work to be completed. In the event that housing units are created or improved with HCDF grant proceeds, at least twenty percent (20%) of the units in the housing project to be acquired, constructed, rehabilitated or preserved with Grant funds are set aside for Households at or below 60% Area Medium Income (AMI), as defined by the Act and Rule 191 of the Authority's General Rules.
8. MI Neighborhood grant funds are not allowed to be used to lobby federal, state, or local officials or their staff to receive additional funding or influence legislation. These lobbying restrictions preclude recipients from:
 - Spending grant funds to influence an officer or employee of any governmental agency or Congressional member/staff regarding federal awards;
 - Failing to submit required certification and disclosure forms;
 - Using grants funds provided to non-profit organizations or institutions of higher education to influence an election, contribute to a partisan organization, or influence enactment or modification of any pending federal or state legislation; or
 - Expending grant funds to influence federal, state, or local officials or legislation.
9. Any of Grantee's activities that are assisted using grant proceeds and the selection of persons for participation in the Program shall not discriminate against any person on the grounds of race, color, creed, religion, height, weight, sex, sexual orientation, age (except for a Development specifically designed for elderly occupants), national origin, handicap, or marital or familial status except as provided by law. The Grantee shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968 (as amended by the Fair Housing Amendments Act of 1988), the Americans with Disabilities Act, the Elliott-Larsen Civil Rights Act, and the Michigan Persons with Disabilities Civil Rights Act.
10. Unless otherwise specified in the Exhibit(s), within 30 days from the Authority's request, the Grantee shall provide to the Authority a report including, but not limited to, all receipts, expenditures, project activities and accomplishments including a comparison of the final budget to the approved budget and supporting documentation for claimed expenditures. The Exhibit(s) below set forth Grantee's record retention requirements.
11. The Grantee assumes responsibility for any and all costs to implement the Grantee's Program exceeding the amount of the Grant.

12. The Grantee will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal Information it receives from the MI Neighborhood Program applicants and/or participants, (b) protect against any anticipated threats or hazards to the security or integrity of such information, including, without limitation, implementing necessary screening and background checks for individuals that may access or use the Nonpublic Personal Information as permitted by this Agreement, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of this Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act as well as any generally recognized industry standards. For the purposes of this Agreement, the term “Nonpublic Personal Information” is any information received from or provided by the other party which pertains to or identifies an individual, such as a name, postal address, e-mail or IP address, facsimile or phone number, mother’s maiden name, social security or identification number, transactional, employment, or financial data, medical or health records, personal, gender, political, profile, account, and password information. The Grantee must not disclose such information to anyone other than the Authority or other parties to whom the program participant consents on the release of the information and (g) take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.
13. In the event of a violation of any of the provisions of this Agreement, the Authority will notify the Grantee in writing of the violation and the Grantee will have a 30-day period in which to correct the violation. In the event the violation is not corrected to the satisfaction of the Authority within the time prescribed herein, Authority actions could include but may not be limited to:
 - i. immediately terminate the Grant, without further notice, in a writing signed by the Authority's Chief Executive Office and Executive Director; and
 - ii. recapture and reallocate grant funding; and
 - iii. pursue any other remedy provided at law or in the Act.
14. The Grantee hereby agrees that an election by the Authority to pursue any one remedy shall not be construed to preclude or be a waiver of the right to pursue any other remedy available to it.
15. The term of this Agreement shall commence and be effective on 7/1/2026 and shall terminate, unless extended by the Authority, on 6/30/2028 as outlined in Exhibit C.
16. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portion hereof.
17. This Agreement may be signed in several counterparts, and all so executed shall constitute one agreement, binding on all parties hereto.
18. This Agreement shall be governed by Michigan law and shall be binding upon the Grantee’s successors, assigns, and legal representatives. This Agreement and the rights and obligations of

the parties under this Agreement may not be assigned or delegated by either party without the prior written consent of the other party, and any purported assignment without such consent shall be void. This Agreement and all exhibits hereto constitute the entire agreement between the parties. All records pertinent to this Agreement are subject to public disclosure under the Michigan Freedom of Information Act; 1976 PA 442; MCL 15.231 et seq. The Grantee shall insert the provisions of this section into any subcontract entered into to accomplish the terms of this Agreement. The Grantee agrees that the Authority may, at its own discretion and with the written concurrence of the Grantee, increase or decrease the amount of funds available to the Grantee under this Agreement by amending the program description, program budget, and special conditions contained in the Exhibit(s). The Grantee further agrees that any such increases or decreases shall be governed by the terms of this Agreement and such other statutory, regulatory, or contractual requirements now or hereafter in effect for the receipt and expenditure of the funds as administered by the Authority

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SIGNATURE PAGES TO FOLLOW

The foregoing Agreement is hereby accepted as of the date below, and it is agreed that the funds made available will be used only as set forth in the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year shown above.

City of Owosso

By: *Tanya Buckelew*

Tanya Buckelew

Its: Community Development Director

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year shown above.

**MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY,
a public body corporate and politic of the State of Michigan**

By: *Tonya Joy*

Tonya Joy

Its: NDD Director

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

I. GRANT OFFER

The Michigan State Housing Development Authority, a public body corporate and politic of the State of Michigan, whose address is 735 East Michigan Avenue, Lansing, Michigan 48912 (the "Authority"), acting pursuant to the federal Community Development Act Of 1974, as amended (the "Act"), hereby offers to the Grantee, grant assistance subject to the availability of federal Community Development Block Grant (CDBG) funds, terms, conditions, and limitations as set forth in this grant agreement (the "Grant Agreement").

II. GRANT TERMS

The Authority and the Grantee agree as follows:

1. The Grantee shall implement or continue the activities within the projected budget and time frame (the "Grant Term") and in accordance with any special terms and conditions for funding more specifically described and stated in "Exhibit A", which is attached and incorporated herein by reference.
2. The Grantee shall:
 - a. Expend all CDBG program funds in accordance with the requirements of 24 CFR 570 pertaining to eligible project costs for the CDBG program.
 - b. Comply with all the requirements now or hereafter in effect for Title II of the Community Development Act of 1974, the CDBG program, and the regulations appearing at Section 24, Part 570 of the Code of Federal Regulations (24 CFR 570 et seq.), including, but not limited to, the assurances and certifications contained in Section 29 of this Agreement
 - c. Comply with the Federal grant requirements of Title 2, Subtitle A, Chapter II, Part 200 of the Code of Federal Regulations (the "Uniform Guidance") as applicable. In all instances, the Grantee should review the Uniform Guidance requirements applicable to its use of CDBG funds, and CDBG-funded projects, including the Uniform Guidance, as described in the 2022 OMB Compliance Supplement Part 3. Compliance Requirements (issued May 11, 2022).
 - d. Comply with such further statutory, regulatory, and contractual requirement(s) now or hereafter in effect as may be applicable to the receipt and expenditure of CDBG Funds, as administered by the U.S. Department of Housing and Urban Development and the Authority.
 - e. Utilize grant funds for the approved activities (excluding administration) at the following minimum expenditure rate:
 - g. MI Neighborhood Awards: benchmarks are being established outlining Timeliness Guidelines. As outlines below, failure to perform in a timely manner will result in sanctions resulting in recapturing 25% of awarded funds incrementally if a subrecipient agency has not demonstrated activity through meeting minimum benchmark dates as outlined. A flat amount of 25% of project awarded funding will be taken back each benchmark month, unless at least 25% progress is demonstrated.

The calculation of the percentage will be the total and/or initial award only if multiple phases of funding were awarded until the new funding amount via amendment occurs. All timelines are tied to the grant execution date.

(If applicable) Agencies that have funds recaptured can still qualify for future high performer opportunities if successful implementation of future monthly timeline benchmarks is achieved.

Implementation

TIMELINESS IMPLEMENTATION PROGRESS CHART GUIDELINES:

Monthly Timeline Benchmarks	Completion Percentages	HCDF/CDBG Action Requirements
6	25%	Site Control or Addresses Selected
12	50%	Contract Executed for Construction
18	75%	Construction Must be Underway
24	100%	Project/Activity/Construction 100% complete.

NO EXTENTIONS WILL BE APPROVED PAST 24 MONTHS

3. **Effective Date.** Unless otherwise extended, suspended, or terminated by the Authority, this Agreement shall remain in effect until such time as the Grantee has (1) expended or returned to the Authority the funds authorized hereunder; and (2) met all terms and conditions for the receipt of funds pursuant to this Agreement.
4. **Disbursement of Funds.** The Grantee agrees that disbursement(s) under this Agreement shall be made in accordance with Authority established schedules and procedures. The Grantee further agrees that in the event no funds are disbursed within six (6) months of the effective starting date as stated in Paragraph 3 above, the funds authorized pursuant to this Agreement shall be subject to recapture by the Authority. Further, in no event will a disbursement or further disbursements be made after a notice by the Authority of a violation of this Agreement, which violation has not been corrected to the satisfaction of the Authority.
5. **Administration Costs.** The Grantee acknowledges that a maximum of eighteen percent (18%) of the Total Grant Amount may be utilized for administrative costs (5% cap for Manufactured Housing). The administrative costs must be allowable, reasonable, and allocable as outlined in 2 CFR 200.403-200.405 and must be in accordance with the CDBG Policy Manual and any written administrative costs policies issued by the Authority. The Grantee may use administrative costs for direct costs as defined in 2 CFR 200.413 and indirect costs as defined in 2 CFR 200.414. If the Grantee uses both direct and indirect costs, the indirect costs must exclude any direct administrative expenses.

The Grantee agrees to provide the Authority with a CDBG Program Administration Report, in the form of a quarterly Financial Status Report (the "FSR"), that documents and itemizes all direct and indirect administrative costs. If the Grantee elects to opt out of utilizing any of the Total Grant Amount towards administrative costs, the Grantee acknowledges that it

cannot amend the Project Budget post-grant award to add it in as a funding component. CDBG Program funds are not to be used for research and development as defined in 2 CFR 200.1.

The Grantee is permitted to draw down administrative costs at a rate commensurate with the rate of project cost expenditures. While the Grantee may incur additional administrative expenses, the drawdown of these costs must maintain an equal ratio to the drawdown of project expenditures. This ensures that the allocation of funds remains proportionate throughout the duration of the project. Any deviation from this equal ratio drawdown policy will require prior written approval from the Authority.

6. **Advancement of Funds**. The Grantee is permitted to request an advance payment of funds, up to twenty-five percent (25%) of their budgeted project costs. The budgeted project costs are defined as the total grant award minus the allocated administrative costs. This advance payment is specifically intended for construction costs that the Grantee has contractually committed to with a contractor or developer and may not be used to pay for administrative costs. The intention of this advance payment is to provide the Grantee with the necessary funds to initiate construction. Any request for such an advance payment must be submitted in writing and approved by the Grantor prior to disbursement of funds.

If an advance of funds is made pursuant to this Agreement for a specific purpose and is not used by the Grantee for that purpose or another purpose permitted under this Agreement and approved by the Authority within 30 calendar days, or if the Grantee decides not to use the money, upon such disbursement or upon such decision, the Grantee shall immediately return to the Authority the funds advanced.

7. **Availability of Funds**. The State of Michigan CDBG Housing Program awards funds based upon year-to-date federal appropriations from the U.S. Department of Housing and Urban Development (HUD). Further, all Authority CDBG funding is subject to the availability of funds since the Housing Program is dependent upon federal appropriations and/or rescissions. Therefore, it is possible grants could be reduced accordingly on a unilateral basis.
8. **Increase of Funds**. The Grantee agrees that the Authority may, at its own discretion and with the written concurrence of the Grantee, increase the amount of funds available to the Grantee under this Agreement by amending the program description, program budget, and special conditions contained in Exhibit A. The Grantee further agrees that any such increases shall be governed by the terms of this Agreement and such other statutory, regulatory, or contractual requirements now or hereafter in effect for the receipt and expenditure the funds as administered by HUD or the Authority.
9. **Monitoring**. The Grantee agrees that the Authority may, at the Authority's discretion, audit the Grantee for compliance with the terms and conditions of this Agreement. The Grantee further agrees to provide any books, records, or other documentation in such form and at such place as the Authority may request.
10. **Records Retention Period**. The Grantee shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of four (4) years. The retention period shall commence from the date that the Grantee's final audit and report are approved by the Authority.
11. **Reporting Schedule**. The Grantee shall prepare and submit reports and documents relating to and supportive of the activities described in Exhibit A as the Authority may require, including, but not limited to:

TYPE OF REPORT

DUE DATE

A. Accounting Certification

Prior to disbursement of funds.

B. Financial Status Reports (FSR)
commonly referred to as
"payment requests".

The 15th of the month following the
report period. Payment requests
should be submitted at least
quarterly but not more than monthly.

C. Interim and Final Single Audit
reports prepared by a certified
public accountant.

Nine months after the Grantee's
fiscal year end in which the funds
governed by this Agreement have
been expended. Please refer to the
Neighborhood Development
Division's (NDD) Supplemental
Audit Guide for additional audit
instructions.

12. All reports, correspondence, and documents required under this Agreement shall be submitted to:

CDBG Address:

Michigan State Housing Development Authority
NDD - CDBG
735 East Michigan Avenue, PO Box 30044
Lansing, MI 48909

13. **Procurement**. The Grantee shall ensure that all procurement transactions shall be conducted in a manner that provides for maximum open and free competition.
14. **Reasonable Costs**. The Grantee hereby agrees that payment for services, supplies or materials shall not exceed the amount ordinarily paid for such services, supplies or materials in the area where the services are rendered, or the supplies or materials are furnished.
15. **Cost Overruns**. All cost overruns shall be the responsibility of the Grantee.
16. **General Compliance**. All aspects of the Grantee's plan for the use of funds authorized pursuant to the terms and conditions of this Agreement, including, but not limited to, all supporting documents, site plans, design plans and specifications, shall be subject to review and approval by Authority staff to ensure compliance with Authority, state and federal guidelines, standards and criteria and shall not be altered without prior written approval from the Authority.
17. **Records Review**. The Grantee hereby agrees that all aspects of the activities described in Exhibit A and all documents relating to and supportive of said activities, including, but not limited to, specifications and reports of funds expended, shall be freely available to the Authority or its authorized representatives for review by the Authority to ensure conformity with the terms of this Agreement.

18. **Contractors and Subcontractors.**

- a. The Grantee, all contractors and subcontractors shall ensure that any construction, rehabilitation, or conversion implemented pursuant to the terms and conditions of this Agreement will be sufficient to effect decent, safe, and sanitary conditions and meet all applicable local building codes.
- b. The Grantee, all contractors and subcontractors shall ensure that all precautions are exercised at all times for the protection of persons and property and shall observe the safety provisions of all applicable laws and building and construction codes.
- c. The Grantee, all contractors and subcontractors shall secure all necessary certificates and permits from municipal or other public authorities as may be required in connection with the performance of this Agreement.
- d. The Grantee, all contractors and subcontractors shall maintain during the term of this Agreement public liability, property damage, and worker's compensation insurance insuring the interests of all parties to this Agreement against any and all claims which may arise out of the Grantee's or contractor's or subcontractor's operations under this Agreement.

19. **Discrimination.** The Grantee agrees that all activities assisted pursuant to the terms and conditions of this Agreement must be open to all regardless of age, height, weight, marital status, sex (including sexual orientation and gender identity or expression), race, color, religion, or national origin (including limited English proficiency), partisan considerations, or a disability or genetic information, and that all contractors, subcontractors, subgrantees, and sub-recipients involved must take affirmative action to assure an equal opportunity for employment, without discrimination as to age, height, weight, marital status, sex (including sexual orientation and gender identity or expression), race, color, religion, or national origin, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position, in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

20. **Conflict of Interest.** If any member of the Grantee's Board of Directors or staff has an identity of interest with (a) any of the staff persons hired, (b) any of the persons or households to be assisted directly or indirectly with the funds, or (c) the persons and/or businesses retained to perform technical services hereunder or with persons or businesses providing supplies or services for which funds are being advanced under this Agreement in the form of 10% or more voting stock in such business, or interest as a director or officer of such business, or financial interest directly or indirectly in an amount of 10% or more, or in the form of common immediate family membership, the Grantee shall make written disclosure of the nature and extent of the relationship to the Authority prior to contracting with such persons and/or businesses. The Grantee further agrees not to enter into any contractual relation with any of the persons or entities listed above unless it has received written approval from the Authority. The Grantee and its Board of Directors, staff, agent, consultant, officer, or elected or appointed official must also comply with all applicable Authority and HUD requirements and regulations regarding conflicts of interest, including but not limited to 2 CFR 200.112 and 2 CFR 200.318.

21. **Liability.** The Authority, the State of Michigan, their officers, agents, and employees shall not, in any manner, be liable for any loss or damage connected to or resulting from activities implemented under this Agreement; nor, or for any injury or damages to any person whether an employee of the Grantee or otherwise, or for damage to any materials, equipment, or other property that may be used or employed in connection herewith.
22. **Hold Harmless.**
- a. All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Grantee in the performance of this agreement shall be the responsibility of the Grantee, and not the responsibility of the Authority, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Grantee, any subcontractor, anyone directly or indirectly employed by the Grantee, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Grantee or its employees by statute or court decisions.
 - b. All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Authority in the performance of this agreement shall be the responsibility of the Authority, and not the responsibility of the Grantee, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Authority, any subcontractor, anyone directly or indirectly employed by the Authority, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Authority or its employees by statute or court decisions.
 - c. In the event that liability to third parties, loss or damage arises as a result of activities conducted jointly by the Grantee and the Authority in fulfillment of their responsibilities under this agreement, such liability, loss, or damage shall be borne by the Grantee and the Authority in relation to each party's responsibilities under these joint activities, provided that nothing herein shall be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies (or the Authority) or their employees, respectively by statute or court decisions.
23. **Violations of Grant Agreement.** The Authority reserves the right to pursue all remedies available to it to cure any violation of this Agreement. In the event the Grantee violates any of the provisions of this Agreement, the Authority shall notify the Grantee and give a 30-day period for the Grantee to correct the violation. In the event the violation is not corrected to the satisfaction of the Authority, within the time prescribed herein, this Agreement may be terminated forthwith by the Authority.
24. **Suspension of Grant.** If the Grantee has failed to comply with this Agreement, or in the event that funds are no longer available to the Authority, on reasonable notice to the Grantee, the Authority may suspend the grant and prevent further electronic funds transfer or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee, resumption of funding to MSHDA for the CDBG program, or a decision to terminate in accordance with this Agreement. The Authority shall reimburse the Grantee for all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
25. **Termination for Cause.** The Authority may terminate this Agreement, in whole or in part, at any time before the date of completion, if the Authority determines that the Grantee has failed to comply with the conditions of this Agreement or in the event that funds are no

longer available to the Authority. The Authority shall promptly notify the Grantee in writing of the determination and the reasons for the termination, together with the effective date. Payments made to recipients or recapture of funds by the Authority shall be in accordance with the legal rights and liabilities of the parties.

26. **Termination for Convenience.** The Authority or the Grantee may terminate this Agreement in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Authority shall pay from available Grant funds; the Grantee's share of the non-cancelable obligations, properly incurred by the Grantee prior to termination.
27. **Remedies.** The Grantee hereby agrees that the election of the Authority to pursue any of the remedies set forth herein shall not be construed to preclude or be a waiver of the right to pursue any of the other remedies.
28. **Federal System for Award Management (SAM).** The Grantee must register with the SAM before any CDBG funds will be disbursed and must maintain an active registration throughout the period of performance. The SAM website is: <https://www.sam.gov/SAM>. In accordance with federal Uniform Guidance, any CDBG funds received must be included on the eligible applicant's Schedule of Expenditures of Federal Awards (SEFA) and included within the scope of the eligible applicant's Single Audit.
29. **Specific Compliance Requirements.** The Grantee hereby assures and certifies compliance with the statutes, rules, regulations, and guidelines associated with the acceptance and use of funds under the CDBG program as implemented pursuant to regulations contained in 24 CFR Part 570 and as administered by the Authority on behalf of the State of Michigan. Such assurances and certifications include, but are not limited to, the following:
 - a. The execution of this Agreement is authorized under State and local statutes, and the Grantee possesses the legal authority to implement the CDBG program described herein and in accordance with regulations contained in 24 CFR Part 570 et. seq.
 - b. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.426, and HUD CPD Notice 04-11 to assure that any repayment, interest, and other program income shall be returned to the Authority.
 - c. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.904 pertaining to equal opportunity and fair housing.
 - d. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.606 pertaining to displacement, relocation, acquisition, and replacement housing.
 - e. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.608 and 24 CFR Part 35 pertaining to the testing for and abatement of lead-based paint in HUD-associated housing.
 - f. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.611 pertaining to conflict of interest.

- g. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.605 pertaining to flood insurance.
 - h. The Grantee shall implement its CDBG program in conformance with the requirements of 24 CFR 570.489(c) to assure that no funds available under this agreement are requested until funds are needed for payment of eligible costs. Further, the amount requested must be limited to the amount needed.
 - i. The Grantee shall comply with all other requirements of the CDBG program which may be now or hereafter applicable to a CDBG Grantee as determined by the Authority pursuant to the requirements of 24 CFR 570 et. seq.
 - j. The Grantee acknowledges and agrees that whenever CDBG funds are used for rehabilitation, the work must be performed according to the Grantee's written rehabilitation standards and must, at a minimum, meet the housing quality standards contained in 24 CFR 882.109 for the duration of this Agreement.
30. **Severability.** The parties hereby agree that the invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Grant Term: 7/1/2026 - 6/30/2028

Budget:

Component/Activity	Funding Source	Funds Awarded	Leveraged Funds Amount	Leverage Source	Number of MSHDA Units	Number of Non-MSHDA Units
Unoccupied Rental Rehabilitation	FY24 CDBG	\$500,000.00	\$200,000.00	An owner contribution of \$200,000 is committed towards the completion of the CDBG funded units on the 3rd Floor. Additional funds, separate from this grant, will be utilized for other portions of the building to include funds from MEDC in the form of a grant totaling \$1,480,000.	3	2
Administration	FY24 CDBG	\$76,270.00	\$0.00		0	0
Total		\$576,270.00	\$200,000.00		3	2

Project Description:

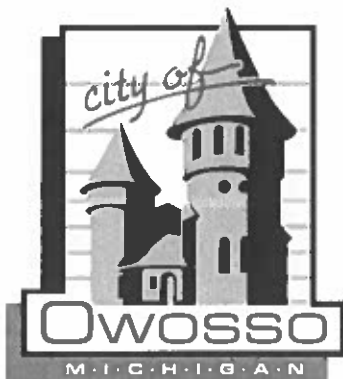
Component/Activity	
Unoccupied Rental Rehabilitation	The CDBG Unoccupied Rental Rehabilitation activity provides funding for the rehabilitation of unoccupied rental units or conversion of a commercial property into a mixed-use development with rental housing units (at least 51% of units to serve households earning at or below 80% of the area median income). All renovations must be eligible under CDBG guidelines as defined in the MSHDA CDBG Policy Manual, comply with local building codes and meet MSHDA Housing Rehabilitation Standards
Administration	Administration

Project Boundaries:

For the project known as "Citizen's Loft Project", the location is 123 N. Washington in downtown Owosso.

Regional Areas Served:

H



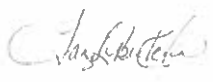
**Unoccupied Rental Rehabilitation Activity
MI Neighborhood Community Development Block Grant (CDBG)
Program Guidelines**

City of Owosso
Tanya S. Buckelew, Community Development Director
989-725-0540

All local program guidelines are subject to MSHDA-NDD approval and will comply with the MSHDA-CDBG Policy Manual and other occasional guidance issued by MSHDA.

Certification:

Date: 09/14/2026

X 

**Tanya S. Buckelew, Community Development
Director**

Date: 9/16/2026

X 

MSHDA-NDD APPROVAL, CDBG Manager

Unoccupied Rental Rehabilitation Activity – MI Neighborhood Community Development Block Grant (CDBG) Program Guidelines

Version 2026-01

Date: 09/14/2026

Program Guidelines Content Requirements

The MI Neighborhood CDBG program is designed to promote equitable outcomes, including economic and racial equity, by aligning local housing activities with regional action plans and the Statewide Housing Plan. The program provides funds for non-entitlement local governments, those not receiving CDBG funds directly from the U.S. Department of Housing and Urban Development, for the purpose of conducting housing activities that result in the preservation or creation of housing units for low- and moderate-income households.

Program Guidelines serve as a critical safeguard for applicants and grantees. They provide applicants an understanding of what they can expect from the program and grantee staff. They also protect grantees against claims of discrimination, favoritism, or other unfair treatment by clearly outlining the substantive requirements of the program. When an applicant is denied, the decision must be supported by the written rules contained in the guidelines.

These guidelines are not only a compliance tool but also a communication resource. They should be written in plain language, accessible to potential participants, and distributed so that residents understand the program's rules, expectations, and requirements. In this way, the MI Neighborhood CDBG program ensures both regulatory compliance and community trust.

Item 1: Confirmation of Program Budget

Program Budget

PROGRAM ACTIVITIES	CDBG FUNDS	OTHER FUNDS	TOTAL
Unoccupied Rental Rehabilitation (URR)	\$500,000	\$200,000	\$700,000
Administration (up to 18% of award)	\$ 76,270	\$0	\$ 76,270
Developer Fee (per admin type)	\$0	\$0	\$0
TOTALS	\$576,270	\$200,000	\$776,270

Item 2: Beneficiary Contribution

Grantees must state whether beneficiary contributions are applicable to their program. When applicable, beneficiaries may be required to deposit their contributions into the grantee's escrow account before the project begins. Lines of credit are not considered secure and may not be used to satisfy this requirement.

CDBG funds under the MI Neighborhood program cannot be used to cover relocation costs. Any relocation expenses that arise must comply fully with the Uniform Relocation Act and cannot be shifted to participants outside of federal requirements.

Project cost overruns remain the sole responsibility of the grantee or the beneficiary and cannot be charged to CDBG. Beneficiary contributions, even if relatively small, must be disbursed in proportion to the expenditure of CDBG funds, unless otherwise pre-approved by MSHDA. For example, if 20 percent of the CDBG award has been spent, then 20 percent of the required beneficiary contribution must also have been spent. This ensures that the financial commitment of the owner remains commensurate with the federal investment throughout the life of the project.

- ☒ X Applicable – Provide description and account status below or in (Attachment #1)
- ☐ Not Applicable

Item 3: Fair Housing / Non-Discrimination

Grantees must adopt a fair housing policy consistent with federal law and appoint a Fair Housing Contact Person who is responsible for fielding and addressing public concerns.

Agency's Fair Housing Contact Name & Title:

Tanya Buckelew, Community Development Director

Email Address: tanya.buckelew@ci.owosso.mi.us

Phone Number: 989-725-0540

- ☒ X Our agency adopts the Model Fair Housing Policy provided by MSHDA (Attachment #2)
- ☐ Our agency attaches a local policy that meets or exceeds federal standards

Item 4: Conflict of Interest

Grantees must adopt a conflict of interest policy consistent with 24 CFR 570.611.

- ☒ Our agency adopts the Model Conflict of Interest Policy provided by MSHDA (Attachment #3)
- ☐ Our agency attaches a local policy consistent with federal requirements

Item 5: Fraud Prevention

Grantees must adopt a fraud prevention plan consistent with 2 CFR 200.113.

- ☐ Our agency adopts the Model Fraud Prevention Plan provided by MSHDA
- ☒ Our agency attaches a local plan consistent with federal requirements (Attachment #4)
- ☒ Whistleblower Policy (Attachment #5)

Item 6: Complaint Resolution

Grantees must adopt a complaint resolution process consistent with citizen participation requirements. This includes adopting MSHDA's model policy as well as a local policy.

- ☒ Our agency adopts the Model Complaint Procedure provided by MSHDA (Attachment #6)

AND

- ☒ Our agency attaches a local procedure consistent with federal requirements (Attachment #7)

Item 7: Income Verification

Grantees must indicate the income verification method that will be used for their grant. Choose one of the following:

- ☒ Our agency will use the **Part 5 Annual Income method** (the standard method trained and supported by MSHDA NDD)
- ☐ Our agency will use the **IRS Form 1040 method** (available only to grantees with prior experience using this approach)

Item 8: Activity Eligibility – Households, Properties, and Costs

Unoccupied Rental Rehabilitation Activity – General Requirements

Eligible Households

- At least 51% of the units in the assisted property must be occupied by households with incomes at or below 80% of Area Median Income (AMI).
- Income restrictions apply to the initial occupants of the units.

Eligible Properties

- Properties must:
 - Contain vacant residential units that require rehabilitation or vacant spaces that can be converted into residential units.
 - Be zoned for residential use or be a mixed-use building zoned for both residential and commercial use.
 - Have no occupied units at the time of application.
- Each project must result in at least two (2) and no more than seven (7) rehabilitated units.
- Mixed-use buildings are eligible only if CDBG-funded activities are restricted to residential units.

Eligible Costs

- Primary rehabilitation activities: Interior construction necessary to create or rehabilitate residential units, meeting state and local building codes and federal standards. These activities must account for at least 75% of the CDBG-funded project.
- Ancillary activities (up to 25% of CDBG-funded costs):
 - Energy efficiency upgrades and installation of Energy Star appliances.
 - Accessibility improvements and universal design features.
 - Lead-based paint and asbestos hazard mitigation related to rehabilitation work.
 - Interior common space improvements (e.g., stairways, hallways) and exterior components directly tied to residential units (e.g., staircases, guardrails).
 - Historic restoration elements benefiting residential units.
 - Fire safety measures, including egress, fire separation, and suppression systems for residential units.

Ineligible Costs

- Renovations or improvements benefiting commercial spaces.
- Façade improvements, parking lots, garages, signage, foundation repair, roofing, siding, elevators.
- Acquisition, predevelopment, and site preparation costs.

Item 9: Activity-Specific Requirements

Unoccupied Rental Rehabilitation Activity – Specific Requirements

Rehabilitation Sites

- Property address 123 N Washington Street, Owosso, MI
- Ownership information Woodworth Investments LLC
- Number of units 5
- Per-unit assistance amount \$100,000 (CDBG funds) & \$40,000 (Developer)

Scope of Work Development

The scope of work has been determined by the developer and the architect. The plans have been approved by the City of Owosso Building Department staff. The contractor has been selected by the Developer.

Project Implementation

The property owner Jim Woodworth is acting as the developer.

Construction Completion

The developer has selected First Contracting.

Oversight and Draw Process

Oversight of construction will be provided by the Building Official and Trades Inspectors. Periodic inspections will be performed to confirm work has been completed to code before any draws will be processed.

The Community Development Director, Developer and Contractor will determine and manage the draw schedule.

Final Inspection and Approval

The Building Official and Trades Inspectors will conduct the final inspections and confirm compliance with property standards as per the Michigan Building Codes.

Marketing and Leasing

Attachment #8 for example of the apartment flyer that was used in the Developer's last housing project.

Affordability and Compliance

- At least 51% of units are occupied by households at or below 80% AMI
- Rents remain within MI Neighborhood limits and do not increase by more than 5% annually
- Regulatory agreement is executed and enforced

The Developer will provide the City with lease agreements to ensure at least 51% of the units are occupied by households at or below 80% AMI and do not increase by more than 5% annually.

The Regulatory Agreement will be executed and enforced for a five (5) year period by the City of Owosso.

Attachment #9 for example of rent-controlled lease agreement that was used in the Developer's last housing project.

Item 10: Project File Documentation Inventory

This inventory must be completed by the grantee's project manager and updated if documents are revised or replaced during the project. For each document, the grantee must indicate when it was submitted or added to the project file, who created it, who maintains it, and any relevant notes. The grantee remains responsible for ensuring all required documentation exists, even when documents are created by developers, engineers, or consultants.

1. Site Plan and Architectural Drawings for Housing Development

(Used for environmental review, underwriting, and design compliance)

X Document is included with application

Included with application or added on date: Included with application

Created by: Architect Driven Design Studio PLLC

Created on date: 03/26/2026

Maintained by (responsible party): Architect, Developer and Contractor

Notes:

2. Environmental Assessments

(Environmental documentation must be complete before any choice-limiting action, including procurement or site disturbance)

Phase I Environmental Site Assessment (required)

- X Phase I ESA completed and included

Included with application or added on date: Included with application

Created on date: 03/09/2026

Maintained by (responsible party): Developer

Key findings summary (e.g., RECs identified?): REC's identified

Notes: Phase II was required

Phase II Environmental Site Assessment

- X Phase II ESA completed and included with revised application documents in May of 2026

- ☐ Phase II ESA is not required based on Phase I ESA findings

If completed

Included on date: 05/22/2026

Created by: Tri Terra

Created on date: 05/22/2026

Maintained by (responsible party): Developer

Triggers requiring Phase II (if applicable): REC's

Notes: No further investigation is recommended

3. Rental Proforma

(Used for underwriting, project feasibility, and affordability monitoring)

- X Document is included. Attachment 10.

Included with application or added on date: Included with application

Created by: Developer

Created on date: 08/13/2025

Maintained by (responsible party): Developer

Notes:

4. MSHDA Sworn Statement N/A

(Required for cost verification and draw approval for infrastructure improvements)

X Document is included – Schedule of Values – Attachment 11

Included with application or added on date: Included with application

Created by: Contractor First Contracting

Created on date: 05/29/2026

Maintained by (responsible party): First Contracting

Notes:

Item 11: Environmental Review

Grantees must comply with HUD Environmental Review requirements under 24 CFR Part 58 and ensure that every CDBG-funded activity undergoes the appropriate level of environmental review before any choice-limiting action occurs. Environmental review tasks may be performed by grantee employees, environmental consultants, or Third-Party Administrators (TPAs), including preparation of the Environmental Review Record (ERR), gathering supporting documentation, coordinating public notices, and drafting required forms. However, all official determinations, findings, and certifications must be made and signed by the grantee's Certifying Officer, who retains full legal responsibility for compliance.

No procurement, contracting, demolition, construction, or site disturbance may occur until the environmental review is complete and, where required, MSHDA-NDD has issued approval of the Request for Release of Funds (RROF).

The ERR must include the project description, maps, statutory checklists, documentation for each compliance factor, public notices, comments and responses (if applicable), the RROF, and MSHDA's approval. The ERR must be retained for the entire required record retention period. *See CDBG Policy Manual, Chapter 7 'Environmental Review' and MSHDA-CDBG (2025-2026) Post-Agreement Procedures and Requirements for general information, required forms, and step-procedures related to environmental review requirements.*

Environmental Review Responsibilities (to be completed by Grantee)

Certifying Officer (Name/Title): Tanya S. Buckelew, Community Development Director

ERR Preparer (Grantee staff, consultant, or TPA): Consultant - TriTerra and Preservation Forward

ERR Maintained By (Title/Department): Community Development Director/Building Department

Will the Grantee use an environmental consultant?

X Yes

☐ No

If yes: Consultant Name (if known): TriTerra and Preservation Forward

Consultant Responsibilities (check all that apply):

- ☒ Prepare ERR
- ☒ Conduct site inspections
- ☒ Draft notices (FONSI/NOI-RROF)
- ☒ Compile statutory checklists
- ☒ Assist with supporting documentation
- ☐ Other:

Responsible party for publishing required notices: Tanya S. Buckelew, Community Development Director

Name of newspaper, website, or publication to be used: The Argus Press

Responsible party for confirming ERR completion before procurement: Tanya S. Buckelew, Community Development Director

Levels of Required Environmental Review (MSHDA-NDD Programs)

Exempt (ER Exempt)

Activities with no physical impact on the environment, including administrative costs, environmental studies, and engineering/design, may be classified as Exempt. Grantees may draw CDBG funds only after documenting the exemption and obtaining MSHDA-NDD approval.

Categorically Excluded Subject to Section 58.5–6 (CEST)

Activities exempt from full NEPA review but subject to other environmental laws, such as limited structural modifications and new construction of fewer than five units.

- Homeowner Rehabilitation uses a Tiered Review (Tier I program-level, followed by Tier II site-specific reviews).
- Reconstruction, Unoccupied Rental Rehabilitation, and Manufactured Housing with one to four new units and density increases under 20% use a Non-Tiered Review.

Environmental Assessment (EA)

Activities that are not Exempt or CEST must complete a full Environmental Assessment under NEPA. These include construction of five or more units, substantial density increases over 20%, major structural modifications, and Housing Infrastructure projects. EA projects require:

- Publication of a combined Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF)
- A public comment period

- Submission to and approval by MSHDA-NDD before any construction or procurement

All public notices and comment records must be included in the ERR.

Item 12: Build America, Buy America Act (BABA)

Unoccupied Rental Rehabilitation projects funded through CDBG may be subject to the Buy America Preference (BAP) under the Build America, Buy America Act (BABA), requiring that iron, steel, construction materials, and manufactured products be produced in the United States unless a specific waiver applies.

The Grantee must ensure BABA compliance for all CDBG-funded infrastructure activities.

NOTE: The definition of Infrastructure under BABA includes most housing activities.

The Grantee may use staff, consultants, or third-party administrators to assist with documentation and procurement, but the Grantee remains fully responsible for compliance.

BABA Compliance Procedures

1. Early Assessment

Before initiating procurement, the Grantee will determine whether the Unoccupied Rental Rehabilitation activity qualifies as an infrastructure project subject to BAP. This includes identifying materials that fall under the BABA categories and confirming whether any HUD-issued general waivers apply.

2. Procurement and Contracting Requirements

The Grantee will include BABA requirements in bid documents, construction contracts, specifications, and procurement checklists.

Contractors must:

- certify the domestic origin of all covered materials
- submit product information and supporting documentation
- notify the Grantee if any material does not meet BAP requirements

3. Waiver Review and Documentation

If the Grantee identifies materials that cannot comply with BAP, it will:

- determine whether a HUD general applicability waiver covers the material
- when needed, request a project-specific or product-specific waiver through MSHDA for submission to the Made in America Office

All waiver requests and approvals will be kept in the project file.

4. Construction Oversight and Recordkeeping

The Grantee will track and document BABA compliance throughout procurement, construction, and closeout, including:

- contractor certifications
- material invoices
- any approved waivers
- notes from site inspections confirming installed materials

BABA documentation must be included with draw requests and retained in the official project file.

Grantee Implementation Details (to be completed by Grantee)

Person responsible for BABA compliance (Title): Community Development Director

Will the Grantee use a consultant for BABA documentation?

☐ Yes ☒ No

If yes: Consultant Name (if known):

Consultant role (check all that apply):

- ☐ Assist with BABA assessment
- ☐ Review contractor certifications
- ☐ Compile procurement documentation
- ☐ Support waiver identification/preparation
- ☐ Other:

Item 13: Davis-Bacon and Related Acts (Prevailing Wage)

The developer is using multiple funding streams to support this overall project, including MEDC grant funds, and will be abiding by and reporting Davis Bacon requirements for aggregate activities and funding.

For all CDBG-funded construction projects, prevailing wage and labor standards apply under the Davis-Bacon Act and related laws. Grantees must comply if:

- Residential projects involve rehabilitation or new construction of 8 or more units (including clustered units on contiguous lots).
- Non-residential projects involve construction valued at \$2,000 or more using CDBG funds.

Grantee Responsibilities and Procedures

The Grantee must ensure Davis-Bacon compliance throughout procurement, construction, and closeout. The Grantee may use staff, consultants, or Third-Party Administrators to assist with labor standards administration, but the Grantee remains fully responsible for compliance.

1. Procurement and Contracting

- Include the applicable Davis-Bacon wage decision in all bid documents and construction contracts.
- Confirm wage decisions are “locked in” as of the bid opening date.
- Include all required HUD labor standards provisions in contracts and subcontracts.

2. Construction Monitoring

The Grantee must:

- Enforce weekly submission of certified payroll reports.
- Review payrolls for proper worker classification, rates, deductions, and overtime.
- Conduct labor interviews to verify wage rates and job classifications.
- Enforce compliance with the Copeland Anti-Kickback Act and the Contract Work Hours and Safety Standards Act.

3. Enforcement and Documentation

- Investigate and resolve payroll discrepancies or complaints.
- Withhold payments if necessary until violations are corrected.
- Maintain all labor standards files in the project record for three years after project closeout.

Assignment of Roles (to be completed by Grantee)

Labor Compliance Officer (Name/Title): Tanya Buckelew, Community Development Director

Will the Grantee use a consultant or TPA for labor monitoring? No, will work with the Contractor, First Contracting.

☐ Yes Labor Compliance Officer (Name/Title):

Will the Grantee use a consultant for labor monitoring?

☐ Yes ☒ No

If yes: Consultant Name (if known):

Consultant role (check all that apply):

- ☐ Review certified payrolls
- ☐ Conduct worker interviews
- ☐ Provide technical assistance to contractors
- ☐ Maintain labor standards documentation
- ☐ Other:

Failure to comply with Davis-Bacon requirements may result in findings, withholding of funds, or repayment obligations.

Item 14: Section 3 Compliance

The Grantee must comply with Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 75). Section 3 requires that employment, training, and contracting opportunities generated by CDBG-funded construction projects be directed, to the greatest extent feasible, toward low- and very low-income persons and Section 3 Business Concerns.

Applicability

Section 3 applies to any CDBG-funded housing or community development construction project with a total project cost of \$300,000 or more. Section 3 requirements apply to contractors and subcontractors performing work on covered projects.

Grantee Responsibilities and Procedures

The Grantee may use staff, consultants, or Third-Party Administrators to assist with implementation; however, the Grantee remains fully responsible for compliance, documentation, and reporting.

1. Planning and Procurement

The Grantee will:

- Determine whether the project meets the Section 3 applicability threshold.
- Include Section 3 requirements, goals, and contract clauses in all bid documents and construction contracts.
- Encourage the hiring of Section 3 Workers and the use of Section 3 Business Concerns during procurement and outreach.

2. Contractor Responsibilities

Contractors and subcontractors working on covered projects must:

- Make documented best efforts to meet the labor hour benchmarks (25% Section 3 Workers; 5% Targeted Section 3 Workers).
- Maintain workforce and payroll documentation identifying Section 3 Workers.
- Report Section 3 performance to the Grantee using the forms and methods required by MSHDA.

3. Grantee Oversight and Monitoring

The Grantee will:

- Notify all contractors of Section 3 requirements prior to contract execution.
- Collect and review contractor reports and certifications.
- Monitor compliance using worker interviews or site visits.
- Require corrective action or withhold payment if contractors fail to meet their obligations.

4. Documentation and Record Retention

The Grantee will maintain:

- Section 3 applicability determination
- Procurement documents with Section 3 clauses
- Contractor reports and certifications
- Outreach efforts and documentation of “best efforts”
- Monitoring notes and correspondence

Records must be retained for the period described in Item 15: Confidentiality and Record Retention.

Grantee Implementation Details (to be completed by Grantee)

Section 3 Coordinator (Position Title): Community Development Director

Position responsible for collecting contractor reports: Community Development Director

Position responsible for monitoring Section 3 compliance: Community Development Director

Will the Grantee use a consultant for Section 3 support?

☐ Yes ☒ No

If yes: Consultant Name (if known):

Consultant role (check all that apply):

- ☐ Assist in determining Section 3 applicability
- ☐ Review contractor reports and certifications
- ☐ Conduct or assist with outreach
- ☐ Maintain Section 3 documentation
- ☐ Other:

Item 15: Confidentiality and Record Retention

The Grantee must maintain confidentiality of all files and records, safeguard personally identifiable information (PII), and ensure secure handling of applicant and project documentation. Records must be retained for five years after the State of Michigan closes out its grant with HUD for the program year in which the Grantee's funds were awarded. If any audit, litigation, or claim is unresolved at that time, records must be retained until all matters are fully resolved. Records may be stored electronically or in hard-copy form but must be maintained in a secure location with controlled access.

The Grantee will implement the following procedures:

- **Confidentiality and Access Controls:** Limit access to applicant and project files to authorized staff only. PII may not be shared with contractors, developers, or external parties except as required for eligibility verification or as permitted by law.
- **Secure Storage:** Maintain digital files in password-protected systems and physical records in locked, access-controlled storage.
- **Record Retention:** Maintain all CDBG records—including eligibility documentation, environmental review files, financial records, procurement files, labor standards documents, agreements, and monitoring reports—for the required period after State closeout.
- **Organized Filing:** Maintain project documentation in a manner that allows timely retrieval for monitoring, audit, and closeout.
- **Secure Destruction:** After the retention period, records must be destroyed in a manner that preserves confidentiality (e.g., shredding or secure digital deletion).

Grantee Implementation Details (to be completed by Grantee)

Responsible Staff Person/Department for Record Retention: Tanya S. Buckelew,
Community Development Director

Location of Official CDBG Project Files (digital, physical, or both): Both

Method for Securing Confidential Records: digital files are password protected and physical files are locked in the building department

City of Owosso
City–Developer Escrow Policy for Community Development Block Grant (CDBG)
Renovation Project
Citizens Loft at 123 N Washington Street

1. Purpose:

This City (City of Owosso) and Developer (Woodworth Investments, LLC) Escrow Policy establishes procedures for holding, administering, disbursing, replenishing, and closing out escrow funds associated with a renovation project supported in whole or in part by grant funding. The policy is intended to protect the City, ensure grant compliance, document eligible project costs, reduce financial risk, and provide a clear process for payments between the City, the Developer, contractors, consultants, and other approved project participants.

2. Parties and Project:

This policy applies to the renovation project identified in the applicable grant award as the Citizens Loft, Grant #NDD-2024-37-CDB-03. The parties are the City and the developer, together with any contractor, consultant, property owner, lender, grant administrator, or other participant whose work or payment is subject to the project documents. The City will administer the escrow directly.

3. Grant Funding and Compliance Requirements:

All escrow activity shall be consistent with the grant agreement, applicable federal, state, and local requirements, and any program guidance issued by MSHDA. Project administration may require documentation of eligible activities, procurement compliance, environmental review, labor standards, Section 3, conflict-of-interest review, financial management, draw requests, inspection records, contractor eligibility, and closeout documentation.

4. Establishment of Escrow Account:

Before grant-funded work begins, the City will require the developer to deposit leveraged funds totaling \$200,000 into escrow. The escrow may also be used to temporarily hold grant proceeds if permitted by the funding agency and the applicable grant agreement. Escrow funds shall be maintained in a manner that allows the City to track deposits, withdrawals, interest if applicable, invoices, approvals, and balances by project.

Escrow funds will be disbursed along with grant funds at a projected ratio of 64/36 grant to developer on every reimbursement draw.

5. Eligible Uses of Escrow Funds:

Escrow funds may be used only for costs authorized by the project documents and approved by the City. Eligible uses are the renovation construction costs for the development of five (5) units on the third floor of the building located at 123 N. Washington Street.

6. Ineligible or Restricted Costs:

Escrow funds shall not be used for costs prohibited by the grant agreement, applicable law, or City policy. Restricted or ineligible costs may include work performed before required environmental clearance or notice to proceed, costs outside the approved scope of work, undocumented expenses, duplicate payments, costs resulting from fraud or misrepresentation, costs not competitively procured when procurement is required, expenses caused by the developer's default, and any cost rejected by the funding agency or City attorney.

7. Payment Requests and Draw Process:

The developer shall submit payment requests in the form required by the City, including invoices, sworn statements, lien waivers, certified payrolls when applicable, proof of payment when required, inspection reports, photographs, change orders, and any grant-required documentation. The City may deny, reduce, delay, or condition payment until the request is complete, the work is verified, grant requirements are satisfied, and sufficient escrow or grant funds are available.

8. Inspections, Approvals, and Conditions of Payment:

No payment from escrow or grant proceeds shall constitute final acceptance of work unless expressly stated in writing by the City. Payments may be conditioned on satisfactory inspections, compliance with approved plans and specifications, correction of deficiencies, receipt of required permits, confirmation of contractor eligibility, compliance with grant labor standards, verification of materials installed, and approval by the City's grant administrator, building official, project manager, or other authorized representative.

9. Replenishment and Cost Overruns:

If escrow funds are insufficient to cover required match, owner contribution, non-grant eligible costs, deductibles, retainage, change orders, consultant costs, or project overruns, the developer shall replenish the escrow account within the time specified by the City. The City may suspend draws, inspections, permits, notices to proceed, change-order approvals, certificates of occupancy, or final closeout until the required replenishment is received.

10. Retainage and Contingency:

The City may hold retainage, contingency funds, or a final payment reserve as allowed by the grant program and project documents. Retainage or reserves may be released only after final inspection, completion of punch-list items, receipt of final lien waivers, confirmation of grant compliance, submission of closeout documents, and approval by the City.

11. Records, Audit, and Monitoring:

The developer shall maintain complete project records and provide them to the City upon request. Records may include contracts, procurement files, invoices, receipts, payroll records, inspection reports, photographs, payment approvals, match documentation, environmental records, correspondence, and closeout materials. The City, grantor agency, auditors, and other authorized representatives may inspect records and monitor compliance during the project and for the retention period required by the grant.

12. Repayment, Disallowed Costs, and Remedies:

If any cost is later determined to be ineligible, unsupported, disallowed, duplicative, or noncompliant, the developer shall repay the City or replenish the escrow account in the amount required, unless the City determines in writing that another remedy is appropriate. The City may withhold payment, offset amounts owed, require additional security, pursue contractual remedies, recover funds from the developer, or take other action authorized by the project documents, grant agreement, or ordinance, or law.

13. Project Closeout and Refunds:

At project closeout, the City shall determine whether all work is complete, all eligible costs have been paid, all documents have been submitted, all grant conditions have been satisfied, and any monitoring or audit concerns have been resolved. After all obligations are satisfied, unused developer escrow funds may be refunded to the developer unless otherwise required by the grant agreement, development agreement, lien, repayment obligation, or other project document. Grant funds shall not be refunded to the developer except as expressly authorized by the funding agency.

Adopted by the Owosso City Council on (insert date).

ATTACHMENT #2 (Item 3. Fair Housing / Non-Discrimination)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

FAIR HOUSING POLICY STATEMENT

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, or disability, is a fundamental policy of the Michigan State Housing Development Authority. MSHDA is committed to diligence in assuring equal housing opportunity and non-discrimination to all aspects of its housing financing activities. As a state-created housing financing agency, MSHDA has an ethical as well as legal imperative to work aggressively to ensure that MSHDA financed housing programs comply fully with all state, and federal fair housing laws.

If you believe you are the victim of housing discrimination you can contact the **Michigan Department of Civil Rights** at <https://www.michigan.gov/mdcr> or call their Fair Housing hotline number at **1-800-482-3604**.

If you live in a MSHDA financed development or are applying to live in a MSHDA financed development, and you believe you are the victim of housing discrimination, you can contact Geoffrey Ehnis-Clark at EhnisClarkG@michigan.gov or call him at **(517) 241-2996**.

Michigan Fair Housing agencies:

Fair Housing Center of Western Michigan

20 Hall Street, SE Grand
Rapids, MI 49507
(616) 451-2980
www.fhcwm.org

Fair Housing Center of Southeastern Michigan

P.O. Box 7825
Ann Arbor, MI 48107
(724) 994-3426 or 1-877-979-FAIR
www.fhcmichigan.org

Fair Housing Center of Southeast & Mid-Michigan (FHC)

209 East Washington, Suite 234
Jackson, MI 48903
1-877-979-FAIR (3247)
www.fhcmichigan.org

Fair Housing Center of Southwest Michigan

410 E. Michigan Ave
Kalamazoo, MI 49007
(269) 276-9100
www.fhcswm.org

RESOURCES:

Fair Housing Act as Amended (Title VIII)

<https://www.justice.gov/crt/fair-housing-act-1>

HUD's Office of Fair Housing and Equal Opportunity

<https://www.hud.gov/contactus/fairhousing>

HUD FHEO – People with Disabilities

<https://www.hud.gov/contactus/fairhousing#c3>

Fair Housing Act Design Manual

<https://www.huduser.gov/portal/publications/destech/fairhousing.html>

MSHDA Fair Housing Guide

<https://www.michigan.gov/mshda/fairhousing>



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

CONFLICT OF INTEREST POLICY

The following conflict of interest standards apply to all recipients of and participants in any program administered by the Michigan State Housing Development Authority (the “Authority”) using MI Neighborhood (the “MIN” Program), including, but not limited to, officers and employees of the Authority and any vendors, agents, contractors, and subcontractors working with the Authority in connection with the MIN Program.

Conflict of Interest

A conflict of interest occurs when an employee that either works on the MIN Program (i.e. participates in the selection, award, or administration) or is receiving an award from the MIN Program (this includes both permanent or limited term and contract employees; collectively, “Employee”) or an immediate family member of the Employee has a direct, actual financial or ownership interest in a development, program or matter pending before the Authority. In such a case, the Employee or immediate family member must either withdraw from the interest that creates the conflict or remove the matter from the Authority’s consideration. Conflict of interest will be subject to the Authority’s Code of Ethics and may be reviewed by the Authority’s Ethics Committee.

A conflict of interest may also occur if friends, family members, or business associates of an Employee apply for and receive program benefits. To avoid such a conflict, the Employee must disclose any family, friend, or business associate relationship with a program applicant to the Authority’s Director of the MIN Program and/or Operations Manager and must not participate in the processing, approval, underwriting, or administration of such application for assistance, or any other related decision-making.

A conflict of interest may also occur if an Employee or an Employee’s immediate family member receives a gift, gratuity, favor, loan of money, or other thing of value from a person or organization applying to a MIN Program or otherwise doing business with the Authority. An Employee or an Employee’s immediate family member may not solicit or accept any money, gift, loan, services, goods, or other thing of value from a person or organization applying to, or doing business with, the Authority except under the following circumstances:

- a. A de minimis gift of \$20 or less in value.
- b. Meals or beverages paid for by a person or organization doing business with the Authority if incidental to a business meeting, seminar, training session, or other organized function that has a purpose beyond the providing of the meal or beverage.

A conflict of interest may also occur based on the appearance of a conflict, whether or not an actual conflict exists. An Employee must treat any apparent conflict in the same manner as an actual conflict.

If you believe a conflict or potential conflict or the appearance of a conflict exists, please report in writing to the Authority's Director of the MIN Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury.

Employee and Immediate Family Member Participation in MIN Programs

An Employee of the Authority or the MIN Program and/or that Employee's immediate family member may apply for assistance through a MIN Program. To avoid any actual or perceived favoritism or conflict of interest, the Employee and the Authority must observe the following principles and guidelines:

- a. The Employee and/or the Employee's immediate family member must meet all eligibility criteria required of program participants.
- b. The Employee cannot supervise or participate in the processing of their application.
- c. The Employee's direct subordinates cannot participate in the approval of the Employee's application or in any decision or recommendation regarding the Employee's participation.
- d. The Authority's Director of the MIN Program and/or Operations Manager, the Authority's Director of Legal Affairs, and the United States Department of the Treasury may require additional documentation.
- e. The Authority's Director of the MIN Program and/or Operations Manager must approve the Employee's participation in writing.

Before an Employee and/or the Employee's immediate family member applies for any MIN Program, the Employee must follow the following procedures:

- a. The Employee must notify the Authority's Director of the MIN Program and/or Operations Manager and the Authority's Director of Legal Affairs of their intent to apply for assistance prior to submitting an application.
- b. The Employee must follow all program application procedures. The Authority's MIN Program staff will review and process the Employee's application, with a recommendation to the Authority's Director of the MIN Program and/or Operations Manager and the Authority's Director of Legal Affairs regarding approval.

Definitions

In interpreting the foregoing provisions, the following definitions apply:

"Immediate family member" means an employee's grandparent, grandchild, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild.¹

"Family member" means an Employee's relative by blood, marriage, partnership or adoption, including an employee's spouse, partner, parent, sibling, grandparent, child, grandchild, aunt or uncle, or cousin, and step-, half- or in-law relations of the same types of family members.

¹ The Authority acknowledges that the Michigan Civil Service Commissions Rule 2-8 does not include grandchild in its definition of immediate family member and the United States Department of Treasury does not include a grandparent in its definitions of immediate family member for 12 CFR 26.2 and 12 CFR 161.25. Out of an abundance of caution, the Authority recommends including both grandchild and grandparent in the definition of immediate family member.

“Friend” means an individual not related by blood, marriage, or partnership with whom an Employee enjoys a close personal relationship.

“Business associate” means a person associated with an Employee to achieve a common financial objective.

ATTACHMENT #4 (Item 5. Fraud Prevention)

These City of Owosso specific program guideline parameters are designed to assist with developing a formal written approach to deter, detect, and hopefully prevent and/or mitigate the risk of fraud occurring within this federally funded program.

The City of Owosso takes all allegations of program fraud, waste, and abuse seriously. To report fraud, waste, abuse or gross management call MSHDA at 517-335-9953 or complete the online Fraud Complaint Form at michigan.gov/mshda/about/performance/how-to-report-fraud.

1. Federal Awards Administration/Grant Administration

A. Grant Development, Application, and Approval:

1. Legislative Approval – The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by “an individual authorized by the legislative body”, then City Council approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the City Manager or designee may, at his or her discretion, approve grant applications.
2. Matching Funds – Grants that require cash local matches must be coordinated through the City Manager’s Office. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

In all cases involving matching funds, the grant applicant should contact the City Manager or Finance Director to determine the strategy for securing matching funds.

3. Grant Budgets – Most grants require the submission of an expenditure budget. The City Manager or Finance Director should review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware—particularly in the area of indirect costs.

Grant applicants should contact the City Manager or Finance Director to request a technical review of a grant proposal budget.

B. Grant Program Implementation:

1. Notification and Acceptance of an Award – Official notification of a grant award is typically sent by a funding agency to the Program Director and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the City Council through the approval of a grant budget. Such notification should also be directed to the Finance Director. A copy of the grant award will be kept in the Finance Director’s office for audit and financial statement purposes.

Adoption of the grant budget as a component of the city-wide operating budget is deemed to be sufficient approval.

2. Establishment of Accounts – The department that obtained the grant will provide the City Manager or Finance Director with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget. To the extent that the grant awarded is included in the Uniform Chart of Accounts, such guidance will be followed without exception.
3. Purchasing Guidelines – All other city purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements apply. All normal staff approvals apply. When in doubt, the Program Director should contact the City Manager for further assistance.

C. Financial and Budgetary Compliance:

1. Monitoring Grant Funds – Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance. The Finance Director maintains all this information in the financial software system as well; this is considered to be the city's "official" accounting system by the granting agencies. Program Directors are strongly encouraged to use financial software reports provided by Administration for their grant tracking. If any "off-system" accounting records are maintained, it is the responsibility of the Program Director to ensure that the program's internal records reconcile to the city's accounting system. This includes the utilization of MSHDA software (IGX).
2. Fiscal Years – Occasionally, the fiscal year for the granting agency will not coincide with the city's fiscal year. This may require adjustments to the city's internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Program Director to bring such discrepancies to the attention of the City Manager or Finance Director at the time the grant accounts are established.
3. Grant Budgets – When the financial accounting software for a specific grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the Program Director be authorized to exceed the total budget authority provided by the grant. If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Program Director to notify the City Manager or Finance Director that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the OMB UGG - Uniform Grant Guidance Compliance Supplement.
4. Capital Assets – The city is responsible for maintaining an inventory of assets purchased with grant monies. The city is accountable for them and must make them physically available for inspection during any audit. The Finance Director must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations governing the original grant).

The Finance Director will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Finance Director. [OMB Circular A-110; 34 CFR Sec. 74.34]

D. Record Keeping:

1. Audit Work-papers – The city’s external auditors audit all grants at the end of each fiscal year. The Finance Director will prepare the required audit work papers. Program Directors may be asked to assist in this process, if necessary.
2. Record Keeping Requirements – Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Departments will maintain copies of all grant draw requests, and approved grant agreements (including budgets).
3. **All records must be retained until 12/31/2033, according to the MI Neighborhood written agreement requirements.**

E. Personally Identifiable Information (PII)

1. Personally Identifiable Information (PII) must be carefully stored in an area accessible only to necessary staff.
2. Documents received from the applicants with PII will be redacted. This includes social security numbers, bank account numbers or any other information that is not required by this office as part of the application process.
3. All documents are locked up in a file cabinet when not in use and the office is locked after hours.
4. Digital files are maintained in password protected systems.
5. After the retention period, records must be destroyed in a manner that preserves confidentiality (e.g. shredding or secure digital deletion).

2. Policies and Procedures – Federal Awards Administration Financial Management Systems Cash Management Policy

A. This policy was developed to set forth the regulations and procedures regarding all cash management activities of the City of Owosso, including:

1. Bank Account Management
2. Cash and Check Handling (receipting, central, off-site, lockbox)
3. Cash Accounting and Bank Reconciliations

4. Online Banking (administration/authorization, electronic payments, account transfers)
5. Withdrawal of city funds

B. Bank Account Management

1. All bank accounts must be in the name of the City of Owosso and established using the City of Owosso's EIN. The opening of new bank accounts and appointment of signors must be initiated by the Finance Director and approved by the City Manager. Should a new bank account be required, the requesting department must contact the Finance Director.
2. Requests to close bank accounts must also be initiated by the Finance Director and approved by the City Manager.
3. All general purpose cash of the City of Owosso is deposited into the general pool. Restricted funds may be maintained in a segregated pool and are not available for use for general City of Owosso operations. Any funds not needed immediately for operations are invested in accordance with the City of Owosso's Investment Policy.

C. Cash and Check Handling (Receipting)

1. To the extent practical, municipal cash operations reside in the City's Treasurer's office. Off-site locations (public safety, building department) may also handle cash receipts. The cash receipting software/system will be used by all departments handling cash. The Treasurer's office will deliver cash to the bank.
2. All cash received at City Hall Treasury is processed by the cashiers in the Treasurer's Office.
3. All cash received at City Hall Building Department is processed by their Community Development Director and turned into the Treasurer's office for depositing at the bank.
4. All cash received at Public Service department is processed by their Office Manager or designee and turned into the Treasurer's office for depositing at the bank.
5. All receipts must be processed using BS&A receipting software.

D. Cash Accounting and Bank Reconciliations

1. The accounting and reconciling of cash activity is performed daily. The "daily work" has two main categories, 1) Recording of daily transactions 2) Reconciliation of the daily cash with receipting software reports.
2. Monthly, all bank accounts are reconciled between the bank accounts and the city accounting software. Reconciliations are to be prepared by the Accountant and reviewed and approved by the Finance Director.

E. Online Banking

1. Online banking is a useful tool, the use of which is becoming more and more widespread. It is important to have proper controls over access to online banking. Online banking can be used to view daily activity, stop payments on checks, download statements and make electronic payments. It is important that employees are granted access only to those functions that are necessary for the completion of their job functions.
2. Administrators of on-line banking should be limited to those with a high level of responsibility and authority. If possible, it is best to have two administrators in order to add or delete users or to make changes to user access. The changes should be initiated by one administrator and approved by another user.
3. Users who will be designated as Electronic Transaction Officers (ETOs), are responsible for initiating and/or approving and releasing electronic payments and making electronic transfers. A user that initiates an ACH or Wire transfer out of the city accounts will not be able to release that payment. Two users will be needed to transact all cash movement out of the city's bank accounts.

F. Withdrawal of City Funds.

1. Unless otherwise provided by law or by ordinance, all funds drawn from the treasury shall be drawn pursuant to the authority of the Council. The City Manager, where necessary to expedite operating procedures, may authorize, in writing, other officers and employees of the city to make minor disbursements from petty cash accounts, which disbursements shall be accounted for and shall be audited by the Finance Director.
2. Checks or warrants may be issued prior to authorization by the Council for such purposes and up to such amounts as the Council shall provide by ordinance.
3. Checks or warrants for the disbursement of city funds may be signed by the Clerk only. The Council may, however, provide by ordinance that checks or warrants shall also be countersigned by the Finance Director or the Treasurer. Signatures may be facsimile, when and as is authorized by the Council.

CITY OF OWOSSO

WHISTLEBLOWER AND NON-RETALIATION POLICY

Effective Date: 9/8/26

1. PURPOSE

The City of Owosso is committed to conducting City business ethically, lawfully, and responsibly. This policy encourages employees to report suspected unlawful conduct, fraud, misuse of City resources, safety concerns, or other serious misconduct without fear of retaliation.

This policy is intended to supplement, and not replace, rights and protections provided by federal or Michigan law, including the Michigan Whistleblowers' Protection Act, and applicable collective bargaining agreements.

2. REPORTING CONCERNS

Employees are encouraged to promptly report concerns involving suspected:

- Violations of federal, state, or local law;
- Fraud, theft, or misuse of City funds or property;
- Falsification of City records;
- Abuse of authority or other serious misconduct;
- Significant health or safety concerns; or
- Retaliation related to a report or participation in an investigation.

Reports may be made to the employee's supervisor, department head, Human Resources Director, or City Manager, as appropriate.

An employee is not required to report a concern to an individual who is the subject of the complaint. In such circumstances, the employee may use another reporting avenue identified above.

3. NON-RETALIATION

The City prohibits retaliation against an employee who, in good faith:

- Reports suspected unlawful or improper conduct;
- Provides information or participates in an authorized investigation; or
- Engages in activity protected by federal or Michigan law.

Retaliation may include termination, demotion, suspension, reduction in pay or hours, threats, harassment, intimidation, or other adverse employment action taken because of protected activity.

Any employee who believes they have experienced retaliation should promptly report the concern to Human Resources, the City Manager, or another appropriate City official.

4. INVESTIGATION

The City will review credible reports and, when appropriate, conduct an investigation. The City may use Human Resources, the City Attorney, an outside investigator, auditor, law enforcement agency, or other appropriate resource depending upon the nature of the complaint.

Employees are expected to cooperate honestly with authorized investigations.

The City will make reasonable efforts to protect the confidentiality of reports and investigations consistent with applicable law and the City's obligation to conduct a fair and appropriate investigation. The City cannot guarantee complete confidentiality.

5. GOOD-FAITH REPORTS

Employees are not required to prove that misconduct occurred before making a report. A report made in good faith that is later determined to be unsubstantiated will not, by itself, result in discipline.

Knowingly false, malicious, or intentionally misleading reports may result in appropriate disciplinary action.

6. LEGAL RIGHTS

Nothing in this policy limits an employee's right to report suspected violations of law to an appropriate governmental or regulatory agency or to exercise any other rights protected by federal or Michigan law.

Nothing in this policy supersedes or diminishes rights or obligations established by an applicable collective bargaining agreement.

7. ADMINISTRATION

The Human Resources Director is responsible for administering this policy and coordinating the City's response to whistleblower complaints and allegations of retaliation, subject to appropriate reassignment when a complaint involves Human Resources or another designated official.

The City will periodically review this policy and revise it as necessary to remain consistent with applicable law.

ATTACHMENT #6 (Item 6. Complaint Resolution)

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

COMPLAINT PROCEDURE

The purpose of this procedure statement is to outline requirements for MSHDA-NDD grantees to establish a client complaint procedure for consistent resolution of conflicts. Complaints may come from applicants for assistance, owners dissatisfied with work, participating contractors, or other interested parties.

GRANTEE'S CLIENT COMPLAINT PROCEDURE MUST BE PROVIDED AS A SEPARATE DOCUMENT AND IS INCLUDED IN THE LOCAL PROGRAM GUIDELINES AS ATTACHMENT #7

This policy covers the following processes:

- The grantee's client compliant procedures
- Referrals to Dispute Resolution Services
- MSHDA review of complaint
- Resolution determined by MSHDA (if there is no resolution at the local level)

A grantee's client complaint procedures must achieve and adhere to the following:

1. **Be outlined in the grantee's local program guidelines.** Clients and contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
2. **Establish timely response.** Ensure that a client's initial complaint is responded to by the program administrator within 15 working days of the date of the complaint.
3. **Require that the Chief Executive Officer (CEO) or Executive Director of the grantee be informed of any complaint the program administrator fails to resolve.** The grantee (at its option) may ask the CEO/ED to review the case and recommend a resolution.
4. **Provide for the establishment of a review committee, comprised of at least three people, which must hear all cases that cannot be successfully resolved by the program administrator (and CEO/ED if he/she is part of the complaint procedure).** The review committee should be comprised of (a.) a person with building/construction expertise (separate from the contractor who is part of the complaint); (b.) a local community representative; and (c.) a representative of the grantee (but should not be the program administrator or related staff).

REFERRAL TO DISPUTE RESOLUTION SERVICES REQUIRED IF CONFLICT NOT SATISFACTORILY RESOLVED

Should the above listed efforts fail to resolve all outstanding issues, subrecipients must seek the services of the closest Dispute Resolution/Mediation Program. The costs, if any, for using mediation to seek resolution of the dispute are eligible administrative costs under MSHDA's

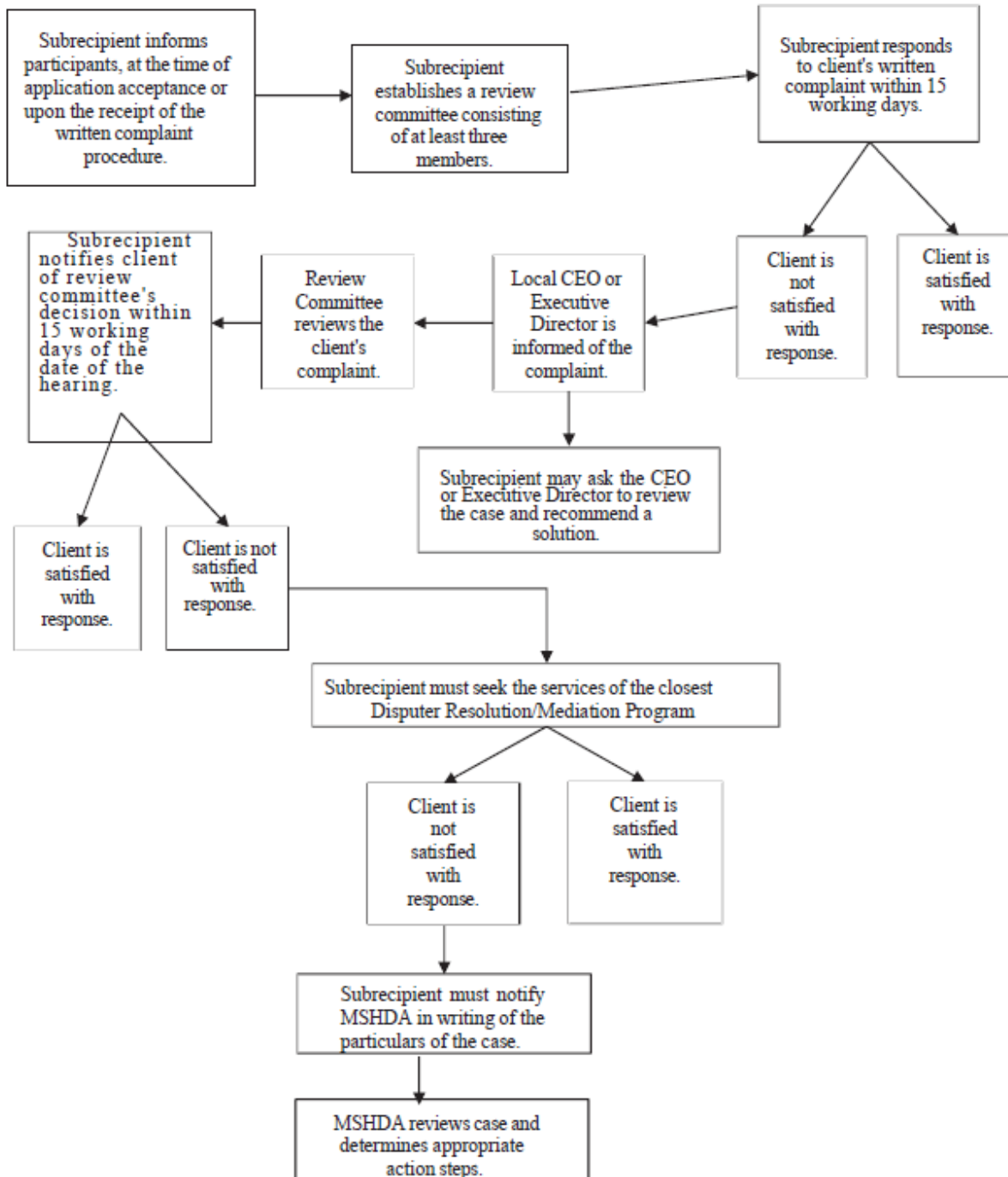
Neighborhood Development Division written agreements. A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at <https://www.michiganmediation.org>

See the Client Complaint Procedure Process Map included in this attachment for a typical complaint step-procedure. **MSHDA will review complaints only after this process is complete and the dispute remains unresolved.** If MSHDA is contacted directly by a complainant, they will be referred to the grantee for implementation of the procedures outlined in this attachment and the grantee's client complaint procedure. If all outlined steps have failed to resolve the complaint, the grantee may contact MSHDA in writing, detailing the complaint and verifying its compliance with the above steps.

NOTE: All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the grantee in the performance of its NDD funded written grant agreement shall be the responsibility of the grantee, and not the responsibility of MSHDA, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the grantee, any subcontractor, anyone directly or indirectly employed by the grantee, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the grantee or its employees by statute or court decisions.

(cont.)

CLIENT COMPLAINT PROCEDURE



ATTACHMENT #7 (Item 6. Complaint Resolution)

Michigan State Housing Development Authority Neighborhood Housing Initiatives Division

The purpose of this policy bulletin is to outline requirements for NHID Grantees to establish a claimant complaint procedure for consistent resolution of conflicts.

Complaints may come from applicants for assistance, owners, dissatisfied with work, participating contractors, or other interested parties.

This policy covers the City's claimant complaint procedure, the referrals to dispute resolution services, MSHDA review of complaint and resolution determined by MSHDA.

- Claimants and Contractors must be informed of the complaint procedure when they are selected to participate in the program or upon receipt of a written complaint.
- All initial complaints must be responded to by the Program Administrator within 15 working days of the complaint.
- Requires that the City Manager or the City Mayor be informed of any complaint the Program Administrator fails to resolve. The Program Administrator may ask the City Manager to review the case and recommend a resolution.
- Provide a Review Committee, to be comprised of at least three people, which must hear all cases that cannot be successfully resolved by the Program Administrator or the City Manager.

The Review Committee shall be comprised of the following:

- Building/Construction Expert
- Local Community Representative
- Representative of the City of Owosso (not the Program Administrator nor City Manager)
- Each Committee Member shall serve for 3 years
- The Claimant may make a presentation to the committee and/or submit written documentation.
- The Claimant must receive the Review Committee's decision within 15 days of the hearing.

IF CONFLICT IS NOT SATISFACTORILY RESOLVED, REFERRAL TO DISPUTE RESOLUTION SERVICES IS REQUIRED.

Should the above listed efforts fail to resolve all outstanding issues:

- The City of Owosso must seek the services of the closest Dispute Resolution/Mediation Program.
- The costs, if any, for using mediation to seek resolution of the dispute are eligible administrative costs under MSHDA's Neighborhood Housing Initiatives Division grant agreements.
- A list of Community Dispute Resolution Program (CDRP) Mediation Centers may be found at <http://courts.mi.gov/administration/scao/officesprograms/odr/pages/community-dispute-resolution-program.aspx>.
- Attached is a process map for a typical complaint procedure.
- Attached is a complaint form
- MSHDA will review complaints only after the above process has been completed and dispute remains unresolved.
- In the event that MSHDA is contacted directly by a complainant, he/she will be referred to the City of Owosso for implementation of policy procedures.
- After all previously outlined steps have failed to resolve the complaint, the City of Owosso may contact MSHDA in writing, detailing the complaint and verifying its compliance with the above listed steps.

NOTE: All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the City of Owosso in the performance of its NHID funded written grant agreement shall be the responsibility of the City of Owosso, and not the responsibility of the Authority, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the City of Owosso, any subcontractor, anyone directly or indirectly employed by the City of Owosso, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the City of Owosso or its employees by statute or court decisions.

CITY OF OWOSSO COMPLAINT FORM

DATE:

NAME:

ADDRESS:

PHONE:

EMAIL:

NATURE OF COMPLAINT:

City of Owosso Grant Administrator Review:

Name:

Signature:

Date:

Date Claimant was notified of review:

RESOLVED

REFER TO REVIEW COMMITTEE

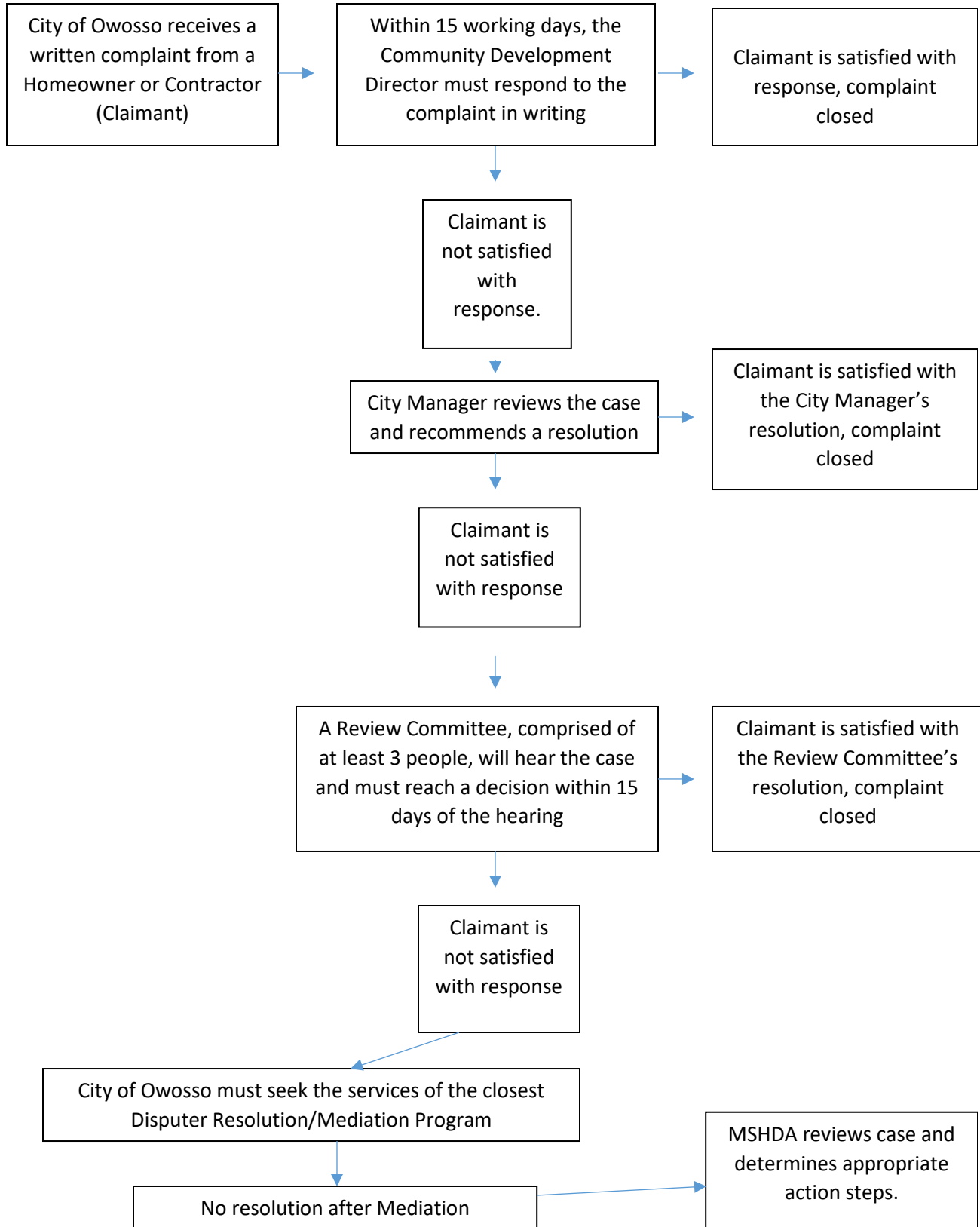
DATE OF REVIEW COMMITTEE HEARING:

ACTION TAKEN:

RESOLVED

REFER TO DISPUTE RESOLUTION SERVICES

CLAIMANT COMPLAINT PROCEDURE





MEMORANDUM

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

DATE: November 2, 2026

TO: Mayor Teich and the Owosso City Council

FROM: Ryan E. Suchanek, Director of Public Services & Utilities

SUBJECT: Proposed Water & Sewer Charges for 2026

RECOMMENDATION:

Adoption of revised water and sewer connection charges and miscellaneous charges beginning November 2, 2026.

BACKGROUND:

The proposed charges as attached reflect current market pricing for year 2026. These were calculated using the industry standard American Water Works Association (AWWA) Manual M1 method.

Water and Sewer Connection Charges

- Water and Sewer System Charge revisions hereby requested are:

Item I: Updated the set prices of water connection charges, using the M1 calculator's Meter + Install Connection Fee pricing per the meter size for the water.

Item II: Updated the set prices of sewer connection charges, using the M1 calculator's Tap + Install Connection Fee.

Item III. (Table I): Updated Water charges by using the M1 calculator's Total Capacity Charge pricing per the meter size for the Water Fee Calc (note: Out of Town is a set 1.5 times the In Town charge for matching meter size, per prior practice).

Updated Sewer charges by using the M1 calculator's Total Capacity Charge pricing per the meter size for the Sewer Fee Calc.

Item III. (Table II): Updated Fire Service Line charges by using the M1 calculator's Total Capacity Charge pricing per prior practice of matching them to their corresponding meter factor sizes for the Water Fee Calc (note: Out of Town is a set 1.5 times the In Town charge for matching meter size, per prior practice).

No further increases recommend at this time.

FISCAL IMPACTS:

These charges are necessary to recoup material and labor costs, and to maintain reserve system capacity connection charges in accordance with best business practices, regulatory and American Water Works Association standards.

Document originated by: Ryan E. Suchanek

Attachments: (1) Resolution for Water & Sewer Connection Charges
(2) Owosso Water & Sewer Connection Fee Model – AWWA Manual M1 methodology

Master Plan Implementation Goals: 3.4

RESOLUTION NO.

ESTABLISHMENT OF WATER AND SEWER CONNECTION CHARGE POLICIES EFFECTIVE ~~MAY~~ NOVEMBER 21, 202~~6~~4

WHEREAS, the City of Owosso owns and operates water and wastewater utilities;

Whereas, the City of Owosso must have policies and water and sewer connection charges in addition to the basic rates pursuant to the *Code of Ordinances of the City of Owosso, Michigan* Sec. 34-67 (Water service connections, connection charges), and Sec. 34-144 (sewer connection charges);

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

FIRST: The city council hereby adopts the following connection charges for the water utility which shall become effective ~~May~~ November 21, 202~~6~~4.

SECOND: That any policies previously adopted which conflict with the provisions of the following policies and services are hereby repealed.

WATER AND SEWER CONNECTION CHARGES

Water and sewer connection charges for new or increased size services are a combination of the applicable charges appearing below (some additional charges may apply). The Director of Public Services & Utilities shall verify the applicable size and charges before approving an application for service. The applicant shall provide adequate information concerning water and sewer service requirements for the determination of service size.

I. Water Service Line Charges

Contractor for owner provides all detour/road closer, excavation, disposal of spoils, approved appropriate backfill, and surface restoration (including but not limited to street, curb/gutter, sidewalk, and yard repairs per City standards). City performs tap and installs water service from main to curb-stop/valve, provides (NOT install) meter setter (for interior installation by licensed plumber), installs meter into meter setter, and programs meter (additional fees required may include but not limited to: water system charge, sewer connection charge, permit fee, administration fee, meter pit, winter construction surcharge, water main assessment charge, and deposit). Prices are the same for connection to existing water service stub (at property line), such water service stubs are typically installed during new street and/or water main construction. (SFR = single family residence) (DI = Ductile Iron Water Main) (PVC = C909 Water Main).

1" SFR Service	~~\$5,000~~ <u>3,961</u> (1" tap, 1" saddle, 1" copper to curb stop, curb stop, curb box, 5/8" meter, MTU, and kornerhorn – includes labor, equipment, and materials) Add ~~\$250~~ <u>66</u> .00 for 3/4" meter – minimum for 1" irrigation tap Add ~~\$500~~ <u>1,135</u> .00 for 1" meter
1.5" Service	~~\$9,500~~ <u>5,096</u> (1.5" tap, 1.5" saddle, 1.5" copper to curb stop, curb stop, curb box, 1" meter, MTU, and inline couplers – includes labor, equipment, and materials) Add ~~\$1,500~~ <u>2,605</u> .00 for 1.5" meter
2" Service	~~\$12,500~~ <u>7,701</u> (2" tap, 2" saddle, 2" copper to curb stop, curb stop, curb box, 1.5" meter, MTU, and NPT flanges – includes labor, equipment, and materials) Add ~~\$1,750~~ <u>332</u> .00 for 2" meter

Other services:

Out of city services require additional charges of: Water System Charge, Water Main Assessment Charge, and deposit.

Any service larger than 2" or a non-single family residence, will require an ad hoc work order.

Additional charges if applicable:

Meter pit (for 5/8" to 2" services)	\$1,250.00 for parts and labor (meter pits are required if home does not have full basement i.e. crawlspace or cement pad). In addition to this charge: Add \$2,500.00 for 1.5" meter Add \$3,500.00 for 2" meter
Winter construction surcharge	\$1,000 (applicable generally between November 15 to April 15 to cover additional costs related to frost excavation and extended street patch maintenance prior to final patch)

II. Sewer Service Line Charge

Contractor for owner provides all detour/road closer, excavation, disposal of spoils, approved appropriate backfill, and surface restoration (including but not limited to: street, curb/gutter, sidewalk, and yard repairs per City standards). Additional fees required may include but not limited to: water system charge, sewer connection charge, permit fee, administration fee, meter pit, winter construction surcharge, water main assessment charge, and deposit.

4" or 6" service ~~\$5,000~~ 1,443 (parts and labor covers sewer wye or saddle tap by city, as well as stubs which are typically done prior to street construction)

Any service larger than 6" will require an ad hoc work order, and need to be contracted out (at an additional charge).

III. Water & Sewer System Charges

System Charges as provided in the table below account for water or sewer system reserve capacity provided for new customers but financed at system expense.

Out of Town Water System Charges apply to retail customers outside the Owosso City Limits unless otherwise provided in an agreement between the City and the respective municipality. City Sewer System Charges do not apply to out-of-town water services. The respective Township regulates sewer service connections in their jurisdiction and their sewer charges thus apply.

Sewer System Charges do not apply to separate water only metered services such as irrigation, fire sprinkler service, or approved industrial applications where the water used does not go to a wastewater system.

A residential duplex served by a single service line and meter shall have a minimum meter size of 3/4", with minimum tap/service line of 1". Two City installed meters/accounts onto a single water tap, is NOT allowed. Determination of appropriate meter size for all services is subject to review and approval by the Director of Utilities prior to acceptance of the application for service. That review shall be based on the user's demand potential and generally accepted practices for sizing water meters based on expected

average and peak flow rates. Generally, the meter size shall be reduced no more than one standard size from the size of the water line (e.g. a 1.5" meter is acceptable with a 2" service line).

The demand charge for multiple residential units served by a single water meter shall be based on actual meter size provided the meter meets the minimum size requirement per the following table (review and final determination by the Director of Public Services & Utilities):

<u>Number of Apartments</u>	<u>Minimum Meter Size</u>
2 - 3	3/4"
4 - 7	3/4"
8 - 11	1"
12 - 15	1.5"
16 - 24	2"
24 - 48	3"
Over 48	4"

When an existing water service is enlarged or replaced with a larger water service due to an expansion of the customer's water demand, the Water and Sewer System charges shall be charged based on that for the new meter size minus that for the existing water meter size. There is no credit or rebate on reduction of meter size. In the event a new connection is made to up-size the service line (for example 6" to 8") and the meter size remains the same, no additional system charges will be assessed.

WATER AND SEWER SYSTEM CHARGE TABLE I

Potable Water Service Meter Size	Water System Charge		Sewer System Charge In Town
	In Town	Out of Town	
5/8"	~~\$487~~ <u>659</u>	~~\$730~~ <u>988.50</u>	~~\$5984~~ <u>991</u>
3/4"	~~\$734~~ <u>988</u>	~~\$1,095~~ <u>1,482</u>	~~\$8977~~ <u>486</u>
1"	~~\$1,218~~ <u>1,647</u>	~~\$1,825~~ <u>2,470.50</u>	~~\$1,495~~ <u>12,477</u>
1.5"	~~\$2,435~~ <u>3,294</u>	~~\$3,650~~ <u>4,941</u>	~~\$2,990~~ <u>24,955</u>
2"	~~\$3,896~~ <u>5,270</u>	~~\$5,840~~ <u>7,905</u>	~~\$4,784~~ <u>39,928</u>
3"	~~\$7,305~~ <u>9,881</u>	~~\$10,950~~ <u>14,821.50</u>	~~\$8,970~~ <u>74,865</u>
4"	~~\$12,175~~ <u>16,469</u>	~~\$18,250~~ <u>24,703.50</u>	~~\$14,950~~ <u>124,775</u>
6"	~~\$24,350~~ <u>32,937</u>	~~\$36,500~~ <u>49,405.50</u>	~~\$29,900~~ <u>249,550</u>
8"	~~\$38,960~~ <u>52,700</u>	~~\$58,400~~ <u>79,050</u>	~~\$47,840~~ <u>399,280</u>
10"	~~\$56,005~~ <u>75,756</u>	~~\$83,950~~ <u>113,634</u>	~~\$68,770~~ <u>573,965</u>
12"	~~\$104,705~~ <u>141,631</u>	~~\$156,950~~ <u>212,446.50</u>	~~\$128,570~~ <u>1,073,064</u>

FIRE SERVICE LINE CHARGES TABLE II

4"	~~\$1,218~~ <u>1,647</u>	~~\$1,825~~ <u>2,470.50</u>
6"	~~\$2,435~~ <u>3,294</u>	~~\$3,650~~ <u>4,941</u>
6" with pump	~~\$4,870~~ <u>6,588</u>	~~\$7,300~~ <u>9,882</u>
8"	~~\$4,870~~ <u>6,588</u>	~~\$7,300~~ <u>9,882</u>
8" with pump	~~\$7,305~~ <u>9,881</u>	~~\$10,950~~ <u>14,821.50</u>
10"	~~\$7,305~~ <u>9,881</u>	~~\$10,950~~ <u>14,821.50</u>
10" with pump	~~\$9,740~~ <u>13,176</u>	~~\$14,600~~ <u>19,764</u>
12"	~~\$9,740~~ <u>13,176</u>	~~\$14,600~~ <u>19,764</u>
12" with pump	~~\$12,175~~ <u>16,469</u>	~~\$18,250~~ <u>24,703.50</u>

IV. Water Main Assessment Charge (Out of City)

For properties outside the City, that were not assessed or did not pay in a comparable way for the installation of the water main abutting their property, a Water Main Assessment Charge (WMAC) shall be paid prior to connection. This assessment is currently applicable to the Charter Townships of Owosso and Caledonia. Caledonia Charter Township opted out of the WMAC effective October 6, 2011, and then reinstated the charges beginning January 1, 2019.

Owosso Township cost per front linear foot of property		Minimum	Maximum
Water (residential)	\$15	\$900	\$3,000
Water (commercial or industrial)	\$20	\$2,000	
Caledonia Township cost per front foot of property			
Water (airport)	\$35* only building frontage	None	None
Water (all others)	\$35	None	None

For corner lots the assessment applies only to the frontage abutting the water main to be used for the service connection.

Water Main Assessment Charge revenue shall be dedicated and restricted to a replacement fund to be used for water main replacements in the respective Township.

V. Meter Service Line Charge

These charges apply in cases where only the cost of meter installation is required for a new water meter and account. The charge includes costs of: water meter, meter transmission unit (MTU), couplings/horn, service vehicle, one-hour meter installation and inspection for 5/8", 3/4", and 1" meters only (additional fees required may include: water system charge, sewer connection charge, permit fee, administration fee, meter-pit, water main assessment charge, and deposit). A licensed plumber may be required to make interior piping changes.

5/8" meter	\$2,000	1.0" meter	\$3,500
3/4" meter	\$2,500		

Meters larger than 1" will be charged at actual cost and be installed by a licensed contractor.

Owosso Water & Sewer Connection Fee Model

Built on AWWA Manual M1 (Principles of Water Rates, Fees, and Charges) methodology

HOW THIS MODEL IS STRUCTURED

M1 splits what people casually call a "connection fee" into two separate charges:

1. CONNECTION FEE — the direct, actual cost of physically tapping and connecting a property (meter materials, labor, and equipment). This simply recovers the city's real cost of doing the work.
2. CAPACITY CHARGE ("buy-in fee") — a separate charge that recovers a new connection's proportional share of the value of EXISTING system capacity (treatment, storage, transmission) it is now using. This is the piece that was almost certainly under-recovered in Owosso's old flat fee, since a fee that only covers parts + DPW labor is really just a connection fee with no capacity component at all.

The core M1 buy-in formula (Chapter on System Development Charges):

$$\text{Buy-in Fee per ERU} = \text{System Value (RCNLD)} \div \text{System Capacity (in ERUs)} \times \text{Customer's Capacity Demand}$$

Where an ERU (Equivalent Residential Unit) is the standard demand unit — typically a 3/4" meter — and larger meters are converted to ERU-equivalents using AWWA meter capacity ratios.

WHAT YOU NEED TO SUPPLY (yellow cells on the 'Assumptions' tab)

This model calculates correctly right now using placeholder EXAMPLE figures so you can see how it works — but every yellow cell needs to be replaced with actual Owosso data before this can support a real fee.

- Water & sewer system asset values (RCNLD or net book value) — Brad / Finance, from CIP and fixed asset records. Exclude grant-funded assets — new connections shouldn't buy into infrastructure existing ratepayers/grants already paid for.
- Water treatment plant max capacity and WWTP design capacity (MGD) — your engineer of record (OHM, PEA Group, Fishbeck, or Spicer), likely already documented from the nitrification tower project and any water plant capacity studies.
- Current system max-day demand / flow (MGD) — DPW / plant operator records.
- Current total water and sewer ERU counts (i.e., total active connections, converted to 3/4"-equivalents) — Utility Billing (Jessica/Amy's office), from the current customer/meter roster.
- Meter material costs, loaded labor rate, and typical install time — DPW (Tom/Ryan), from recent purchase and job cost records.
- Meter size ERU ratios — pre-filled with standard AWWA C700-series maximum safe operating capacity ratios as a starting point. Confirm against Owosso's own meter specifications before adopting.

TABS IN THIS WORKBOOK

1. Assumptions — all inputs live here (yellow = fill in; blue text = editable input; black = formula)
2. Water Fee Calc — capacity/buy-in fee and connection fee by meter size, water system
3. Sewer Fee Calc — capacity/buy-in fee and tap connection fee by meter size, sewer system
4. Fee Schedule Summary — combined water + sewer total fee by meter size, ready for a council resolution

Note: This model implements a standard, widely-used M1 buy-in methodology (the same approach shown in published connection/capacity fee studies applying M1). It is a defensible starting framework, not a substitute for review by the city's engineer and attorney before adoption, particularly given the pending circuit court matter on the prior fee structure.

Assumptions

GENERAL

Administrative Fee (% of buy-in charge)	4.0%	Covers cost of administering the fee program (hearings, updates, billing setup). 2-4% is typical.
Standard ERU Meter Size	5/8"	The baseline meter size = 1.0 ERU. Nearly universal industry standard.

WATER SYSTEM

Water System Asset Value (RCNLD, ratepayer-funded only)	\$24,895,523	PLACEHOLDER. Source from Finance/CIP fixed asset records. Exclude grant-funded portions (e.g., competitive grant share of plant projects) — see note in README.
Water Treatment Plant Max Capacity (MGD)	2.20	PLACEHOLDER. Rated/design capacity, from engineer of record. This is the limiting factor for how many ERUs the system can ultimately support.
Current Water System Max-Day Demand (MGD)	3.11	PLACEHOLDER. Highest single-day production, typically last 5-10 years, from plant records.
Current Total Water ERUs Served	6,923	PLACEHOLDER. Total active connections converted to 3/4"-equivalents. Source: Utility Billing meter roster, converted using the ERU ratio table below.

SEWER SYSTEM

Sewer System Asset Value (RCNLD, ratepayer-funded only)	\$34,885,589	PLACEHOLDER. Include collection system + WWTP. Exclude the CWSRF/grant-subsidized and state-earmark-funded portions of the nitrification tower project, since those weren't funded by connection fees or general ratepayer capital contributions in the same way.
WWTP Design Capacity (MGD)	18.00	PLACEHOLDER. Post-nitrification-tower design capacity, from Fishbeck/RCL project documents.
Current WWTP Max-Month/Max-Day Flow (MGD)	16.83	PLACEHOLDER. From plant operating records (same source as the Tim/Dave Butcher operations team).
Current Total Sewer ERUs Served	6,798	PLACEHOLDER. Total active sewer connections converted to 3/4"-equivalents.

WATER INSTALLATION COSTS

Loaded Labor Rate (\$/hr, per crew member)	\$36	PLACEHOLDER figures throughout this block. Source from DPW recent job costs (Tom/Ryan).
Crew Size (persons)	4	
Typical Install Time, standard 5/8" tap (hours)	6.00	
Equipment/Truck Rate (\$/hr)	\$66	

METER SIZE ERU RATIOS & MATERIAL/TAP COSTS

Ratios below are standard AWWA maximum safe operating capacity ratios relative to a 3/4" meter (a common M1 convention). CONFIRM against Owosso's actual meter specs (DPW/meter supplier) before adopting — different meter manufacturers/technologies (e.g., AML/radio-read meters) can shift these slightly.

Meter Size	ERU Ratio	Water Meter Material Cost	Sewer Tap Material Cost	Sewer Tap Install Hours	Notes
5/8"	1.00	\$2,709	\$191	6.00	Standard residential
3/4"	1.50	\$2,775	\$191	6.00	
1"	2.50	\$3,844	\$191	6.00	Larger residential / small commercial
1.5"	5.00	\$6,449	\$191	6.00	Commercial
2"	8.00	\$6,781	\$191	6.00	Commercial
3"	15.00		\$191	6.00	Compound / commercial
4"	25.00		\$191	6.00	Compound / large commercial-industrial
6"	50.00		\$191	6.00	Turbine / large commercial-industrial
8"	80.00	\$28,555		8.00	SRI
10"	115.00			8.00	
12"	215.00			8.00	

Water Connection & Capacity Fee Calculation

Step 1: Establish cost per ERU of water system capacity (M1 buy-in method)

STEP 1 — COST PER ERU OF CAPACITY

Water System Asset Value	\$24,895,523
Current Max-Day Demand (GPD)	3,106,000
Current Total ERUs Served	6,923
GPD per ERU (=Max-Day Demand ÷ Current ERUs)	448.65
System Max Capacity (GPD)	2,200,000
Max ERUs Supportable at Full Capacity	4,904
Value per ERU (=System Value ÷ Max ERUs Supportable)	\$633.41

This is the water system buy-in cost for one standard (5/8") connection, before the administrative fee. This is the core M1 output that flows into every meter size below.

STEP 2 — FEE SCHEDULE BY METER SIZE

Meter Size	ERU Ratio	Capacity/Buy-in Charge	Admin Fee	Total Capacity Charge	Meter + Install Connection Fee	TOTAL WATER CONNECTION FEE	
5/8"	1.00	\$633	\$25	\$659	\$3,961	\$4,620	
3/4"	1.50	\$950	\$38	\$988	\$4,027	\$5,015	
1"	2.50	\$1,584	\$63	\$1,647	\$5,096	\$6,743	
1.5"	5.00	\$3,167	\$127	\$3,294	\$7,701	\$10,995	
2"	8.00	\$5,067	\$203	\$5,270	\$8,033	\$13,303	***NOTE: 2" Meter & 2" Srv Line
3"	15.00	\$9,501	\$380	\$9,881	\$1,252	\$11,133	NO CURRENT MATERIAL COSTS
4"	25.00	\$15,835	\$633	\$16,469	\$1,252	\$17,721	NO CURRENT MATERIAL COSTS
6"	50.00	\$31,671	\$1,267	\$32,937	\$1,252	\$34,189	NO CURRENT MATERIAL COSTS
8"	80.00	\$50,673	\$2,027	\$52,700	\$29,807	\$82,507	USED SRI's FROM 24 - NO CURRENT MATERIAL COSTS
10"	115.00	\$72,842	\$2,914	\$75,756	\$1,252	\$77,008	NO CURRENT MATERIAL COSTS
12"	215.00	\$136,183	\$5,447	\$141,631	\$1,252	\$142,883	NO CURRENT MATERIAL COSTS

Column F assumes the same crew/labor/equipment rates and standard install time for every meter size (from Assumptions). Larger commercial taps typically take longer than the standard 5/8" install — adjust the install-hours assumption per size if DPW has size-specific job cost data.

Sewer Connection & Capacity Fee Calculation

Step 1: Establish cost per ERU of sewer (WWTP) capacity (M1 buy-in method)

STEP 1 — COST PER ERU OF CAPACITY

[illegible]

Sewer buy-in cost for one standard (5/8"-equivalent) connection, before the admin fee. Uses the same ERU ratio table as water, since Owosso's sewer accounts are typically sized/billed off the water meter serving the property.

STEP 2 — FEE SCHEDULE BY METER SIZE (SEWER)

Meter Size (equivalent)	ERU Ratio	Capacity/Buy-in Charge	Admin Fee	Total Capacity Charge	Tap + Install Connection Fee	TOTAL SEWER CONNECTION FEE	
5/8"	1.00	\$4,799	\$192	\$4,991	\$1,443	\$6,434	
3/4"	1.50	\$7,199	\$288	\$7,486	\$1,443	\$8,929	
1"	2.50	\$11,998	\$480	\$12,477	\$1,443	\$13,920	
1.5"	5.00	\$23,995	\$960	\$24,955	\$1,443	\$26,398	
2"	8.00	\$38,392	\$1,536	\$39,928	\$1,443	\$41,371	
3"	15.00	\$71,986	\$2,879	\$74,865	\$1,443	\$76,308	
4"	25.00	\$119,976	\$4,799	\$124,775	\$1,443	\$126,218	
6"	50.00	\$239,952	\$9,598	\$249,550	\$1,443	\$250,993	
8"	80.00	\$383,923	\$15,357	\$399,280	\$1,669	\$400,949	NO CURRENT MATERIAL COSTS
10"	115.00	\$551,889	\$22,076	\$573,965	\$1,669	\$575,634	NO CURRENT MATERIAL COSTS
12"	215.00	\$1,031,793	\$41,272	\$1,073,064	\$1,669	\$1,074,734	NO CURRENT MATERIAL COSTS

Column F uses the sewer tap material cost and size-specific install hours from the Assumptions tab (sewer taps are typically more labor-intensive per size than water taps).

Owosso Proposed Water & Sewer Connection Fee Schedule

Combined output — Water Fee Calc + Sewer Fee Calc tabs (AWWA M1 methodology)

Meter Size	Total Water Connection Fee	Total Sewer Connection Fee	COMBINED TOTAL CONNECTION FEE	Current Flat Fee (for comparison)	
5/8"	\$4,620	\$6,434	\$11,054	\$11,085	
3/4"	\$5,015	\$8,929	\$13,944	\$11,878	
1"	\$6,743	\$13,920	\$20,663	\$17,213	
1.5"	\$10,995	\$26,398	\$37,393	\$22,925	
2"	\$13,303	\$41,371	\$54,674	\$27,930	2" is Considering a 2" meter with only 2" Srv Line
3"	\$11,133	\$76,308	\$87,441	\$0	NO WATER CURRENT MATERIAL COSTS
4"	\$17,721	\$126,218	\$143,938	\$0	NO WATER CURRENT MATERIAL COSTS
6"	\$34,189	\$250,993	\$285,182	\$0	NO WATER CURRENT MATERIAL COSTS
8"	\$82,507	\$400,949	\$483,456	\$122,625	USED SRI's FROM 24-25 - NO CURRENT MATERIAL COSTS
10"	\$77,008	\$575,634	\$652,642		NO CURRENT MATERIAL COSTS
12"	\$142,883	\$1,074,734	\$1,217,616		NO CURRENT MATERIAL COSTS

Fill in Owosso's current flat connection fee in column E (yellow) for a side-by-side comparison to show council/the public how the M1-based schedule compares to the fee structure at issue in the ruling.

HOW TO PRESENT THIS

Once Assumptions are populated with real Owosso figures, this schedule and the underlying Water/Sewer Fee Calc tabs together document exactly the kind of defensible, cost-based methodology M1 describes — value of existing system ÷ system capacity × the new connection's demand, plus separately the real cost of the tap itself. That paper trail is what distinguishes a legitimate capacity/buy-in charge from a fee that's really just materials-and-labor with no capacity component (which is what the old fee appears to have been).

Recommend having your engineer of record (OHM/PEA/Fishbeck) verify the system valuation and capacity inputs, and Scott review the final methodology and adopting resolution language, before this goes to council or gets used in any appeal discussion.



DATE: October 26, 2026
TO: Owosso City Council
FROM: City Manager
SUBJECT: Analysis of Vacant Building Ordinance Proposals – Historic District Commission and Downtown Development Authority Resolutions

BACKGROUND

Council has received two resolutions urging adoption of a vacant commercial building ordinance. In May 2026, the Historic District Commission recommended a Vacant Commercial Building Registration Ordinance applying to commercial properties citywide, with emphasis on the historic districts. In October 2026, the Downtown Development Authority adopted Resolution No. 03-2026, recommending a Vacant Building Inspection Program limited to commercial properties within the DDA district boundary. Both resolutions request a written response from Council.

The DDA version was developed from the HDC version and retains most of its framework: a purpose statement; observable de facto vacancy indicators; a registration form identifying a local emergency agent and granting consent to inspection; an initial City inspection within 30 days; 14 day window repair; decorative covering of vacant storefronts; owner-of-record responsibility with no extension for purchasers; and collection of unpaid fees and costs as special assessments. The principal differences are summarized below.

COMPARISON OF PROPOSALS

Provision	HDC (May 2026)	DDA Res. No. 03-2026 (Oct. 2026)
Title	Vacant Commercial Building Registration Ordinance	Vacant Building Inspection Program
Geographic scope	All commercial properties citywide; emphasis on historic districts	Commercial properties within the DDA district boundary only
Registration trigger	60 days after vacancy	1 year after vacancy
Existing vacant buildings	Not addressed	Register within 60 days of adoption
Plan of action	“Detailed plan of action” for return to occupied use	Owner’s intended timeline and approach for return to productive use
Initial inspection remedies	Repair orders; condemnation and demolition where repair cost exceeds value	Repair orders; “appropriate enforcement remedies including condemnation”
Maintenance standard	Full IPMC compliance; weeds not to exceed 8 inches	IPMC compliance

Provision	HDC (May 2026)	DDA Res. No. 03-2026 (Oct. 2026)
Securing the building	Owner must comply with City order within 72 hours; City may secure at owner's expense	Broken windows repaired within 14 days of notice; City may perform work at owner's expense
Boarding	Permitted only as temporary emergency measure with City approval	Not addressed
Storefront covering	Decorative treatment mimicking an active storefront (downtown or historic district)	Decorative treatment maintaining a presentable downtown appearance
Fire/storm damage	Permit within 90 days or building deemed vacant	Not included; damaged, unoccupied buildings fall under the general vacancy definition
Re-occupancy standard	IPMC, Michigan Building Code, and construction codes; certificate of occupancy	City Code Ch. 8 (Building) and Ch. 13 (Fire Prevention), and construction codes; certificate of occupancy
Historic protections	HDC approval before demolition of historically significant vacant buildings; rehabilitation plans to meet Secretary of the Interior's Standards	None, but existing HDC rules are not precluded for buildings within the district boundary.
Consultation requested	HDC	DDA Director and Board

ANALYSIS

Both versions share the same objective: holding negligent owners accountable for vacant buildings that are allowed to deteriorate. The DDA version accomplishes that objective while avoiding burdens on owners who are actively marketing, leasing, or rehabilitating their properties.

Scope. Limiting the program to the DDA district focuses it where vacancy has the greatest effect on neighboring businesses and private investment, and where the storefront covering requirement is most relevant. A defined area is also more manageable for code enforcement staff and could be expanded later by amendment.

Registration trigger. The 1 year trigger is longer than the 30 to 90 days used by the surveyed communities that specify a trigger. Normal commercial turnover, including marketing a space, negotiating a lease, and completing tenant buildout, routinely takes several months. A short trigger would subject responsible owners to fees and inspections during ordinary transitions. The one-year period targets chronic vacancy, which is where neglect occurs. Muskegon takes a similar approach, deferring its fee until a building has been vacant one year.

Existing vacancies. The DDA version requires owners of buildings already vacant to register within 60 days of adoption. The HDC version was silent on existing vacancies. This provision brings the downtown's long-term vacant buildings, the properties of greatest concern, into the program immediately rather than a year after adoption.

Securing the building. The DDA version provides 14 days after notice to repair broken windows before the City may perform the work at the owner's expense. This may be too short

when considering the City's code enforcement process that requires two notices before enforcement action begins.

Historic protections. The DDA version does not include the HDC's demolition review or the Secretary of the Interior's Standards requirement. Properties within a locally designated historic district already require HDC approval for demolition and exterior work. Applying the Secretary of the Interior's Standards to every registration plan would add cost and review time for owners and staff without a corresponding safety benefit. Therefore, since the DDA version is silent on historic protections, they acknowledge that the protections do exist and that it is responsibility of the HDC to uphold them.

Fees. The DDA version defers fee amounts to Council resolution – which is TBD depending if a vacant building registration ordinance is adopted. Fees should be set to recover the cost of inspections without becoming punitive.

APPLICABLE CODE STANDARD FOR EXISTING BUILDINGS

Both versions require inspection under the International Property Maintenance Code (IPMC) and certification before re-occupancy. These requirements do not mean that a vacant building must be brought up to current new construction code. Most downtown commercial buildings predate modern building codes, and rebuilding them to new construction standards is not physically or financially feasible and would not be enforceable.

The IPMC is a maintenance code for existing structures. It sets minimum standards for safe, sanitary, and weathertight conditions, not methods of construction. Where repairs or rehabilitation are required, the work is governed by the Michigan Rehabilitation Code for Existing Buildings, which allows existing buildings to remain in their existing form when they meet safety requirements and includes specific provisions for historic buildings. A building is evaluated against the standards appropriate to its historic construction, not against the code for a new building.

Re-occupancy inspection is about safety: sound electrical, plumbing, and mechanical systems; fire protection and safe exits; structural soundness; and a building secured against weather and unauthorized entry. Per Building Department practice, current codes apply only when (a) more than 50% of the building is being remodeled or (b) there is a major health and safety concern; otherwise, re-occupancy follows the health and safety standards of City Code Chapters 8 and 13.

RECOMMENDED ACTION

Staff recommends Council direct the City Manager and City Attorney to prepare a vacant building ordinance consistent with DDA Resolution No. 03-2026 and consistent current code enforcement processes and schedules for Council consideration. Staff further recommends Council authorize the City Manager to provide the written responses requested by the DDA and the HDC.

MASTER PLAN GOALS: 1.12, 2.3

RESOLUTION NO.

**RESOLUTION DIRECTING THE PREPARATION OF A VACANT BUILDING
ORDINANCE CONSISTENT WITH DDA RESOLUTION NO. 03-2026**

WHEREAS, the City of Owosso, Shiawassee County, Michigan, has received resolutions from the Historic District Commission (May 2026) and the Downtown Development Authority (Resolution No. 03-2026, October 2026) urging adoption of a vacant commercial building ordinance, each requesting a written response from City Council; and

WHEREAS, both proposals seek to hold owners accountable for vacant buildings allowed to deteriorate, and the DDA version does so while avoiding burdens on owners actively marketing, leasing, or rehabilitating their properties; and

WHEREAS, the DDA version limits the program to the DDA district, applies a one-year registration trigger aimed at chronic vacancy, and requires existing vacant buildings to register within 60 days of adoption; and

WHEREAS, properties within a locally designated historic district remain subject to Historic District Commission approval for demolition and exterior work; and

WHEREAS, per Building Department practice, current codes would apply to re-occupancy only when more than 50% of a building is being remodeled or a major health and safety concern exists.

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

- FIRST: The City Manager and City Attorney are directed to prepare a vacant building ordinance consistent with DDA Resolution No. 03-2026 and with the City's current code enforcement processes and schedules, for Council consideration.
- SECOND: Fees under any such ordinance shall be set by separate resolution of the City Council.
- THIRD: The City Manager is authorized to provide the written responses requested by the Downtown Development Authority and the Historic District Commission.

Michigan Municipalities with Vacant Building / Vacant Property Registration Ordinances

Community	Vacancy Trigger (Days Vacant)	Property Types Covered	Registration Fee	Inspection Requirements	Late Fee / Penalties	Notable Provisions
Adrian	60 days (existing vacancies: 30 days to register)	Residential, Commercial (60%+ of ground floor unoccupied = vacant)	Fee set by City Commission resolution; late fee also set by resolution; collectible as special assessment if unpaid	Inspection required before reoccupancy per 2012 IPMC and Michigan Building Code; certificate of occupancy required	Civil infraction for failure to register; late fee by resolution; unpaid amounts collected as special assessment	Ordinance originally adopted 2013, amended 2015 and again in 2025 (Ord. 25-005). Requires 24-hr notice inspection consent; signed plan of action for reoccupancy; violations transfer to new owner on sale
Bay City	90 days	Residential, Commercial, Industrial	\$0 initial; quarterly fees while vacant (amount set by resolution)	Exterior inspection per 2012 IPMC required upon registration	Civil infraction; costs collectible as special assessment	Quarterly ongoing fees as long as property remains vacant; re-occupancy certificate required
Detroit	30 days	Residential, Commercial	Annual inspection fee: Single-family \$223; Two-family \$278; Multi-family \$501; Commercial flat fee \$197	Annual exterior inspection required; Certificate of Compliance issued annually	Civil infractions; blight violations; liens against property	Certificate of Compliance required annually; emergency order compliance within 72 hrs; city may secure at owner's expense
East Lansing	Not specified (all vacant/abandoned properties)	Residential, Commercial	\$150/year (includes required exterior inspection)	Exterior inspection required upon registration; \$60 re-inspection fee	Civil infraction; boarding prohibited except temporary emergency	Vacant Property Coordinator tracks properties; boarded doors/windows prohibited; re-occupancy requires compliance
Ferndale	Not specified	Residential, Commercial	\$600 per 6-month registration period	In-person inspection by community development and fire staff before registration issued; monthly exterior checks	Civil infraction; fines	One of Michigan's most recently adopted programs; fee designed to recover program costs and deter absentee owners
Grosse Pointe Park	30 days	Residential, Commercial	Not specified in public sources (set by resolution)	Required per ordinance	Civil infraction	Registration renewed every 6 months; applies to all property types including homes for sale
Kalamazoo	30 days (if vacant and blighted with 2+ criteria)	Residential, Commercial, Industrial	Monthly or biannual administrative fee set by City Commission resolution (amount varies by monitoring tier)	City may access interior for inspection; tiered monitoring (Tier 1: monthly; Tier 2: every 6 months)	Minimum \$200 fine (civil infraction); doubles for repeat violations within 6 months; misdemeanor for allowing occupancy with uncorrected violations	Applies only to 'vacant blighted' structures (not all vacant); two-tier monitoring system; city may assess unpaid fees against property on tax roll
Muskegon	90 days (fee triggered at 1 year)	Residential, Commercial, Industrial	No fee if vacant <1 year; Residential: \$100/yr; Commercial/Industrial: \$500/yr (2024 fee schedule). Escalating: 2 yrs \$1,000; 3-5 yrs \$2,000	Required upon registration; duty to amend within 30 days of any status change	\$100–\$500 fine per violation; 2-year fee waiver available for qualifying properties	Escalating annual fees based on duration of vacancy; vacation/seasonal homes exempt from fees; appeal committee may grant 2-year fee waiver
Plymouth Township	60 days	Residential, Commercial, Industrial	Set by resolution (amount not specified in public sources)	Initial inspection required; monitoring of fire safety hazards	Civil infraction; \$100 fine for failure to maintain current registration info (each day a separate offense); misdemeanor for second offense	Requires 24/7 emergency contact; assesses costs to determine ownership if owner fails to register
Pontiac	Not specified (registration required upon vacancy)	Residential, Commercial, Industrial	Set by resolution; government and registered nonprofits exempt from fees (registration still required)	Initial inspection within 30 days; ongoing semi-annual inspections	Civil infraction; costs collectible as special assessment	Re-occupancy certificate required before any reoccupancy; all outstanding taxes/water bills/liens must be paid before certificate issued; seasonal business exemption available
Rochester	Not specified	Residential, Commercial	Not confirmed in public sources	Required per ordinance	Civil infraction	Confirmed via Municode; detailed provisions not fully available in public sources
Roseville	45 days	Residential, Commercial	Set by City Council resolution (registration, inspection, re-inspection fees all separately established)	Inspection required upon registration; re-inspection fee applies	Civil infraction; fees collectible as liens	Registration valid for 365 days and must be renewed until property is occupied and certificate of compliance issued
Saginaw	Not specified	Residential, Commercial	Annual fee; renewal fees due each year by 4th Friday in February; 100% penalty for late payment	Inspection appointment required; registration includes inspection	100% penalty on renewal fees paid late	Dangerous Building Program runs parallel: catalogs abandoned/fire-damaged properties for rehabilitation or demolition

Southfield	Not specified (registration required upon vacancy)	Residential, Commercial, Industrial	Set by resolution; \$1,000 late fee per 30-day period of late registration	Initial inspection upon registration; semi-annual inspections while vacant; owner must conduct weekly inspections (or hire local property manager if owner is remote)	\$1,000 late registration fee per 30-day period; civil infractions	Most comprehensive Michigan program found; requires weekly owner self-inspection or property manager; 90-day permit requirement after fire damage; certificate of occupancy required before reoccupancy
West Bloomfield Township	30 days	Residential, Commercial	Annual registration fee (amount set by fee schedule; 1-year validity)	Required per ordinance; initial and periodic inspections	Civil infraction; past-due fees payable online	Township accepts online payment for past-due rental and vacant property fees; re-occupancy requires compliance certification
Ypsilanti (City)	Not specified (triggered by qualifying events)	Residential, Commercial	\$300/month escrow deposit required (waivable under certain conditions)	Required per ordinance; city may draw on escrow for inspection and emergency securing costs	Escrow funds not refunded upon sale or transfer unless property is reoccupied; civil infraction	Unique escrow mechanism: monthly \$300 deposit held by city; city deducts inspection and securing costs from escrow; funds follow the property not the owner
Ypsilanti Township	30 days	Residential, Commercial (including homes for sale)	Fee set by resolution (includes inspection fee)	Initial inspection required; \$30 re-inspection fee per return visit	Fines; administrative search warrant; potential legal action for non-compliance	Includes homes listed for sale; certain repairs require separate building permits; 2014-11 sets residential vacant property fees



CITY OF OWOSSO
CITY MANAGER'S REPORT
October 2026

Special Report: Vacant Building Ordinance Proposals

Special Report: Vacant Building Ordinance Proposals

This month's report focuses on two resolutions Council has received urging adoption of a vacant commercial building ordinance. Both resolutions request a written response from Council. The full analysis is in the October 26 memo to Council; a summary follows.

Background

In May 2026, the Historic District Commission (HDC) recommended a Vacant Commercial Building Registration Ordinance applying to commercial properties citywide, with emphasis on the historic districts. In October 2026, the Downtown Development Authority (DDA) adopted Resolution No. 03-2026, recommending a Vacant Building Inspection Program limited to commercial properties within the DDA district boundary.

The DDA version was developed from the HDC version and retains most of its framework:

- A purpose statement and observable de facto vacancy indicators.
- A registration form identifying a local emergency agent and granting consent to inspection.
- An initial City inspection within 30 days.
- Window repair within 14 days and decorative covering of vacant storefronts.
- Owner-of-record responsibility, with no extension for purchasers.
- Collection of unpaid fees and costs as special assessments.

Comparison of Proposals

Provision	HDC (May 2026)	DDA Res. No. 03-2026 (Oct. 2026)
Title	Vacant Commercial Building Registration Ordinance	Vacant Building Inspection Program
Geographic scope	All commercial properties citywide; emphasis on historic districts	Commercial properties within the DDA district boundary only
Registration trigger	60 days after vacancy	1 year after vacancy
Existing vacant buildings	Not addressed	Register within 60 days of adoption
Plan of action	"Detailed plan of action" for return to occupied use	Owner's intended timeline and approach for return to productive use
Initial inspection remedies	Repair orders; condemnation and demolition where repair cost exceeds value	Repair orders; "appropriate enforcement remedies including condemnation"
Maintenance standard	Full IPMC compliance; weeds not to exceed 8 inches	IPMC compliance
Securing the building	Owner must comply with City order within 72 hours; City may secure at owner's expense	Broken windows repaired within 14 days of notice; City may perform work at owner's expense
Boarding	Permitted only as temporary emergency measure with City approval	Not addressed
Storefront covering	Decorative treatment mimicking an active storefront (downtown or historic district)	Decorative treatment maintaining a presentable downtown appearance
Fire/storm damage	Permit within 90 days or building deemed vacant	Not included; damaged, unoccupied buildings fall under the general vacancy definition
Re-occupancy standard	IPMC, Michigan Building Code, and construction codes; certificate of occupancy	City Code Ch. 8 (Building) and Ch. 13 (Fire Prevention), and construction codes; certificate of occupancy

Provision	HDC (May 2026)	DDA Res. No. 03-2026 (Oct. 2026)
Historic protections	HDC approval before demolition of historically significant vacant buildings; rehabilitation plans to meet Secretary of the Interior's Standards	None, but existing HDC rules still apply to buildings within a historic district
Consultation requested	HDC	DDA Director and Board

How Other Michigan Communities Compare

Staff reviewed 17 Michigan communities with vacant building or vacant property registration ordinances. Among those that specify a trigger, registration is required 30 to 90 days after vacancy. Most set fees by resolution and collect unpaid costs as special assessments or liens. Examples:

- **Detroit:** 30-day trigger; annual inspection and Certificate of Compliance; \$197 flat fee for commercial properties.
- **East Lansing:** \$150 per year, including a required exterior inspection; boarding prohibited except as a temporary emergency measure.
- **Ferndale:** \$600 per six-month registration period, designed to recover program costs and deter absentee owners.
- **Muskegon:** No fee for buildings vacant less than one year; \$500 per year for commercial, escalating to \$1,000 at two years and \$2,000 at three to five years.
- **Southfield:** \$1,000 late fee per 30-day period of late registration; weekly owner self-inspections; permit required within 90 days after fire damage.
- **Ypsilanti (City):** \$300 monthly escrow deposit, drawn on by the City for inspection and emergency securing costs.

Staff Analysis

Both versions share the same objective: holding negligent owners accountable for vacant buildings that are allowed to deteriorate. The DDA version accomplishes that objective while avoiding burdens on owners who are actively marketing, leasing, or rehabilitating their properties.

- **Scope:** Limiting the program to the DDA district focuses it where vacancy most affects neighboring businesses and private investment. A defined area is also more manageable for code enforcement and could be expanded later by amendment.
- **Registration trigger:** The one-year trigger is longer than the 30 to 90 days used elsewhere, but normal commercial turnover routinely takes several months. A short trigger would subject responsible owners to fees and inspections during ordinary transitions; one year targets chronic vacancy, where neglect occurs. Muskegon takes a similar approach.
- **Existing vacancies:** The DDA version requires owners of buildings already vacant to register within 60 days of adoption, bringing the downtown's long-term vacant buildings into the program immediately.
- **Securing the building:** The 14-day window to repair broken windows may be too short given the City's code enforcement process, which requires two notices before ticketed enforcement begins.
- **Historic protections:** Properties within a locally designated historic district already require HDC approval for demolition and exterior work.

- **Fees:** The DDA version defers fee amounts to Council resolution. Fees should recover the cost of inspections without becoming punitive.

Applicable Code Standard for Existing Buildings

Both versions require inspection under the International Property Maintenance Code (IPMC) and certification before re-occupancy. This does not mean a vacant building must be brought up to current new construction code. The IPMC is a maintenance code that sets minimum standards for safe, sanitary, and weathertight conditions. Repairs and rehabilitation are governed by the Michigan Rehabilitation Code for Existing Buildings, which allows existing buildings to remain in their existing form when they meet safety requirements and includes provisions for historic buildings.

Per Building Department practice, current codes apply only when more than 50% of a building is being remodeled or there is a major health and safety concern. Otherwise, re-occupancy follows the health and safety standards of City Code Chapters 8 and 13.

Public Works & Utilities

Lead Service Line Replacement Funding

The City has been approved for \$1.8 million in FY2027 State Revolving Fund (SRF) financing with 100% principal forgiveness for lead service line replacement, in addition to the current plan. Director Suchanek signed the project milestones on October 20. The FY2027 final Intended Use Plan did not fund water main projects with grants or loans, which affects the water rate assumptions. Staff is reviewing SRF programs and preparing FY2028 submissions.

PASER Road Ratings

DPW will issue a request for proposals for an engineering firm to complete PASER road ratings, with a response window of three to four weeks so smaller firms are not missed. Water and sewer main replacements will be timed with road work to stretch dollars and avoid paving over failing infrastructure.

Michigan Avenue Railroad Crossing Closure

Council approved the traffic control order for the closure on October 19. DPW will schedule the work around leaf pickup. No public notification is required, and the affected business owner has been consulted and is satisfied with the plan.

Water and Sewer Connection Fees

Following Judge Stewart's ruling against the City's connection (tap) fees, the City currently has no water and sewer connection fees in place and must adopt new ones. New fees are before Council this evening.

Representation in the case has changed from the MMRMA attorneys back to the City Attorney, and staff is working through potential issues from that transition. The City is also concerned that it may not have been represented well at the hearing where the judge ruled against it, and City Attorney Scott Gould is looking into the matter. The plaintiff's filing seeks mostly attorney fees, plus a refund of about \$7,700 to the builder who brought suit. The City considers the attorney fee request amount excessive and unacceptable and continues to work on it.

Water Shutoffs

Some officials have told the public that water shutoffs ended with Council's August vote. That vote only allows delinquent accounts to be collected twice a year; ending shutoffs would still require an ordinance change. Staff has identified several concerns:

- Without shutoff notices, residents cannot obtain DHHS assistance.
- Sending notices that will never be enforced is questionable.
- Nonpayment is expected to increase, with affected tax bills potentially rising about \$1,500 per half.
- Landlords would be hit hardest.

Shutoffs currently run about 100 per billing cycle, down from more than 400 after the moratorium. Staff is researching peer cities, including Taylor and Brighton, and will meet with the City Attorney before bringing a recommendation to Council.

Single-Hauler Trash and Recycling

Staff is drafting the single-hauler trash and recycling bid for release, and the award will fall to the new Council. The remaining steps are the bid award, the contract award, and implementation. Carts could go out July 1 at the earliest.

- About 5,500 properties (single-family through quadplex) are eligible; the bid will specify 6,000 carts.
- Staff anticipates billing by assessment rather than the utility bill; Council will decide how the service is funded.
- The target is a contract of at least three years. The ordinance has no opt-out.
- Bulk item pickup shall be weekly and part of the contract cost. Resident will probably have to give notice to hauler when they have a bulk item for pickup.
- Resident notifications, tonnage reporting to the city, availability of a self service portal, and service verification tech will be added as alternate service for bidding purposes.
- Curb-to-door service will be available for those who are not able to get their carts to and from the curb.
- The long-term goal is to fold the DDA's downtown refuse contract and the DPW and park dumpsters into the single-hauler contract. Staff is reviewing the current contract's end date and exit terms.

Questions on Ordinance 854

Were alternatives considered? Yes. Bidding for recycling only did not meet Council's requirements. The Master Plan calls for citywide trash and recycling managed by the City to save residents money while adding recycling, reduce the number of garbage trucks on City streets, and comply with amended Part 115, which requires that 90% of single-family homes be served by curbside recycling.

Was a cost comparison done? Yes. It was included in the City Manager's Report in the August 3 Council packet, is available on the City's website, and was published in the Argus-Press.

Will residents be able to comment? A public hearing on the ordinance was held October 5. Council must still award the bid and approve the negotiated contract, and the public may comment at those meetings as always.

Can existing haulers continue serving customers? Yes. Property owners remain responsible for trash service until the single hauler begins. Once a hauler is under contract and Council decides how the service is funded, a public notice and implementation period of several months will follow. Prepaid service is a matter between the property owner and their hauler.

Community Development

Building Permits — Commercial Activity

- 115 N Washington St — Interior office renovations.
- 202 S Water St — Public Safety Building renovations.
- 207 N Washington St — Renovations including two apartments on the second floor.

Rezoning, Site Plans & Land Divisions

No rezoning requests, site plans, or land divisions/combinations were submitted during this reporting period.

Marihuana Licenses

The following marihuana licenses are active within the City of Owosso:

Type	Address	Status
Grow	1370 E South St	Medical/Recreational — Renewed Sept. 2026
Grow	1455 Industrial	Recreational — Pending Renewal Oct. 2026
Grow	1750 E South St	Recreational — Renewed March 2026
Grow	1410 Hathaway	Recreational — Issued August 2026
Processing	1750 E South St Ste. 1	Recreational — Renewed Jan. 2026
Retail	117 E Main St	Medical & Recreational — Renewed Oct. 2026
Retail	200 E Main	Recreational — Renewed May 2026
Retail	116 N Washington	Recreational — Renewed Jan. 2026

MSHDA / Housing Grants

We continue to actively leverage state and federal housing grant funding. Program figures are unchanged from September. Round 1 grant projects (10 projects plus 8 lead clearances) must be complete and paid by November 30; staff is also requesting a two-week extension from the state.

Program	Year	Grant Amt.	Admin. Reimb.	Scope / Status
NEP Round 8	2023	\$70,000	\$5,000	5 homes — Completed
NEP Round 9	2024	\$70,000	\$2,500	3 homes — Completed
NEP Round 9 Public Amenity	2024	\$15,000	\$0	Grand Ave Park Equipment — Completed
MI-HOPE	2024–25	\$250,000	\$15,000	11 homes, energy efficient — Completed
MI-HOPE HiPerformer	2024–25	\$100,000	\$0	5 homes, energy efficient — Completed
MIN 1.0 & 2.0 (CDBG)	2025–26	\$860,831	\$64,469	30 homes — Complete by Nov. 2026
CDBG Round 2	2026–27	\$400,000	\$72,000	15 homes — Complete in 2027 (Sept.: increased from 10)
CDBG Round 3 — Residential	2027–28	\$760,000	\$115,930	19 homes — Complete 2027/2028
CDBG Round 3 — Citizens Loft	2026–27	\$500,000	\$76,270	5 rental units downtown — Complete in 2027
CDBG Round 4	2028–29	\$1,262,500	\$212,500	32 homes
TOTALS		\$4,288,331	\$564,669	125 homes — Grand Total: \$4,853,000

117 W Exchange — Wall Repair Invoice

The Shiawassee County Land Bank has invoiced the City for wall work the City required at 113 W Exchange after the demolition of 117 W Exchange. The Land Bank reports the work was completed at the end of September and invoiced October 2, after the state grant had closed, so remaining grant funds could not be used. Overages on the project are the City's responsibility, but because Council already approved the special assessment, the added cost cannot be assessed to the property owner unless another special assessment is levied. The City has asked the Land Bank for a letter explaining the delay to include in the Council packet when the invoice is presented. SEDP reports the remaining grant funds on 117 Exchange were repurposed to the 800 W Main St project. This is not what the city wanted.

Building Code Effectiveness Grading Survey

Verisk/ISO will conduct a Building Code Effectiveness Grading Schedule (BCEGS) survey update for Owosso on behalf of insurers. The survey evaluates building code effectiveness, with an emphasis on natural hazard mitigation, and is used in setting property and casualty insurance rates. There is no cost to the City. The field representative will coordinate with Building Official Nate Charles, and Community Development will assist with permit reports.

Code Enforcement

- **1413 Young St:** The red-tagged camper was towed to 425 Corrunna. Community Development has sent letters to the owner, the land contract holder, and the occupant. The property goes to tax foreclosure next year.
- **Mowinski Building:** Final figures are in on the damage claim. Repairs of the contractor's damage grew from about \$75,000 to about \$400,000, and the tenant's opening has been delayed. Land Bank is handling this.
- **Staffing:** Code enforcement will remain at one part-time position.

Public Safety

Public Safety Building Renovation

The USDA-funded renovation of the Public Safety Building at 202 S Water St is under way. Nielsen Construction is the contractor, Spicer Group is the engineer, and Veridus Advisors is the owner's representative.

USDA Grant Closing

On October 27, USDA Rural Development confirmed that all items on its closing checklist have been provided, following submission of the Notice of Federal Interest and building permits. USDA advances funds for the construction contract only; other project invoices are paid by the City, and any funds left after construction will be reimbursed. Each pay application will be certified by Spicer and recommended by Veridus before the City requests reimbursement from USDA. USDA also requires minutes approving each pay request or a resolution designating signing authority, and staff will bring that resolution to Council.

Schedule

Nielsen held an on-site kickoff with subcontractors on October 16. The contract runs October 26, 2026, through April 30, 2027, with liquidated damages of \$50 per day after that.

- **Phase 1 — Driveway/apron:** Excavation began the week of October 26, and the concrete will be placed in one full pour. Because of the cold, the concrete needs at least seven days before vehicles

drive on it, and the City should be able to use it in late November. The City will not salt the new concrete for at least a month and will avoid calcium chloride deicers.

- **Phase 2 — Interior renovations:** Winter, pending subcontractor materials and manpower. Building work is not expected to start in November.
- **Phase 3 — Rooftop work:** Early spring.

A full project schedule is pending subcontractor submittals and lead times. Nielsen and its plumbing subcontractor are also working out how the new sanitary line will tie into the existing line, which must stay in service, following a late plumbing design change.

Operations During Construction

Police and Fire operate 24/7 and the building stays occupied. Nielsen typically works 7:00 a.m. to 3:30 p.m., Monday through Friday. All workers must complete the security awareness and CJIS forms and fingerprint-based background checks before working in police spaces. Fire staff will vacate the kitchen and day room during that work, and the PD break room will be available.

Budget

- **Construction contract:** \$984,420, including a \$50,000 contingency.
- **Engineering (Spicer):** \$146,500 not to exceed (\$127,500 base plus \$19,000 additional services); \$132,697 spent through September 26.
- **Owner's representative:** \$75,000 plus \$8,000 reimbursables, paid outside the grant; about \$17,300 spent through September.
- **Total project cost:** About \$1.133 million, roughly \$133,000 over the \$1 million USDA grant. The General Fund will cover the difference.
- **Other costs:** Plan review fees were waived. Construction testing, bonds, and contractor insurance are included in the contract. Staff is confirming with the City's insurer whether builder's risk coverage is needed.

Scope and Change Orders

Staff declined a request to add dispatch-area flooring because the project is already over budget, and the police and fire locker room alternates (about \$87,000 and \$80,000) remain excluded. All change orders will go to Council, which meets the first and third Mondays, with packet materials due one week ahead. No change order work proceeds without a signed change order, and USDA review may add two weeks to a month.

Savings Opportunities

- **Energy rebates:** Spicer will pursue Consumers Energy rebates for rooftop units, controls, and LED lighting on this project and City Hall, possibly up to about \$10,000.
- **Generator program:** Under the Voltus program, utilities can remotely run private generators to supply the grid, potentially paying about \$20,000 per year and covering maintenance. The minimum size is about 145 kVA. Staff will evaluate whether City generators, including the larger unit at the wastewater plant, qualify.

Progress meetings are held by Teams on the second Tuesday of each month (next: November 10 at 11:00 a.m.) and on site on the fourth Tuesday, starting November 24. On-site meetings also serve as the USDA monthly inspection.

Police Department

- Staffing is short. One new officer is in training, one officer has resigned, and the next academy begins the first week of January.
- FOIA requests have been received regarding the farmers market incident, and body camera footage will be released.
- A new high school intern will handle body camera work.
- An officer will work election night starting at 9:00 p.m.
- The SRI open house is November 19 at 5:00 p.m.

Finance

Finance Director Transition

Nicole Hart joined the City as Finance Director on October 13 and is taking over the former Finance Director's duties. Her BS&A Cloud experience will help with the planned summer conversion. The annual audit began the week of October 19 and is expected to be largely remote. The City Manager will continue preparing the cash balance and budget reports until Ms. Hart takes them over.

Employee Health Plan

Blue Cross offered a one-time \$30,000 credit with no rate change as part of their renewal proposal which included rate increases of up to 40% for some plans, which was viewed as insufficient. Priority Health is substantially cheaper. The employee task force narrowed the choices to four options, and employees are confirming whether their providers are in network. Employees must agree on any change, and the vote by the task force will happen after employees confirm that their current doctor is covered under Priority.

Administration

Staffing

- DPW laborer Tyler Wilson started October 19, and the shared wastewater/DPW laborer started October 26.
- Jason Beardslee's last day was October 23. The job description is being reviewed before the position is posted.

Capital Improvement Plan — PlanIt

Data migration to PlanIt is complete. Staff training is planned for early December, likely virtual, with two sessions if needed. Council's strategic session is targeted for mid-February, and the CIP will go to the Planning Commission by its March meeting.

November Election and Council Transition

The City Clerk is preparing for the November 3 election and recruiting election workers. Early voting will be set up in Council Chambers, so staff will break down the precinct setup for the November 2 Council meeting and restore it afterward. Four Council seats, a majority, are on the ballot. Staff is preparing orientation materials for new members, including a history of the City's SRF projects since 2008, and expects road funding to be a top issue for the new Council.

City Manager Out of Office

The City Manager will be out of the office November 7–14.



MEMORANDUM

301 W. MAIN ▪ OWOSSO, MICHIGAN 48867

DATE: November 2, 2026
TO: Mayor Teich and the Owosso City Council
FROM: Tanya Buckelew, Community Development Director
SUBJECT: Annual Liquor License Inspections

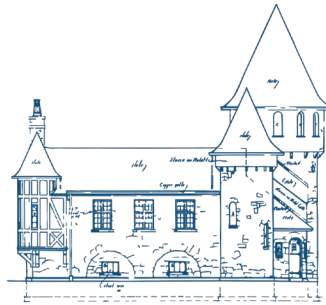
The Liquor Licenses and Permits - Rules and Regulations approved by the City Council in 1998 provides, in part, as follows: RENEWAL OF LICENSE AND PERMITS. The City Manager shall implement the provisions of this paragraph in such a manner as to provide for investigating each licensed establishment once every three years. A written report of the results of the investigation shall be forwarded to the City Council. Following its review of the report, the City Council shall determine whether there is sufficient cause to request that the Liquor Control Commission not renew the license. If so, the City Council shall schedule and conduct a public hearing pursuant to paragraph 7. When the inspection process was initiated, it was anticipated that approximately one-third of the licensed establishments would be inspected each year.

The Community Officer and Building Official recently inspected the following licensed establishments:

Type of License	License #	Name of Establishment	Owner	Address of Establishment
SDM/SDD	187691/237761	Shell Food Mart	Wakeland Oil Co.	109 Corunna Ave.
SDD/SDM	260780/260781	Westown Shell Food Mart	Wakeland Oil Co.	1119 W. Main St.
SDD/SDM	432479/432480	Freddie's Party Store	LTZ, LLC	116 S. Washington St.
CLS C	40670	Fortune House Restaurant	Hang, Kapao & Kaying	212 W. Main St.
B-HOTEL	243936	Comstock Inn & Conference Center/Tanglewood	Owosso Hotel Real Estate, LLC	300 E. Main St.
CLS C/SDM	477285/477286	Wrought Iron Grill	A&A Hospitality LLC	317 S. Elm St.
CLUB/SDD	20994/6305	Owosso Memorial Post 9455	Veterans of Foreign War	519 S. Chipman St.
SDD/SDM	216367/216368	Kings Corner Market	Kirshan , LLC	701 N. Washington St.
CLS C	7303	Chip's Place	M & D Enterprise, LLC	715 S. Chipman St.
SDM	497382		AAS Nain Dil, Inc.	644 Alger Ave.
CLS C	459807	Back 2 The Tee	Back 2 the Tee LCC	201 S Washington St
CLS C	492550	It's A Deli Thing	Dawn McCoy	208 W Exchange St.

All listed establishments passed the basic requirements of the rules and regulations. Full text of the compiled report is available in the Building Department.

Therefore, the city council should find no reason to file any objections with the Michigan Liquor Control Commission with respect to license renewals.



OWOSSO HISTORICAL COMMISSION

Regular Meeting of the Owosso Historical Commission

Draft Minutes of October 20, 2026 – 5:00 P.M. at Owosso City Hall

PRESIDING OFFICER: Chairman Lance Little

MEMBERS PRESENT: Commissioners Bill Moull (left at 6:04), Lorraine Weckwert, Rachel Osmer, Steve Teich, and Vice Chair Debra Adams

MEMBERS ABSENT: Commissioner Rich Collins

CHAIRMAN LITTLE CALLED THE MEETING TO ORDER AT 5:00 P.M.

APPROVE AGENDA – October 20, 2026

Motion by Commissioner Teich to approve the agenda as presented, supported by Commissioner Moull.

Approved by voice vote

APPROVE MINUTES – September 14, 2026

Motion by Commissioner Osmer to approve the minutes as presented, supported by Commissioner Teich.

Approved by voice vote

FINANCIAL REPORTS:

Amy Fuller reviewed the Commission's revenue and expense report as well as conducting an end-of-year review for the previous fiscal year. Denice Grace reviewed Castle financials.

ITEMS OF BUSINESS

Home Tour Recap: The Commission reviewed the Home Tour and discussed best practices and changes for the next Home Tour. There was discussion on also holding a Historic Church Tour in 2027.

Holiday Party: The annual holiday party at the Castle will be held Thursday, December 17, beginning at 5 p.m. Debra Adams will be in charge of food for the event. Holiday decorating will take place on Thursday, November 19, from 10 a.m. to noon.

Question to accept donation: Denice Grace shared that an individual is willing to donate a desk, pistol, manuscripts, and books once belonging to James Oliver Curwood. Denice will follow up on a list and cost for shipping. Amy Fuller will follow up on the legality of the commission owning the pistol.

Radiator update: Amy Fuller shared updates on the radiator replacement project.

Location of next meeting: There was discussion of holding the next meeting at the future home of the Shiawassee District Library on W. Oliver Street. Motion by Commissioner Osmer to move the meeting to this location. The motion was supported by Commissioner Adams and passed by voice vote.

PUBLIC COMMENT PERIOD: None.

COMMISSIONER COMMENTS: Commissioners thanked the Curwood Festival for their \$1,000 donation.

NEXT MEETING: Monday, November 9, 2026, 6:00 p.m.

ADJOURNMENT

Chairman Little adjourned the meeting at 6:21 p.m.

Respectfully submitted by:

Amy Fuller, Assistant City Manager